



AWARDED  
ISO 9001

# TOP GLOVE CORPORATION BERHAD

Incorporated in Malaysia ( Company No. : 474423-X )  
A Public Company Listed on the Main Market of Bursa Malaysia

**TOP GLOVE, TOP QUALITY, TOP EFFICIENCY,  
GOOD HEALTH, SAFETY FIRST & BE HONEST**

**ANNUAL  
REPORT  
2013**  
FINANCIAL YEAR ENDED  
**31 AUGUST 2013**



**The World's Largest  
Rubber Glove Manufacturer**



The World's Largest Rubber Glove Manufacturer

# THE WORLD IS OUR MARKET



## NORTH AMERICA

1. Canada
2. Puerto Rico
3. USA

## LATIN AMERICA

4. Anguilla
5. Antigua and Barbuda
6. Argentina
7. Aruba
8. Bahamas
9. Barbados
10. Belize
11. Bolivia
12. Brazil
13. British Virgin Island
14. Cayman Island
15. Chile
16. Colombia

17. Costa Rica
18. Dominica
19. Dominican Republic
20. Ecuador
21. El Salvador
22. Grenada
23. Guadeloupe
24. Guatemala
25. Guyana
26. Haiti
27. Honduras
28. Jamaica
29. Martinique
30. Mexico
31. Montserrat
32. Netherland Antilles
33. Nicaragua
34. Panama
35. Paraguay
36. Peru
37. Saint Bathelemy
38. Saint Kit and Nevis

39. Saint Lucia
40. Saint Martin
41. Saint Vincent and Grenadines
42. Suriname
43. Trinidad & Tobago
44. Turks and Caicos
45. U.S. Virgin Islands
46. Uruguay
47. Venezuela

## EUROPE

48. Albania
49. Austria
50. Azerbaijan
51. Belarus
52. Belgium
53. Bosnia Herzegovina
54. Bulgaria
55. Croatia

56. Cyprus
57. Czech Republic
58. Denmark
59. Estonia
60. Finland
61. France
62. Georgia
63. Germany
64. Greece
65. Hungary
66. Iceland
67. Ireland
68. Italy
69. Kosovo
70. Latvia
71. Liechtenstein
72. Lithuania
73. Luxembourg
74. Macedonia, FYR
75. Malta
76. Moldova
77. Monaco
78. Montenegro
79. Netherlands
80. Norway

81. Poland
82. Portugal
83. Romania
84. Russia
85. Serbia
86. Slovakia
87. Slovenia
88. Spain
89. Sweden
90. Switzerland
91. Turkey
92. Ukraine
93. United Kingdom

# TOP GLOVE

EXPORTS TO MORE THAN 195 COUNTRIES WORLDWIDE



## AFRICA

- 94. Algeria
- 95. Angola
- 96. Benin
- 97. Botswana
- 98. Burkina Faso
- 99. Burundi
- 100. Cameroon
- 101. Cape Verde
- 102. Central African Republic
- 103. Chad
- 104. Comoros
- 105. Congo
- 106. Djibouti
- 107. Equatorial Guinea
- 108. Ethiopia
- 109. Eritrea
- 110. Gabon
- 111. Gambia
- 112. Ghana
- 113. Guinea
- 114. Guinea-Bissau

- 115. Ivory Coast
- 116. Kenya
- 117. Lesotho
- 118. Liberia
- 119. Libya
- 120. Madagascar
- 121. Malawi
- 122. Mali
- 123. Mauritania
- 124. Mauritius
- 125. Morocco
- 126. Mozambique
- 127. Namibia
- 128. Niger
- 129. Nigeria
- 130. Rwanda
- 131. Sao Tome and Principe
- 132. Senegal
- 133. Seychelles
- 134. Sierra Leone
- 135. Somalia
- 136. South Africa
- 137. Swaziland
- 138. Tanzania
- 139. Togo

- 140. Tunisia
- 141. Uganda
- 142. Zambia
- 143. Zimbabwe

## ASIA

- 144. Afghanistan
- 145. Armenia
- 146. Bangladesh
- 147. Bhutan
- 148. Brunei
- 149. Cambodia
- 150. China
- 151. East Timor
- 152. Hong Kong
- 153. India
- 154. Indonesia
- 155. Japan
- 156. Kazakhstan
- 157. Kyrgyzstan
- 158. South Korea
- 159. Laos
- 160. Macau
- 161. Malaysia

- 162. Maldives
- 163. Mongolia
- 164. Nepal
- 165. New Caledonia
- 166. Pakistan
- 167. Palestine
- 168. Philippines
- 169. Singapore
- 170. Sri Lanka
- 171. Taiwan
- 172. Tajikistan
- 173. Thailand
- 174. Turkmenistan
- 175. Uzbekistan
- 176. Vietnam

## MIDDLE EAST

- 177. Bahrain
- 178. Egypt
- 179. Iraq
- 180. Israel
- 181. Jordan
- 182. Kuwait

- 183. Lebanon
- 184. Oman
- 185. Qatar
- 186. Saudi Arabia
- 187. UAE
- 188. Yemen

## OCEANIA

- 189. Australia
- 190. Fiji
- 191. Guam
- 192. New Zealand
- 193. Papua New Guinea
- 194. Samoa
- 195. Solomon Islands





# CORPORATE VISION AND MISSION

## VISION

We strive to be the world's leading manufacturer with excellent quality glove products and services that enrich and protect human lives.

## MISSION

To be a world class glove manufacturer providing top quality products with excellent services through continuous improvement and innovation.

## CORPORATE VALUES

- Global customer satisfaction
- Do it right first time and every time
- Integrity and total commitment
- Excellence in quality and competitiveness
- Environmental friendly and social responsibilities

## BUSINESS ETHICS

- Honesty
- Integrity
- Transparency

## QUALITY POLICY

- Quality and productivity are our business
- Continuous improvement and innovation are our duties
- Towards zero defect is our target

## BUSINESS RULES

- Do not lose our shareholders' money;
- Do not lose our health;
- Do not lose our temper; and
- Do not lose our customers.



**Tan Sri Lim Wee Chai**

Chairman of Top Glove Corporation Berhad

## OUR BUSINESS OFFICES GLOBAL PRESENCE

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**MALAYSIA**



**THAILAND**



**CHINA**



**USA**



**GERMANY**



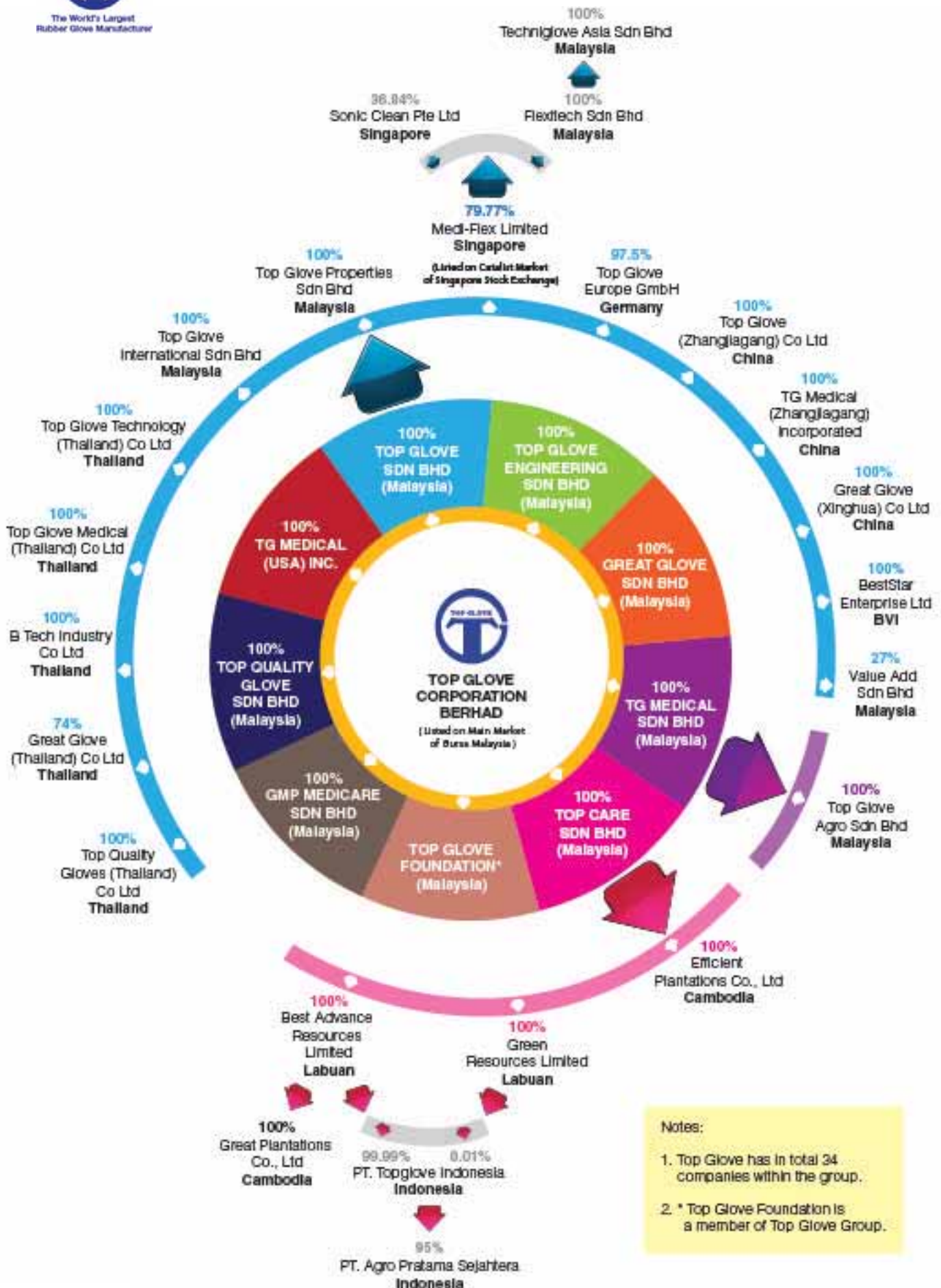
**SINGAPORE**



**INDONESIA**



# CORPORATE STRUCTURE



Notes:  
 1. Top Glove has in total 34 companies within the group.  
 2. \* Top Glove Foundation is a member of Top Glove Group.

# INTERNATIONAL QUALITY AWARDS AND CERTIFICATIONS



## NEW LEVELS OF EXCELLENCE

2013			2012		
 Winner for Manufacturing: Chemicals & Heavy Industries Ranked No. 17 in the overall Malaysia's 100 Leading Graduate Employers 2013  The Brand Laureate Manufacturer of The Year Award & The Brand Laureate President's Award   TOP GLOVE "FORMER CARRYING ASSEMBLY" PATENT, Number MY-147689-A   Best CFO for FI (Mid Cap)   ISO 14001:2004   The Largest Rubber Glove Manufacturer   Introduction of Environmentally-Friendly CPE/PE Glove and its Low Carbon Footprint Manufacturing Technology to Malaysia			 SAINS AWARDS 2012   AMBA AWARDS 2012   SCIENTIFIC AWARDS 2012   MIS ASIA 2012   FPLC   MIS ASIA 100		
2011		2010		2009	
2008		2007			
2006		2005		2004	
 Premier Free MALAYSIA		   		  Food Performance Excellence  DENIT & YOUNG 'MASTER ENTREPRENEUR OF THE YEAR' MALAYSIA 	
2003		2002			
 		 Management Service  ISO 9001 Malaysia  NPC 			
2001		1999		1998	
 Premier Free MALAYSIA		 CE Europe  SATRA 0321 U.K. 		 CE 0120 Europe   TSE Turkey 	
1997		1994		SINCE 1991	
 PRODUCT SERVICE  TGA Australia		 ISO 9002 Quality System		 FDA U.S.A.	



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Lim Wee Chai**  
Chairman

**Tan Sri Dato' Seri Utama Arshad Bin Ayub**  
Independent Non-Executive Director

**Tan Sri Mohd Sidek Bin Haji Hassan**  
Independent Non-Executive Director

**Tan Sri Dato' Dr. Lin See Yan**  
Independent Non-Executive Director

**Tan Sri Rainer Althoff**  
Independent Non-Executive Director

**Lee Kim Meow**  
Managing Director

**Puan Sri Tong Siew Bee**  
Executive Director

**Lim Hooi Sin**  
Executive Director

**Lim Cheong Guan**  
Executive Director

**Sekarajasekaran a/l Arasaratnam**  
Independent Non-Executive Director

**Lim Han Boon**  
Independent Non-Executive Director

## REGISTERED & CORPORATE OFFICE

A-11-01, Empire Subang Office,  
Jalan SS16/1, 47500 Subang Jaya,  
Selangor D.E., Malaysia.

Tel : +603-5022 2110

Fax : +603-5022 2113

E-mails : (i) sales@topglove.com.my  
(ii) invest@topglove.com.my  
(iii) tgfoundation@topglove.com.my  
(iv) media@topglove.com.my

Website : www.topglove.com.my

## CHARTERED SECRETARIES

Chua Siew Chuan  
(MAICSA No: 0777689)

Chin Mun Yee  
(MAICSA No: 7019243)

Ngian Yoke Fung  
(MAICSA No: 7049093)

## REGISTRAR

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights, 50490 Kuala Lumpur, Malaysia  
Tel : +603-2084 9000  
Fax : +603-2094 9940 / 2095 0292

## AUDITORS

Ernst & Young Chartered Accountants,  
Level 16-1, Jaya 99, Tower B,  
99 Jalan Tun Sri Lanang,  
75100 Melaka, Malaysia.

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Code : 7113  
Stock Name : TOPGLOV

ADR Programme (Depository Receipt Programme), USA  
ADR Symbol : TGLVY

## PRINCIPAL BANKERS

- China Construction Bank Corporation
- CIMB Bank Berhad
- Deutsche Bank (Malaysia) Berhad
- Hong Leong Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- Public Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- Siam Commercial Bank Public Company Limited





# BOARD OF DIRECTORS



Our Business Direction is:

**“ TO PRODUCE CONSISTENTLY  
HIGH QUALITY GLOVES  
AT EFFICIENT LOW COST ”**



6

5

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10

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- 1 Tan Sri Lim Wee Chai
- 2 Tan Sri Dato' Seri Utama Arshad Bin Ayub
- 3 Tan Sri Mohd Sidek Bin Haji Hassan
- 4 Tan Sri Dato' Dr. Lin See Yan
- 5 Sekarajasekaran a/l Arasaratnam
- 6 Lim Han Boon

- 7 Puan Sri Tong Siew Bee
- 8 Lee Kim Meow
- 9 Lim Cheong Guan
- 10 Tan Sri Rainer Althoff
- 11 Lim Hooi Sin





## DIRECTORS' PROFILE



### Tan Sri Lim Wee Chai Chairman

Aged 55, a Malaysian citizen, was appointed as the Chairman of Top Glove Corporation Bhd on 4 September 2000. He is also the founder of Top Glove Group of Companies which was established in 1991 and was listed on Bursa Malaysia Securities Berhad on 27 March 2001.

Tan Sri Lim graduated with a Bachelor of Science Degree with Honours in Physics in 1982 from University Malaya, and obtained his Master of Business Administration in 1985 from Sul Ross State University in Texas, United States.

Tan Sri Lim brings a wealth of experience in the marketing of consumers' products whilst he was the Sales Manager of a subsidiary company of OYL Industries Bhd. In 1991, Tan Sri Lim founded Top Glove Sdn Bhd, a rubber glove manufacturing and trading business which started with only three production lines. Under Tan Sri Lim's visionary stewardship, Top Glove has since grown to be the world's largest rubber glove manufacturer, capturing about 25% of the world market share. As at August 2013, the Company owns and operates 26 factories with a total of 465 production lines in Malaysia, Thailand and China. These factories have a production capacity of 43 billion pieces of gloves per annum, to meet the demand of over 1,800 customers in more than 195 countries.

Tan Sri Lim has been actively involved in many glove industry related associations and organisations in

Malaysia. He served as the President of the Malaysian Rubber Glove Manufacturers' Association (MARGMA) from 1997-1999. Prior to that, he served as the Vice-President, Honorary Secretary and Treasurer of MARGMA for the past seven years. In addition, he was also the Director of the Association of Malaysia Medical Industries (AMMI) and Board Member of the Malaysia Rubber Board in 1998 and 1999.

Currently, he is a Council Member of the Federation of Malaysian Manufacturers (FMM), appointed since year 2010. He is also a Council Member of The East Asia Business Council (EABC), appointed by the Minister of International Trade and Industry Malaysia since 2011. In recognition of his vast contribution to the nation's economic development, in 2007 he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title "Tan Sri" by the Yang di-Pertuan Agong (King) of Malaysia.

Tan Sri Lim has received many awards for his achievements, successes and contributions for the industry, the society and the country, like the prestigious accolade Master and Country Entrepreneur of Malaysia for the Year, by Ernst & Young in 2004; Entrepreneur of the Year at the Asia Pacific Entrepreneurship Awards 2008, The BrandLaureate Brand Icons Leadership Award 2011, The BrandLaureate Manufacturer of the Year Award 2012/13; and The BrandLaureate President's Award 2012/13.

Tan Sri Lim's business rules for the Company are:-

- i) Do not lose our shareholders' money;
- ii) Do not lose our health;
- iii) Do not lose our temper; and
- iv) Do not lose our customers.

Tan Sri Lim has strongly practiced the Top Glove business direction of "To Produce Consistently High Quality Gloves at Efficient Low Cost" and to remind all staff and workers to ensure continuous improvement in Quality, Efficiency and Integrity in line with Company's Quality Policy of continuous improvement and innovation are our duty and business ethics of honesty, integrity and transparency.

Tan Sri Lim Wee Chai is the spouse of Puan Sri Tong Siew Bee and the brother of Mr Lim Hooi Sin, both are the Directors and Substantial Shareholders of the Company. He is also a Chairman to the Board of Trustee for Top Glove Foundation.

He has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.

# DIRECTORS' PROFILE

(cont'd)



## Tan Sri Dato' Seri Utama Arshad Bin Ayub Independent Non-Executive Director

Aged 85, a Malaysian citizen, was appointed as an Independent Non-Executive Director of Top Glove Corporation Bhd on 4 September 2000.

He graduated with a Diploma in Agriculture from College of Agriculture, Serdang, Selangor in 1954 and later obtained a Bachelor of Science (Hons.) Economics and Statistics from University of Wales, Aberystwyth, United Kingdom in 1958. In 1964, he obtained a postgraduate Diploma in Business Administration from Management Development Institute (IMEDE), Lausanne, Switzerland. In 2013, he has been awarded Honorary Doctorate (DUniv) by the University of South Wales UK and was also been elected Honorary Fellow by the Academy of Physicians of Malaysia.

Tan Sri Arshad has had a distinguished career in the Malaysian Civil Service, have held various senior position in various Ministries in the Malaysian Government from 1958 till 1983, including serving as Deputy Governor of Bank Negara Malaysia (1975 to 1977), Deputy Director General in the Economics Planning Unit of the Prime Minister's Department (1977 to 1978) and as Secretary General in the Ministry of Primary Industries (1978), Ministry of Agriculture (1979 to 1981) and Ministry of Land and Regional Development (1981 to 1983). He was a Member of Justice Harun's Salaries Commission for statutory bodies.

Arshad sits on the Board of Directors of four public listed companies, as Chairman of Malayan Flour Mills Bhd, Tomyapak Holdings Berhad and Karex Berhad and as Director of Kulim (M) Berhad.

Arshad also sits on the Board of Directors of several private companies, he is a Chairman of PFM Capital Holdings Sdn Bhd and Zalaraz Sdn Bhd (a family company). He sits as Director of Bistari Johor Berhad, Land Rover (M) Sdn Bhd, Bata (M) Sdn Bhd, Ladang Moccis Sdn Bhd, Nakagawa Rubber Industries Sdn Bhd and Johmewah Maju Paper Mills Sdn Bhd.

Arshad currently serves as President of the Malaysian Rubber Products Manufacturers Association (MRPMA). He is a Chairman of Board of Directors of University Malaya and PINTAR Foundation, Pro Chancellor of UiTM, Chancellor of KPJ International University College of Nursing & Health Sciences, Governor of Tuanku Jaafar College and a member of Tun Razak Foundation, Pak Rashid Foundation, Lung Foundation of Malaysia, Lions Education Foundation and Malaysian Malay Businessmen and Industrialists Association (PERDASAMA).

Tan Sri Dato' Seri Utama Arshad Bin Ayub does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



## Tan Sri Mohd Sidek Bin Haji Hassan Independent Non-Executive Director

Aged 62, a Malaysian citizen, was appointed as an Independent Non-Executive Director of Top Glove Corporation Bhd on 14 March 2013.

Tan Sri Sidek holds a Bachelor of Economics (Honours) Degree in Public Administration from the University of Malaya and Masters of Business Administration (MBA) from New Hampshire College, United States of America.

He began his career in the Administrative and Diplomatic Service on 15 April 1974 as an Assistant Director at the International Trade Division of Ministry of Trade and Industry. He was later appointed as Assistant Trade Commissioner at the Malaysian Embassy in Tokyo, Japan, from May 1977 until July 1980. From August 1980 until 1985, he served in the Implementation Coordination Unit (ICU) of the Prime Minister's Department, initially as a Principal Assistant Director, then later promoted to Deputy Director, Project Analysis Sector and subsequently as the Deputy Director of Research in the same department.

He has expansive working experience within the Ministry of International Trade and Industry. During his service in the ministry, he was Malaysia's Trade Commissioner in Sydney, Australia, Deputy Director in the Policy and Research Division, Deputy Director (Operations) in the International Trade Division, Minister Counselor of Economic Affairs at the Embassy of Malaysia, Washington D.C., United States, and the Director of Multilateral Relations Division. He was appointed as Deputy Secretary-General (Trade) on 19 January 2001 and thereon as the Secretary-General of the Ministry of International Trade and Industry on 24 October 2004. He was appointed as the 12th Chief Secretary to the Government of Malaysia by the Yang Di-Pertuan Agong on 3 September 2006 and was in the office until 23 June 2012.

Presently, he is also the Chairman of Petroliaam Nasional Berhad and a Director of Malayan Flour Mills Berhad.

Tan Sri Mohd Sidek bin Haji Hassan does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



## DIRECTORS' PROFILE

(cont'd)



**Tan Sri Dato' Dr. Lin See Yan**  
Independent Non-Executive Director

Aged 74, a Malaysian citizen, was appointed as an Independent Non-Executive Director of Top Glove Corporation Bhd on 16 June 2010. Tan Sri Dato' Dr. Lin is an independent strategic and financial consultant and a British Chartered Scientist. He graduated from the University of Malaya in Singapore; subsequently received three postgraduate degrees from Harvard University, including a PhD in Economics; also professionally qualified in UK as a Chartered Statistician; and he is also Fellow of The Royal Statistical Society (London), IMF Institute (Washington DC), an US Eisenhower Fellow, Professor of the Economics (Adjunct) at Universiti Utara Malaysia, and Professor of the Business & International Finance (Adjunct) at Universiti Malaysia Sabah.

Tan Sri Dato' Dr. Lin has a long and distinguished history of service with the Government of Malaysia and the private sector in various posts. Prior to 1998, he was Chairman/President and CEO of Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia (Central Bank of Malaysia). Having been a central banker for 34 years, Tan Sri Dato' Dr. Lin continues to serve actively in a diversified range of public, charitable, educational, financial, industrial and commercial institutions both locally and abroad including Member of the Prime Minister's Economic Council Working Group, Member, Competition Appeal Tribunal; as well as Member of a number of key National Committees on Higher Education; and Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia.

In addition, he sits on the Boards of several public listed companies in Malaysia including Genting Berhad, Ancom Berhad, JobStreet Corporation Berhad, IGB REIT Management Sdn. Bhd and Wah Seong Corporation Berhad and also a number of private business enterprises in Malaysia, Singapore and Indonesia. Tan Sri Dato' Dr. Lin is a Governor for the Asian Institute of Management, Manila; Senior Advisor for the Association of Harvard University Alumni Clubs of Asia; and Member of the Asian Shadow Financial Regulatory Committee. In addition, he is a Trustee of the Tun Ismail Ali Foundation (PNB); Harvard Club of Malaysia Foundation, Malaysian Economic Association Foundation, Prime Minister's Exchange Fellowship Program Malaysia and Jeffrey Cheah Foundation.

Tan Sri Dato' Dr. Lin See Yan does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



**Tan Sri Rainer Althoff**  
Independent Non-Executive Director

Aged 67, a Malaysia Permanent Resident and was appointed to the Board of Directors as an Independent Non-Executive Director of Top Glove Corporation Bhd on 14 March 2013.

Tan Sri Rainer Althoff received his tertiary education at the Bergische University of Wuppertal in Germany and graduated with a Master degree (Diploma) in Electronics and Electrical Engineering in 1969.

Tan Sri Rainer Althoff's experience in the field of electrical engineering spans for more than 40 years. He has spent most of his working life with Siemens AG. Tan Sri Rainer was the President and CEO of Siemens Malaysia Sdn Bhd and also the spokesperson for Siemens for all Siemens operations and affiliate companies in Malaysia for almost 11 years.

In 1999, Tan Sri Rainer received the prestigious Federal Service Cross ("Bundesverdienstkreuz") from the President of the Federal Republic of Germany for his immense efforts and achievements to promote and support the German business abroad.

In June 2007, he was conferred with the 'Tan Sri' title by the King of Malaysia in appreciation to his successful development of Malaysian - German relations. He also received the 'Life Time Award' of Technology Business Review in the same year. He is now the President Elect of the Rotary Club DiRaja of Kuala Lumpur.

Tan Sri Rainer Althoff is currently the Chairman of Nokia Siemens Networks Sdn. Bhd. Malaysia, Managing Director of Jatro Pte. Ltd., Singapore, Trustee of Jeffrey Cheah Foundation Malaysia, Member of International Advisory Panel to the Board of Directors of CIMB Bank, and Managing Director of ALC Rail Engineering and ALC International.

Tan Sri Rainer does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company.

He does not have any directorship in other public company and has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.

# DIRECTORS' PROFILE

(cont'd)



**Lee Kim Meow**  
Managing Director

Aged 54, a Malaysian citizen, was appointed as an Executive Director on 15 October 2003 and subsequently, as the Managing Director on 7 April 2009. He joined Top Glove in 1997 as the General Manager in charge of the marketing and promotion of the Company's products to more than one hundred and ninety five (195) countries worldwide.

He holds a Bachelor of Commerce Degree from the University of New South Wales, Australia, majoring in Accounting, Finance and Information System, and a Bachelor of Law Degree from the University of London, U.K.

Mr. Lee has vast experience in financial services, trading and manufacturing business having worked more than 15 years in established financial institutions and with a well known conglomerate with diversified interest in the Asean region.

In the last 12 years, Mr. Lee has been actively contributing to the development of the rubber glove industry in Malaysia as well as the ASEAN region. He was a board member of the Malaysian Rubber Board (MRB) and the Tun Abdul Razak Research Centre (TARRC) from 2010 to 2011. He is also the immediate past President of the Malaysian Rubber Glove Manufacturers' Association (MARGMA) and currently, the Secretary General of the Asean Rubber Glove Manufacturers Association (ARGMA). Mr. Lee has also served as a Board member of the Malaysian Rubber Export Promotion Council (MREPC) since 2002. He is also a trustee of Top Glove Foundation.

He does not have any family relationship with any Director and / or Major Shareholder of the Company and has no conflict of interest with the Company. He also has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



**Puan Sri Tong Siew Bee**  
Executive Director

Aged 55, a Malaysian citizen, was appointed as an Executive Director of Top Glove Corporation Bhd on 4 September 2000. Prior to the listing of the Company, she was the Director and the Co-Founder of Top Glove Sdn Bhd.

She graduated with a Bachelor of Science Degree with Honours in Computer Science from University Sains Malaysia, Penang in 1983 and later obtained her Master of Business Administration from Sul Ross State University, Texas, USA in 1985.

She is responsible for the Information Technology Department, Human Resource Department and the General Administration for the Top Glove Group of Companies. Prior to this, she was working in the banking industry in the information technology field for more than ten (10) years. She was formerly attached to United Overseas Bank Berhad and Utama Bank Berhad.

Puan Sri Tong Siew Bee is the spouse of Tan Sri Lim Wee Chai and sister-in-law of Mr Lim Hooi Sin, both are the Directors and Substantial Shareholders of the Company.

She does not have any directorship in other public company and has no conflict of interest with the Company. She has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



## DIRECTORS' PROFILE

(cont'd)



**Lim Hooi Sin**  
Executive Director

Aged 51, a Malaysian citizen and was appointed as an Executive Director of Top Glove Corporation Bhd on 4 September 2000. He obtained his Bachelor of Science Degree in Management Science from Oklahoma State University, USA in 1985, Master of Business Administration Degree (Minor in Applied Statistic) from Arizona State University, USA in 1986 and Charter Financial Consultant Diploma from American College, PA, USA in 1990.

He has spent fourteen (14) years of his career with MetLife Financial Services, one of the largest insurance & financial services company in the US. Prior to this posting, he was a Management Trainee, Associate Branch Manager, Regional Marketing Specialist, Agency Director and Director of Asian Market. His experience includes product development, marketing, recruiting, training and supervision of a large highly productive sales force. He was a Director of AAAA (Arizona Asian American Association).

He is the founder of TG Medical USA, Inc. in 1994 with vast experiences in the United States glove market. He also sits on the Board of several private limited companies.

Lim Hooi Sin is the brother of Tan Sri Lim Wee Chai and brother-in-law of Puan Sri Tong Siew Bee, both are Directors and Substantial Shareholders of the Company.

He does not have any directorship in other public company, has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



**Lim Cheong Guan**  
Executive Director

Aged 48, a Malaysian citizen and was appointed as an Executive Director of Top Glove Corporation Bhd on 31 August 2006. He joined the Company as Group Financial Controller in 2005. He is responsible for the accounting, treasury, corporate finance and investor relations of Top Glove Group of Companies.

He graduated from University of Malaya with a Bachelor Degree in Accounting in 1990, and is a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He began his career with Price Waterhouse in 1990 and subsequently held various key positions in a number of public listed companies in Malaysia, which the business activities spanned over manufacturing, plantation, trading and property development.

Currently, Mr. Lim is also a Director of Malaysian Investor Relations Association Berhad (MIRA) and Advisor to the Management Committee of Top Glove Foundation.

Lim Cheong Guan does not have any family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.

# DIRECTORS' PROFILE

(cont'd)



**Sekarajasekaran a/l Arasaratnam**  
Independent Non-Executive Director

Aged 85, a Malaysian citizen, was appointed as an Independent Non-Executive Director of Top Glove Corporation Bhd on 4 September 2000. He was redesignated as Senior Independent Non-Executive Director on 21 February 2011. He obtained a Diploma in Civil Engineering in 1951 from Technical College, Kuala Lumpur. In 1960, he passed the Membership Examination of the Institution of Civil Engineers (ICE), United Kingdom. Subsequently, he graduated with a Diploma in Public Health Engineering from the Imperial College of Science & Technology, United Kingdom in 1968.

From 1951, he was with the Public Works Department as the Technical Assistant of Waterworks until 1959, thereafter as Assistant Resident Engineer, Executive Engineer and Waterworks Engineer from 1960 to 1966. He joined the Ministry of Health in 1968 as a Senior Public Health Engineer and was promoted to Chief Public Health Engineer in 1972. In 1980, he was the Director of Engineering Services, a position he held until 1983.

Presently, he is the President of Erinco Sdn Bhd, a company active in various fields of environmental engineering. His wealth of knowledge gathered from over fifty (50) years of working experience in environmental engineering, environmental related studies, design and implementation of environmental engineering projects in Malaysia and Overseas, make him a much sought out Consultant.

He is also a Fellow of the Institution of Engineers Malaysia, Member of the Institution of Civil Engineers, United Kingdom, Member of the Chartered Institution of Water and Environmental Management, United Kingdom, Member of the American Society of Civil Engineers and Member of the Association of Consulting Engineers Malaysia.

He was honoured in 2008 by the American Academy of Environmental Engineers by being elected as an Honorary Board Certified Engineer in recognition of his position of eminence in the environmental engineering field his sustained contributions to the advancement of environmental engineering.

He was also honoured by the Global Organisation, People of India Origin (GOPIO) International Entrepreneur Award for Excellence in 2010 for his innovative approach to public health issues.

Sekarajasekaran a/l Arasaratnam does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company.

He does not have any directorships in other public company and has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



**Lim Han Boon**  
Independent Non-Executive Director

Aged 56, a Malaysian citizen and was appointed to the Board of Directors as an Independent Non-Executive Director of Top Glove Corporation Bhd on 21 February 2011.

Mr. Lim is an accountant by profession and is currently managing his own business. Prior to venturing into his own business, he held various senior positions in a few companies listed on the Main Market and ACE Market of Bursa Malaysia Securities Berhad.

Mr. Lim has more than twenty (20) years of experience in areas of transport and maritime logistics industry having worked for Kontena Nasional Berhad, Kannaltec Berhad, Northport Malaysia Berhad and NCB Holdings Berhad.

He is a member of the Malaysian Institute of Accountants, the Chartered Management Institute, United Kingdom, fellow of the Association of Chartered Certified Accountants, United Kingdom and holds a Master of Business Administration Degree from the University of South Australia, Australia. He also attended the Harvard Business School Senior Management Development Program.

Mr. Lim is currently a committee member of Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association. Mr. Lim also sits on the Board of Directors of several private companies.

Lim Han Boon does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company.

He does not have any directorship in other public company and has not been convicted of any offences within the past ten (10) years other than traffic offences, if any.



# SENIOR MANAGEMENT TEAM



Lim Hooi Sin   Puan Sri Tong Siew Bee   Tan Sri Lim Wee Chai   Lee Kim Meow   Lim Cheong Guan

2nd row



3rd row



4th row



5th row



## 2nd row (left to right)

Wong Chong Ban  
Dato' Ir Haji Ahmad  
Noraziah Mahmud  
Jeff Lee  
Chookiad Usaha  
Hue Kon Fah  
Wu Kin Yeap  
Lew Sin Chiang  
Thomas Petermoeller  
Tan Kim Lian

## 3rd row (left to right)

Noor Akilah Saidin  
Philip Thomas  
Jeremy Liew  
Lew Choong Teck  
Dorothy Ressel  
Saw Eng Kooi  
Chee Yih Tzuen  
Puan Tuck Seng  
Aaron Lam  
Charlie Oh

## 4th row (left to right)

Tan Chee Hong  
Ravi  
Eric Hoo  
Joanna Ng  
Shanti  
Lim Siow Chuan  
Mansor Bin Daud  
Leong Chew Mun  
Thomas Buri

## 5th row (left to right)

Jimmy Gan  
Edwyn Poon  
Aileen Choh  
Wendy Yeoh  
Looi Guat Kian  
Wilawan Sakulsongboonsiri  
Seah Chong Shew  
Michelle Ang  
Phattaraporn Chaisiri



# SIX YEARS GROUP FINANCIAL REVIEW



**“The Group registered Compounded Annual Growth Rates (CAGR) for Net Profit Attributable to Equity of 29% and Sales Revenue of 28%, since listing in 2001.”**

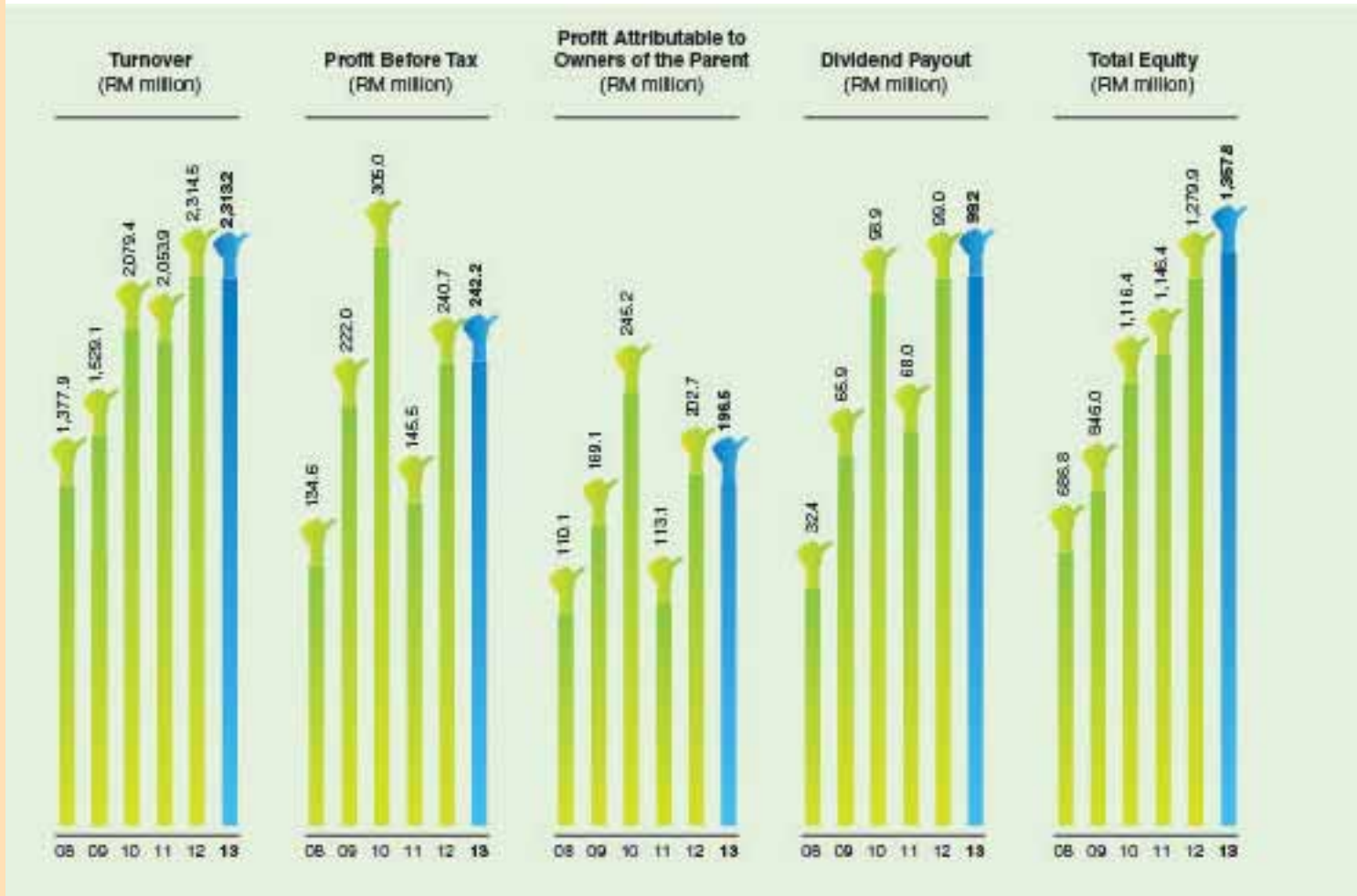


Group	31.8.13 (RM'000)	31.8.12 (RM'000)	31.8.11 (RM'000)	31.8.10 (RM'000)	31.8.09 (RM'000)	31.8.08 (RM'000)
Turnover	2,313,234	2,314,454	2,053,916	2,079,432	1,529,077	1,377,931
Earning Before Interest, Depreciation & Taxation	323,282	310,002	207,279	364,661	287,484	197,840
Profit Before Taxation	242,204	240,702	145,470	304,961	221,992	134,627
Taxation	39,375	33,417	30,338	54,550	53,922	26,524
Profit After Tax	202,829	207,285	115,132	250,411	168,070	108,103
Profit Attributable to Owners of the Parent	196,500	202,726	113,091	245,231	169,133	110,065
Net Cash / (Borrowings)	158,390	308,468	254,264	299,921	178,023	(65,442)
Total Equity / Net Assets	1,357,841	1,279,853	1,146,373	1,116,366	845,977	686,789
Return on Equity (%)	14.9	16.2	10.0	22.4	19.9	15.7
Net Assets Per Share (RM)*	2.19	2.07	1.85	1.81	1.39	1.14
Basic Earnings Per Share (RM)*	0.32	0.33	0.18	0.40	0.28	0.18
Net Dividend (sen)	16.00	16.00	11.00	16.00	22.00	11.00
Number of Shares in Issue ('000)	620,220	618,880	618,513	618,163	303,759	301,065
Share Price (RM)	6.14	5.29	4.86	5.98	6.95	4.06
Market Capitalisation	3,808,151	3,273,875	3,005,973	3,696,615	2,111,125	1,222,324

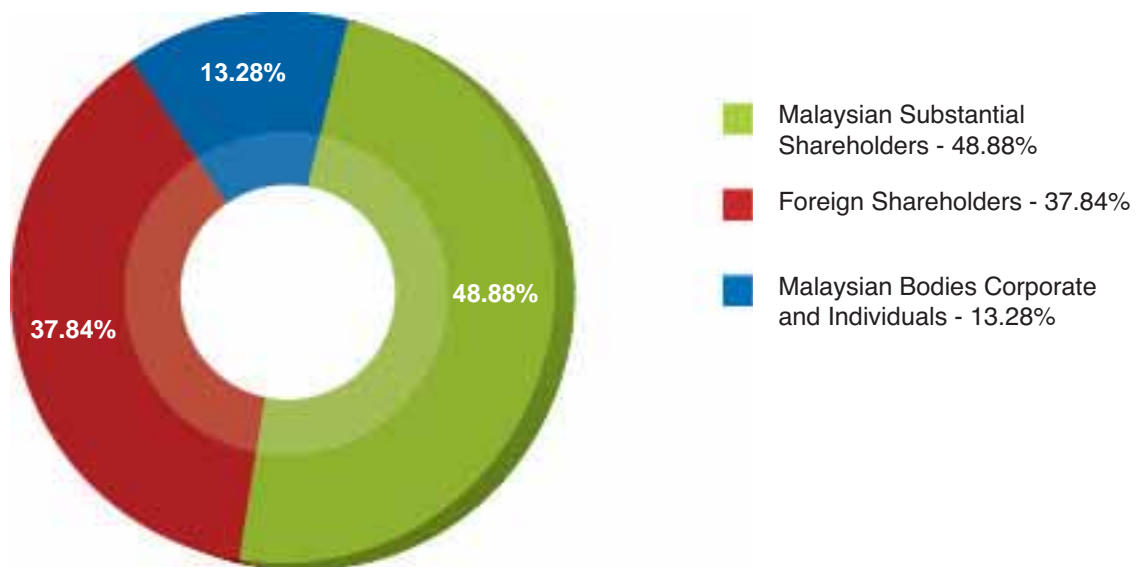
\* The comparative net assets per share and basic earnings per share have been restated taken into account the effect of bonus issue on the basis of one new ordinary share for every one existing ordinary share held in FY2010.



# ENHANCING SHAREHOLDERS' VALUE



## Equity Holders Composition as at 29 October 2013



# LETTER TO STAKEHOLDERS



**Tan Sri Lim Wee Chai**  
Chairman of  
Top Glove Corporation Berhad

**Lee Kim Meow**  
Managing Director of  
Top Glove Corporation Berhad

## Top Glove's Business Philosophies are:

1. We work for our **CUSTOMERS**;
2. We take care of the interest of our **SHAREHOLDERS**;
3. We ensure that our **EMPLOYEES** continue to contribute positively to the Company and we take good care of the well-being of our employees; and
4. We work closely with our **BANKERS, SUPPLIERS, BUSINESS ASSOCIATES, GOVERNMENT AUTHORITIES and FRIENDS.**



# LETTER TO STAKEHOLDERS

(cont'd)

Dear Stakeholders,

On behalf of the Board of Directors of Top Glove Corporation Berhad (“Top Glove”), we are pleased to present our annual report for the financial year ended 31 August 2013 (“FY2013”).

## OPERATING ENVIRONMENT

Top Glove consistently posted stronger volume growth throughout 2013, which saw an 18% increase in sales volume at the close of the financial year.

This was largely attributable to continued pick-up in demand, notably in our nitrile glove segment, in which we are proud to have garnered a larger share of our key markets in the United States and Europe. Nitrile glove volume grew by 65% compared with last year and now account for 25% of total Group sales. An increase in orders for our natural rubber gloves was also apparent where we saw a 6% volume growth year-on-year.

The business environment was in part conducive to growth, with declining raw material prices for both latex and nitrile gloves vis-à-vis the year before. For FY2013, latex prices contracted by 22% to RM5.77/kg while nitrile prices fell by 28% to RM3.82/kg versus FY2012. Raw material prices are expected to continue to trend down, on softer general commodity prices.

Internal enhancements resulting in improved production capacity utilisation and an aggressive pricing structure, also served to shore up our sales volume. In fact, with our newly installed capacity for nitrile gloves, the segment recorded the highest growth amongst all products.

In addition, outbreaks of infectious diseases such as H7N9, MERS and bird flu continued to create awareness of safety requirements and preventive measures in the healthcare industry.

We also successfully mitigated potential adverse effects of the minimum wage policy which was implemented on 1 January 2013, through automation initiatives on existing and new production lines to reduce our dependence on unskilled labour.

As an essential item in the healthcare industry, we are confident the global demand for medical gloves will remain resilient in the foreseeable future, well-shielded from regional crisis or indeed, a global economic slowdown. Hence, we can expect the steady demand from our main countries of export, the United States and Europe, to continue. We also look forward to an increase in sales from emerging economies where usage is still low but growing rapidly.

The Group’s performance however, was unfavourably impacted by minimum wage which was implemented from 1 January 2013 onwards, volatility in foreign exchange rates and a low utilisation rate in the latex glove segment which resulted in the adoption of a more competitive pricing structure, taking its toll on revenue. As yet, we have also not reaped the full-on benefits of automation, while our facilities undergo the necessary changeovers during this transitional period.



Staff and management gather at the inaugural Top Glove Leaders' Summit

# LETTER TO STAKEHOLDERS

(cont'd)



## VOLUME GROWTH DESPITE A CHALLENGING ENVIRONMENT

We concluded the financial year ended 31 August 2013 with revenue of RM2.313 billion, marginally lower than FY2012 and a net profit of RM203 million, just 2% lower compared to FY2012. However, The Group also noted a marked improvement operationally, arising from the enhanced capacity utilisation, the result of a spike in nitrile glove sales. As aforementioned, The Group also saw an 18% increase in sales volume at the close of the financial year.

The Group's balance sheet position also remained healthy with a net cash position of RM158.4 million. Total shareholders' equity stood at RM1.3 billion and net asset per share was RM2.10.

Accordingly, notwithstanding a weaker performance, the Board of Directors proposed a final dividend of 9 sen per share (single tier) amounting to approximately RM55.8 million for FY2013, subject to shareholders' approval at the forthcoming Annual General Meeting.

The Group had on 13 June 2013 declared an interim dividend of 7 sen per ordinary share amounting to RM 43.4 million in conjunction with the financial results announcement for the third quarter ended 31 May 2013. Payment of the interim dividend was made on 18 July 2013. On a full year basis, this enables a total dividend payout of 16 sen, in line with that of FY2012.

## SIGNIFICANT CORPORATE MATTERS

The Group will continue to be guided by its proven business direction to produce high quality gloves at an efficient low cost. To ensure we deliver on this, we have undertaken several strategic corporate exercises.

During the financial year 2013, The Group acquired a 95% stake in PT. Agro Pratama Sejahtera, which marked our maiden venture integrating upstream into rubber plantations in Indonesia. RM450 million has been set aside to be invested over a 13-year period in this project, which will go a long way in helping mitigate volatility in latex prices. Further, with the completion of our acquisition of GMP Medicare Sdn Bhd in December 2012, our operations are now fully integrated to further add value to The Group as a whole.

Recently, in March 2013, The Group also acquired a 27% equity stake in our associate company Value Add Sdn Bhd, amounting to RM12 million, which represents an investment of positive net cash for The Icon office building in Kuala Lumpur, to generate better yield and potential capital appreciation for our shareholders.



*Mr. CG Lim, Tan Sri Lim and Mr. KM Lee strike a pose after Top Glove's press conference at Invest Malaysia 2013*



*Top Glove receives recognition as "The Largest Rubber Glove Manufacturer" by The Malaysia Book of Records at its 2013 Annual Dinner*



# LETTER TO STAKEHOLDERS

(cont'd)



*Top Glove regularly holds briefings to keep its stakeholders apprised of The Group's performance*

We are also well into the construction of Top Glove Tower, aimed at meeting future office space requirements for The Group. This falls in line with our aggressive expansion plans to increase production capacity, towards fulfilling the demands of our ever-growing customer base which currently spans over 1,800 customers across 195 countries. A Class A and GBI Certified Gold Office Building, Top Glove Tower marks a new milestone in the successful history of our company, reflecting our dynamism and the global appeal of our brand.

We have also presented a formal proposal to privatise our 79.77%-owned Medi-Flex Ltd from the Singapore Stock Exchange, an exercise which upon completion, is expected to contribute positively to The Group's earnings for the financial year 2014.

Further, we will be pressing ahead with expansion plans to increase the number of nitrile glove production lines. The Group currently has a total of 498 lines and with the completion of Factory 29 by June 2014, this is expected to increase to 520 lines, further boosting production capacity from 43.9 billion to 46.1 billion pieces of gloves per annum.

With our next phase of growth in mind, we have committed an investment of RM3.8 billion over the next 15 years in the strategic areas of R&D, advanced production machinery, upstream ventures and new information technology systems. This very significant investment plan has been granted Entry Point Project (EPP) status by PEMANDU under the Economic Transformation Programme (ETP) by the government.

## CORPORATE RESPONSIBILITY

We do not measure our success in mere financial terms, but by the positive impact we have on the community in which we serve. Accordingly, Corporate Responsibility (CR) ranks high on our business agenda and we discharge our duty as corporate citizens with great pride.

We believe supporting our communities extends beyond donating money. It involves the giving of even scarcer resources – our time and effort – and we are pleased to have our people channel their skills and resources to very worthy causes.

For more information on our CR initiatives, please refer to our Corporate Responsibility Statement on pages 33 to 36.



*Top Glove's factories come fitted with advanced production machinery*

# LETTER TO STAKEHOLDERS

(cont'd)



## R & D AND TECHNOLOGICAL ADVANCEMENT

As an industry leader, we regard it as our duty to drive innovation, a crucial component of which is R&D. It is not an option but an imperative that we invest in technology and future capabilities which can be translated into new products, processes and services towards delivering value to our customers.

With this in view, we have invested substantially in developing new products which are market and customer driven, with the ultimate aim of producing high quality gloves at an efficient low cost. This year alone, we hired five PhD holders solely for the purposes of R&D, bringing the total headcount for our R&D Department to nearly 50 personnel.

We are also proud to have recently set up our first dedicated state-of-the-art R&D Centre at our newly-established facility, Factory 25. Going forward, it is envisioned that all new factories will come fitted with advanced automation and machineries towards further reducing dependence on manual labour and increasing production efficiency.

We have also invested heavily in SAP (Systems, Applications and Products), which will see the implementation of enterprise-wide IT transformation ERP solutions, which will serve to standardise business processes, improve labour efficiency and eliminate redundant and non-value added activities. The roll-out for Malaysian operations took place in September 2013.

## MOVING FORWARD

Having captured 25% of the global market share, our efforts moving forward will be on growing this to 30% in the years ahead.

To further consolidate our market leadership position, The Group will focus on enhancing quality through continuous R&D, innovation and automation in line with the RM3.8 billion investment plan we have committed to.

In view of the new wave of nitrile demand stemming particularly from the United States and Europe, we will also continue increasing our focus on this burgeoning segment to leverage the opportunities it presents. This is also very much in alignment with our plans to achieve a more balanced product mix.

With these in mind, we are excited about what the future holds. As The Group continues to run the business with a passion for excellence and in adherence to the highest ethical standards, we feel confident of continuing to deliver a strong performance with profitable growth, year after year.



*Tan Sri Lim garners yet another accolade: The BrandLaureate Manufacturer of The Year Award 2012-2013*



*Mr. CG Lim receives the award for Best CFO for IR (Mid Cap) at the Malaysia Investor Relations Awards 2013*



# LETTER TO STAKEHOLDERS

(cont'd)



*A yearly celebration: Top Glove's Annual Dinner 2013 was held at the Setia City Convention Centre*

## IN APPRECIATION

Much has been accomplished over the course of the year and this is in no small part due to the efforts of our dedicated management and staff. So, to our ever-growing Top Glove family, thank you for your hard work which has contributed in innumerable ways to our success thus far and keeps the Top Glove flag flying high. It is a privilege to lead a team as dedicated as you are.

We also wish to express our deepest appreciation to our valued shareholders, customers, vendors and business associates for your tremendous support and unwavering confidence in us. You inspire us to be the best we can be. Rest assured your trust is well-placed and you have our fullest commitment to consistently deliver products of the highest quality.

Last, but not least, we thank our fellow directors for their wise counsel and support rendered. We would not have gone the distance we have without their insights and experience, which will be instrumental in helping steer the company to even greater heights of achievement. We also take this opportunity to welcome our new independent non-executive directors, Tan Sri Mohd Sidek Bin Haji Hassan and Tan Sri Rainer Althoff. We count ourselves most fortunate to have them on our Board and are confident we will benefit immensely from their guidance.

Uncharted horizons lie ahead of us and there will be new peaks for us to conquer. However, we are confident that we will be able to surmount these as we continuously improve our processes, step up our R&D efforts and increase our efficiency levels.

Thank you.

**TAN SRI LIM WEE CHAI**  
Chairman

Top Glove Corporation Berhad  
31 October 2013

**LEE KIM MEOW**  
Managing Director

Top Glove Corporation Berhad  
31 October 2013



# PERUTUSAN KEPADA PIHAK BERKEPENTINGAN

> letter to stakeholders : Bahasa Malaysia version



## Para Pihak Berkepentingan,

Bagi pihak Lembaga Pengarah Top Glove Corporation Berhad ("Top Glove"), kami dengan sukacitanya membentangkan laporan kewangan tahunan bagi tahun kewangan berakhir 31 Ogos 2013 ("TK2013").

Lawatan oleh  
Yang Amat  
Berbahagia  
Tun Dr.  
Mahathir  
Mohamad ke  
ibu pejabat  
Top Glove  
di Klang



## TINJAUAN OPERASI

Top Glove telah mencatatkan pertumbuhan volum yang lebih kukuh secara konsisten sepanjang 2013, dimana dapat dilihat kenaikan sebanyak 18% volum jualan pada akhir tahun kewangan.

Ini disebabkan permintaan pasaran yang berterusan terutamanya dalam segmen sarung tangan nitril kami, dimana kami telah berjaya mengumpul pasaran saham yang lebih besar di Amerika Syarikat serta Eropah. Volum bagi sarung tangan nitril meningkat sebanyak 65% berbanding dengan tahun yang lepas dan kini menyumbang sebanyak 25% daripada jumlah jualan sarung tangan bagi Kumpulan. Peningkatan permintaan pasaran untuk sarung tangan getah asli juga menunjukkan peningkatan volum iaitu sebanyak enam peratus (6%) tahun ke tahun.

Persekitaran perniagaan sebahagian besarnya masih kondusif untuk berkembang maju dengan harga bahan mentah merosot untuk kedua-dua segmen iaitu sarung tangan getah asli dan sarung tangan nitril berbanding tahun sebelum ini. Pada TK2013, harga latek susut sebanyak 22% sehingga RM5.77/kg, manakala harga nitril jatuh merudum 28% sehingga RM3.82/kg berbanding pada TK2012. Harga bahan mentah juga dijangka akan terus menurun disebabkan harga komoditi umum yang makin lemah.

Penyempurnaan dalaman mengoptimumkan penggunaan kapasiti pengeluaran dan struktur harga pasaran yang lebih agresif juga dapat meningkatkan volum jualan. Malah, dengan adanya kapasiti baru yang dipasang pada segmen sarung tangan nitril, segmen tersebut mencatatkan pertumbuhan tertinggi di antara produk yang lain.

Di samping itu, wabak penyakit berjangkit seperti H7N9, MERS dan selsema burung terus mewujudkan kesedaran mengenai keperluan keselamatan dan langkah-langkah pencegahan dalam industri penjagaan kesihatan.

Kami juga telah berjaya mengurangkan potensi kesan negatif dari segi pelaksanaan dasar gaji minimum yang berkuat kuasa pada 1 Januari 2013, melalui inisiatif automasi sedia ada dan baru, bagi mengurangkan kebergantungan kepada tenaga buruh.

Sebagai barang keperluan asas dalam industri penjagaan kesihatan, kami yakin permintaan dunia untuk sarung tangan perubatan akan kekal berdaya saing pada masa hadapan, dan tidak akan terjejas oleh krisis serantau ataupun kelembapan ekonomi dunia. Justeru itu, kami menjangkakan permintaan yang kukuh dari negara-negara utama eksport kami, Amerika Syarikat dan Eropah, akan berterusan. Kami juga berharap akan ada peningkatan jualan sarung tangan di negara-negara membangun, di mana penggunaan masih rendah tetapi pesat berkembang.

## PERUTUSAN KEPADA PIHAK BERKEPENTINGAN (samb.)

> letter to stakeholders : Bahasa Malaysia version

Walau bagaimanapun, prestasi Kumpulan diimpak oleh pelaksanaan dasar gaji minimum yang berkuat kuasa pada 1 Januari 2013, kenaikan kadar pertukaran mata wang asing dan kadar penggunaan yang rendah dalam segmen sarung tangan latek dimana kami juga mengamalkan harga jualan yang lebih rendah. Malah, kami juga belum terasa manfaat sepenuhnya dari inisiatif automasi, sementara penukaran kemudahan dijalani semasa tempoh peralihan ini.

### PERTUMBUHAN VOLUM DALAM PERSEKITARAN YANG MENCABAR

Kami dapat menyimpulkan tahun kewangan berakhir 31 Ogos 2013 dengan pendapatan sebanyak RM2.313 bilion, iaitu rendah sedikit berbanding dengan TK2012 dan keuntungan bersih sebanyak RM203 juta, 2% lebih rendah berbanding dengan keputusan untuk TK 2012.

Walau bagaimanapun, Kumpulan diperhatikan peningkatan dari segi operasi disebabkan penggunaan kapasiti yang lebih baik oleh kerana kenaikan dalam jualan sarung tangan nitril. Seperti tersebut di atas, Kumpulan telah memerhatikan kenaikan sebanyak 18% dalam volum jualan pada akhir tahun kewangan.

Kedudukan kunci kira-kira Kumpulan sihat dengan aliran tunai bersih sebanyak RM158.4 juta. Ekuiti pemegang saham berjumlah RM1.3 bilion dan aset bersih sesaham adalah RM2.10.

Oleh demikian, walaupun prestasi dipamerkan lebih rendah, Lembaga Pengarah mencadangkan dividen akhir sebanyak 9 sen sesaham (satu peringkat) berjumlah kira-kira RM55.8 juta, bagi TK2013, tertakluk kepada kelulusan pemegang saham pada Mesyuarat Agung Tahunan yang akan datang.

Kumpulan pada 13 Jun 2013 telah mengisytiharkan dividen interim sebanyak 7 sen sesaham berjumlah RM 43.4 juta semasa pengumuman keputusan kewangan bagi suku ketiga berakhir 31 Mei 2013. Pembayaran dividen interim telah dibuat pada 18 Julai 2013. Jumlah pembayaran dividen bagi tahun sepenuh adalah 16 sen, sama seperti TK2012.

### PERKARA PENTING KORPORAT

Kumpulan akan terus berpandukan hala tuju perniagaan yang telah terbukti berkesan iaitu menghasilkan sarung tangan yang berkualiti tinggi hasil keberkesanan kos yang rendah. Untuk memastikan perkara ini dilaksanakan, kami telah mengambil beberapa langkah korporat yang strategik.

Dalam tahun kewangan 2013, Kumpulan memperolehi 95% pemilikan dalam PT. Agro Pratama Sejahtera, yang menandakan usaha pertama kami mengintegrasikan "upstream" ke dalam bidang perladangan getah, di Indonesia. RM450 juta telah diperuntukkan untuk dilaburkan secara berperingkat selama 13 tahun, bertujuan membantu mengurangkan kesan turun naik harga getah. Selain itu, dengan selesainya pengambilalihan GMP Medicare Sdn Bhd pada bulan Disember 2012, operasi kami kini bersepadu sepenuhnya untuk menambah nilai kepada Kumpulan secara keseluruhannya.

Baru-baru ini, pada bulan Mac 2013, Kumpulan juga memperolehi 27% kepentingan ekuiti berjumlah RM12 juta dalam syarikat bersekutu kami Value Add Sdn Bhd. Ini merupakan satu pelaburan tunai bersih yang positif dalam bangunan pejabat The Icon di Kuala Lumpur, dengan matlamat menjanakan hasil yang lebih baik dan potensi peningkatan modal bagi para pemegang saham kami.



*Puan Noraziah Mahmud bergambar dengan penerima Anugerah Lama Berkhidmat pada Majlis Makan Malam Tahunan Top Glove*

# PERUTUSAN KEPADA PIHAK BERKEPENTINGAN (samb.)

> letter to stakeholders : Bahasa Malaysia version



Pembinaan Top Glove Tower juga berjalan dengan lancar dan bertujuan untuk memenuhi keperluan ruang pejabat Kumpulan pada masa depan. Ini sejajar dengan pelan perkembangan agresif kami untuk meningkatkan kapasiti pengeluaran, bagi memenuhi permintaan pelanggan yang semakin bertambah dan kini menjangkau lebih 1,800 pelanggan di 195 negara. Sebuah bangunan Pejabat status Emas Kelas A dan disahkan "GBI", Top Glove Tower menandakan tonggak bersejarah bagi kejayaan kami sekaligus dapat mencerminkan dinamisma dan tarikan jenama global Top Glove.

Kami juga telah membentangkan cadangan rasmi untuk menswastakan Medi-Flex Ltd dimana kami memiliki 79.77%, dari pertukaran saham Singapore, yang akan menyumbang secara positif terhadap pendapatan Kumpulan bagi tahun kewangan berakhir 31 Ogos 2014.

Seterusnya, kami akan meneruskan usaha meningkatkan bilangan talian pengeluaran sarung tangan nitril. Kumpulan ini mempunyai sebanyak 498 talian dan dengan selesainya pembinaan Kilang 29 pada Jun 2014, ini dijangka meningkat kepada 520 talian, sekaligus dapat meningkatkan lagi kapasiti pengeluaran 43.9 bilion kepada 46.1 bilion keping sarung tangan setahun.

Bagi fasa pertumbuhan yang seterusnya, kami telah mengamanahkan pelaburan sebanyak RM3.8 bilion sepanjang tempoh 15 tahun, untuk penyelidikan dan pembangunan (R&D), mesin pengeluaran termaju, usaha "upstream" dan sistem teknologi maklumat baru. Pelan pelaburan ini juga telah diiktiraf sebagai Entry Point Project (EPP) oleh PEMANDU, di bawah Program Transformasi Ekonomi (ETP) kerajaan.

## TANGGUNGJAWAB KORPORAT

Kami tidak mengukur kejayaan dari segi kewangan semata-matanya, tetapi dititik beratkan juga kesan positifnya terhadap masyarakat. Oleh itu, Tanggungjawab Korporat (CR) mempunyai kedudukan yang tinggi dalam agenda perniagaan dan kami menunaikan tanggungjawab sebagai warga korporat dengan penuh kebanggaan.

Kami percaya sokongan terhadap masyarakat bukan sekadar dari segi dermaan wang. Ianya melibatkan pemberian sumber yang lebih terhad seperti masa dan usaha kami. Kami amat berpuas hati diatas segala sumbangan kakitangan kami, yang telah menyalurkan kemahiran dan usaha mereka kepada pihak yang berkeperluan.

Untuk maklumat lanjut mengenai inisiatif CR kami, sila rujuk kepada Penyata Tanggungjawab Korporat kami di halaman 33 hingga 36.



*Kakitangan sedang meraikan pada Majlis Makan Malam Tahunan Top Glove*

## PENYELIDIKAN & PEMBANGUNAN (R&D) DAN KEMAJUAN TEKNOLOGI

Sebagai peneraju industri, kami menganggap ianya satu tanggungjawab yang perlu digalas untuk memacu inovasi, yang merupakan komponen terpenting bagi R & D. Dalam erti kata lain, ianya bukan pilihan tetapi keperluan, untuk melabur dalam keupayaan teknologi baru dan keberkesanan masa depan, agar dapat menghasilkan produk-produk baru dan perkhidmatan yang boleh diterjemahkan ke dalam produk, cara pemrosesan dan perkhidmatan ke arah menyampaikan manfaat kepada pelanggan kami.

Memandangkan ini, kami juga telah membuat pelaburan yang besar dalam menghasilkan produk baru yang seiring dengan kehendak pasaran dan pengguna, demi menjamin penghasilan sarung tangan yang berkualiti tinggi pada hasil keberkesanan kos yang rendah. Pada tahun ini sahaja, kami juga telah menggajikan lima pemegang PhD semata-mata bertujuan untuk R & D, sekaligus menjadikan jumlah keseluruhan pekerja bagi Jabatan R & D kepada hampir 50 kakitangan.

Kami juga boleh berbangga kerana baru-baru ini telah menubuhkan Pusat Khusus R & D pertama di Kilang 25. Selangkah ke hadapan, kami mengharapkan agar semua kilang baru akan dilengkapi dengan kemudahan automasi dan jentera ke arah mengurangkan lagi kebergantungan syarikat kepada tenaga buruh dan meningkatkan kecekapan pengeluaran.

Kami juga telah melabur sejumlah wang yang besar dalam SAP (Systems, Applications and Products), yang akan memastikan pelaksanaan penyelesaian ERP transformasi IT bagi seluruh syarikat, dapat juga menyeragamkan proses perniagaan, meningkatkan kecekapan kerja dan mengurangkan kerja yang tidak produktif kepada syarikat. Projek ini telah selesai dilaksanakan ke seluruh operasi kami di Malaysia pada September 2013.



# PERUTUSAN KEPADA PIHAK BERKEPENTINGAN (samb.)

> letter to stakeholders : Bahasa Malaysia version

## MELANGKAH KE HADAPAN

Setelah syarikat memperolehi 25% daripada pasaran dunia, kami kini akan menumpukan usaha untuk meningkatkan angka ini kepada 30%.

Untuk mengukuhkan lagi kedudukan kepimpinan pasaran kami, Kumpulan akan memberi tumpuan kepada meningkatkan kualiti melalui R & D, inovasi dan automasi berterusan selaras dengan rancangan pelaburan RM3.8 bilion yang telah diamanahkan.

Memandangkan permintaan baru nitril dari negara Amerika Syarikat dan Eropah, kami juga akan terus menumpukan perhatian terhadap segmen yang sedang berkembang ini demi memanfaatkan peluang yang terbentang luas ini. Ini juga selari dengan rancangan kami untuk mencapai campuran produk yang lebih seimbang.

Dengan ini, kami begitu teruja untuk menerokai masa hadapan kami. Kumpulan akan terus menjalankan perniagaan dengan semangat kecemerlangan dan pematuhan kepada taraf etika yang tinggi, serta yakin akan terus memberikan prestasi yang kukuh sejajar dengan pertumbuhan yang menguntungkan, tahun demi tahun.



*Tan Sri Lim membawa Yang Amat Berbahagia Tun Dr. Mahathir Mohamad untuk lawatan berpandu di kilang Top Glove*

## PENGHARGAAN

Pencapaian kami tahun ini telah dijayakan sebahagian besar dari pelbagai pihak pengurusan dan kakitangan yang berdedikasi tinggi. Jadi, kepada keluarga Top Glove kami yang semakin berkembang, terima kasih kerana kerja keras anda, berhempas pulas telah menyumbang begitu banyak kepada kejayaan kami setakat ini tanpa kenal erti penat dan lelah. Kami berbesar hati memimpin pasukan yang berdedikasi tinggi seperti anda.

Kami juga ingin merakamkan setinggi-tinggi penghargaan kepada para pemegang saham, pelanggan, pembekal dan rakan perniagaan untuk sokongan padu dan keyakinan yang tidak berbelah-bahagi. Andalah yang telah memberi sumber inspirasi kepada kami untuk menjadi yang terbaik. Yakinlah bahawa amanah anda akan kami dukung dan yakin serta komited untuk terus menghasilkan produk yang berkualiti tinggi.

Kami mengucapkan terima kasih kepada pengarah kami diatas segala nasihat, tunjuk ajar dan sokongan tanpa jemu yang telah diberikan. Kami akui tidak akan dapat melangkah sejauh ini tanpa pengetahuan yang luas dan pengalaman mereka, dimana memainkan peranan penting dalam membantu membawa syarikat ke tahap yang lebih tinggi lagi. Kami juga mengambil kesempatan ini untuk mengalu-alukan kedatangan pengarah bebas bukan eksekutif kami yang baru, Tan Sri Mohd Sidek Bin Haji Hassan dan Tan Sri Rainer Althoff. Kami merasa bertuah kerana adanya mereka sebagai Lembaga Pengarah dan kami yakin akan mendapat manfaat daripada bimbingan mereka.

Akhir kata, semestinya terdapat cabaran bagi kami mengharungi di masa depan. Walau bagaimanapun, kami yakin bahawa ianya akan dapat diatasi dengan usaha yang berterusan untuk meningkatkan proses, meningkatkan usaha R & D dan meningkatkan lagi tahap kecekapan kami.

Terima kasih.

### **TAN SRI LIM WEE CHAI**

**Pengerusi**

Top Glove Corporation Berhad  
31 Oktober 2013

### **LEE KIM MEOW**

**Pengarah Urusan**

Top Glove Corporation Berhad  
31 Oktober 2013

诸位权益持有人，

我们谨此代表顶级手套集团向诸位权益持有人提呈顶级手套集团截至2013年8月31日财务年度报告。

## 经营概况

顶级手套集团在2013财务年持续呈现强劲的销售增长趋势，全年的销售量增长了18%。

这主要归功于手套需求量的增加，尤其是丁腈手套，得让我们在美洲和欧洲争取到更多的市场份额。丁腈手套销售量与去年相比增加了65%，同时目前丁腈手套占了集团总手套销售的25%。乳胶手套销售量也在新兴市场有着明显的提升，与去年同期相比增长了6%。

去年乳胶手套和丁腈手套的原材料价格部分下跌对我们的商业增长扮演着重要角色。相较于2012财务年，乳胶价格在2013财务年下跌22%至每公斤马币5.77，而丁腈原材料价格下跌28%至每公斤马币3.82。鉴于原材料价格将继续下跌，估计手套原材料的价格将会继续下跌。

鉴于此，顶级手套希望通过加强内部管理，提高生产产能以及制定更具竞争力的售价结构以巩固我们的销售。事实上，我们新安装的丁腈手套生产线，是所有产品中取得最高增长率的产品。

此外，传染病的爆发如：H7N9、MERS和禽流感，继续提升了大众对医疗行业的安全和预防措施的意识。

随着最低工资政策在2013年1月1日开始生效，我们也成功地化解了潜在的不利影响，通过对现有和新建的生产线采取自动化措施以减少对非技术性工人的依赖。

即使全球经济放缓，我们有信心，作为医疗保健行业中必需品的医疗手套在未来的需求量将持续稳健，由此可预见主要的进口国家如美国和欧洲对医疗手套的需求量将会持续保持平稳。另外，虽然目前新兴市场的手套使用率仍然很低，但是，我们相信该地区销售可以逐步增加。

然而，集团的整体表现由于受到从2013年1月1日开始实施的最低工资政策、外汇汇率波动及乳胶手套的低生产率的影响而导致集团需采纳更具竞争力的定价结构，以促进销售。到目前为止，我们还未完全从全自动化中受益，有些设备仍需在这过渡期间进行改良。



客户到访第十五厂



第十五厂生日欢聚会



## 致权益持有人的信函 ( 继续 )

> letter to stakeholders : Mandarin version

### 即使处在具有挑战性的环境之下，销售量仍然稳健增长

截至2013年8月31日财政年度，集团的营业额达马币23亿1300万，与去年同期相比，营业额略有下降；净利润则下降2%至马币2亿300万。然而，集团也在营运措施有着明显的改善，增强产能促使丁腈手套销售量激增。鉴于上述，集团在2013财务年销售量取得18%的增长。

集团的资产负债表状况依然稳健，净现金为马币1亿5840万。总股东权益为马币13亿，而每股净资产为马币2.10。

然而，尽管集团业绩表现疲软，董事部仍建议在2013财务年派发每股9仙终期股息，总额为马币5580万。上述所建议的股息会在即将召开的股东常年大会中提呈与批准。

集团于2013年6月13日公布截止2013年5月31日的第3季度财务成绩，宣布派发每股7仙的中期股息，总额为马币4340万。上述中期股息已在2013年7月18日支付。与此同时，集团维持与2012财务年相同的股息幅度，全年总派息为16仙。

### 集团关键事务

集团将会持续秉持“生产高品质低成本的手套”的商业方针前进。为了确保遵守承诺，我们已经采取了多项的策略。

在2013财务年期间，集团已完成收购PT. Agro Pratama Sejahtera的95%股权，进军印尼进行橡胶种植活动。这项投资在未来的13年里将会投入马币4.5亿，以缓和乳胶价格的波动。此外，集团在2012年12月全面收购GMP Medicare Sdn Bhd。该公司的营运已为集团进一步增加价值。

近期，即在2013年3月，集团也收购了Value Add Sdn Bhd的27%股权，总值马币1200万投资于吉隆坡的ICON大厦，为股东创造更好的利益价值。

不仅如此，我们也建设顶级手套大厦以满足未来办公室空间的需求。这也符合我们的生产扩张计划，以满足目前遍布全球195个国家，1800名客户的需求。该大厦是一个A级和绿色建筑指标认证 (GBI) 的办公楼，标志着我们集团另一项成功的里程碑，并展现充满活力及国际的品牌。

管理层也提呈将集团持有79.77%股权的新加坡上市公司Medi-Flex私有化。预计这项私有化活动完成后，将会为集团在2014财务年业绩带来正面的贡献。

此外，我们将加紧进行丁腈手套生产线的扩张计划。随着顶级手套新建第29厂将在2014年6月完工，届时，集团的总生产线会从目前的498条增加至520条，年产能从439亿只手套提高至461亿只手套。

就我们下一阶段的发展，我们将会在未来15年期间推行马币38亿的投资计划，这包括投资在研发、先进的生产机械、上游活动和新信息技术系统的战略领域。这项投资计划已获得首相署“表现管理及传递单位”认可并归纳为国家经济转型计划(Economic Transformation Programme, ETP)之其中一项启动计划 (Entry Point Project)。

### 企业责任

我们不能仅以财务表现来衡量我们的成功，还得考量我们为社区服务所得到的正面效果。故此，企业责任在我们的业务议程居高至上，同时我们也非常乐意履行我们的职责。

我们相信我们对社区的支持超越金钱的捐献。除了捐献，还涉及到提供更稀缺的资源，那就是我们的时间和精力，我们很高兴我们的员工将他们的技巧和资源运用在更有意义的事情上。

欲知更多有关集团的企业社会责任活动，请参阅第33至36页的企业社会责任报告。



许多基金经理，分析员和媒体踊跃参加顶级手套的季度业绩汇报会

# 致权益持有人的信函 ( 继续 )



> letter to stakeholders : Mandarin version

## 研发与技术进步

作为行业先锋，我们认为推动创新是我们的职责，并是研发的一项重要项目。这不是一种选择而是我们必须投资在技术和未来的能力以便可以革新出产新产品，工艺和服务以为我们的客户增值。

有鉴于此，我们已大量地投资在开发新产品，主要是以市场和客户为导向，最终目的是生产高品质及低成本手套。仅今年，我们已聘请了5名拥有博士学位的职员，以专注于研发，这使我们研发部门的总人数近50人。

我们也非常荣幸地公布，近期我们已在新建立的工厂，第25厂成立了首间研发中心。展望未来，所有的新工厂将配备先进的自动化机器以进一步降低人工操作，同时提高生产效率。

不但如此，集团也投资在SAP系统，这将有助于规范业务流程，提高工作效率同时减少重复和非增值活动。马来西亚工厂也在2013年9月开始实施该系统。

## 展望未来

随着目前占据全球25%市场份额，我们期望在未来将全球市场分额提高至30%。

为了进一步巩固我们的市场领导地位及推行马币38亿投资计划，集团将通过研发、革新和自动化加强产品品质。

随着丁腈手套需求量的另一轮新趋势，尤其是来自美国和欧洲，我们在这方面更专注以充分利用此机会，以达至产能组合更加平衡化的计划。

有了这些措施，我们对未来非常有信心。因为集团可以继续以热忱的态度和秉持高道德标准操作业务，我们有信心将持续带来更好的业务表现。

## 铭谢

在这一年过程中，我们已成功完成大部分项目，这很大程度上有赖于我们专业的管理人员以及全体职员的努力。所以，对于我们不断增长的员工们，感谢你们的辛勤工作以及各种不同方式的贡献，以让顶级手套集团再创高峰。

我们也衷心感谢全体股东、客户、供应商和商业伙伴对本集团给予无限的支持与信心。有您的激励，我们承诺将始终如一地生产最高质量的产品。

最后，我们要感谢各位董事的回馈与支持。没有他们的见解和经验，我们也无法达到更好的进展及带领公司达至更高的成就。我们也要借此机会欢迎我们新的独立非执行董事，Tan Sri Mohd Sidek Bin Haji Hassan和 Tan Sri Rainer Althoff，我们深信在他们的指导下，我们将会获益良多。

虽然面对种种挑战，然而我们依然会全力以赴去战胜任何挑战，因为我们会持续改善我们的生产流程，加快研发速度同时提高我们的效率水平。

谢谢。

**丹斯里林伟才**  
董事主席  
顶级手套集团  
2013年10月31日

**李金谋**  
董事经理  
顶级手套集团  
2013年10月31日



丹斯里林伟才献上水果篮以答谢雪兰莪州务大臣丹斯里阿都卡立依布拉欣为“我们的环境，我们的健康”活动开幕。这项由顶级手套，实达集团 (SP Setia)，机兴控股有限公司 (Kind Holdings Berhad) 和慈济基金会联合主办的社区活动旨在推广环保意识。



# MANAGEMENT BUSINESS REVIEW

## OVERVIEW OF BUSINESS AND OPERATIONS

Top Glove Corporation Bhd and its subsidiaries (“The Group”) as the leading global manufacturer of gloves, has a diversified product base ranging from latex, surgical, nitrile, household, cleanroom, vinyl to polyethylene gloves, earning itself a reputation as a one-stop glove sourcing centre offering an extensive and complete range of high quality, high value added and cost effective rubber gloves. The Group has evolved from being a pure glove manufacturer to a vertically integrated player complemented by upstream activities such as latex concentrate processing plants and in the near future, rubber plantations. With its good and established corporate culture and Business Direction of producing consistently high quality gloves at efficient low cost, The Group had embarked on an impressive expansion plan to propel it to become the world’s largest rubber glove manufacturer it is today.

The Group currently has 26 manufacturing facilities with 498 production lines which are strategically located in Malaysia (20 factories), Thailand (4 factories, 2 of which are latex concentrate processing plants) and China (2 factories) to ensure The Group’s products are manufactured with the utmost efficiency for its 1,800 customers located in more than 195 countries worldwide.

With a current annual production capacity of 43.9 billion pieces of gloves, The Group commands approximately 25% of the global market share and targets to increase this to 30% via a combination of organic expansion and acquisitions.

## REVIEW OF PERFORMANCE

For the financial year ended 31 August 2013 (“FY2013”), The Group registered an 18% increase in sales volume compared with FY2012. However, revenue decreased slightly to RM2.313 billion against last financial year’s RM2.314 billion, attributed to a lower average selling price on the back of declining raw material costs. Meanwhile, net profit for FY2013 declined 2.2% to RM202.8 million from RM207.3 million a year ago.

Notwithstanding the drop in revenue, The Group saw a marked improvement from an operational perspective, contributing to the improved sales volume achievement. This was attributed to the enhanced capacity utilisation stemming from an increase in demand for nitrile gloves, which comprise 25% of total Group sales for 4QFY2013. Nitrile gloves continued to outperform natural rubber gloves in terms of growth rates due largely to new markets as well as the on-going switching momentum from natural rubber to nitrile which remains unabated.



*Tan Sri Lim and Directors of Top Glove give a thumbs up at the 14<sup>th</sup> Annual General Meeting*



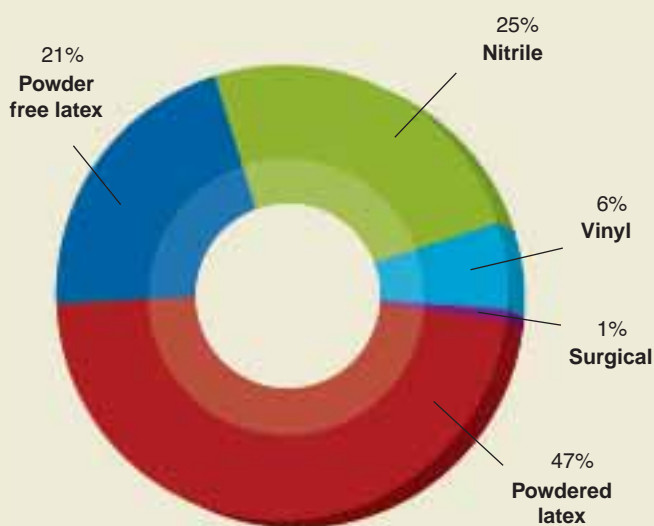
# MANAGEMENT BUSINESS REVIEW

(cont'd)

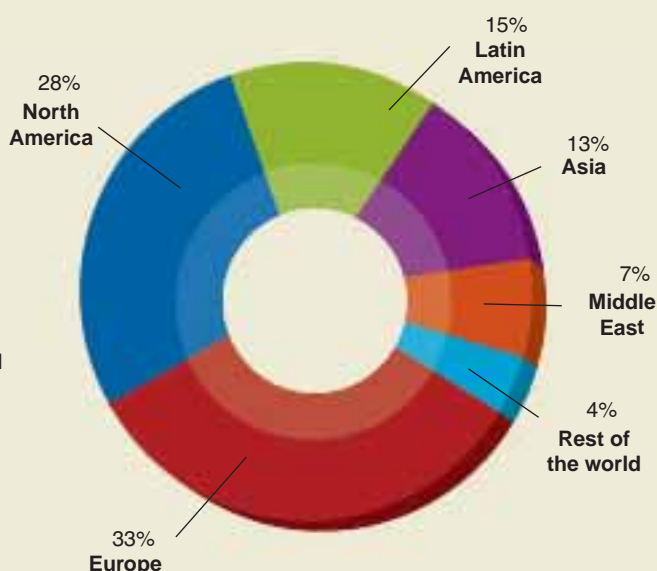


The product mix by glove type and geographical sales breakdown for quarter four FY2013 are as follows:

**Product Mix**



**Revenue by Geography**



Meanwhile, raw material prices continued to trend down, on softer general commodity prices in the face of a challenging macro-economic environment. For FY2013, latex prices declined by 22% to RM5.77/kg while nitrile prices fell by 28% to RM3.82/kg versus FY2012.

The Group had invested strategically during the financial year, completing 2 acquisition transactions in GMP Medicare Sdn Bhd for its glove manufacturing facilities as well as in PT. Agro Pratama Sejahtera, marking The Group's initial foray into upstream greenfield rubber plantations. Despite utilising cash to finance the above acquisitions coupled with its annual investments on organic capacity expansion and dividend payments, The Group continued to generate free cash flows and was able to maintain a healthy balance sheet position with net cash and short term investments of RM158.4 million as at 31 August 2013.

## CHALLENGES

As the industry continues to ramp up on nitrile production to ride on the buoyant demand, this could potentially lead to more intense price competition and subsequently margin erosion going forward, although at this juncture this concern had proven unfounded, given that all new nitrile capacity which came on stream had been equally matched by persistently robust demand.

The Group will continue to keep watch on the challenging global economic landscape particularly the fluctuating US dollar and raw material input costs, and on the local front, the prospect of impending rationalisation of fuel subsidies which will weigh on The Group's earnings sustainability.



*A one-stop glove sourcing centre, Top Glove offers its customers a comprehensive range of products*



# MANAGEMENT BUSINESS REVIEW

(cont'd)



*Top Glove continuously improves and innovates to deliver quality gloves at an efficient low cost*



*Top Glove's Annual General Meeting presents an opportunity for shareholders to be updated on the company's performance*

## OUTLOOK

In the near term, The Group expects the key raw material prices of latex and nitrile to trend at current levels in light of lacklustre growth in rubber consuming countries such as the United States, China and India.

The Group remains buoyant on the longer term outlook for the rubber glove industry due to its recession resilient nature. Being a necessity item especially in the healthcare and food industry, the demand for rubber gloves both natural and nitrile will continue to register strong pick up from the emerging and developed economies. The recent sporadic incidents of the H7N9 and MERS infectious diseases served to create further awareness on the importance of responsible healthcare hygiene and disease prevention in order to avert an outbreak of pandemic proportions.

On the back of this positive outlook and leveraging on The Group's balance sheet strength, The Group will forge ahead with its expansion plans to further boost its capacity from currently 43.9 billion to 46.1 billion pieces of gloves per annum by June 2014.

Over a longer term horizon, The Group has earmarked RM3.8 billion towards its 15-year investment plan focusing on the construction of new factories, continuing automation of its production lines and greater investment in research and development ("R&D") and information technology ("IT"). This 15-year plan resonates with the government's drive to propel Malaysia towards becoming a high impact developing country, earning recognition as an Entry Point Project under the government's Economic Transformation Program.

R&D which is the cornerstone of The Group's innovative products and services which had propelled it to where it is today, will continue to remain The Group's priority in order for the business to continue to grow and survive. Continuous investment and emphasis on R&D is a must to compete in a fast evolving and increasingly global market where customers' expectations are constantly on the rise.

On the IT front, The Group had successfully implemented SAP Enterprise Resource Planning application solutions for its Malaysian operations since the beginning of the financial year 2014. This enterprise wide IT transformation is designed to standardise its business processes and improve human efficiency with the elimination of redundant and non-value added processes.

Having skilled and competent human resources is also a key criteria and challenging aspect of sustaining the business. To this end, The Group will continue to invest in human capital, its prized asset, prioritising training and self development. The Group had recently implemented a competency-based Performance Management System to align with the business goals and key performance indices to determine remuneration and career development paths. The Group views talent retention as critical to spearhead The Group to the next level of success.

# CORPORATE RESPONSIBILITY STATEMENT



## OUR COMMITMENT

We believe that organisations have an important role to play in ensuring a sustainable future. As corporate citizens, businesses have a responsibility to utilise their skills and expertise to touch lives, build communities and safeguard the environment. Hence, at Top Glove, ensuring we make a positive contribution to society remains a foremost business priority and an integral part of our corporate culture.

Underscoring a strong desire to enrich and protect human lives, our activities are centered on four key areas:

1. **Community:** helping our community through donations, sponsorships and other forms of assistance.
2. **Environment:** conserving natural resources in our manufacturing processes and championing “green” activities.
3. **Employees:** investing in our talents/human capital and their well-being through on-going training and health programs.
4. **Workplaces:** adhering to a strict code of ethics and observing the highest standards of corporate governance in the conduct of our business.

In line with our focus on CR, on 14 June 2009, the Top Glove Foundation (“TG Foundation”), a non-profit organisation was also established, with a view to ensuring charitable activities were carried out in an efficient and effective manner.

## Community

We continuously engage with our communities, meeting needs as they arise in a number of ways. Our activities are diverse, but held together by a common desire to make a meaningful difference in the daily lives of the people around us. Some of the highlights include:

- Channeling donations to the underprivileged through various organisations, the beneficiaries for which include the Association for the Mentally Handicapped, Malaysian Association for the Blind, Shelter Home for Children, Good Samaritan Klang, Badan Kebajikan Siti Khadijah Anak-Anak Yatim Selangor and Pusat Harian Kanak-Kanak Spastik Bandar Ipoh.
- Collaborating with government agencies and social services centers to identify worthy causes. To date, financial aid has already been extended through Jawatankuasa Kemajuan & Keselamatan Kampung (Persekutuan) (“JKKK”) Kg Meru.
- Providing educational aid to the needy. Contributions have been made directly towards education, healthcare initiatives and sporting activities. Funds were also given out for the expansion/construction of new facilities and buildings at Sekolah Kebangsaan Meru 2, SJK (C) Pin Hwa 1, Tiong Hua Kok Bin, SJK (C) Ladang Sungai Salak, SJK (C) Chung Hua, SMK Sultan Abdul Aziz and SJK (T) Taman Desa Pinji. Scholarships were also awarded to undergraduates with financial difficulties, to pursue courses at local public universities. In addition, RM1.25 million was committed to Universiti Tunku Abdul Rahman to set up a Professor of Chemistry Chair to assist with R&D activities.



*The Top Glove delegation at The KL Rat Race 2013 organised by the Edge and Bursa Malaysia*

## Environment

As the largest rubber glove manufacturer in the world, we are cognisant of the impact our activities potentially have on the environment. We take environmental stewardship seriously and are wholly committed to finding ways to deploy ecologically sound practices, whilst maintaining the highest levels of product quality and shareholder value.

### Biomass Fuel

- Biomass energy is considered as 'zero greenhouse gas emitting technology' by the Regional Greenhouse Gas Initiative, estimated to achieve 148% reduction in global warming potential. Since 2005, Top Glove has started switching to biomass fuels, which now generate about 40% of our heat energy requirement. Our boilers use only biomass waste as the main fuel and the system is enclosed to collect dust and prevent debris from escaping into the environment during the burning process. It also features an on-line 24 hour dust monitoring system directly linked to the Department of Environment (DOE) which monitors gas released from the chimney.

### Industrial Effluent Treatment (IETS) Plant

- Each factory has an IETS plant to treat all on-site effluent, before it is discharged to the environment. Our IETS specialists comply with stringent internal standards to ensure that the water discharged is not harmful to the environment. Routine maintenance and yearly audits also help ensure the treatment plant is maintained at optimum condition.

### Recycling

#### ➤ *At Work*

Top Glove advocates a paperless working environment by employing e-mail as the main method of communication and reusing paper. We encourage segregation at source (mainly metal, paper, plastic, aluminium and glass), both at work and home. Recycling competitions amongst factories are held quarterly to encourage employees to gather their recyclable waste from home and to educate them on the importance of the 3Rs - Reduce, Reuse and Recycle.



*Blood donation drives are regularly organised and well-supported by Top Glove staff*

#### ➤ *Water*

Approximately 25% of the water supplied by Jabatan Bekalan Air (JBA) is reused for housekeeping, former cleaning and gardening, as well as in production after being treated. Rainwater is also harvested for reuse. All factories have adopted this practice to minimise water consumption by maximising the usage. With the implementation of membrane filtration in the near future, Top Glove will also be recycling more waste water from the production line.

#### ➤ *Air*

All chlorinated factories are well-equipped with suction hoods that direct the excess chlorine vapour to a scrubber system, where it is neutralised, thereby preventing any adverse effects on health. Scheduled maintenance and third party inspections are carried out on a regular basis to optimise the scrubbing efficiency of the system and the gaseous release to environment. We are also in the midst of studying the possibility of recycling the scrubber to reduce chemical wastage, as well as the impact on our effluent treatment facility.

#### ➤ *Others*

Ongoing R&D initiatives are on trial, such as recycling alkaline to ensure minimum usage of alkaline in production, towards reducing the burden on our treatment plant and minimising waste disposal to the environment.

# CORPORATE RESPONSIBILITY STATEMENT

(cont'd)



## Green Initiatives

- We support and also participate in green activities initiated by environmental bodies. One such initiative was the allocation of land to Tzu Chi Malaysia for use as a recycling centre.
- On an ongoing basis, Top Glove also undertakes:
  - Continuous innovation and improvement in our processes, equipment, maintenance and overall operations to prevent environmental pollution
  - Regular reviews and improvements on the performance of our environmental management system
  - Awareness training for all employees

Very recently, our staff was the Country Winner in the Malaysia-China Chamber of Commerce and ASEAN Academy of Engineering & Technology (MCCC-AAET) Green Award, for being instrumental in the introduction of environmentally-friendly CPE/TPE gloves and its low carbon footprint manufacturing technology to Malaysia.

## Observing The Highest Levels of Compliance

Top Glove complies with DOE standards and all applicable government environmental legislation,



*Top Glove's CR activities reach out to the underprivileged and needy*



*Top Glove's top priority is the deployment of ecologically sound practices*

regulations and other requirements pertaining to the preservation and protection of the environment. We have taken this a step further by developing and implementing measures and strategies that promote waste minimisation, pollution prevention and the conservation of resources through the proper disposal of liquid, solid and gaseous waste, conservation of energy, efficient use of raw materials and non-use of banned substances. We have also been awarded with the ISO14001:2004 – Environmental Management, a certification audit by SIRIM and an accreditation which we have been progressively adopting throughout The Group.

## **Employees**

Top Glove is privileged to draw on the capabilities of a dedicated 11,000-strong workforce across Malaysia, Thailand, China, Indonesia, Germany and the USA, whom we are passionate about developing to its fullest potential.

From the very start, we embark on a rigorous hiring process to ensure the right job fit and that both our expectations and those of the candidate are well-aligned. Once on board, our employees have access to a wide variety of training programs aimed at upgrading and re-skilling, towards bringing out the very best in our talents. There is also a mentoring program in place, under which new staff will be assigned at least one mentor who will be on hand to provide the necessary guidance to ensure they assimilate well into their new working environment. In addition, the company also sponsors international study trips and educational programs.

We also aim to create a 'culture of good health' among our people. Several activities are organised to this end, which include monthly sports tournaments, health talks, recreational and corporate level activities and campaigns. To further advocate a healthy lifestyle, fresh fruits and dental products are given out to staff for free and mandatory Body Mass Index (BMI) monitoring for all employees is conducted on a quarterly basis. Consultation with our resident Nutritionist and basic health checks are also available in-house. Most recently, we set up a dedicated vegetarian canteen at our newest facility, Factory 25 to ensure our staff have easy access to healthy meals.

Families are not neglected either and are invited to join in company outings and trips. Employees' children who have excelled in their studies are also recognised through the **Staff's Children's Academic Excellence Award** every year.

Top Glove also ranked amongst Malaysia's 100 Leading Graduate Employers for 2013 and emerged a Sector Winner in the Manufacturing-Chemicals & Heavy Industries category.

## Workplace

### Corporate Governance

We are committed to acting responsibly in every aspect of our business. The values of honesty, integrity and transparency (our Business Ethics) lie at the heart of every business deal.

#### *The Top Glove Prevention and Anti-Corruption Committee (TGPAC) - Whistle Blowing*

- In early 2009, the Top Glove Prevention and Anti-Corruption Committee (TGPAC) was established to promote an anti-corruption mindset, and instill honesty and transparency amongst all Top Glove employees, as well as to provide an avenue for employees and the public to lodge complaints of any corrupt practices in the company. A Hotline is made available on the website for the public to file their complaints, which will be channelled to the Complaints Panel for immediate action.
- In line with Top Glove's Business Ethics which stress the qualities of Honesty, Integrity and Transparency, every staff is required to declare if they have family members/relatives working with Top Glove bi-yearly. In March 2011, Top Glove was among the first to sign the Corporate Integrity Pledge initiated by Transparency International. In addition, Top Glove Anti-Corruption Day was organised, where all senior management signed the Top Glove Corporate Integrity Pledge. TGPAC is also continuously researching and benchmarking Whistle Blowing Policies adopted by other companies.

- Top Glove employees are also required to sign a pledge every year to vouch that they will not condone or be involved in corrupt practices. Every employee proudly displays the anti-corruption badge along with their staff tag. Each year, we also officially communicate with our suppliers, customers and bankers on our policy of not accepting any gifts during festive seasons. All we ask for is good quality products, good services and competitive pricing. Should they still choose to show their gratitude for our support, we encourage them to donate to the Top Glove Foundation, which will channel the money towards worthy causes.
- We also make it a point to share news on current issues pertaining to corruption, honesty, integrity and transparency with all staff. Indeed, fighting against corruption is a part of every Top Glove staff's daily routine.

### Developing Suppliers

All suppliers and business associates with financial dealings with Top Glove are required to sign a Letter of Enforcement of Corporate Culture (LECC) every six (6) months. This serves to continuously educate on the importance of adhering to our policy and practice of non-corruption.



*Safety first:  
Tan Sri Lim  
makes time  
to attend Top  
Glove's  
Safety  
Campaign*

# TOP GLOVE CORPORATE SONG



ENGLISH

All over the world, We are known,  
For our superior quality gloves,  
Through the years we have grown,  
We have shown,  
Our gloves stand out superior in the world,  
Top Glove is the best, Better than the rest,  
Quality, Reliability and Consistency,  
Remain our policy,  
At Top Glove's Group of Companies.



BAHASA MALAYSIA

Dari mulanya, hingga terkini,  
Nama Top Glove diberi,  
Pengeluar sarung tangan yang berkualiti,  
Yakinlah hasil pengeluaran kami,  
Yang bermutu dan berkualiti tinggi,  
Sentiasa menuju kejayaan,  
Untuk mencapai keunggulan.



顶级企业歌  
MANDARIN

顶级的名誉 闻名世界  
品质优良的顶级手套  
历经多年的努力与成长  
我们成功站在世界的顶端  
顶级的手套 我们的骄傲  
品质好 可信赖及依靠  
是我们一直维护的宗旨  
在顶级手套公司集团  
语述：顶级手套  
继续创新与迈进是我们的义务



THAI

ทั่วโลกนั้นยอมรับว่าเรานั้นคือ  
ผู้นำคนดูมมือที่พร้อมและคุณภาพดี  
เราสร้างสรรค,เราเติบโต เรามั่นคง  
เพื่อก้าวไปสู่สากล ด้วยมือเรา  
ทอปโกลฟดีกว่าใคร เราทำงานด้วยใจ  
คุณภาพดี และบริการที่ดี  
เพื่อความไว้วางใจ เรายินดีรับใช้,  
ทอปโกลฟนั้นใจ คุณภาพต้องที่นี้





# CORPORATE GOVERNANCE STATEMENT

**The Board of Top Glove Corporation Bhd (“the Board”) is committed in ensuring a high standard of corporate governance is practised as the Board is mindful of the importance of accountabilities to the shareholders and all stakeholders in building a sustainable business.**

The Group will continue its efforts in evaluating its governance practices in response to evolving best practices and the changing requirements of the Group. The Board is pleased to present the Corporate Governance Statement for the year ended 31 August 2013 outlining the application of the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 (“the Code”).

The Group has noted the principles and recommendations of the Code and will further review its corporate governance practices to bring the same in line with the recommendations under the Code.

## **PRINCIPLE 1 : ESTABLISH CLEAR ROLES AND RESPONSIBILITIES**

*The responsibilities of the Board, which should be set out in a Board Charter, include management oversight, setting strategic direction premised on sustainability and promoting ethical conduct in business dealings.*

Top Glove is led by experienced Board comprising members who are specialised in the glove manufacturing and various business sectors supported by a wide range of other professionals in the economics, engineering and accounting sectors. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives and enable the Company to rest in the firm control of an accountable and competent Board of Directors.

### **Board Composition and Balance**

The Board currently comprises eleven (11) members, made up of five (5) Executive Directors including the Chairman and Managing Director and six (6) Independent Non-Executive Directors. The roles of the Chairman and the Managing Director are distinct and separate so as to ensure balance of power and authority. The composition reflects a balance of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) such that no individual or small group of individuals can dominate the Board’s decision making.

### **Key information on Directors**

A brief description of the background of each Director is presented on pages 8 to 13 of this Annual Report. The Directors proposed for re-election and re-appointment is stated in the Notice of Annual General Meeting (“AGM”).

No alternate Directors have been appointed in respect of any of the Directors.

The Board has identified Mr. Sekarajasekaran a/l Arasaratnam as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed where it could be inappropriate for the concerns to be dealt with by the Chairman and Managing Director. The Senior Independent Non-Executive Director may be contacted at Tel: +603-5022 2110.

### **Duties and Responsibilities of the Board**

The Non-Executive Directors are to deliberate and discuss policies and strategies formulated and proposed by the management with the view of the long-term interests of all stakeholders. They contributed to the formulation of policies, and decision-making using their expertise and experience. They also provide guidance and promote professionalism to the management.

The Independent Non-Executive Directors fulfill a pivotal role in corporate accountability; providing independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision making process to ensure that the long term interests of all stakeholders and the community are well protected.



# CORPORATE GOVERNANCE STATEMENT

(cont'd)



## Board Charter

The Board has recently adopted a Board Charter to establish clear functions reserved for the Board and those delegated to the management, the core areas of the Board Charter are as follows:

1. Company Goals
2. Board Governance Process
3. Board and Management Relationship
4. Board and Shareholders Relationship
5. Stakeholders Relationship

The details of the Board Charter are accessible through the Company's website at [www.topglove.com.my](http://www.topglove.com.my)

The Board is responsible for the succession planning to ensure all candidates appointed to senior management positions are of sufficient caliber. During the year, the Board has adopted a Succession Planning Policy to ensure that there are programmes in place to provide for the orderly succession of senior management.

## Directors' Code of Conduct

The Directors are expected to conduct themselves with the highest ethical standards and are expected to behave ethically and professionally at all times to promote and protect reputation and performance of the Company.

The details of the Directors' Code of Conduct are accessible through the Company's website at [www.topglove.com.my](http://www.topglove.com.my)

## Sustainability and Corporate Social Responsibility

The Board takes strong commitment to business sustainability seriously and seek to contribute positively to the well-being of stakeholders. The detail Corporate Responsibility Report can be found on pages 33 to 36 of this Annual Report.

## Company Secretaries

The Board has direct access to the advice and services of the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries are responsible to the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. These include obligations on Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group. The Company Secretaries are also charged with highlighting all compliance and governance issues which they feel ought to be brought to the Board's attention.

The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and senior management. In ensuring the uniformity of Board conduct and effective boardroom practices throughout the Group, the Company Secretaries have oversight on overall corporate secretarial functions of the Group, both in Malaysia and the region where the Group operates.

## Whistle-Blowing Policy

The Board believed that having a whistle-blowing system in place will strengthens, supports good management and at the same time demonstrates accountability, good risk management and sound corporate governance practices.

In view thereof, the Audit Committee recommended to the Board for adoption of a Whistle-Blowing Policy in 2010. The Board aimed to provide a platform and to act as a mechanism for parties to channel their complaints or to provide information on fraud, wrongdoings or non-compliance to any rules or procedures by the employee or management of the Company. The policy outlines when, how and to whom a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistle-blower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal or retribution. Any concerns raised will be investigated by Top Glove Prevention & Anti-Corruption and Whistle Blowing Committee and a report and update is provided to the Board of Directors, through the Audit Committee.





# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## Independent Professional Advice

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and in the event that circumstances warrant the same. The Company has in place internal guidelines allowing the Directors to seek independent professional advice.

## Diversity

The Directors are committed to diversity and to have equal employment opportunity for all genders. The Board however has not set a gender diversity targets as of the reporting period but shall embark on a more even spread of employees.

Below sets of the summary of the gender mix of our Management Team, excluding foreign workers:

Category	Total Headcount	Male Employees		Female Employees	
		Headcount	%	Headcount	%
All Staff	1,619	703	43	916	57
Management staff (Manager & above)	124	76	61	48	39
Directors on Board	11	10	91	1	9

*data compiled as at October 2013*

## PRINCIPLE 2 : STRENGTHEN COMPOSITION

*The Board should have transparent policies and procedures that will assist in the selection of Board members. The Board should comprise members who bring value to Board deliberations.*

### Nomination Committee

The Nomination Committee was established to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the performance of the Directors of the Company on an on-going basis. The members of the Nomination Committee are as follows:

- 1) **Tan Sri Dato' Seri Utama Arshad Bin Ayub** (Independent Non-Executive Director) – Chairman
- 2) **Sekarajasekaran a/l Arasaratnam** (Independent Non-Executive Director)
- 3) **Lim Han Boon** (Independent Non-Executive Director)

The Nomination Committee is responsible to recommend to the Board of Directors suitable candidates to fill vacancies on the Board of Directors and Board Committees.

### Board Membership Criteria

In reviewing and recommending to the Board any new Director appointments, the Nomination Committee considers:

- (a) Age, skills, knowledge, expertise, experience, professionalism, integrity, capabilities and such other factors which would contribute to the Board's collective skills;
- (b) Competing time commitments if the candidate has multiple board representations;
- (c) Composition requirements for the Board and Committees; and
- (d) Independence. For appointment of an Independent Non-Executive Director.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)



## Board, Committees and Individual Director Evaluation

The Nomination Committee also annually reviews its required mix of skills and experience and other qualities, including core competencies which the Directors should bring to the Board. The Directors have been assessed annually and feedback to the Board on the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director.

## Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to retirement at the first AGM of the Company subsequent to their appointment. One third (1/3) of all the other Directors shall retire by rotation at each AGM provided always that all Directors shall retire from office at least once in every three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders.

Pursuant to Section 129 of the Companies Act, 1965, Directors who have attained or are over the age of seventy (70) years shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

The Directors due for re-election by rotation pursuant to Article 94 of the Articles of Association of the Company at the forthcoming AGM are Puan Sri Tong Siew Bee and Mr Lee Kim Meow. Whereas, the newly appointed Directors retiring at the forthcoming AGM pursuant to Article 100 of the Articles of Association of the Company are Tan Sri Mohd Sidek Bin Haji Hassan and Tan Sri Rainer Althoff. Their profiles are set out on pages 9 and 10 of this Annual Report.

The Directors who are due for retirement and re-appointment in accordance to Section 129 of the Companies Act, 1965 at the forthcoming AGM are Tan Sri Dato' Seri Utama Arshad Bin Ayub, Tan Sri Dato' Dr. Lin See Yan and Mr. Sekarajasekaran a/l Arasaratnam. Their profiles are set out on pages 9, 10 and 13 of this Annual Report.

The Board believes in having a healthy mix of age and experience and therefore does not prescribe a minimum or maximum age limit for its Board members apart from what is prescribed under Section 129 of the Companies Act, 1965.

The Board does not impose a limit on the length of service of the Independent Directors as their attributes in terms of skills, experience, professionalism, integrity including core competencies in exercising their objectivity and independent judgement to discharge their responsibilities in good faith in the best interest of the Company are more critical in ascertaining the function and effectiveness of their independence than the number of years served on the Board.

The Board has adopted an on-going evaluation process to assess the effectiveness of the Board as a whole. In respect of the assessment for the financial year ended 31 August 2013, the Board was satisfied that the Board and the Committees have discharged their duties and responsibilities effectively.

## Activities of Nomination Committee

During the year, Nomination Committee set the review criteria for appointment of Director focused largely on creating a good mix of skills, experience and strengths in areas relevant to enable the Board to discharge its responsibilities effectively and efficiently. Other factors included as review criteria were the candidates' ability to commit sufficient time to the Company, capabilities, track record, integrity and professionalism. In case of the appointment of Independent Non-Executive Director, the candidate's independence is to be considered.

The Nomination Committee had upon reviewed, submitted its recommendation of suitable candidates for appointment as Directors of the Company to the Board. In March 2013, Tan Sri Mohd Sidek Bin Haji Hassan and Tan Sri Rainer Althoff were appointed as Independent Non-Executive Directors of the Company.

The Board through the Nominating Committee also reviewed its required mix of skills and experience and other qualities, including core competencies which the Directors should bring to the Board. The Board has also implemented a process to be carried out by the Nomination Committee annually for continuous assessment and feedback to the Board on the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. During the deliberation of the performance of a particular Director who is also a member of the Nomination Committee, that member abstains from the discussions in order to avoid any conflict of interests.

The results of the individual evaluation of the Directors were used by the Nomination Committee, in its consultation with the Chairman of the Board, to review, where appropriate, the composition of the Board and Committees, to recommend the re-appointment and re-election of retiring Directors at the forthcoming AGM.

The results and comments from the Directors, concerning the Board as a whole and the general performance of the Directors, were also presented to the Board.





# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## Remuneration Committee

The Remuneration Committee was established to assist the Board of Directors in their responsibilities in assessing the Directors' fees, allowances and other benefits of the Board of Directors. The members of the Remuneration Committee are as follows:

- 1) **Tan Sri Lim Wee Chai** (Executive Chairman) – Chairman
- 2) **Sekarajasekaran a/l Arasaratnam** (Independent Non-Executive Director)
- 3) **Lim Han Boon** (Independent Non-Executive Director)

The remuneration of the Executive Directors is structured to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and performance of the Group.

## Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/ receivable from the Company and subsidiaries during the financial year ended 31 August 2013 are as follows:

- 1) Aggregate remuneration of Directors categorised into appropriate components are as follows:

	Salaries RM'000	Fees RM'000	Bonus RM'000	Employees' Share Option Scheme RM'000	Benefit-in-kind RM'000	Total RM'000
<b>Executive Directors</b>	3,241	837	306	230	97	4,711
<b>Non-Executive Directors</b>	-	263	-	-	-	263

- 2) Directors' remuneration are broadly categorised into the following bands:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,001 to RM100,000	-	3
RM250,001 to RM300,000	1	-
RM600,001 to RM650,000	1	-
RM650,001 to RM700,000	1	-
RM700,001 to RM750,000	1	-
RM2,400,001 to RM2,450,000	1	-

## ESOS Committee

The Company, with approval of the shareholders in its Extraordinary General Meeting held on 9 January 2008, had established the Employees' Share Option Scheme ("ESOS") and the ESOS was officially implemented on 1 August 2008. The Company had also obtained its shareholders' approval on the amendments to the By-laws of the ESOS during its AGM held on 10 January 2012.

ESOS Committee appointed by the Board on 11 April 2003 continued to oversee the administration as well as to ensure proper implementation of the ESOS according to the By-laws of the ESOS. Currently the ESOS Committee comprises the following members:

- 1) Tan Sri Lim Wee Chai : Chairman
- 2) Lee Kim Meow : Member
- 3) Lim Cheong Guan : Member
- 4) Wu Kin Yeap : Member
- 5) Hue Kon Fah : Member
- 6) Ngian Yoke Fung : Member

# CORPORATE GOVERNANCE STATEMENT

(cont'd)



## PRINCIPLE 3 : REINFORCE INDEPENDENCE

*The Board should have policies and procedures to ensure effectiveness of Independent Directors.*

### Review of Directors' Independence

The Nomination Committee reviews the independence of Directors annually according to the criteria on independence set out in the Main Market Listing Requirements ("MMLR") and Practice Notes of Bursa Malaysia Securities Berhad ("Bursa Securities") on independence. In addition to the annual review by the Nomination Committee of the Directors' independence, each Independent Non-Executive Director also submits an annual declaration regarding his independence.

All of the Independent Non-Executive Directors are also independent from the substantial shareholders of the Company, not being substantial shareholders themselves nor directly associated with any substantial shareholder.

### Tenure of Independent Directors

The Board is mindful of the recommendation of the Code on limiting the tenure of Independent Directors to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the Nomination Committee on an annual basis, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to serve as Independent Director subject to shareholders' approval.

Currently, the Company has two (2) long-serving Independent Non-Executive Directors, Tan Sri Dato' Seri Utama Arshad Bin Ayub and Mr. Sekarajasekaran a/l Arasaratnam, whose tenure is more than nine (9) years. The Nomination Committee has reviewed and recommended to the Board for them to continue to act as Independent Directors of the Company.

The Nomination Committee was of the view that the Independent Directors have carried out their responsibilities in good faith in the best interest of the Company and have safeguarded the interests of the minority shareholders of the Company. There are significant advantages to be gained from the long-serving Independent Directors who possess tremendous insight and knowledge of the Company's affairs.

### Chairman and Managing Director

The Chairman, Tan Sri Lim Wee Chai is primarily responsible for the orderly conduct of the Board Meetings and ensure effectiveness of the Board and the Managing Director, Mr Lee Kim Meow will assist the Chairman in the effectiveness of implementation of Board policies, making operational decisions and monitoring the day-to-day running of the business, including defining the limits of the management's responsibilities.

Whereas, the Executive Directors are responsible for the day-to-day operations of the Group whereby operational issues and problems are discussed, major transactions and matters relating to the Group are reviewed and also to formulate operational strategies.

### Majority Independent Director

The Board is comprised of majority of Independent Director as the Chairman of the Board is an Executive Chairman.

With such composition of the Board, the board's balance is ascertained with sufficient check.

## PRINCIPLE 4 : FOSTER COMMITMENT

*Directors should devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills.*





# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## Board Meetings ~ Time Commitment

The Board meets quarterly to review its quarterly performances and discuss new policies and strategies. Additional meetings will be called as and when necessary. During the financial year ended 31 August 2013, five (5) Board Meetings were held and the attendance of the Board members is as follows:

Name of Directors	No. of Meetings Attended during tenure in office
Tan Sri <u>Lim</u> Wee Chai	5/5
Tan Sri Dato' Seri Utama Arshad Bin Ayub	3/5
Tan Sri Dato' Dr. Lin See Yan	5/5
Puan Sri Tong Siew Bee	5/5
Lee Kim Meow	5/5
Lim Hooi Sin	5/5
Sekarajasekaran a/l Arasaratnam	5/5
Lim Cheong Guan	5/5
Lim Han Boon	5/5
Tan Sri Mohd Sidek Bin Haji Hassan	2/2
Tan Sri Rainer Althoff	2/2

All of the above meetings were held in the Company's Conference Room at Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan, Malaysia.

In the intervals between Board meetings, any matters requiring urgent Board's decisions or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

## Supply of Information to the Board

All Directors are provided with an agenda of the meeting and board papers which contain Company's financial performance, business outlook, various Committees' reports and disclosures by Directors of their interest in the shares and their interest in contracts, properties and offices pursuant to Section 135 and Section 131 of the Companies Act, 1965 respectively prior to the Board meeting. The board papers are issued in advance to facilitate informed decision making. The Managing Director will lead the presentation of board papers and provide comprehensive explanations of pertinent issues. Any proposals and recommendations by the management will be deliberated and discussed by the Board before a decision is made. Minutes are prepared on all Board proceedings and will be signed by the Chairman of the meeting in accordance with the provision of Section 156 of the Companies Act, 1965. The Board is kept updated on the Company's financial activities and operations on a regular basis.

The Directors are also notified of any corporate announcement released to Bursa Securities and the impending restriction on dealing with the securities of the Company prior to the announcement of the quarterly financial results.

All Directors and Company Secretaries have been issued with the Code of Ethics for Directors and Secretaries. The Company Secretaries also act as the Secretaries for all the Board Committees.

## Directors' Training

All the Board members have attended the Mandatory Accreditation Programme and are mindful that they shall receive appropriate training which may be required from time to time to keep abreast with current developments of the industry as well as new statutory and regulatory requirements.

During the financial year ended 31 August 2013, the Directors have continued to participate in training programmes to equip themselves and to effectively discharge their duties as Directors as and when beneficial. The Directors have constantly kept themselves updated on both local and international affairs, and to changes in regulations affecting the Company through advisories from regulatory bodies, the management and through self-reading.

The Directors are also updated by the Company Secretaries on any changes to legal and governance practices of the Group and which affect themselves as Directors at every Audit Committee and Board meetings.

It is the Company's intention that each new Director is given a comprehensive briefing on the Company's history, operations, financial control system and plant visit to enable him to have first-hand understanding of the Company's operation.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)



During the financial year, all Directors had collectively or individually attended/participated in the following seminars/forum/ conference/ training programmes:

Directors	Seminars/Forum/Conference/Training
Tan Sri <u>Lim</u> Wee Chai	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Forbes Global CEO Conference</li> <li>• JP Morgan Singapore Symposium International Council</li> <li>• 1st China Asia Expo &amp; 21st China Kunming International Import &amp; Export Fair</li> <li>• FMM Innovation Conference 2013</li> <li>• Corporate Social Responsibility Visit to Taiwan Tzu Chi by the Entrepreneur Group</li> <li>• Inaugural Forum : Universiti Malaya Alumni Leadership Series</li> <li>• KCCCI Talk</li> <li>• East Asia Business and Investment Forum</li> <li>• CIMB Annual Asia Pacific Leaders' Conference</li> <li>• Health Talk "Fighting Haze, Safeguard Our Lung" by Dr. Sangeeta</li> </ul>
Tan Sri Dato' Seri Utama Arshad Bin Ayub	<ul style="list-style-type: none"> <li>• Nominating Committee Program @ Bursa Malaysia</li> </ul>
Tan Sri Dato' Dr. Lin See Yan	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Selection, Dynamics and Performance of a Board Seminar by Singapore Corporate Awards &amp; Singapore Exchange</li> <li>• Board Effectiveness Breakfast Events – Taking Your Organisation to the Next Level in Governance and Value by SGX, Singapore</li> <li>• Panelist at the Asian World Summit's "5th Annual Corporate Governance Summit", Kuala Lumpur</li> <li>• Keynote Address at PKF International Partner Symposium, Kuala Lumpur</li> <li>• Risk Management Forum Embracing Risks for Long-Term Corporate Success – Boosting Your Risk Governance by PNB Investment Institute Sdn. Bhd.</li> <li>• Speaker at the 15th International Surveyors' Congress jointly organised by Royal Institute of Surveyors Malaysia &amp; The Royal Institution of Chartered Surveyors, Kuala Lumpur</li> <li>• Speaker at the Mutiara Community Forum, Kuala Lumpur</li> <li>• Luncheon discussion on "Quantitative Easing and Singapore's housing market organised by Tecity Investment &amp; Research, Singapore</li> </ul>
Puan Sri Tong Siew Bee	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers @ Bursa Malaysia</li> <li>• Corporate Social Responsibility Visit to Taiwan Tzu Chi by the Entrepreneur Group</li> <li>• Forbes Global CEO Conference</li> </ul>
Lee Kim Meow	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers @ Bursa Malaysia</li> <li>• International Rubber Glove Conference Exhibition</li> <li>• SME Seminar: Transforming SME to Large Organisation</li> <li>• Sustainability Training for Directors at Bursa Malaysia</li> <li>• Corporate Integrity System Malaysia : CEO Dialogue Session at Bursa Malaysia</li> <li>• SME Seminar : How Top Glove Became One of Malaysia's successful company</li> <li>• SME /MICCI Seminar : The World is Our Market</li> <li>• Health Talk by Dr Sangeetha at Top Glove on Gastric, Acute Gastroenteritis, Diarrhea, Constipation, Worms</li> <li>• Invest Malaysia Conference</li> <li>• CIMB Annual Asia Pacific Conference</li> <li>• Working Together to Combat Corruption at TG</li> </ul>
Lim Hooi Sin	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> </ul>





# CORPORATE GOVERNANCE STATEMENT

(cont'd)

Directors	Seminars/Forum/Conference/Training
Sekarajasekaran a/l Arasaratnam	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers @ Bursa Malaysia</li> </ul>
Lim Cheong Guan	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• CIMB Annual Asia Pacific Leaders' Conference</li> <li>• HORENSO - Master the Art of Communication</li> <li>• Dialogue Session on Revised Shariah Screening Methodology @ Bursa Malaysia</li> </ul>
Lim Han Boon	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Duties of the Audit Committee</li> <li>• Smart Sourcing Submit 2012</li> <li>• Sustainability Training for Directors &amp; practitioners</li> <li>• Understanding Financial Statements - Use of healthy Skepticism</li> <li>• Directors' Duties &amp; Responsibilities under Companies Act 1965 and Directors Obligations under Listing Requirements</li> <li>• Score and Acceleration - Building globally competitive Malaysian Outsourcers</li> <li>• Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers @ Bursa Malaysia</li> <li>• Nominating Committee Program @ Bursa Malaysia</li> </ul>
Tan Sri Mohd Sidek Bin Haji Hassan	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers @ Bursa Malaysia</li> </ul>
Tan Sri Rainer Althoff	<ul style="list-style-type: none"> <li>• Top Glove Leaders' Summit 2013</li> <li>• Corporate Directors Advanced Programme 2013 "Human Capital"</li> <li>• Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers @ Bursa Malaysia</li> </ul>

## PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING

*The Board should ensure financial statements are a reliable source of information.*

### Audit Committee

The Audit Committee was established to assist the Board of Directors in overseeing the Group's activities within its clearly defined terms of reference. Principle 5 of the Code and Paragraph 15.12 of Bursa Securities MMLR spell out the duties of an Audit Committee. The scope of duties of Top Glove's Audit Committee includes primarily the duties detailed therein. Pursuant to Paragraph 15.15 of the MMLR, the Audit Committee Report for the current financial year can be found on pages 53 to 57 of this Annual Report which also contain other information as required under the Code.

The Board of Directors shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and its members have carried out their duties in accordance with their terms of reference.

The Board of Directors has full access to both internal and external auditors and receives reports on all audits performed via this Committee.

### Financial Reporting

The Board is committed to provide a balanced, fair and comprehensive assessment of the Company's state of affairs in its financial statements. To ensure this, adequate financial processes are in place, aimed at keeping the Group's accounting records and transactions in accordance with accepted accounting standards. This ensures the preparation of annual financial statements that present a true and fair view of the state of affairs of the Group and Company at the reporting dates.



# CORPORATE GOVERNANCE STATEMENT

(cont'd)



The Board is also committed to ensure that it presents a balanced and comprehensive assessment of the operation and financial results of the Group on a quarterly basis via its interim financial reports. It releases the quarterly financial report upon the Board's approval and in any event not later than two (2) months after the end of each quarter of its financial year for public announcement together with the required disclosure of the MMLR.

These quarterly reports are published in a condensed format with full financial statements prepared.

## External Auditors

The Audit Committee maintains a transparent and professional relationship with the external auditors of the Company.

The Audit Committee is assigned to assess, review and supervise the performance, suitability and independence of external auditors. An External Auditors Assessment Policy was adopted by the Audit Committee which outline the guidelines and procedures for the Audit Committee to assess and review the external auditors.

The Audit Committee invites the external auditors to attend its meetings as and when required, before commencement of the year end audit and upon completion of their audit. The external auditors meet the Audit Committee at least four (4) times a year. During such meetings, the auditors highlight and discuss the nature, scope of the audit, audit programme, internal controls and issues that may require the attention of the Audit Committee or the Board.

The Audit Committee ensures that the external audit function is independent of the activities it audits, and reviews the contracts for the provision of non-audit services by the external auditors and ensures that it will not give rise to instances of conflict of interests.

The external auditors have confirmed to the Audit Committee that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The Audit Committee also makes arrangements to meet and discuss with the external auditors separately without the presence of Management and Executive Directors on any matters relating to the Group and its audit activities.

## PRINCIPLE 6 : RECOGNISE AND MANAGE RISKS

*The Board should establish a sound risk management framework and internal controls system.*

### Risk Management and Internal control

The Board has established a framework to formulate and review risk management policies and risk strategies. Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control.

### Risk Management Committee

The Risk Management Committee was established during this financial year and the members are as follows:

- |                                       |   |
|---------------------------------------|---|
| 1) Tan Sri Mohd Sidek Bin Haji Hassan | (Independent Non-Executive Director) - Chairman |
| 2) Tan Sri Rainer Althoff             | (Independent Non-Executive Director)            |
| 3) Lim Han Boon                       | (Independent Non-Executive Director)            |
| 4) Lee Kim Meow                       | (Managing Director)                             |
| 5) Lim Cheong Guan                    | (Executive Director)                            |

The primary responsibility and purpose of the Risk Management Committee is to assist the Board in fulfilling its responsibility with respect to review and monitor Group's risk management framework and activities. Risk Management Committee reports to Board of Directors regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and management's views on the acceptable and appropriate level of risks faced by Group's Business Unit.





# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## Internal Audit

The Internal Audit Department carries out the internal audit function, which reports directly to the Audit Committee on its activities based on the approved annual internal audit plan.

The Board acknowledges its responsibility for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls, and compliance with laws and regulations as well as with internal procedures and guidelines.

The appointment, resignation and dismissal of the Head of Internal Audit is reviewed and approved by the Audit Committee. The Head of Internal Audit has unfettered access to the Audit Committee, the Board and the management.

## PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

*Companies should establish corporate disclosure policies and procedures to ensure comprehensive, accurate and timely disclosures.*

### Corporate Disclosure

The Board reviews and approves all quarterly and other important announcements. The Company announces its quarterly and full year results within the mandatory period. The financial statements and press releases including material and price sensitive information are disseminated and publicly released via BURSA LINK on a timely basis to ensure effective dissemination of information relating to the Group.

The Board has formalised a set of Corporate Disclosure Policy to ensure that communications to the public regarding the Group are timely, factual, accurate and complete. The said Policy outlines the central principles and practices in communicating with the investors, shareholders, media and regulator.

### Effective Dissemination of Information

The Group has established a comprehensive website at [www.topglove.com.my](http://www.topglove.com.my) which includes a dedicated section on Investor Relations, to further enhance shareholder communication.

The Group has also included a Corporate Governance section on the website where information such as the Board Charter, Directors' Code of Conduct and Corporate Disclosure Policy are made available to the shareholders and public.

To better serve stakeholders of the Group, a feedback page on the website provides an avenue for stakeholders to suggest improvements to the Group via email: [invest@topglove.com.my](mailto:invest@topglove.com.my). In addition, stakeholders who wish to reach the respective divisions of the Group can do so through the 'Contact Us'.

Investor queries pertaining to financial performance or Company developments may be directed to the Executive Director (Investor Relations) of Top Glove Corporation Berhad, Mr Lim Cheong Guan (Tel: +603-5022 2110, Fax: +603-5022 2113, e-mail: [cglim@topglove.com.my](mailto:cglim@topglove.com.my)), whereas shareholder and Company related queries may be referred to the Company Secretary, Ms Ngian Yoke Fung (Tel: +603-5022 2110, Fax: +603-5022 2113, e-mail: [yfngian@topglove.com.my](mailto:yfngian@topglove.com.my)).

## PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

*The Board should facilitate the exercise of ownership rights by shareholders.*

### Encourage shareholder participation at general meetings

The Company despatches annual report to all shareholders of the Company, includes the notice of AGM, which notice is also advertised in the press and released via BURSA LINK. The notices of meetings and the annual reports are sent out to shareholders at least twenty one (21) days before the date of the meeting in accordance with the Company's Articles of Association.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)



At Top Glove, a member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Sections 149(1) (a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

The AGM is the principal forum for dialogue with shareholders.

At each AGM, a presentation is given by the Chairman and Managing Director to explain the Group's strategy, performance and major developments to shareholders. The Board encourages shareholders to participate in the question and answer session at all general meetings. The Directors also shared with the shareholders of the Company's responses to questions by Minority Shareholder Watchdog Group, submitted in advance of the AGM.

Status of all resolutions proposed at the AGM is submitted to Bursa Securities at the end of the meeting day. The Board has ensured that each item of special business included in the notice of the annual or extraordinary general meeting are accompanied by a full explanation of the effects of a proposed resolution.

## Encourage poll voting

At the last AGM of the Company, no substantive resolutions were put forth for shareholders' approval, except the routine resolutions pertaining to receiving of audited financial statements, re-appointment and re-election of Directors, payment of dividends and Directors' fees and re-appointment of Auditors. In view thereof, all resolutions were voted on by show of hands by shareholders.

The Board will consider adopting electronic voting to facilitate greater shareholder participation at general meetings, and to ensure accurate and efficient outcomes of the voting process.

## Effective communication and Proactive Engagement

The Company endeavours to maintain an open and transparent channel of communication with its stakeholders, institutional investors and the investing public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible.

At the last AGM, the chairmen of the Audit Committee, Nomination Committee and Remuneration Committee and the external auditors were present and will endeavour to be present at the forthcoming AGM to assist the Directors in addressing queries raised by the shareholders. Based on the past, the Company's AGM have been well attended. It has always been the practice for the Chairman to provide ample time for the questions and answers sessions in the AGM.

Shareholders were given a copy of suggestion form to invite shareholders to feedback and comment for notation by the management for consideration. A help desk was also set up by our officers to assist and answer any queries raised by shareholders.

During the year, the Company also had regular meeting with analysts and institutional fund managers, participated roadshows and investors conferences, both domestically and internationally; and hosted teleconferences with investors and analysts.

## COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that the Statement on Corporate Governance provides the information necessary to enable shareholders to evaluate how the Code has been applied. The Board considers and is satisfied that the Company has partially fulfilled its obligation under the Code, the MMLR and all applicable laws and regulations throughout the financial year ended 31 August 2013.

This Statement is made in accordance with a resolution of the Board of Directors dated 11 October 2013.





## OTHER COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds

The Company did not raise funds through any corporate proposal during the financial year.

### 2. Recurrent Related Party Transactions

During the financial year, there were no recurrent related party transactions of a revenue or trading nature involving the Directors and/or substantial shareholders of the Company.

### 3. Share Buy-Back

During the financial year, the Company had not purchased any of its own shares.

### 4. Depository Receipt Programme

A Sponsored Level-1 ADR Programme (Depository Receipt Programme) for shares of the Company was registered with the Securities and Exchange Commission of the United States of America since 27 December 2005.

Under the Depository Receipt Programme, a maximum of 5% of the total issued and paid-up capital of the Company will be traded in the Depository Receipts in the United States of America, in the ratio of four (4) shares to one (1) Depository Receipt.

The Depository Bank for the Depository Receipt Programme is The Bank of New York and the sole custodian of the Company's shares for the Depository Receipt Programme is Malayan Banking Berhad, Kuala Lumpur.

As at 30 September 2013, the total number of Depository Receipts sold under the Depository Receipt Programme was amounted to 6,764 shares.

### 5. Imposition of Sanctions/Penalties

There were no sanctions/penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

### 6. Non-Audit Fees

During the financial year, the amount of non-audit fees paid to the external auditors amounted to RM105,300.00.

### 7. Variation in Results

There was no material variance between the results of the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

### 8. Profit Guarantees

During the financial year, there were no profit guarantees given by the Company.

### 9. Material Contracts

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving Directors' and/or substantial shareholders' interests.

### 10. Contracts Relating to Loans

There was no material contracts relating to loans entered into by the Company involving Directors and/or substantial shareholders.

### 11. Options or Convertible Securities

During the current financial year ended 31 August 2013, a total of 1,340,200 new ordinary shares were issued and allotted pursuant to the exercise of the Employees' Share Option Scheme ("ESOS"). The details of the issued and paid-up share capital of the Company as at 31 August 2013 are as follows:

	No. of Shares	RM
As at 1 September 2012	618,879,762	309,439,881.00
Ordinary shares of RM0.50 each issued pursuant to the ESOS	1,340,200	670,100.00
As at 31 August 2013	620,219,962	310,109,981.00

Other than the above, there was no issuance of convertible securities during the financial year.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## The Board's Responsibilities

The Board is committed to establish a sound, efficient and effective system of internal control covering not only financial controls but also operational compliance and risk management to safeguard Shareholders' investment and the Group's assets. There is an on-going review process by the Board to ensure the adequacy and integrity of the system. Such a system is designed to identify and to manage the Group's risk within the acceptable risk profile, rather than eliminate the risk of failure. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

## Risk Management Framework

The Board regards risk management as an integral part of business operations. The Board explicitly assumes the responsibility of identifying principle risks and ensuring implementation of a risk management system, and reviewing the adequacy and integrity of the Company's internal control and management information system. To fulfill its oversight responsibility, the Board as a whole or through delegation to the Risk Management Committee ("RMC"), should review adequacy, integrity and implementation of appropriate systems for risk management and internal controls.

## RMC's Responsibilities

The primary responsibility and purpose of the RMC is to assist the Board in fulfilling its responsibility with respect to review and monitor Group's risk management framework and activities. RMC reports to Board of Directors regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's views on the acceptable and appropriate level of risks faced by Group's Business Unit.

## The Risk Management Process

The Group has formed a Risk Working Committee ("RWC") in May 2013 to assess risk contained at the respective Business Unit level. The RWC consists of standing members comprising Executive Director and key Senior Managers and submits its Risk Report to RMC on a quarterly basis.

The RWC, subject to the general supervision of RMC, has to ensure the following:

- Risk Management Framework, Policies and Procedures laid down by the RMC is implemented consistently and effectively through the Business Unit;
- Review identified risks and corresponding controls in place to mitigate these risks for each significant business process; and
- Compile Risk Report and submit to RMC for review, deliberation and recommendation for approval by the Board.

## The Internal Control Process

The Group's internal control mechanism is embedded in the various work processes and procedures at appropriate levels in the Group. The Management Team led by the Managing Director and Executive Director comprising experienced personnel with vast specialised industry experience is assigned with the responsibility of managing the Group. They are accountable for the conduct and performance of their operations within their respective businesses. The Management Team monitors the day-to-day affairs of the Group through review of performance and operations reports, as well as attending Management meetings. Any significant issues are immediately brought to the attention of Executive Director, Managing Director and Chairman, who in turn will bring these matters before the Board.

The Audit Committee is also responsible for reviewing and monitoring the effectiveness of the Group's system of internal control. In this respect, the Company's Internal Audit Department was set up in the financial year ended 31 August 2003 to undertake the obligation to conduct regular review on the Group's various operations and reports directly to the Audit Committee. The external auditors provide assurance in the form of their annual statutory audit of the financial statements. Further areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or discussed at Audit Committee meetings.





# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

## The Internal Audit Function

The internal audit function is provided by the Group's internal audit department based on audit plan approved by Audit Committee. The scope of work of internal audit, which is clearly defined in the Audit Charter, encompasses the examination and evaluation of the adequacy, existence and effectiveness of the system of internal control, risk management framework and corporate governance of the Group, which include, inter alia, the following:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Evaluating the system established to ensure compliance with policies, plans, procedures, laws, and regulations which could have significant impact on operations;
- Examining the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Assessing the economy and efficiency with which resources are employed; and
- Appraising operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.

## Review of Effectiveness

The Board is dedicated towards operating a sound system of internal control and therefore recognised that the system must continuously evolve to support the business and the size of the Group.

The process for identifying, evaluating and managing risk as outlined on this statement has been in place for the year under the review and up to the date of approval of this statement. During the financial year, a number of improvements to internal controls were identified and addressed. There have been no significant material internal control failures, which have resulted in material losses or contingencies.

Pursuant to paragraph 15.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the Annual Report for the financial year ended 31 August 2013 and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adequacy and integrity of the system of internal control.

The Board has also received assurance from the Chairman, Managing Director and Executive Director (Finance) that the Group's risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control system of the Group.

This statement does not include the state of internal control in associate company, which has not been dealt with as part of the Group and was made in accordance with a resolution of the Board of Directors dated 11 October 2013.

# AUDIT COMMITTEE REPORT



The Audit Committee of Top Glove Corporation Bhd is pleased to present the Audit Committee Report for the financial year ended 31 August 2013.

## 1. COMPOSITION

**Tan Sri Dato' Seri Utama Arshad Bin Ayub**  
*Chairman / Independent Non-Executive Director*

**Sekarajasekaran a/l Arasaratnam**  
*Member / Independent Non-Executive Director*

**Lim Han Boon**  
*Member / Independent Non-Executive Director*

## 2. COMPOSITION AND SUMMARY OF TERMS OF REFERENCE

### 2.1 Composition Audit Committee

The Board shall elect the Audit Committee members from amongst themselves, comprising no fewer than three (3) Non-Executive Directors. The majority of the Audit Committee members shall be Independent Directors.

In this respect, the Board adopts the definition of "Independent Director" as defined under Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:

- a) a member of the Malaysian Institute of Accountant ("MIA"); or
- b) if he is not a member of MIA, he must have at least three (3) years of working experience; and
  - i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - ii) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- c) fulfills such other requirements as prescribed or approved by Bursa Securities.

No alternate Director of the Board shall be appointed as a member of the Audit Committee.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

### 2.2 Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.





# AUDIT COMMITTEE REPORT

(cont'd)

## 2.3 Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 2.1 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

## 2.4 Objectives

The principal objectives of the Audit Committee are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

- a) evaluate the quality of the audits performed by the Internal and External Auditors;
- b) provide assurance that the financial information presented by Management is relevant, reliable and timely;
- c) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- d) determine the quality, adequacy and effectiveness of the Group's control environment.

## 2.5 Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the Internal and External Auditors and Senior Management of the Company and Group.
- c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.
- d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any).
- e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities Main Market Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

## 2.6 Roles and responsibilities

The roles and responsibilities of the Audit Committee are as follows:

- a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- c) To review with the external auditor his evaluation of the system of internal controls and his audit report;
- d) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
  - any change in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of Management, where necessary);
- f) To review the External Auditor's management letter and Management's response;



# AUDIT COMMITTEE REPORT

(cont'd)



- g) To do the following, in relation to the internal audit function:
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointment or termination of senior staff members of the internal audit function; and
  - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- h) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity;
- i) To report its findings on the financial and Management performance, and other material matters to the Board;
- j) To consider the major findings of internal investigations and Management's response;
- k) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- l) To determine the remit of the internal audit function;
- m) To consider other topics as defined by the Board; and
- n) To consider and examine such other matters as the Audit Committee considers appropriate.

## 2.7 Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

The Finance Director, the head of internal audit and a representative of the External Auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the External Auditors without executive Board members or employees present at least twice a year and whenever necessary. The Audit Committee convened eight (8) meetings during the financial year.

The Chairman of the Audit Committee shall engage on a continuous basis with Senior Management, such as the Chairman, the Chief Executive Officer, the Finance Director, the head of internal audit and the External Auditors in order to be kept informed of matters affecting the Company. The Audit Committee shall meet with the Internal Auditors without executive Board members or employees present, whenever deemed necessary.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

During the financial year, the Audit Committee held two (2) meetings with the External Auditors without the presence of Finance Director, Management and Internal Auditors. At these meetings, the Audit Committee enquired about Management's cooperation with the External Auditors, sharing of information and proficiency and adequacy of resources in financial reporting functions, particularly in relation to the applicable Financial Reporting Standards. During the Audit Committee meetings, the External Auditors were invited to raise any matter they considered important for the Audit Committee's attention. The Audit Committee Chairman obtained confirmation from the External Auditors that the Management had given its full support and unrestricted access to information as required by the External Auditors to perform their duties.

Upon the request of the External Auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the External Auditors believe should be brought to the attention of the Directors or Shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.





# AUDIT COMMITTEE REPORT

(cont'd)

## Number of Meetings and Details of Attendance

Eight (8) meetings were held during the financial year ended 31 August 2013. The attendance record of each member was as follows:

Members	Number of Audit Committee Meetings	
	Held	Attended
Tan Sri Dato' Seri Utama Arshad Bin Ayub Chairman / <i>Independent Non-Executive Director</i>	8	8
Sekarajasekaran a/l Arasaratnam Member / <i>Independent Non-Executive Director</i>	8	8
Lim Han Boon Member / <i>Independent Non-Executive Director</i>	8	8

### 3. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee has discharged its duties as set out in its Terms of Reference.

The major areas reviewed and deliberated by the Audit Committee are as follows:

- a) Reviewed all the four Quarter's Financial Statements and the annual Audited Financial Statements of the Company at Audit Committee meetings held each quarter before recommending the same for the Board's approval;
- b) Reviewed the Annual Report to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement;
- c) Reviewed and deliberated on the External Auditors' report and recommendations regarding opportunities for improvement to the significant risk areas, internal control and financial matters areas based on observations made in the course of audit;
- d) Deliberated the best Board practices for meeting the market expectations and protecting shareholders' interests that were highlighted by the External Auditors;
- e) Reviewed the related party transactions that are required to be transacted at an arm's length basis and are not detrimental to the interest of minority shareholders;
- f) Approved the Internal Auditors' Annual Audit Plan for 2013 and the Internal Audit Reports issued and audit recommendations presented by the Internal Audit Manager in Audit Committee meeting in every quarter;
- g) Deliberated the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements;
- h) Reviewed the measures being taken to fortify the existing risk assessment and management processes; and
- i) Verified the allocation of option shares pursuant to the ESOS to eligible employees had been made in accordance with the criteria of allocation of option shares as set out in the by-laws of the ESOS.

### 4. INTERNAL AUDIT FUNCTION

The Company has an Internal Audit Department whose principal objective is to undertake regular reviews of the systems of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and satisfactory. The Internal Audit Department reports directly to the Audit Committee. Its role is to provide the Audit Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures and the regulatory requirements of the relevant authorities. The Audit Committee reviews and approves the internal audit plan of the Group submitted by the Internal Audit Manager.

# AUDIT COMMITTEE REPORT

(cont'd)



During the financial year ended 31 August 2013, the areas audited included audits of the various departments covering all the factories and subsidiaries within the Group. Internal audit reports were issued to the Audit Committee regularly and tabled in the Audit Committee meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management's responses with regards to any audit findings on the weaknesses in the systems and controls of the operations. The Internal Audit Department also follows up with Management on the implementation of the agreed audit recommendations.

The costs incurred in maintaining the Internal Audit Function which is performed in-house for the financial year under review was RM397,840.00 (2012 : RM366,660.00).

## 5. RISK MANAGEMENT

The Board and Management have embarked on the risk management culture and endeavour to ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board undertakes to conduct regular risk awareness sessions at the operational level to promote the understanding of risk management principles and practices across different functions within the Group.

This is elaborated in details under a separate statement called "Statement on Risk Management and Internal Control" on pages 51 to 52 of this Annual Report.





# DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required under the Companies Act 1965 ("Act") to prepare financial statements for each financial year in accordance with applicable approved accounting standards and which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company at the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial positions and results of the Group and the Company. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.



# FINANCIAL STATEMENTS

for the financial year ended  
31 August 2013



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# DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2013.

## Principal activities

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

## Results

	Group RM'000	Company RM'000
Profit net of tax	202,829	113,489
Profit attributable to:		
Owners of the parent	196,500	113,489
Non-controlling interest	6,329	-
	202,829	113,489

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## Dividends

The amount of dividends paid by the Company since 31 August 2012 were as follows:

	RM'000
In respect of the financial year ended 31 August 2012:	
Final single tier dividend of 18%, paid on 24 January 2013	55,730
In respect of the financial year ended 31 August 2013:	
First interim single tier dividend of 14%, paid on 18 July 2013	43,404
	99,134

At the forthcoming Annual General Meeting, a single tier final dividend of 18% on 620,219,962 ordinary shares amounting to RM55,819,796 (9.00 sen per share) in respect of the financial year ended 31 August 2013 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 August 2014.

# DIRECTORS' REPORT

(cont'd)



## Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Lim Wee Chai  
Puan Sri Tong Siew Bee  
Lee Kim Meow  
Lim Hooi Sin  
Lim Cheong Guan  
Tan Sri Dato' Seri Utama Arshad bin Ayub  
Sekarajasekaran a/l Arasaratnam  
Lim Han Boon  
Tan Sri Dato' Dr. Lin See Yan  
Tan Sri Mohd Sidek bin Haji Hassan  
Tan Sri Rainer Althoff

## Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			31 August 2013
	1 September 2012	Acquired	Sold	
Tan Sri <u>Lim Wee Chai</u>				
- direct	179,061,138	-	-	179,061,138
- indirect	56,908,004	26,900	-	56,934,904
Puan Sri Tong Siew Bee				
- direct	9,195,748	-	-	9,195,748
- indirect	226,773,394	26,900	-	226,800,294
Lee Kim Meow				
- direct	1,041,600	-	400,000	641,600
- indirect	10,000	-	-	10,000
Lim Hooi Sin				
- direct	10,908,462	26,900	-	10,935,362
- indirect	225,060,680	-	-	225,060,680
Lim Cheong Guan	80,000	-	60,000	20,000
Tan Sri Dato' Seri Utama Arshad bin Ayub	1,400,000	-	200,000	1,200,000
Sekarajasekaran a/l Arasaratnam	12,361,718	10,000	586,600	11,785,118





# DIRECTORS' REPORT

(cont'd)

	Number of options over ordinary shares of RM0.50 each			31 August 2013
	1 September 2012	Granted	Exercised	
Tan Sri <u>Lim</u> Wee Chai	504,000	84,000	-	588,000
Puan Sri Tong Siew Bee	211,200	24,000	-	235,200
Lee Kim Meow	302,400	50,400	-	352,800
Lim Hooi Sin	121,300	33,600	26,900	128,000
Lim Cheong Guan	259,500	33,600	-	293,100

Tan Sri Lim Wee Chai, Puan Sri Tong Siew Bee and Lim Hooi Sin by virtue of their interest in shares of the Company are also deemed interested in shares of all the subsidiaries to the extent the Company has an interest.

The other directors in office at the end of the financial year had no interest in shares in the Company or its related corporations or in share options in the Company during the financial year.

## Issue of shares

During the financial year, the Company increased its issued and paid-up share capital from RM309,440,000 to RM310,110,000 by way of issuance of 1,340,200 ordinary shares of RM0.50 each pursuant to the exercise of ESOS at an option price between RM2.01 and RM5.79 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

## Employee share options scheme

The Company's ESOS is governed by the by-laws which was approved by the shareholders at the Extraordinary General Meeting held on 9 January 2008 and became effective on 1 August 2008.

The main features and other terms of the ESOS are disclosed in Note 33 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 86,400 ordinary shares. The list of employees granted options to subscribe for 86,400 or more ordinary shares during the financial year is disclosed in the section on Directors' Interests in this report.

## Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision have been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.



## Other statutory information (continued)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## Significant events

Details of significant events are disclosed in Note 17 and 42 to the financial statements.

## Subsequent event

Details of subsequent event are disclosed in Note 43 to the financial statements.

## Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 October 2013.

Tan Sri Lim Wee Chai

Lim Han Boon



## STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

We, Tan Sri Lim Wee Chai and Lim Han Boon, being two of the directors of Top Glove Corporation Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 67 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 45 on page 137 of the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 October 2013.

Tan Sri Lim Wee Chai

Lim Han Boon

## STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, Tan Sri Lim Wee Chai, being the director primarily responsible for the financial management of Top Glove Corporation Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 67 to 137 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed, Tan Sri Lim Wee Chai  
at Klang in the State of Selangor  
on 31 October 2013

Tan Sri Lim Wee Chai

Before me,

Goh Cheng Teak  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT



To the members of Top Glove Corporation Bhd (Incorporated in Malaysia)

## Report on the financial statements

We have audited the financial statements of Top Glove Corporation Bhd., which comprise the statements of financial position of the Group and of the Company as at 31 August 2013, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 67 to 137.

### *Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.





# INDEPENDENT AUDITORS' REPORT

To the members of Top Glove Corporation Bhd (Incorporated in Malaysia)  
(cont'd)

## Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

## Other reporting responsibilities

The supplementary information set out in Note 45 to the financial statements on page 137 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## Other matters

1. As stated in Note 4 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 September 2012 with a transition date of 1 September 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 August 2012 and 1 September 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 August 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 August 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 September 2012 do not contain misstatements that materially affect the financial position as of 31 August 2013 and financial performance and cash flows for the year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young  
AF: 0039  
Chartered Accountants

Ong Chee Wai  
2857/07/14(J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
Date: 31 October 2013

# INCOME STATEMENTS

For the financial year ended 31 August 2013



	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Revenue</b>	7	2,313,234	2,314,454	119,382	177,691
Cost of sales		(1,950,016)	(1,929,412)	-	-
<b>Gross profit</b>		363,218	385,042	119,382	177,691
<b>Other items of income</b>					
Interest income	8	12,664	12,340	39	6
Other income	9	36,251	15,634	-	-
<b>Other items of expense</b>					
Distribution and selling costs		(67,001)	(71,401)	-	-
Administrative and general expenses		(99,723)	(101,062)	(3,651)	(7,309)
Finance costs		(733)	(113)	-	-
Share of results of associates		(2,472)	262	-	-
<b>Profit before tax</b>	10	242,204	240,702	115,770	170,388
Income tax expense	13	(39,375)	(33,417)	(2,281)	(137)
<b>Profit net of tax</b>		202,829	207,285	113,489	170,251
<b>Profit attributable to:</b>					
Owners of the parent		196,500	202,726	113,489	170,251
Non-controlling interest		6,329	4,559	-	-
		202,829	207,285	113,489	170,251
<b>Earnings per share attributable to owners of the parent (sen):</b>					
Basic	14	31.72	32.77		
Diluted	14	31.68	32.74		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 August 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit net of tax	202,829	207,285	113,489	170,251
<b>Other comprehensive (loss)/income:</b>				
Net fair value (loss)/gain on available-for-sale financial assets	(2,543)	4,597	-	-
Fair value loss on cash flow hedges (Note 31)	(31,393)	-	-	-
Foreign currency translation	5,859	4,039	-	-
<b>Other comprehensive (loss)/income for the year, net of tax</b>	<b>(28,077)</b>	<b>8,636</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>174,752</b>	<b>215,921</b>	<b>113,489</b>	<b>170,251</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	168,262	210,917	113,489	170,251
Non-controlling interest	6,490	5,004	-	-
	<b>174,752</b>	<b>215,921</b>	<b>113,489</b>	<b>170,251</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 August 2013



		Group		As at
	Note	2013 RM'000	2012 RM'000	1 September 2011 RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	15	928,802	734,386	660,692
Land use rights	16	45,647	22,441	19,608
Investment in associates	18	17,022	6,729	7,039
Deferred tax assets	19	19,165	3,700	-
Investment securities	20	145	145	146
Goodwill	21	25,183	20,113	20,113
		1,035,964	787,514	707,598
<b>Current assets</b>				
Inventories	22	219,685	179,440	175,532
Trade and other receivables	23	295,141	293,863	262,129
Other current assets	24	3,853	25,791	4,316
Tax recoverable		-	-	13,228
Investment securities	20	93,669	144,198	108,512
Derivative financial instruments	25	-	-	2,954
Cash and bank balances	26	123,111	167,246	148,760
		735,459	810,538	715,431
<b>Total assets</b>		1,771,423	1,598,052	1,423,029
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	27	55,581	161	157
Trade and other payables	28	234,074	231,538	194,611
Other current liabilities	28	28,504	30,940	34,644
Income tax payable		6,013	9,054	-
Derivative financial instruments	25	40,852	2,663	-
		365,024	274,356	229,412
<b>Net current assets</b>		370,435	536,182	486,019





# STATEMENTS OF FINANCIAL POSITION

As at 31 August 2013 (cont'd)

	Note	2013 RM'000	Group 2012 RM'000	As at 1 September 2011 RM'000
<b>Non-current liabilities</b>				
Loans and borrowings	27	2,809	2,815	2,851
Deferred tax liabilities	19	45,749	41,028	44,393
		48,558	43,843	47,244
<b>Total liabilities</b>		413,582	318,199	276,656
<b>Net assets</b>		1,357,841	1,279,853	1,146,373
<b>Equity attributable to owners of the parent</b>				
Share capital	29	310,110	309,440	309,256
Share premium	30	180,174	174,197	171,780
Other reserves	31	(3,209)	24,306	14,831
Retained earnings	32	844,777	747,411	625,936
		1,331,852	1,255,354	1,121,803
Non-controlling interest		25,989	24,499	24,570
<b>Total equity</b>		1,357,841	1,279,853	1,146,373
<b>Total equity and liabilities</b>		1,771,423	1,598,052	1,423,029

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF FINANCIAL POSITION

As at 31 August 2013 (cont'd)



		Company		As at
	Note	2013 RM'000	2012 RM'000	1 September 2011 RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investment in subsidiaries	17	580,503	580,503	28,503
		580,503	580,503	28,503
<b>Current assets</b>				
Trade and other receivables	23	24,814	4,003	463,282
Tax recoverable		521	124	180
Cash and bank balances	26	1,575	874	142
		26,910	5,001	463,604
<b>Total assets</b>		<b>607,413</b>	<b>585,504</b>	<b>492,107</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	28	1,227	1,043	531
		1,227	1,043	531
<b>Net current assets</b>		<b>25,683</b>	<b>3,958</b>	<b>463,073</b>
<b>Total liabilities</b>		<b>1,227</b>	<b>1,043</b>	<b>531</b>
<b>Net assets</b>		<b>606,186</b>	<b>584,461</b>	<b>491,576</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	29	310,110	309,440	309,256
Share premium	30	180,174	174,197	171,780
Other reserves	31	11,054	10,331	9,877
Retained earnings	32	104,848	90,493	663
<b>Total equity</b>		<b>606,186</b>	<b>584,461</b>	<b>491,576</b>
<b>Total equity and liabilities</b>		<b>607,413</b>	<b>585,504</b>	<b>492,107</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2013

	Attributable to owners of the parent										
	Equity attributable to owners				Non-distributable			Distributable			
	Equity of the parent total	Share capital	Share premium	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest	
2013 Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Opening balance at 1 September 2012</b>	1,279,853	1,255,354	309,440	174,197	5,360	4,434	10,331	4,181	-	747,411	24,499
<b>Total comprehensive income</b>	174,752	168,262	-	-	5,698	-	-	(2,543)	(31,393)	196,500	6,490
<b>Transactions with owners</b>											
Issuance of ordinary shares pursuant to ESOS	5,507	5,507	670	4,837	-	-	-	-	-	-	-
Share options granted under ESOS	1,867	1,867	-	-	-	1,867	-	-	-	-	-
Transfer from share option reserve	-	(4)	-	1,144	-	(1,144)	-	-	-	-	-
Share issue expenses	(4)	(4)	-	(4)	-	-	-	-	-	-	-
Acquisition of a subsidiary	1,228	-	-	-	-	-	-	-	-	-	1,228
Dividend paid to non-controlling interest	(6,228)	-	-	-	-	-	-	-	-	-	(6,228)
Dividends on ordinary shares (Note 41)	(99,134)	(99,134)	-	-	-	-	-	-	(99,134)	-	-
<b>Total transactions with owners</b>	(96,764)	(91,764)	670	5,977	-	-	723	-	(99,134)	(5,000)	
<b>Closing balance at 31 August 2013</b>	1,357,841	1,331,852	310,110	180,174	11,058	4,434	11,054	1,638	(31,393)	844,777	25,989

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2013 (cont'd)



	← Equity attributable to owners of the parent →		← Attributable to owners of the parent →					Distributable	Non-controlling interest			
	Equity to owners of the parent total	Equity to owners of the parent total	Share capital	Share premium	Foreign exchange reserve	Legal reserve	Share option reserve			Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings
2012 Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Opening balance at 1 September 2011</b>	1,146,373	1,121,803	309,256	171,780	1,766	3,604	9,877	(416)	-	625,936	-	24,570
<b>Total comprehensive income</b>	215,921	210,917	-	-	3,594	-	-	4,597	-	202,726	-	5,004
<b>Transactions with owners</b>												
Issuance of ordinary shares pursuant to ESOS	1,204	1,204	184	1,020	-	-	-	-	-	-	-	-
Share options granted under ESOS	1,860	1,860	-	-	-	-	1,860	-	-	-	-	-
Transfer from share option reserve	-	-	-	1,406	-	-	(1,406)	-	-	-	-	-
Share issue expenses	(9)	(9)	-	(9)	-	-	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	830	-	-	-	(830)	-	-
Dividend paid to non-controlling interest	(5,075)	-	-	-	-	-	-	-	-	-	-	(5,075)
Dividends on ordinary shares (Note 41)	(80,421)	(80,421)	-	-	-	-	-	-	-	(80,421)	-	-
<b>Total transactions with owners</b>	(82,441)	(77,366)	184	2,417	-	830	454	-	-	(81,251)	-	(5,075)
<b>Closing balance at 31 August 2012</b>	1,279,853	1,255,354	309,440	174,197	5,360	4,434	10,331	4,181	-	747,411	-	24,499

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2013 (cont'd)

Company	Equity, total RM'000	← Non-distributable →		Share option reserve RM'000	Distributable Retained earnings RM'000
		Share capital RM'000	Share premium RM'000		
<b>Opening balance at 1 September 2012</b>	584,461	309,440	174,197	10,331	90,493
<b>Total comprehensive income</b>	113,489	-	-	-	113,489
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	5,507	670	4,837	-	-
Share options granted under ESOS	1,867	-	-	1,867	-
Transfer from share option reserve	-	-	1,144	(1,144)	-
Share issue expenses	(4)	-	(4)	-	-
Dividends on ordinary shares (Note 41)	(99,134)	-	-	-	(99,134)
<b>Total transactions with owners</b>	(91,764)	670	5,977	723	(99,134)
<b>Closing balance at 31 August 2013</b>	606,186	310,110	180,174	11,054	104,848
<b>Opening balance at 1 September 2011</b>	491,576	309,256	171,780	9,877	663
<b>Total comprehensive income</b>	170,251	-	-	-	170,251
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS	1,204	184	1,020	-	-
Share options granted under ESOS	1,860	-	-	1,860	-
Transfer from share option reserve	-	-	1,406	(1,406)	-
Share issue expenses	(9)	-	(9)	-	-
Dividends on ordinary shares (Note 41)	(80,421)	-	-	-	(80,421)
<b>Total transactions with owners</b>	(77,366)	184	2,417	454	(80,421)
<b>Closing balance at 31 August 2012</b>	584,461	309,440	174,197	10,331	90,493

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 August 2013



	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Operating activities</b>				
Profit before tax	242,204	240,702	115,770	170,388
<u>Adjustments for :</u>				
Gross dividend	-	-	(117,626)	(176,425)
Depreciation and amortisation				
- Property, plant and equipment	79,695	68,907	-	-
- Amortisation of land use rights	650	280	-	-
Loss on disposal of property, plant and equipment	150	2,295	-	-
Gain on disposal of investment securities	(9,062)	(940)	-	-
Property, plant and equipment written off	1,649	739	-	-
Share options granted under ESOS	1,867	1,860	1,867	1,860
Impairment loss on trade receivables	-	975	-	-
Unrealised foreign exchange (gain)/loss	(3,753)	509	-	-
Impairment loss on investment in a subsidiary	-	-	-	4,000
Share of results of associate	2,472	(262)	-	-
Net fair value (gain)/loss on derivative	(886)	5,617	-	-
Finance costs	733	113	-	-
Interest income	(12,664)	(12,340)	(39)	(6)
Total adjustments	60,851	67,753	(115,798)	(170,571)
<b>Operating cash flows before changes in working capital</b>	303,055	308,455	(28)	(183)
<u>Changes in working capital</u>				
Increase in inventories	(40,213)	(3,908)	-	-
Decrease/(increase) in receivables	8,434	(34,268)	(10)	-
Decrease/(increase) in other current assets	22,086	(21,475)	-	-
(Decrease)/increase in payables	(1,091)	31,175	184	512
Total changes in working capital	(10,784)	(28,476)	174	512
<b>Cash flows generated from operation</b>	292,271	279,979	146	329
Interest paid	(733)	(113)	-	-
Income taxes paid/(refunded)	(44,530)	(15,240)	382	56
<b>Net cash flows generated from operating activities</b>	247,008	264,626	528	385





# STATEMENTS OF CASH FLOWS

For the financial year ended 31 August 2013 (cont'd)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Investing activities</b>				
Purchase of property, plant and equipment	(255,760)	(142,717)	-	-
Purchase of land use rights	(23,602)	(2,940)	-	-
Purchase of investment securities	(165,184)	(55,938)	-	-
Proceeds from disposal of investment securities	223,075	25,790	-	-
Placement of deposits pledged with banks	(18,529)	-	-	-
Interest received	9,881	12,340	39	6
Dividends income from subsidiaries	-	-	114,566	176,288
Proceeds from disposal of property, plant and equipment	7,699	936	-	-
Additional investment in a subsidiary	-	-	(23,471)	-
Repayment from/(advance to) subsidiaries	-	-	2,670	(96,721)
Additional investment in an associate	(12,204)	-	-	-
Net cash outflow on acquisition of a subsidiary	(23,384)	-	-	-
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(258,008)</b>	<b>(162,529)</b>	<b>93,804</b>	<b>79,573</b>
<b>Financing activities</b>				
Proceeds from issuance of ordinary shares	5,507	1,204	5,507	1,204
Share issue expenses	(4)	(9)	(4)	(9)
Dividend paid on ordinary shares	(99,134)	(80,421)	(99,134)	(80,421)
Dividend paid to non-controlling shareholders	(6,228)	(5,075)	-	-
Repayment of obligations under finance leases	(57)	(33)	-	-
Drawdown/(repayment) of bank loans	51,901	(119)	-	-
<b>Net cash flows used in financing activities</b>	<b>(48,015)</b>	<b>(84,453)</b>	<b>(93,631)</b>	<b>(79,226)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(59,015)</b>	<b>17,644</b>	<b>701</b>	<b>732</b>
Effects of foreign exchange rate changes	(3,649)	842	-	-
<b>Cash and cash equivalents at 1 September</b>	<b>167,246</b>	<b>148,760</b>	<b>874</b>	<b>142</b>
<b>Cash and cash equivalents at 31 August</b>	<b>104,582</b>	<b>167,246</b>	<b>1,575</b>	<b>874</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013



## 1. Corporate information

Top Glove Corporation Bhd. ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 17. There have been no significant changes in the nature of the principal activities during the financial year.

## 2. Basis of preparation

These financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) as issued by the Malaysian Accounting Standards Board (MASB), International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the requirements of the Companies Act, 1965 in Malaysia. (Refer to Note 4 for detailed information on how the Group and the Company adopted MFRS.)

The financial statements have also been prepared on a historical basis, unless otherwise indicated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

## 3. Significant accounting policies

### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at the reporting date. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resultant gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be re-measured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.3 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

### 3.4 Foreign currencies translation

#### (a) Functional and presentation currency

The Group's and the Company's financial statements are presented in Ringgit Malaysian which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the income statement with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

#### (c) Group companies

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the exchange rate prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.4 Foreign currencies translation (continued)

#### (c) Group companies (continued)

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 September 2011 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Prior to 1 September 2011, the date of transition to MFRS, the Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

### 3.5 Revenue and other income recognition

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue and other income can be reliably measured, regardless of when the payment is being made. Revenue and other income are measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Company and its subsidiaries assess their revenue arrangements against specific criteria in order to determine if the Company and its subsidiaries are acting as principal or agent. The Group and its subsidiaries have concluded that they are acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue and other income are recognised:

#### (a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

#### (b) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

#### (c) Management fees

Management fees are recognised when services are rendered.

#### (d) Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

#### (e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.6 Employee benefits

#### (a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### (b) Defined contribution plans

The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (c) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the options are exercised, the employee share option reserve is transferred to share premium if new shares are issued.

The employee share option reserve is transferred to retained earnings upon forfeiture or expiry of the share options.

### 3.7 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.7 Taxes (continued)

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (i) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (i) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.7 Taxes (continued)

#### (c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

### 3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 3.9 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are not depreciated as these assets are not available for use. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 to 50 years
Plant and equipment	10 years
Other assets	5 to 10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### (a) Group as lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

#### (b) Group as lessor

Leases in which the Group do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.11 Investment in subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.12 Investment in associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of associates used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

### 3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Consumables and hardware: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

Goodwill is tested for impairment annually (as at 31 August) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.15 Financial instruments

#### (a) Financial assets

##### (i) Initial recognition and measurement

Financial assets within the scope of MFRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, investment securities and derivative assets.

##### (ii) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

###### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the profit or loss.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

The Group and the Company have designated derivatives that do not qualify for hedge accounting as at fair value through profit or loss.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.15 Financial instruments (continued)

#### (a) Financial assets (continued)

##### (ii) Subsequent measurement (continued)

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs.

Loans and receivables of the Group and Company comprise of trade and other receivables (other than prepaid operating expenses and tax recoverable), due from related companies and cash and bank balances.

###### Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs.

The Group and the Company did not have any held-to-maturity investments during the years ended 31 August 2013 and 2012.

###### Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the profit or loss in finance costs and removed from the available-for-sale reserve. Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognised in profit or loss.

The Group evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.15 Financial instruments (continued)

#### (a) Financial assets (continued)

##### (ii) Subsequent measurement (continued)

###### Available-for-sale financial investments (continued)

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

All quoted debts securities and golf club membership of the Group and the Company are designated as available-for-sale financial investments.

##### (iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### (b) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.15 Financial instruments (continued)

#### (b) Impairment of financial assets (continued)

##### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

##### Available-for-sale investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss - is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairments are recognised directly in other comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.15 Financial instruments (continued)

#### (c) Financial liabilities

##### (i) Initial recognition and measurement

Financial liabilities within the scope of MFRS 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative liabilities.

##### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

###### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Group and the Company have designated derivatives that do not qualify for hedge accounting as at fair value through profit or loss.

###### Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.15 Financial instruments (continued)

#### (c) Financial liabilities (continued)

##### (ii) Subsequent measurement (continued)

###### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

##### (iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

#### (d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (e) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 37.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.16 Derivative financial instruments and hedge accounting

#### (a) Initial recognition and subsequent measurement

The Group uses forward foreign currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as described below:

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the profit or loss as other operating expenses.

Amounts recognised as other comprehensive income are transferred to the profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expenses is recognised or when a forecast sales occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedged is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. Refer to Note 25 for more details.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 3. Significant accounting policies (continued)

### 3.16 Derivative financial instruments and hedge accounting (continued)

#### (b) Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and a non-current portion only if a reliable allocation can be made.

### 3.17 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

### 3.18 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

### 3.19 Dividend distributions

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in income as a separate line in statement of comprehensive income.

### 3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 3. Significant accounting policies (continued)

### 3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

### 3.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 4. First-time adoption of MFRS

For periods up to and including the year ended 31 August 2012, the Group and the Company had previously prepared financial statements in accordance with Financial Reporting Standards (FRS).

These financial statements are the first the Group and the Company have prepared in accordance with MFRS. Accordingly, the Group and the Company have prepared financial statements which comply with MFRS together with the comparative period data as at, and for the year ended, 31 August 2012, as described in the accounting policies. In preparing these financial statements, the Group's and the Company's opening statements of financial position were prepared as at 1 September 2011, being the date of transition to MFRS. No adjustments were required to be made to the FRS statements of financial position as at 1 September 2011 and the previously published FRS financial statements as at, and for the year ended, 31 August 2012. Hence, the following are not presented:

- (a) Reconciliations of equity reported under FRS to equity reported under MFRS as at 1 September 2011 and 31 August 2012; and
- (b) Reconciliations of profit or loss reported under FRS for the financial year ended 31 August 2012 to profit or loss reported under MFRS for the same period.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 4. First-time adoption of MFRS (continued)

MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain MFRS and the Group and the Company have applied the following exemptions:

- (a) MFRS 1 provides the option to apply MFRS 3 Business Combinations prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition. The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:
  - (i) The classification of former business combinations under FRS is maintained;
  - (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
  - (iii) The carrying amount of goodwill recognised under FRS is not adjusted.
- (b) Property, plant and equipment were carried in the statements of financial position prepared in accordance with FRS on the cost basis. The Group continues to regard those values as cost at the date of the transition to MFRS.
- (c) The FRS carrying amount of goodwill is used in the opening MFRS statement of financial position and the Group has tested goodwill for impairment at the date of transition to MFRS. No goodwill impairment was deemed necessary at 1 September 2011.
- (d) The estimates at 1 September 2011 and at 31 August 2012 are consistent with those made for the same dates in accordance with FRS and the estimates used by the Group and the Company to present these amounts in accordance with MFRS reflect conditions at 1 September 2011, and as of 31 August 2012.

## 5. Standards, amendments and interpretations issued but not yet effective

Standards, amendments and interpretations issued but not yet effective up to the date of issuance of the Group and the Company's financial statements are listed below. The Group and the Company intend to adopt, where applicable, these standards, amendments and interpretations as and when they become effective:

### (a) Effective for annual periods beginning on or after 1 January 2013

MFRS 1	Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Government Loans)
MFRS 1	Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 - 2011 Cycle)
MFRS 3	MFRS 3 Business Combinations (IFRS 3 issued by IASB in March 2004)
MFRS 7	Amendments to MFRS 7 Financial Instruments: Disclosures (Offsetting Financial Assets and Financial Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 11	Amendments to MFRS 11 Joint Arrangements (Transition Guidance)
MFRS 12	Disclosure of Interests in Other Entities
MFRS 12	Amendments to MFRS 12 Disclosure of Interests in Other Entities (Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 101	Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 5. Standards, amendments and interpretations issued but not yet effective (continued)

### (a) Effective for annual periods beginning on or after 1 January 2013 (continued)

MFRS 116	Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
MFRS 119	Employee Benefits
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 as amended by IASB in December 2003)
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 132	Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)
MFRS 134	Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)
IC Int. 2	Amendments to IC Int. 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 - 2011 Cycle)
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine

### (b) Effective for annual periods beginning on or after 1 January 2014

MFRS 10	Amendments to MFRS 10 Consolidated Financial Statements (Investment Entities)
MFRS 12	Amendments to MFRS 12 Disclosure of Interests in Other Entities (Investment Entities)
MFRS 127	Amendments to MFRS 127 Consolidated and Separate Financial Statements (Investment Entities)
MFRS 132	Amendments to MFRS 132 Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities)

### (c) Effective for annual periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments
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The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application, except as discussed below:

#### (a) MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

#### (b) Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 6. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### 6.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has not made any critical judgments, apart from those involving estimations, which could have a significant effect on the amounts recognised in the financial statements.

### 6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times which such indicators exist. This required an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment and sensitivity analysis to changes in the assumptions are disclosed in Note 21.

#### (b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of loans and receivables at the reporting date are disclosed in Note 23. If the present value of estimated future cash flows increases/decreases by 5% from management's estimates, the Group's allowance for impairment will increase/decrease by RM12,845,000 (2012: RM12,580,000).

#### (c) Useful lives of plant and equipment

The cost of plant and equipment for the manufacture of gloves is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be 10 years. These are common life expectancies applied in the gloves manufacturing industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 6. Significant accounting judgments, estimates and assumptions (continued)

### 6.2 Estimates and assumptions (continued)

#### (d) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group and its subsidiaries domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unutilised tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The amount of deferred tax assets recognised in respect of unutilised tax losses, capital allowances and reinvestment allowances and the amounts of such losses and allowances for which deferred tax assets were not recognised are disclosed in Note 19.

## 7. Revenue

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales of goods	2,313,234	2,314,454	-	-
Management fees from subsidiaries	-	-	1,756	1,266
Dividend income from subsidiaries	-	-	117,626	176,425
	2,313,234	2,314,454	119,382	177,691

## 8. Interest income

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest income from:				
Available-for-sale-financial assets	8,423	10,406	-	-
Loans and receivables	1,458	1,934	39	6
Others	2,783	-	-	-
	12,664	12,340	39	6

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 9. Other income

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Gain on foreign exchange				
- realised	12,814	5,810	-	-
- unrealised	3,753	-	-	-
Net gain on fair value changes of derivatives	886	-	-	-
Rental income	73	-	-	-
Gain on disposal of investment securities	9,062	940	-	-
Sundry income	9,663	8,884	-	-
	36,251	15,634	-	-

## 10. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Auditors' remuneration:				
- Statutory audit				
Company's auditors	336	305	55	50
Other auditors	242	275	-	-
Depreciation and amortisation:				
- Property, plant and equipment	79,695	68,907	-	-
- Land use rights	650	280	-	-
Impairment on investment in subsidiaries	-	-	-	4,000
Unrealised loss on foreign exchange	-	509	-	-
Net loss on fair value changes of derivatives	-	5,617	-	-
Employee benefits expense (Note 11)	275,060	225,588	2,273	2,279
Non-executive directors' remuneration (Note 12)	543	394	263	205
Operating lease - Minimum lease payment for building and machinery	1,000	967	-	7
Impairment loss on trade receivables	-	975	-	-
Loss on disposal of property, plant and equipment	150	2,295	-	-
Property, plant and equipment written off	1,649	739	-	-

## 11. Employee benefits expense

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages and salaries	252,344	205,823	1,272	1,193
Social security costs	2,624	2,298	3	3
Pension costs - defined contribution plan	9,368	7,233	158	136
Share options granted under ESOS	1,867	1,860	64	183
Other staff related expenses	7,986	7,519	14	10
Directors' fees	871	855	762	754
	275,060	225,588	2,273	2,279

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM7,546,000 (2012: RM6,702,000) and RM1,839,000 (2012: RM1,738,000) respectively as further disclosed in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 12. Directors' remuneration

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	3,228	2,886	931	754
Pension costs - defined contribution plan	318	271	111	90
Social security contributions	1	1	1	1
Share options granted under ESOS	230	210	34	139
Fees	837	828	762	754
Benefits-in-kind	97	101	49	51
	4,711	4,297	1,888	1,789
Non-executive:				
Fees	263	205	263	205
<b>Other directors</b>				
Executive:				
Salaries and other emoluments	2,607	2,238	-	-
Pension costs - defined contribution plan	203	176	-	-
Social security contributions	7	7	-	-
Share options granted under ESOS	81	58	-	-
Fees	34	27	-	-
Benefits-in-kind	28	21	-	-
	2,960	2,527	-	-
Non-executive:				
Fees	280	189	-	-
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration (Note 11)	7,546	6,702	1,839	1,738
Total non-executive directors' remuneration	543	394	263	205
<b>Total directors' remuneration</b>	<b>8,089</b>	<b>7,096</b>	<b>2,102</b>	<b>1,943</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 13. Income tax expense

### Major components of income tax expense

The major components of income tax expense for the years ended 31 August 2013 and 2012 are:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax:				
- Malaysian income tax	44,495	44,394	3,060	137
- Foreign tax	1,882	4,533	-	-
- Real property gain tax	2	201	-	-
- Overprovision in respect of previous years	(4,884)	(8,646)	(779)	-
	41,495	40,482	2,281	137
Deferred income tax (Note 19):				
- Relating to origination and reversal of temporary differences	(87)	(2,223)	-	-
- Overprovision in respect of previous years	(2,033)	(4,842)	-	-
	(2,120)	(7,065)	-	-
Income tax expense recognised in profit or loss	39,375	33,417	2,281	137

### Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 August 2013 and 2012 are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax	242,204	240,702	115,770	170,388
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	60,551	60,176	28,943	42,597
Different tax rates in other countries	(214)	4,613	-	-
Adjustments:				
Effects of tax incentives claimed by foreign subsidiaries	(3,805)	(10,233)	-	-
Income not subject to tax	(4,957)	(1,252)	(26,347)	(43,969)
Non-deductible expenses	3,709	464	464	1,509
Effect of income subject to real property gain tax	2	201	-	-
Tax savings from utilisation of previously unrecognised reinvestment allowances	-	(1,429)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	1,300	-	-	-
Deferred tax assets recognised in respect of previously unabsorbed capital allowances and reinvestment allowances	(10,244)	(5,590)	-	-
Share of results of associate	(50)	(45)	-	-
Overprovision of deferred tax in respect of previous years	(2,033)	(4,842)	-	-
Overprovision of income tax in respect of previous years	(4,884)	(8,646)	(779)	-
Income tax expense recognised in profit or loss	39,375	33,417	2,281	137

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 14. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 August:

	Group	
	2013	2012
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM'000)	196,500	202,726
Weighted average number of ordinary shares for basic earnings per share computation ('000)	619,493	618,609
Effects of dilution - share options ('000)	794	670
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	620,287	619,279
Basic earnings per share (sen)	31.72	32.77
Diluted earnings per share (sen)	31.68	32.74

## 15. Property, plant and equipment

Group	* Land and buildings RM'000	Plant and equipment RM'000	** Other assets RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Cost</b>					
<b>At 1 September 2011</b>	321,662	612,209	49,470	35,674	1,019,015
Additions	20,420	56,008	9,161	57,128	142,717
Disposals	-	(12,262)	(1,134)	-	(13,396)
Written off	-	(1,224)	(106)	(198)	(1,528)
Reclassification	15,120	38,283	1,214	(54,664)	(47)
Exchange differences	2,313	4,178	134	225	6,850
<b>At 31 August 2012 and 1 September 2012</b>	359,515	697,192	58,739	38,165	1,153,611
Acquisition of a subsidiary	33,657	3,102	250	-	37,009
Additions	71,790	95,107	11,304	77,559	255,760
Disposals	(6,904)	(2,961)	(1,223)	(21)	(11,109)
Written off	(143)	(7,319)	(1,501)	-	(8,963)
Reclassification	5,691	29,650	126	(35,467)	-
Exchange differences	3,826	7,541	593	91	12,051
<b>At 31 August 2013</b>	467,432	822,312	68,288	80,327	1,438,359

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 15. Property, plant and equipment (continued)

Group	* Land and buildings RM'000	Plant and equipment RM'000	** Other assets RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Accumulated depreciation</b>					
<b>At 1 September 2011</b>	25,223	309,966	23,134	-	358,323
Depreciation charge for the year	4,890	58,658	5,359	-	68,907
Disposals	-	(9,094)	(1,071)	-	(10,165)
Written off	-	(694)	(95)	-	(789)
Reclassification	2	(30)	(19)	-	(47)
Exchange differences	331	2,701	(36)	-	2,996
<b>At 31 August 2012 and 1 September 2012</b>	30,446	361,507	27,272	-	419,225
Acquisition of a subsidiary	15,157	741	165	-	16,063
Depreciation charge for the year	5,910	65,075	8,710	-	79,695
Disposals	-	(2,171)	(1,089)	-	(3,260)
Written off	(19)	(5,942)	(1,353)	-	(7,314)
Reclassification	-	(12)	12	-	-
Exchange differences	515	5,714	(1,081)	-	5,148
<b>At 31 August 2013</b>	52,009	424,912	32,636	-	509,557
<b>Net carrying amount</b>					
At 31 August 2012	329,069	335,685	31,467	38,165	734,386
At 31 August 2013	415,423	397,400	35,652	80,327	928,802

\*\* Other assets comprise of motor vehicles, computer and software system, office equipment, signage, fire extinguisher, furniture and equipment.

### \* Land and buildings

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Cost</b>			
<b>At 1 September 2011</b>	115,399	206,263	321,662
Additions	9,591	10,829	20,420
Reclassification	2,236	12,884	15,120
Exchange differences	245	2,068	2,313

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 15. Property, plant and equipment (continued)

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 August 2012 and 1 September 2012</b>	127,471	232,044	359,515
Acquisition of a subsidiary	6,800	26,857	33,657
Additions	37,225	34,565	71,790
Reclassification	-	5,691	5,691
Written off	-	(143)	(143)
Disposals	(6,904)	-	(6,904)
Exchange differences	405	3,421	3,826
<b>At 31 August 2013</b>	164,997	302,435	467,432
<b>Accumulated depreciation</b>			
<b>At 1 September 2011</b>	-	25,223	25,223
Depreciation charge for the year	-	4,890	4,890
Reclassification	-	2	2
Exchange differences	-	331	331
<b>At 31 August 2012 and 1 September 2012</b>	-	30,446	30,446
Acquisition of a subsidiary	-	15,157	15,157
Depreciation charge for the year	-	5,910	5,910
Written off	-	(19)	(19)
Exchange differences	-	515	515
<b>At 31 August 2013</b>	-	52,009	52,009
<b>Net carrying amount</b>			
At 31 August 2012	127,471	201,598	329,069
At 31 August 2013	164,997	250,426	415,423

(a) Property, plant and equipment of the Group with the following net carrying amounts are pledged to banks for banking facilities granted to the Group as referred to in Note 27.

	2013 RM'000	2012 RM'000
Land and buildings	18,030	7,267

(b) The net carrying amounts of motor vehicles held under finance lease arrangements amounted to RM205,000 (2012: RM75,000).



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 16. Land use rights

	Group	
	2013 RM'000	2012 RM'000
<b>Cost</b>		
At 1 September 2012/2011	24,129	20,996
Additions	23,602	2,940
Exchange differences	301	193
<b>At 31 August</b>	<b>48,032</b>	<b>24,129</b>
<b>Accumulated amortisation</b>		
At 1 September 2012/2011	1,688	1,388
Amortisation for the year	650	280
Exchange differences	47	20
<b>At 31 August</b>	<b>2,385</b>	<b>1,688</b>
<b>Net carrying amount</b>	<b>45,647</b>	<b>22,441</b>
Amount to be amortised:		
- Not later than one year	655	288
- Later than one year but not later than five years	2,622	1,152
- Later than five years	42,370	21,001
	<b>45,647</b>	<b>22,441</b>

## 17. Investment in subsidiaries

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost:		
- In Malaysia	581,620	581,620
Less: Accumulated impairment losses	(4,845)	(4,845)
	<b>576,775</b>	<b>576,775</b>
- Outside Malaysia	3,728	3,728
	<b>580,503</b>	<b>580,503</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 17. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2013	2012	
<b>Held by the Company:</b>				
Top Glove Sdn. Bhd. ("TGSB")*	Malaysia	100	100	Manufacturing and trading of gloves
TG Medical Sdn. Bhd. ("TGMSB")#	Malaysia	100	100	Manufacturing and trading of gloves
Great Glove Sdn. Bhd.#	Malaysia	100	100	Provision of management services
Top Glove Engineering Sdn. Bhd.#	Malaysia	100	100	Property investment and trading of machinery
TG Medical (U.S.A.) Inc#	United States of America	100	100	Trading of gloves
Top Quality Glove Sdn. Bhd.*	Malaysia	100	100	Manufacturing and trading of gloves
Top Care Sdn. Bhd.*	Malaysia	100	100	Investment holding
GMP Medicare Sdn. Bhd.*	Malaysia	100	-	Manufacturing and trading of gloves
<b>Held through TGSB:</b>				
Great Glove (Thailand) Co. Ltd.#	Thailand	74	74	Manufacturing of gloves
Top Glove Medical (Thailand) Co. Ltd.#	Thailand	100	100	Manufacturing of gloves
Top Glove Technology (Thailand) Co. Ltd.#	Thailand	100	100	Producing and selling concentrate latex
B Tech Industry Co. Ltd.#	Thailand	100	100	Producing and selling concentrate latex
Top Quality Glove (Thailand) Co Ltd.#	Thailand	100	100	Dormant
Top Glove Europe GmbH #	Germany	98	98	Trading of gloves
Top Glove (Zhangjiagang) Co. Ltd.#	The People's Republic of China	100	100	Manufacturing of gloves
Great Glove(Xinghua) Co. Ltd.#	The People's Republic of China	100	100	Manufacturing of gloves





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 17. Investment in subsidiaries (continued)

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2013	2012	
<b>Held through TGSB (continued):</b>				
TG Medical (Zhangjiagang) Incorporated #	The People's Republic of China	100	100	Trading of gloves
Top Glove International Sdn. Bhd.#	Malaysia	100	100	Dormant
Top Glove Properties Sdn. Bhd.#	Malaysia	100	100	Property investment
Medi-Flex Limited ("Medi-Flex")**	Singapore	80	80	Investment holding
BestStar Enterprise Ltd.*	The British Virgin Islands	100	-	Investment holding
<b>Held through TGMSB</b>				
Top Glove Agro Sdn. Bhd.#	Malaysia	100	100	Dormant
<b>Held through Medi-Flex:</b>				
Flexitech Sdn. Bhd. ("Flexitech")*	Malaysia	80	80	Manufacturing of gloves
<b>Held through Flexitech:</b>				
Techniglove Asia Sdn. Bhd.*	Malaysia	80	80	Temporarily ceased operations
<b>Held through Top Care Sdn. Bhd.:</b>				
Best Advance Resources Limited ("Best Advance")*	Malaysia	100	100	Investment holding
Green Resources Limited ("Green Resources")*	Malaysia	100	100	Investment holding
<b>Held through Best Advance:</b>				
Great Plantations Co., Ltd.*	Cambodia	100	100	Plantation of rubber trees
PT. Topglove Indonesia ("PT Top Glove")#	Indonesia	100 <sup>^</sup>	100 <sup>^</sup>	Investment holding
<b>Held through Green Resources:</b>				
Efficient Plantations Co., Ltd.*	Cambodia	100	100	Plantation of rubber trees
<b>Held through PT Top Glove:</b>				
PT. Agro Pratama Sejahtera#	Indonesia	95	-	Plantation of rubber trees

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 17. Investment in subsidiaries (continued)

- \* Audited by Ernst & Young, Malaysia  
 \*\* Audited by member firms of Ernst & Young Global in the respective countries  
 # Audited by firms other than Ernst & Young  
 ^ The total equity interests held by the Group is 100% and it is held by the following subsidiaries:
- |                                    | 2013   | 2012   |
|------------------------------------|--------|--------|
| (i) Best Advance Resources Limited | 99.90% | 99.99% |
| (ii) Green Resources Limited       | 0.10%  | 0.01%  |

### Acquisition of a Subsidiary

On 17 December 2012, the Company acquired 24,000,000 ordinary shares representing 100% of the equity interest in GMP Medicare Sdn. Bhd. ("GMP"), a company incorporated in Malaysia for a cash consideration of RM23,471,000, resulting in the Company became the holding company of GMP.

The acquired subsidiary has contributed the following results to the Group:

	2013 RM'000
Revenue	11,574
Loss for the year	(1,580)

If the acquisition had occurred on 1 September 2012, the Group's revenue and profit for the year would have been RM2,320,102,000 and RM201,520,000 respectively.

The fair values of the identifiable assets and liabilities of GMP as at the date of acquisition were:

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment	20,946	13,279
Trade and other receivables	268	268
Inventories	32	32
Tax recoverable	7	7
Cash and bank balances	87	87
	21,340	13,673
Trade and other payables	1,022	1,022
Loans and borrowings	76	76
Deferred tax liabilities	1,841	-
	2,939	1,098
Net identifiable assets	18,401	12,575
Group's interest in the fair value of net identifiable assets	18,401	
Goodwill on acquisition	5,070	
Total cost of acquisition	23,471	

The effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	23,471
Cash and cash equivalents of subsidiary acquired	(87)
Net cash outflow on the acquisition	23,384



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 18. Investment in associates

	Group	
	2013 RM'000	2012 RM'000
Unquoted shares at cost	21,217	9,013
Share of post-acquisition reserves	(2,255)	217
Foreign currency translation	906	345
	19,868	9,575
Less: Accumulated impairment losses	(2,846)	(2,846)
	17,022	6,729

Details of the associates are as follows:

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2013	2012	
<b>Held through Medi-Flex:</b>				
Sonic Clean Pte. Ltd.	Singapore	29	29	Provide all kinds of aqueous cleaning services, consumable cleaning and sub-assembly work in clean room environment and investment holding
<b>Held through TGSB:</b>				
Value Add Sdn. Bhd.	Malaysia	27	-	Investment holding

The summarised financial information of the associates, not adjusted for the porportion of ownership interest held by the Group, is as follows:

	Group	
	2013 RM'000	2012 RM'000
<b>Assets and liabilities</b>		
Total assets	258,406	20,519
Total liabilities	(202,865)	(2,254)
<b>Results</b>		
Revenue	22,427	18,354
Profit for the year	(9,448)	712



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 19. Deferred tax (assets)/liabilities

Deferred income tax as at 31 August 2013 relates to the following:

Group	Deferred tax liabilities		Deferred tax assets		Cash flow hedges RM'000	Total RM'000
	Property, plant and equipment RM'000	Provisions RM'000	Unabsorbed capital allowances and reinvestment allowances RM'000			
At 1 September 2011	51,315	93	(7,015)	-	-	44,393
Recognised in profit or loss	(2,253)	(1,455)	(3,357)	-	-	(7,065)
At 31 August 2012	49,062	(1,362)	(10,372)	-	-	37,328
Recognised in profit or loss	(5,200)	3,080	-	-	-	(2,120)
Recognised in other comprehensive income	-	-	-	(10,465)	-	(10,465)
Acquisition of a subsidiary	-	1,841	-	-	-	1,841
At 31 August 2013	43,862	3,559	(10,372)	(10,465)	-	26,584

Presented after appropriate offsetting as follows:

	Group	
	2013 RM'000	2012 RM'000
Deferred tax assets	(19,165)	(3,700)
Deferred tax liabilities	45,749	41,028
	26,584	37,328

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2013 RM'000	2012 RM'000
Unutilised tax losses	104,675	29,903
Unabsorbed capital allowances	40,165	-
Unabsorbed increase in export allowances	-	3,206
Unabsorbed reinvestment allowances	16,840	25,423
	161,680	58,532





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 20. Investment securities

	Group			
	2013 RM'000		2012 RM'000	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
<b>Current</b>				
<i>Available-for-sale financial assets</i>				
- Debt securities (quoted in Malaysia)	-	-	5,835	5,835
- Debt securities (quoted outside Malaysia)	93,669	93,669	138,363	138,363
<b>Total current investment securities</b>	<b>93,669</b>		<b>144,198</b>	
<b>Non-current</b>				
Unquoted investments - golf club membership	145	-	145	-
	<b>93,814</b>		<b>144,343</b>	

Investment securities of the Group amounting to RM89,850,000 (2012: RM Nil) are pledged to bank for credit facility granted to the Group as disclosed in Note 27.

## 21. Goodwill

Goodwill has been allocated to the Group's CGUs identified according to the subsidiaries, as follows:

	Group	
	2013 RM'000	2012 RM'000
Top Glove (Zhangjiagang) Co. Ltd.	2,378	2,378
Top Glove Medical (Thailand) Co. Ltd.	2,946	2,946
B Tech Industry Co. Ltd.	14,789	14,789
GMP Medicare Sdn. Bhd.	5,070	-
	<b>25,183</b>	<b>20,113</b>

### Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value-in-use calculations are as follows:

	Gross Margin		Discount Rate	
	2013	2012	2013	2012
Top Glove (Zhangjiagang) Co. Ltd.	6%	8%	10%	11%
Top Glove Medical (Thailand) Co. Ltd.	10%	13%	10%	11%
B Tech Industry Co. Ltd.	7%	7%	10%	11%
GMP Medicare Sdn. Bhd.	14%	-	10%	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 21. Goodwill (continued)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

### (i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

### (ii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The Group believes that any reasonably possible change in the above key assumptions applied are not likely to materially cause recoverable amount to be lower than its carrying amount.

## 22. Inventories

	Group	
	2013 RM'000	2012 RM'000
<b>Cost</b>		
Raw materials	45,792	51,145
Consumables and hardware	21,263	15,531
Work-in-progress	19,403	17,542
Finished goods	131,580	93,016
	218,038	177,234
<b>Net realisable value</b>		
Work-in-progress	-	698
Finished goods	1,647	1,508
	219,685	179,440

## 23. Trade and other receivables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Trade receivables</b>				
Third parties	283,826	277,982	-	-
Less: Allowance for impairment	(975)	(975)	-	-
Trade receivables, net	282,851	277,007	-	-



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 23. Trade and other receivables (continued)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Other receivables</b>				
Amounts due from subsidiaries	-	-	24,790	3,989
Sundry receivables	9,528	9,111	24	-
Refundable deposits	2,762	7,745	-	14
	12,290	16,856	24,814	4,003
<b>Total trade and other receivables</b>	<b>295,141</b>	<b>293,863</b>	<b>24,814</b>	<b>4,003</b>
Total trade and other receivables	295,141	293,863	24,814	4,003
Add: Cash and cash equivalents (Note 26)	123,111	167,246	1,575	874
Total loans and receivables	418,252	461,109	26,389	4,877

### (a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2012: 30 to 90 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2013 RM'000	2012 RM'000
Neither past due nor impaired	256,119	249,994
1 to 30 days past due not impaired	12,113	22,171
31 to 60 days past due not impaired	4,215	2,210
61 to 90 days past due not impaired	4,398	163
91 to 120 days past due not impaired	2,065	30
More than 121 days past due not impaired	3,941	2,439
	26,732	27,013
Impaired	975	975
	283,826	277,982

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 23. Trade and other receivables (continued)

### (a) Trade receivables (continued)

#### Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM26,732,000 (2012: RM27,013,000) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

#### Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:-

	Group	
	2013	2012
	RM'000	RM'000
Trade receivables-nominal amounts	2,802	975
Less: Allowance for impairment loss	(975)	(975)
	1,827	-

Movements in the allowance accounts:

	Group	
	2013	2012
	RM'000	RM'000
1 September	(975)	(13)
Written off	-	13
Charge for the year (Note 10)	-	(975)
31 August	(975)	(975)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

### (b) Related party balances

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 24. Other current assets

	Group	
	2013 RM'000	2012 RM'000
Deposits paid for acquisition of a company	-	21,772
Prepaid operating expenses	3,853	4,019
	3,853	25,791

## 25. Derivative financial instruments and hedging activities

	Group			
	2013 RM'000		2012 RM'000	
	Contract/ Notional Amount	Fair value Liabilities	Contract/ Notional Amount	Fair value Liabilities
Forward currency contracts	819,798	(40,852)	795,564	(2,663)

At 31 August 2013, the Group held forward currency contracts designated as hedges of expected future sales to customers for which the Group has firm commitments. Forward currency contracts are used to hedge the Company's sales denominated in USD for which firm commitments existed at the reporting date, extending to July 2014 (2012: July 2013).

The cash flow hedges of the expected future sales were assessed to be highly effective and a net unrealised loss of RM41,858,000 (2012:RM Nil), with deferred tax asset of RM10,465,000 relating to the hedging instruments is included in other comprehensive income.

During the financial year, the Group recognised a profit of RM886,000 (2012: loss of RM5,617,000) in the profit or loss arising from ineffectiveness recognised in the profit or loss.

## 26. Cash and bank balances

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash on hand and at banks	91,254	44,887	1,575	874
Deposits with licensed banks and other financial institutions	26,822	92,391	-	-
Money market funds	5,035	29,968	-	-
Cash and bank balances	123,111	167,246	1,575	874
Less: Deposits pledged with banks	(18,529)	-	-	-
Cash and cash equivalents	104,582	167,246	1,575	874

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 26. Cash and bank balances (continued)

Cash at banks and deposits with licensed banks and other financial institutions of the Group amounting to RM18,529,000 (2012: RM Nil) are pledged to banks for credit facility granted to the Group as disclosed in Note 27.

The weighted average effective interest rates and average maturities of deposits with licensed banks and other financial institutions at the reporting date were as follows:

	Group	
	2013	2012
Weighted average effective interest rates (%)	2.51	2.17
Average maturities (days)	195	107

There is no maturity period for money market funds as these money are callable on demand.

## 27. Loans and borrowings

		Group	
	Maturity	2013 RM'000	2012 RM'000
<b>Current</b>			
<i>Unsecured:</i>			
Trust receipt at 3.38%	2014	9,135	-
<i>Secured:</i>			
Bank loans:			
- USD loan at 0.96% p.a.	2014	26,449	-
- USD loan 0.68% p.a.	2014	19,787	-
- 3.25% p.a. fixed rate USD bank loan	2014	135	125
Obligations under finance leases (Note 35(c))	2014	75	36
		46,446	161
		55,581	161
<b>Non-current</b>			
<i>Secured:</i>			
Bank loan:			
- 3.25% p.a. fixed rate USD bank loan	2015 - 2030	2,791	2,776
Obligations under finance leases (Note 35(c))	2015	18	39
		2,809	2,815
Total loans and borrowings		58,390	2,976





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 27. Loans and borrowings (continued)

The remaining maturities of the loans and borrowings as at 31 August 2013 are as follows:

	Group	
	2013 RM'000	2012 RM'000
On demand or within one year	55,581	161
More than 1 year and less than 2 years	159	164
More than 2 years and less than 5 years	448	415
5 years or more	2,202	2,236
	<b>58,390</b>	<b>2,976</b>

### Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 15). The average discount rate implicit in the leases is 3.9% (2012: 3.9%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

### 3.25% p.a. fixed rate USD bank loan

The loan is secured by way of fixed charges over certain property, plant and equipment as disclosed in Note 15.

### USD loan at 0.96% p.a. and USD loan 0.68% p.a.

The loans are secured by way of charges over cash at banks and deposits with licensed banks and other financial institutions and investment securities of the Group as disclosed in Note 20 and 26.

## 28. Trade and other payables/other current liabilities

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables	117,619	117,005	-	-
Other payables				
Accrued operating expenses	37,616	37,817	1,227	1,042
Sundry payables	78,839	76,716	-	1
	<b>116,455</b>	<b>114,533</b>	<b>1,227</b>	<b>1,043</b>
Total trade and other payables	234,074	231,538	1,227	1,043
Add: Loans and borrowings (Note 27)	58,390	2,976	-	-
Total financial liabilities carried at amortised cost	<b>292,464</b>	<b>234,514</b>	<b>1,227</b>	<b>1,043</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 28. Trade and other payables/other current liabilities (continued)

### (a) Trade payables

These amounts are non-interest bearing. The normal trade credit term granted to the Group ranges from 30 to 90 days (2012: range from 30 to 90 days).

### (b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 30 to 90 days (2012: range from 30 to 90 days).

### (c) Other current liabilities

These amounts represent advances received from customers for goods purchased.

## 29. Share capital

	Group and Company			
	Number of ordinary shares of RM0.50 each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
<b>Authorised</b>				
At 31 August	800,000	800,000	400,000	400,000
<b>Issued and fully paid</b>				
At 1 September	618,880	618,513	309,440	309,256
Exercise of ESOS	1,340	367	670	184
At 31 August	620,220	618,880	310,110	309,440

The new ordinary shares ranked pari passu in all respects with the existing ordinary shares of the Company.

## 30. Share premium

This is a non-distributable reserve which arose from the issue of the Company's shares at a premium:

	Group and Company	
	2013 RM'000	2012 RM'000
At 1 September	174,197	171,780
Issuance of ordinary shares pursuant to ESOS	4,837	1,020
Transfer from share option reserve	1,144	1,406
Share issue expenses	(4)	(9)
At 31 August	180,174	174,197



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 31. Other reserves

	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Total RM'000
<b>Group</b>						
<b>At 1 September 2011</b>	1,766	3,604	9,877	(416)	-	14,831
Gain on fair value changes	-	-	-	4,597	-	4,597
Foreign currency translation	3,594	-	-	-	-	3,594
Share options granted under ESOS	-	-	1,860	-	-	1,860
Transfer to share premium	-	-	(1,406)	-	-	(1,406)
Transfer from retained earnings	-	830	-	-	-	830
<b>At 31 August 2012</b>	5,360	4,434	10,331	4,181	-	24,306
Loss on fair value changes	-	-	-	(2,543)	(31,393)	(33,936)
Foreign currency translation	5,698	-	-	-	-	5,698
Share options granted under ESOS	-	-	1,867	-	-	1,867
Transfer to share premium	-	-	(1,144)	-	-	(1,144)
<b>At 31 August 2013</b>	11,058	4,434	11,054	1,638	(31,393)	(3,209)

**Share option  
reserve  
RM'000**

## Company

<b>At 1 September 2011</b>	9,877
Share options granted under ESOS	1,860
Transfer to share premium	(1,406)
<b>At 31 August 2012</b>	10,331
Share options granted under ESOS	1,867
Transfer to share premium	(1,144)
<b>At 31 August 2013</b>	11,054

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 31. Other reserves (continued)

### (a) Foreign exchange reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

### (b) Legal reserve

This represents a general reserve provided for in respect of subsidiaries incorporated in the People's Republic of China and Thailand.

Under the Wholly Foreign Owned Enterprise ("WFOE") Law in the People's Republic of China, at least 10% of the net profit after taxation in each financial year must be credited to this reserve, until it reaches 50% of the registered paid up capital of the subsidiary.

Under the Civil and Commercial Code in Thailand, a company is required to set aside a statutory reserve equal to at least 5% of its net profit each time when the company pays out a dividend, until it reaches 10% of the registered share capital of the company.

### (c) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

### (d) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

### (e) Cash flow hedge reserve

The cash flow hedging reserve represents the cumulative portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative deferred gain or loss arising on changes in the fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

## 32. Retained earnings

The Company has elected for the irrevocable option under the Finance Act 2007 to disregard the 108 balance as at 31 December 2007. Hence, the Company will be able to distribute dividends out of its entire retained earnings as at 31 August 2013 and 2012 under the single tier system.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 33. Employee Share Options Scheme (ESOS)

The Company ESOS is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 9 January 2008 and became effective on 1 August 2008.

The main features of the ESOS are as follows:

- (a) The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.
- (b) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.
- (c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid up share capital of the Company at any point of time during the tenure of the ESOS.
- (d) The option price for each share shall be the 5-days weighted average market price of the underlying shares at the time the ESOS Options are granted, with either a premium or a discount of not more than ten percent (10%), or the par value of the ordinary shares of the Company of RM0.50, whichever is higher.
- (e) No option shall be granted for less than 100 shares to any eligible employee.
- (f) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry on 1 August 2018.
- (g) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respect with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.
- (h) No eligible person shall participate at any time in more than one share option scheme implemented by any company within the Group unless otherwise approved by the Options Committee.
- (i) The options shall not carry any right to vote at a general meeting of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 33. Employee Share Options Scheme (ESOS) (continued)

The terms of share options outstanding as at end of the financial year are as follows:

### 2013

Grant Date	Expiry Date	Exercise Price RM	Number of share options over the ordinary shares of RM0.50 each				At end of year '000
			At beginning of year '000	Granted '000	Exercised '000	Lapsed '000	
5.9.2008	1.8.2018	2.01	77.2	-	(14.6)	(32.4)	30.2
5.10.2008	1.8.2018	1.99	0.8	-	-	-	0.8
5.3.2009	1.8.2018	2.26	158.2	-	(49.2)	(58.8)	50.2
6.4.2009	1.8.2018	2.45	0.8	-	-	-	0.8
5.6.2009	1.8.2018	2.95	2.0	-	-	-	2.0
5.8.2009	1.8.2018	3.58	2.4	-	(2.0)	-	0.4
20.8.2009	1.8.2018	3.52	1,116.2	-	(395.0)	(45.0)	676.2
5.10.2009	1.8.2018	3.60	0.8	-	-	-	0.8
5.11.2009	1.8.2018	4.12	41.4	-	(6.6)	-	34.8
4.12.2009	1.8.2018	4.60	62.0	-	(30.4)	-	31.6
5.1.2010	1.8.2018	5.04	60.7	-	(15.1)	(2.0)	43.6
5.2.2010	1.8.2018	5.64	88.0	-	(0.8)	(3.4)	83.8
5.3.2010	1.8.2018	5.79	4,947.0	-	(108.7)	(147.4)	4,690.9
5.4.2010	1.8.2018	6.97	130.8	-	-	(2.4)	128.4
6.5.2010	1.8.2018	6.16	202.0	-	-	(30.4)	171.6
5.6.2010	1.8.2018	6.12	303.6	-	-	(36.2)	267.4
5.7.2010	1.8.2018	6.85	180.2	-	-	(31.2)	149.0
6.8.2010	1.8.2018	6.51	83.2	-	-	(7.1)	76.1
5.10.2011	1.8.2018	4.15	1,645.1	-	(634.8)	(34.9)	975.4
3.4.2013	1.8.2018	5.51	-	2,546.8	(83.0)	(22.4)	2,441.4
			9,102.4	2,546.8	(1,340.2)	(453.6)	9,855.4

### 2012

5.9.2008	1.8.2018	2.01	122.8	-	(42.2)	(3.4)	77.2
5.10.2008	1.8.2018	1.99	0.8	-	-	-	0.8
5.3.2009	1.8.2018	2.26	260.2	-	(101.0)	(1.0)	158.2
6.4.2009	1.8.2018	2.45	0.8	-	-	-	0.8
5.6.2009	1.8.2018	2.95	3.2	-	(1.2)	-	2.0
5.8.2009	1.8.2018	3.58	2.4	-	-	-	2.4
20.8.2009	1.8.2018	3.52	1,203.0	-	(51.6)	(35.2)	1,116.2
5.10.2009	1.8.2018	3.60	16.8	-	(16.0)	-	0.8
5.11.2009	1.8.2018	4.12	41.4	-	-	-	41.4
4.12.2009	1.8.2018	4.60	68.6	-	-	(6.6)	62.0
5.1.2010	1.8.2018	5.04	62.7	-	(2.0)	-	60.7
5.2.2010	1.8.2018	5.64	88.8	-	-	(0.8)	88.0
5.3.2010	1.8.2018	5.79	5,098.8	-	-	(151.8)	4,947.0
5.4.2010	1.8.2018	6.97	158.8	-	-	(28.0)	130.8
6.5.2010	1.8.2018	6.16	224.0	-	-	(22.0)	202.0
5.6.2010	1.8.2018	6.12	324.4	-	-	(20.8)	303.6
5.7.2010	1.8.2018	6.85	198.2	-	-	(18.0)	180.2
6.8.2010	1.8.2018	6.51	86.6	-	-	(3.4)	83.2
5.10.2011	1.8.2018	4.15	-	1,848.7	(152.8)	(50.8)	1,645.1
			7,962.3	1,848.7	(366.8)	(341.8)	9,102.4

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 33. Employee Share Options Scheme (ESOS) (continued)

Details of share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

Exercise Date	Exercise price RM	Fair value of ordinary shares RM	Number of share options '000	Considerations received RM'000
<b>2013</b>				
September 2012 - August 2013	2.01	4.84 - 6.60	14.6	29.3
September 2012 - August 2013	2.26	4.84 - 6.60	49.2	111.2
September 2012 - August 2013	3.58	4.84 - 6.60	2.0	7.2
September 2012 - August 2013	3.52	4.84 - 6.60	395.0	1,390.4
September 2012 - August 2013	4.12	4.84 - 6.60	6.6	27.2
September 2012 - August 2013	4.60	4.84 - 6.60	30.4	139.8
September 2012 - August 2013	5.04	4.84 - 6.60	15.1	76.1
September 2012 - August 2013	5.64	4.84 - 6.60	0.8	4.5
September 2012 - August 2013	5.79	4.84 - 6.60	108.7	629.4
September 2012 - August 2013	4.15	4.84 - 6.60	634.8	2,634.4
September 2012 - August 2013	5.51	4.84 - 6.60	83.0	457.3
			1,340.2	5,507 (670)
Less: Par value of ordinary shares				
Share premium				4,837
<b>2012</b>				
September 2011 - August 2012	2.01	3.92 - 5.44	29.0	58
September 2011 - August 2012	2.26	3.92 - 5.44	114.2	258
September 2011 - August 2012	2.95	3.92 - 5.44	1.2	4
September 2011 - August 2012	3.52	3.92 - 5.44	51.6	182
September 2011 - August 2012	3.60	3.92 - 5.44	16.0	58
September 2011 - August 2012	5.04	3.92 - 5.44	2.0	10
September 2011 - August 2012	4.15	3.92 - 5.44	152.8	634
			366.8	1,204 (184)
Less: Par value of ordinary shares				
Share premium				1,020

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 33. Fair value of share options granted during the year (continued)

### Fair value of share options granted during the year

The fair value of share options granted during the year were estimated by using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2013	2012
Fair value of share options at the following grant dates (RM)		
5 October 2011	-	0.99, 1.01 & 1.02
3 April 2013	0.90, 1.01, 1.02, 1.03, 1.10, 1.11, 1.15, & 1.16	
Weighted average share price (RM)	5.83	4.82
Weighted average exercise price (RM)	4.11	3.28
Expected volatility (%)	28.59	28.48
Expected life (years)	5.33	6.82
Risk free rate (%)	3.22	3.56
Expected dividend yield (%)	3.32	2.06

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option were incorporated into the measurement of fair value.

## 34. Related party transactions

### (a) Sales and purchase of goods

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2013 RM'000	2012 RM'000
Gross dividends from subsidiaries	117,626	176,425
Management fees from subsidiaries	1,756	1,266

### (b) Compensation of key management personnel

There are no other key management personnel other than the executive directors. The remuneration of executive directors during the year were as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries and other emoluments	5,835	5,124	931	754
Pension costs - defined contribution plan	521	447	111	90
Social security contributions	8	8	1	1
Share options granted under ESOS	311	268	34	139
Fees	871	855	762	754
	7,546	6,702	1,839	1,738



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 35. Commitments

### (a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2013 RM'000	2012 RM'000
Property, plant and equipment: Approved and contracted for	129,483	48,795

### (b) Operating lease arrangements

In addition to the land use rights disclosed in Note 16, the Group has entered into commercial leases on certain office equipment. These leases have an average tenure of between one and five years.

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	Group	
	2013 RM'000	2012 RM'000
Future minimum rentals payments:		
Not later than 1 year	855	912
Later than 1 year and not later than 2 years	774	839
Later than 2 years and not later than 5 years	782	1,367
	2,411	3,118

### (c) Finance lease commitments

The Group has finance leases for certain items of property, plant and equipment (Note 15). Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2013 RM'000	2012 RM'000
<b>Minimum lease payments:</b>		
Not later than 1 year	83	38
Later than 1 year and not later than 2 years	19	38
Later than 2 years and not later than 5 years	-	3
Total minimum lease payments	102	79
Less: <i>Amount representing finance charges</i>	(9)	(4)
Present value of minimum lease payables	93	75
<b>Present value of payments:</b>		
Not later than 1 year	75	36
Later than 1 year and not later than 2 years	18	36
Later than 2 years and not later than 5 years	-	3
Present value of minimum lease payments	93	75
Less: <i>Amount due within 12 months (Note 27)</i>	(75)	(36)
Amount due after 12 months (Note 27)	18	39



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 36. Contingent liabilities

Certain subsidiaries of the Company, namely Top Glove Sdn. Bhd., TG Medical Sdn. Bhd. and Flexitech Sdn. Bhd. were served a writ of summons on 18 January 2013 by Sentinel Engineering Sdn. Bhd. and Hartalega Sdn. Bhd., claiming damages (unspecified) on the alleged infringement of the arrangement of assembling former holders, claimed in features of Patent No. MY 140770-A. The writ of summons was also served on 3 other third party glove manufacturing companies and 2 suppliers of glove machinery parts or components.

As at the date of the financial statements, based on the advice received from its legal advisors, the directors are of the opinion that this claim is unsustainable. Accordingly, no provision for loss has been made in the financial statements.

## 37. Fair values of financial assets and liabilities

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Trade and other receivables	23
Loans and borrowings (current)	27
Loans and borrowings (non-current)	27
Trade and other payables	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

### Quoted debt securities

Fair value is determined directly by reference to their published market bid price at the reporting date.

### Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

### **Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities;

**Level 2:** Inputs other than quoted prices included in Level 1, that are observable for asset or liability, either directly or indirectly; and

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 37. Fair values of financial assets and liabilities (continued)

Group As at 31 August 2013	Level 1 RM'000	Level 2 RM'000	Total RM'000
<b>Assets measured at fair value</b>			
Available-for-sale financial assets	93,669	-	93,669
<b>Liabilities measured at fair value</b>			
Derivative liabilities	-	40,852	40,852
<b>As at 31 August 2012</b>			
<b>Assets measured at fair value</b>			
Available-for-sale financial assets	144,198	-	144,198
<b>Liabilities measured at fair value</b>			
Derivative liabilities	-	2,663	2,663

During the reporting period ended 31 August 2013 and 2012, there were no transfers between Level 1 and Level 2 fair value measurements.

## 38. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 38. Financial risk management objectives and policies (continued)

### (a) Credit risk (continued)

#### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.
- A nominal amount of RM28,554,000 (2012: RM26,546,000) relating to a bank guarantee provided by the Group to utilities suppliers.

#### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions, debt securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

#### **Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2013 RM'000			Total
	On demand or within one year	One to five years	Over five years	
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables, excluding bank guarantees *	234,074	-	-	234,074
Loans and borrowings	55,581	934	2,646	59,161
<b>Total undiscounted financial liabilities</b>	<b>289,655</b>	<b>934</b>	<b>2,646</b>	<b>293,235</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 38. Financial risk management objectives and policies (continued)

### (b) Liquidity risk (continued)

#### Analysis of financial instruments by remaining contractual maturities (continued)

	2013 RM'000			Total
	On demand or within one year	One to five years	Over five years	
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables excluding bank guarantees *	1,227	-	-	1,227
<b>Total undiscounted financial liabilities</b>	<b>1,227</b>	<b>-</b>	<b>-</b>	<b>1,227</b>

	2012 RM'000			Total
	On demand or within one year	One to five years	Over five years	
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables, excluding bank guarantees *	231,538	-	-	231,538
Loans and borrowings	161	912	2,728	3,801
<b>Total undiscounted financial liabilities</b>	<b>231,699</b>	<b>912</b>	<b>2,728</b>	<b>235,339</b>

<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	1,043	-	-	1,043
<b>Total undiscounted financial liabilities</b>	<b>1,043</b>	<b>-</b>	<b>-</b>	<b>1,043</b>

\* At the reporting date, the counterparties to the bank guarantees do not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of MFRS 139 are not included in the above maturity profile analysis.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 38. Financial risk management objectives and policies (continued)

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis point lower/higher, with all other variables held constant, the Group's profit before tax would have been RM91,000 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### (d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's investment securities will fluctuate because of changes in market prices (other than interest or exchange rates). Any significant decreases in the prices for investment securities will have a material adverse impact on the financial position and results of operation.

The Group monitors the market price fluctuation closely in order to reduce the impact of market price risk.

#### Sensitivity analysis for market price risk

At the reporting date, if the market price had been 5% higher/lower, with all other variables held constant, the Company's investment securities and fair value adjustment reserve would have been RM4,683,000 (2012: RM7,209,000) higher/lower, arising as a result of higher/lower fair value gains on available-for-sale financial assets in equity instruments.

### (e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures mainly arising from sales that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM, Thailand Baht ("Baht"), Chinese Renminbi ("RMB") and Australian Dollars ("AUD"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD") and Australian Dollars.





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 38. Financial risk management objectives and policies (continued)

### (e) Foreign currency risk (continued)

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net financial assets/(liabilities) held in non-functional currency		
	USD RM'000	AUD RM'000	Total RM'000
<b>Functional currency of Group companies</b>			
<b>At 31 August 2013:</b>			
Ringgit Malaysia	51,704	5,761	57,465
Thailand Baht	29,123	-	29,123
Chinese Renminbi	14,334	-	14,334
Australlian Dollars	(43,644)	-	(43,644)
	<b>51,517</b>	<b>5,761</b>	<b>57,278</b>
<b>At 31 August 2012:</b>			
Ringgit Malaysia	14,057	136,018	150,075
Thailand Baht	40,882	-	40,882
Chinese Renminbi	17,769	-	17,769
	<b>72,708</b>	<b>136,018</b>	<b>208,726</b>

### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2013 RM'000	2012 RM'000
USD/RM - strengthened 5%	2,585	702
- weakened 5%	(2,585)	(702)
USD/Baht - strengthened 5%	1,456	2,044
- weakened 5%	(1,456)	(2,044)
USD/RMB - strengthened 5%	717	888
- weakened 5%	(717)	(888)
USD/AUD - strengthened 5%	(741)	-
- weakened 5%	741	-
AUD/RM - strengthened 5%	288	6,801
- weakened 5%	(288)	(6,801)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2013 and 31 August 2012.

As disclosed in Note 31(b), subsidiaries of the Group incorporated in the People's Republic of China and Thailand are required to set aside a statutory reserve fund under local regulations. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 August 2013 and 31 August 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve, cash flow hedge reserve, and the above-mentioned restricted statutory reserve fund.

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loans and borrowings	27	58,390	2,976	-	-
Trade and other payables	28	234,074	231,538	1,227	1,043
Other current liabilities	28	28,504	30,940	-	-
Less: cash and cash equivalents	26	(104,582)	(167,246)	(1,575)	(874)
<b>Net debt</b>		<b>216,386</b>	<b>98,208</b>	<b>(348)</b>	<b>169</b>
Equity attributable to the owners of the parent		1,331,852	1,255,354	606,186	584,461
(Less)/add:					
- Fair value adjustment reserve	31	(1,638)	(4,181)	-	-
- Cash flow hedge reserve	31	31,393	-	-	-
- Statutory reserve fund	31	(4,434)	(4,434)	-	-
<b>Total capital</b>		<b>1,357,173</b>	<b>1,246,739</b>	<b>606,186</b>	<b>584,461</b>
<b>Capital and net debt</b>		<b>1,573,559</b>	<b>1,344,947</b>	<b>605,838</b>	<b>584,630</b>
<b>Gearing ratio</b>		<b>13.75%</b>	<b>7.30%</b>	<b>-0.06%</b>	<b>0.03%</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 40. Segment information

For management purposes, the Group is organised into business units based on their geographical areas, and has four reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs), income taxes and share of results of associate are managed on a group basis and are not allocated to operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

### 31 August 2013

	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	Others RM'000	Eliminations RM'000	Notes	Consolidated RM'000
<b>Revenue</b>							
External sales	1,841,221	215,571	135,211	121,231	-		2,313,234
Inter-segment sales	43,834	346,415	22,297	-	(412,546)	A	-
<b>Total revenue</b>	<b>1,885,055</b>	<b>561,986</b>	<b>157,508</b>	<b>121,231</b>	<b>(412,546)</b>		<b>2,313,234</b>
<b>Results</b>							
Interest income	14,164	167	11	2,766	(4,444)		12,664
Depreciation and amortisation	58,667	14,777	6,282	619	-		80,345
Segment profit/(loss)	215,779	25,476	562	3,592	(3,205)	B	242,204
<b>Assets</b>							
Additions to non-current assets	228,367	14,425	2,399	34,171	-	C	279,362
Segment assets	1,179,622	206,457	128,358	195,616	61,370	D	1,771,423
<b>Liabilities</b>							
Segment liabilities	247,491	26,975	26,902	60,452	51,762	E	413,582
<b>Other segment information</b>							
Capital commitments	128,152	1,142	-	189	-		129,483



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 40. Segment information (continued)

31 August 2012

	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	Others RM'000	Eliminations RM'000	Notes	Consolidated RM'000
<b>Revenue</b>							
External sales	1,886,484	226,293	80,863	120,814	-		2,314,454
Inter-segment sales	57,961	470,273	52,111	-	(580,345)	A	-
<b>Total revenue</b>	<b>1,944,445</b>	<b>696,566</b>	<b>132,974</b>	<b>120,814</b>	<b>(580,345)</b>		<b>2,314,454</b>
<b>Results</b>							
Interest income	19,520	141	17	-	(7,338)		12,340
Depreciation and amortisation	49,840	13,966	5,113	268	-		69,187
Segment profit/(loss)	191,561	45,760	(33)	3,265	149	B	240,702
<b>Assets</b>							
Additions to non-current assets	125,596	17,019	2,832	210	-	C	145,657
Segment assets	1,175,448	232,427	113,754	45,881	30,542	D	1,598,052
<b>Liabilities</b>							
Segment liabilities	211,815	25,029	19,480	11,793	50,082	E	318,199
<b>Other segment information</b>							
Capital commitments	46,826	1,352	617	-	-		48,795

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the consolidated statement of comprehensive income.

	2013 RM'000	2012 RM'000
Share of results of associates	(2,472)	262
Finance costs	(733)	(113)
	(3,205)	149



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)

## 40. Segment information (continued)

C Additions to non-current assets consist of:

	2013 RM'000	2012 RM'000
Property, plant and equipment	255,760	142,717
Land used rights	23,602	2,940
	279,362	145,657

D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Deferred tax assets	19,165	3,700
Investments in associates	17,022	6,729
Goodwill	25,183	20,113
	61,370	30,542

E The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Income tax payable	6,013	9,054
Deferred tax liabilities	45,749	41,028
	51,762	50,082

## 41. Dividends

	Group and Company	
	2013 RM'000	2012 RM'000
<b>Recognised during the financial year:</b>		
Dividends on ordinary shares:		
- Final single tier dividend for 2012: 9.00 sen per share	55,730	-
- First interim single tier dividend for 2013: 7.00 sen per share	43,404	-
- Final single tier dividend for 2011: 6.00 sen per share	-	37,113
- First interim single tier dividend for 2012: 7.00 sen per share	-	43,308
	99,134	80,421

At the forthcoming Annual General Meeting, a single tier final dividend of 18% on 620,219,962 ordinary shares amounting to RM55,819,796 (9.00 sen per share) in respect of the financial year ended 31 August 2013 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 August 2014.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2013 (cont'd)



## 42. Significant event

On 22 June 2012, Best Advance Resources Limited, a wholly-owned subsidiary of the Company, entered into a Conditional Share Sale and Purchase Agreement to acquire 5,700 ordinary shares of Indonesia Rupiah 100,000 each in PT Agro Pratama Sejahtera ("PT Agro"), representing 95% of the total issued and paid-up shares of PT Agro. PT Agro was incorporated under the laws of Republic of Indonesia and is principally involved in rubber forest plantation business. The consideration for the proposed acquisition was agreed at RM22,000,000. The said transaction has been completed on 1 October 2012.

## 43. Subsequent event

On 11 October 2013, Top Glove Sdn. Bhd. ("TGSB"), a wholly-owned subsidiary of the Company announced the proposal of voluntary delisting of its subsidiary, Medi-Flex Limited ("Medi-Flex"), a company incorporated in Singapore and listed at the Singapore Exchange Trading Limited Dealing and Automated System. TGSB will make the exit offer for all the offer shares at an offer price of SGD0.15 per share not currently held.

The proposed voluntary delisting is subject to the approval of the shareholders of Medi-Flex at an Extraordinary General Meeting ("EGM"). The resolution for the proposed voluntary delisting must be approved by a majority of at least 75% and must not be voted against by 10% or more of the total number of issued Medi-Flex shares held by the shareholders of Medi-Flex present and voting, on a poll, either in person or by proxy at the EGM.

## 44. Authorisation of financial statements for issue

The financial statements for the year ended 31 August 2013 were authorised for issue in accordance with a resolution of the directors on 31 October 2013

## 45. Supplementary information – Breakdown of realised and unrealised profits and losses

The breakdown of the retained earnings of the Group and of the Company as at 31 August 2013 into realised and unrealised profits and losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings of the Company and its subsidiaries				
- Realised	863,956	779,396	104,848	90,493
- Unrealised	(22,831)	(37,837)	-	-
	841,125	741,559	104,848	90,493
Less: Consolidated adjustments	3,652	5,852	-	-
Total Group's retained earnings as per consolidated financial statements	844,777	747,411	104,848	90,493



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# LIST OF PROPERTIES

For the financial year ended 31 August 2013

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
<b>A) Top Glove Sdn Bhd</b>								
1)	18, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15256, PT 8368, Mukim of Kapar, District of Klang, State of Selangor.	23/10/97 (A)	16	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/1,100 square feet	62
2)	36, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15297, PT 8411, Mukim of Kapar, District of Klang, State of Selangor.	13/02/98 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/1,100 square feet	61
3)	11, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15238, PT 8349, HS (M) 15238, PT 8445, Mukim of Kapar, District of Klang, State of Selangor.	15/09/97 (A)	16	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/1,100 square feet	57
4)	Lot 4968, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	EMR 6629, Lot 4968, Mukim of Kapar, District of Klang, State of Selangor.	13/10/93 (A)	19	Freehold	Factory/Glove manufacturing	3 acres/ 66,980 square feet	6,034
5)	4, Jalan Seri Kenangan 8, Taman Meru 3, Meru, 41050 Klang, Selangor.	HS (M) 10354, PT 15485, Mukim of Kapar, District of Klang, State of Selangor.	29/07/95 (A)	18	Freehold	Terrace house/ Accommodation for staff	1,640 square feet/1,400 square feet	65
6)	6, Jalan Seri Kenangan 8, Taman Meru 3, Meru, 41050 Klang, Selangor.	HS (M) 10355, PT 15486, Mukim of Kapar, District of Klang, State of Selangor.	29/07/95 (A)	18	Freehold	Terrace house/ Accommodation for staff	1,640 square feet/1,400 square feet	65
7)	23, Jalan Seri Kenangan 8, Taman Meru 3, Meru, 41050 Klang, Selangor.	HS (M) 10314, PT 15442, Mukim of Kapar, District of Klang, State of Selangor.	23/05/96 (A)	17	Freehold	Terrace house/ Accommodation for staff	1,608 square feet/1,350 square feet	82
8)	22, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru Klang, Selangor.	HS (M) 15304, PT 8419, Mukim of Kapar, District of Klang, State of Selangor.	15/09/97 (A)	16	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/1,100 square feet	62
9)	Lot 5987, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	EMR 8780, Lot No 5987, Mukim of Kapar, District of Klang, State of Selangor.	18/04/96 (A)	13	Freehold	Factory/Glove manufacturing	2.8 acres/ 57250 square feet	5,401
10)	Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	G.M. 2143, Lot No 4969, Mukim of Kapar, District of Klang, State of Selangor.	11/10/00 (A)	11	Freehold	Factory/Office building	3 acres/ 41,274 square feet	7,950
11)	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, Ipoh, Perak.	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, Ipoh, Perak.	22/11/99 (A)	25	Leasehold (expiring on: Lot 18-30.9.2072 Lot 27-28.12.2063 Lot 38-23.12.2069 Lot 57-1.10.2064)	Factory/Glove manufacturing	311,192 square feet/ 197,675 square feet	9,873
12)	No. 3,5,7,9,11,13,15, 17,19, 21, 23, 25 & 27, Taman Mutiara, Tasek, Ipoh, Perak.	Plot No. 332-344 (Lot No.211196 -2111208) Tasek Mutiara, Ipoh, Perak.	02/11/07 (A)	6	Freehold	Double story terrace/ house/Hostel for workers – 13 units	1,400 square feet/ 1,625 square feet	1,859
13)	Lot 39, Medan Tasek, Kawasan Perindustrian Tasek, Ipoh, Perak.	HS (D) 21524, PT 1002, Mukim Hulu Kinta, Daerah Kinta, Perak.	08/10/07 (A)	6	Leasehold (expiring on: 28.7.2069)	Biomass store	3 acres/ 62,657 square feet	2,047
14)	Lot 12, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	PN 00001308, Lot 056530, Mukim Hulu Kinta, Daerah Kinta, Perak.	04/02/10 (A)	3	Leasehold (expiring on: 05.04.2066)	Factory/Office building	213,889 square feet/ 131,576 square feet	6,778
15)	Lot 30 & 42, Persiaran Tasek, Kawasan Perindustrian Tasek, Ipoh, Perak.	PN 00240047, Lot 047962 & PN 00244996, Lot 051268, Mukim Hulu Kinta, Daerah Kinta, Perak.	25/11/09 (A)	N/A	Leasehold (expiring on: Lot 47962 – 02.02.2063 Lot 51268 – 26.09.2068)	Vacant	10 acres/ 2 acres	5,862
16)	Plot 7, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	HS (D) 889/68, Lot No. 927, Mukim Hulu Kinta, Daerah Kinta, Perak.	05/07/11 (A)	2	Leasehold (expiring on: 02.05.2067)	Factory/Glove manufacturing	80,937 square feet/48,352 square feet	3,794
17)	Lot 4960, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 2326, Lot No. 4960, Mukim of Kapar, District of Klang, State of Selangor.	24/09/03 (A)	8	Freehold	Factory/Glove manufacturing	3 acres/ 58,240 square feet	7,833
18)	Lot 4970, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 38148, PT Nos. 63271, Mukim of Kapar, District of Klang, State of Selangor.	20/11/03 (A)	10	Freehold	Factory/Glove manufacturing	3 acres/ 67,924 square feet	6,919

# LIST OF PROPERTIES

For the financial year ended 31 August 2013 (cont'd)



	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
19)	Lot 4967, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 5584, Lot No. 4967, Mukim of Kapar, District of Klang, State of Selangor.	19/03/04 (A)	9	Freehold	Factory/Glove manufacturing	3 acres/ 58,240 square feet	7,495
20)	21, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15324, PT 8441, HS (M) 15242, PT 8353, Mukim Kapar, District of Klang, State of Selangor.	12/05/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	112
21)	37, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 18522, PT 24689, Mukim Kapar, District of Klang, State of Selangor.	12/05/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	127
22)	6, Jalan Sg. Binjai, Klang, Selangor.	HS (M) 26112, PT 39636, Mukim Kapar, District of Klang, State of Selangor.	21/03/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	136
23)	21, Jalan Sesenduk 20, Off Taman Meru Jaya, 41050 Klang, Selangor.	GM 7798, Lot No. 37307, Mukim Kapar, District of Klang, State of Selangor.	13/05/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	133
24)	23, Jalan Sesenduk 20, Off Taman Meru Jaya, 41050 Klang, Selangor.	GM 7797, Lot No. 37306, Mukim Kapar, District of Klang, State of Selangor.	13/05/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	133
25)	27, Lorong Tempinis 1, Pekan Meru, 42200 Klang, Selangor.	HS (M) 3773, PT 1286 & HS (M) 3685, PT 1285, Mukim Kapar, District of Klang, State of Selangor.	25/05/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	108
26)	57, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7330, Lot No 43375, Mukim Kapar, District of Klang, State of Selangor.	19/07/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	133
27)	51, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7327, Lot No 43372, Mukim Kapar, District of Klang, State of Selangor.	19/07/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	133
28)	67, Jalan Sesenduk 6, Taman Meru Utama, 41050 Klang, Selangor.	GM 7311, Lot No 43353, Mukim Kapar, District of Klang, State of Selangor.	19/07/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	125
29)	65, Jalan Sesenduk 6, Taman Meru Utama, 41050 Klang, Selangor.	GM 7310, Lot No 43352, Mukim Kapar, District of Klang, State of Selangor.	19/07/05 (A)	8	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	125
30)	Lot 4947, Jalan Teratai, Batu 5½ Off Jalan Meru, 41050 Klang, Selangor.	GM 5101, Lot No 4947, Mukim Kapar, District of Klang, State of Selangor.	23/11/04 (A)	9	Freehold	Factory/Glove manufacturing	3 acres/ 58,240 square feet	8,023
31)	1,3,5 & 7, Jalan Abadi 1A/KU8, 1 – 8, Jalan Abadi 1B/KU8, 1,3,5 & 7, Jalan Abadi 1C/KU8, 60,62,64,66,67,69, 71,73,75 & 77, Jalan Abadi 4/KU8, 49, 51, 53, 55, 57, 59, 62, 64, 66, 68, 70 & 72, Jalan Abadi 5/KU8 46, 48, 50, 52, 54 & 56, Jalan Abadi 6/KU8, Taman Daya Maju, 41050 Klang, Selangor.	HS (M) 10598 – 10601 (PT No. 49525 – 49528) HS (M) 10605 – 28476 (PT No. 40356 – 40363) HS (M) 28477 – 28480 & 28484 (PT No. 40367 – 40370 & 40374) HS (M) 28481 – 28483 & 28486 – 28491 (PT No. 40371 – 40373 & 40376 – 40381) HS (M) 28492 – 28497 & 28499 – 28504 (PT No. 40382 - 40387 & 40389 – 40394) HS (M) 28505 – 28510 (PT No. 40395 – 40400), Mukim Kapar, District of Klang, State of Selangor.	29/04/06 (A)	7	Freehold	Terrace house/ Accommodation for staff	70,995 square feet	5,974
32)	41, Jalan Abadi 3 Taman Daya Meru, 41050 Klang, Selangor.	HS (M) 18218, PT 24467, Mukim Kapar, District of Klang, State of Selangor.	02/12/05 (A)	7	Freehold	Terrace house/ Accommodation for staff	1,098 square feet	100
33)	25, Jalan Sesenduk 20, Taman Meru Jaya, 41050 Klang, Selangor.	GM 7799, Lot 37308, Mukim Kapar, District of Klang, State of Selangor.	31/07/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	121 square meter	151



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# LIST OF PROPERTIES

For the financial year ended 31 August 2013 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)
34)	7, Lorong Abadi 2, Batu 5½ Off Jalan Meru, Taman Daya Meru, 41050 Klang, Selangor.	04/12/09 (A)	4	Freehold	Terrace house/ Accommodation for staff	111 square meter	113
35)	20, Jalan Sesenduk 19, Taman Meru Jaya, 41050 Klang, Selangor.	08/02/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	111 square meter	149
36)	31, Jalan Mempari 12, Taman Bayu, Batu 5, Jalan Meru, 41050 Klang, Selangor.	11/03/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	121 square meter	109
37)	8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 40, 42, 44 & 46, Jalan Sesenduk 21, Taman Meru Jaya, 41050 Klang, Selangor.	05/02/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	190 square meter /unit	3,471
38)	47, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	13/08/10 (A)	3	Freehold	Terrace house/ Accommodation for workers	121 square meter	157
39)	46, Jalan Sesenduk 7, Taman Meru Utama, Off Jalan Meru 41050 Klang, Selangor.	31/07/10 (A)	3	Freehold	Terrace house/ Accommodation for workers	121 square meter	147
40)	No.1, 2, Jln Sesenduk 3A, No.1, 2, Jln Sesenduk 3B, No.1, Jln Sesenduk 3C, Taman Meru Utama 5, 41050 Klang, Selangor.	27/05/10 (A)	3	Freehold	Terrace house/ Accommodation for workers	1,305 square meter	1,287
41)	No.69 Jln Sesenduk 6, No.57 Jln Sesenduk 7 & No.59 Jln Sesenduk, Tmn Meru Utama, 41050 Klang, Selangor.	25/01/10 (A)	3	Freehold	Terrace house/ Accommodation for workers	133 square meter 193 square meter 133 square meter	485
42)	No.7, 9, 11, 17, 19 & 21, Jln Sesenduk 3, No.5 Jln Sesenduk 3B & No.3 Jln Sesenduk 3C, Tmn Meru Utama 55, 41050 Klang, Selangor.	21/04/10 (A)	3	Freehold	Terrace house/ Accommodation for workers	No.7-21 : 110 square meter/unit No.3&5 : 127 square meter/unit	1,110
43)	Lot 4908, Jalan Teratai, Batu 5½ Off Jalan Meru, 41050 Klang, Selangor.	08/07/97 (A)	6	Freehold	Hostel/ Accommodation for workers	3 acres/ 54,140 square feet	2,116
44)	Lot 4988, Mukim Kapar, Klang, Selangor.	10/10/05 (A)	3	Freehold	Factory/Glove manufacturing	3 acres/ 12,141 square meter	8,852
45)	Lot 4989, Mukim Kapar, Klang, Selangor.	10/10/05 (A)	3	Freehold	Factory/Glove manufacturing	3 acres/ 12,267 square meter	10,777
46)	Lot 4986, Batu 5, Jalan Sungai Binjai, Mukim Kapar, Klang, Selangor.	24/02/06 (A)	2	Freehold	Factory/Glove manufacturing	3 acres/ 12,141 square meter	11,091

# LIST OF PROPERTIES

For the financial year ended 31 August 2013 (cont'd)



	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)
47)	Lot 4987, Batu 5, Jalan Teratai, Mukim Kapar, Klang, Selangor.	24/05/06 (A)	5	Freehold	Factory/Glove manufacturing	3 acres/ 12,141 square meter	7,995
48)	Lot 4990, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	05/03/07 (A)	3	Freehold	Factory/Glove manufacturing	3 acres/ 12,267 square meter	10,705
49)	Lot 4946, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	14/01/08 (A)	N/A	Freehold	Vacant	3 acres	2,744
50)	Lot 4949, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	18/01/08 (A)	N/A	Freehold	Vacant	3 acres	2,921
51)	Lot 4962, Tempat Batu 5, Jalan Binjai, 41050 Klang, Selangor.	05/09/08 (A)	N/A	Freehold	Vacant	3 acres	3,077
52)	Lot 5094, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	03/10/08 (A)	N/A	Freehold	Vacant	3 acres 5 pole	2,532
53)	Lot 5977 & 5975, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	03/10/08 (A)	N/A	Freehold	Vacant	1.794 & 0.068 acres	1,584
54)	Lot 4941, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	01/06/09 (A)	N/A	Freehold	Vacant	3 acres	1,698
55)	Lot 5139, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	07/09/09 (A)	N/A	Freehold	Vacant	4 acres 2 rood 25 pole	3,602
56)	Lot 5140, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	30/11/09 (A)	N/A	Freehold	Vacant	4 acres 3 rood	3,806
57)	Lot 4985, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	18/06/10 (A)	N/A	Freehold	Vacant	3 acres	4,162
58)	Lot 5060, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	01/09/10 (A)	N/A	Freehold	Vacant	1.2141 hectares	3,451
59)	Lot 5061, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	01/09/10 (A)	N/A	Freehold	Vacant	1.2141 hectares	3,451
60)	Lot 4956, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	19/11/10 (A)	N/A	Freehold	Vacant	1.2141 hectares	2,247
61)	Lot 5013, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	15/07/11 (A)	N/A	Freehold	Vacant	1.2141 hectares	3,370
62)	Lot 5062, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	30/09/10 (A)	N/A	Freehold	Vacant	1.2141 hectares	3,698
63)	Lot 5991, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	30/09/10 (A)	N/A	Freehold	Vacant	1.1331 hectares	3,269
64)	HSD129441, PT 62956, Jalan Bukit Kapar, 41050 Klang, Selangor.	28/02/11 (A)	N/A	Freehold	Vacant	131,730 square meter	14,288
65)	6, Jalan Sesenduk 3A, Taman Meru Utama, 41050 Klang, Selangor.	01/09/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	127 square meter	164



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# LIST OF PROPERTIES

For the financial year ended 31 August 2013 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
66)	22, Jalan Sesenduk 19, Taman Meru Utama, 41050 Klang, Selangor.	GM 7805, Lot 37314, Mukim of Kapar, District of Klang, State of Selangor.	03/09/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	111 square meter	138
67)	55, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	GM 7299, Lot 43341, Mukim of Kapar, District of Klang, State of Selangor.	29/10/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	121 square meter	158
68)	15, Jalan Abadi 10B/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 8996, Lot 48112, Mukim of Kapar, District of Klang, State of Selangor.	30/10/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	109 square meter	143
69)	22, Jalan Mempari 3, Taman Bayu, 41050 Klang, Selangor.	GM 13069, Lot 342, Sek 1, Mukim of Kapar, District of Klang, State of Selangor.	19/11/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	100 square meter	139
70)	16, Jalan Sesenduk 4, Taman Meru Utama, 41050 Klang, Selangor.	GM 12550, Lot 33929, Mukim of Kapar, District of Klang, State of Selangor.	19/11/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	190 square meter	150
71)	24, Jalan Mempari 3, Taman Bayu, 41050 Klang, Selangor.	GM 13394, Lot 343, Sek 1, Mukim of Kapar, District of Klang, State of Selangor.	19/11/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	100 square meter	139
72)	25, Jalan Mempari 9, Taman Bayu, 41050 Klang, Selangor.	GM 13014, Lot 307, Sek 1, Mukim of Kapar, District of Klang, State of Selangor.	15/12/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	109 square meter	139
73)	22, Jalan Sesenduk 4, Taman Meru Utama, 41050 Klang, Selangor.	GM 13456, Lot 33926, Mukim of Kapar, District of Klang, State of Selangor.	30/12/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	190 square meter	140
74)	26, Jalan Mempari 1, Taman Bayu, 41050 Klang, Selangor.	GM 8479, Lot 38225, Sek 1, Mukim of Kapar, District of Klang, State of Selangor.	31/12/10 (A)	3	Freehold	Terrace house/ Accommodation for staff	121 square meter	105
75)	14, Jalan Sesenduk 4, Taman Meru Utama, 41050 Klang, Selangor.	GM 12551, Lot 33930, Mukim of Kapar, District of Klang, State of Selangor.	06/01/11 (A)	3	Freehold	Terrace house/ Accommodation for staff	190 square meter	151
76)	30, Jalan Abadi 5, Taman Daya Maju, 41050 Klang, Selangor.	Lot 31191, Mukim of Kapar, District of Klang, State of Selangor.	12/05/11 (A)	3	Freehold	Terrace house/ Accommodation for staff	82 square meter	116
77)	20, Jalan Sesenduk 4, Taman Meru Utama, 41050 Klang, Selangor.	HSM 17925, PT 24051, Mukim of Kapar, District of Klang, State of Selangor.	21/07/11 (A)	3	Freehold	Terrace house/ Accommodation for staff	190 square meter	135
78)	No.42, Jalan Mempari 10, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 14219, Lot 38256, Sek 1, District of Klang, State of Selangor.	07/09/11 (A)	2	Freehold	Terrace house/ Accommodation for staff	121 square meter	120
79)	No. 60, Jln Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 14210, Lot 38247, Sek 1, Pekan Meru, District of Klang, State of Selangor.	01/11/11 (A)	2	Freehold	Terrace house/ Accommodation for staff	121 square meter	121
80)	No. 58, Jln Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 8463, Lot 38208, Sek 1, Pekan Meru, District of Klang, State of Selangor.	15/11/11 (A)	2	Freehold	Terrace house/ Accommodation for staff	121 square meter	112
81)	No. 31, Jln Abadi 1, Pekan Meru, 41050 Klang, Selangor.	GM 13956, Lot 31152, 6 Miles Sg. Binjai Road, Mukim Kapar, District of Klang, State of Selangor.	15/02/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	139 square meter	179
82)	No. 64, Jln Sesenduk 7, Off Jln Meru, 41050 Klang, Selangor.	GM 7303, Lot 43345, Mukim of Kapar, District of Klang, State of Selangor.	25/02/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	121 square meter	167
83)	No. 21, Jln Abadi 5, Taman Saujana Meru, 41050 Klang, Selangor.	GM 16595, Lot 31142, Mukim of Kapar, District of Klang, State of Selangor.	21/03/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	121 square meter	93



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For the financial year ended 31 August 2013 (cont'd)



	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
84)	No. 25, Jln Abadi, 10D/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 9497, Lot 48131, Mukim of Kapar, District of Klang, State of Selangor.	22/06/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	145 square meter	180
85)	No. 47, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17487, Lot 59975, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
86)	No. 43, Jln Abadi 1A/KU8, Taman Daya Maju, Batu 6½, Off Jln Meru, 41050 Klang, Selangor.	GM 17485, Lot 59973, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
87)	No. 45, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17486, Lot 59974, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
88)	No. 49, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17488, Lot 59976, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
89)	No. 51, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17489, Lot 59977, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
90)	No. 53, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17490, Lot 59978, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
91)	No. 55, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17491, Lot 59979, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
92)	No. 57, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17492, Lot 59980, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
93)	No. 59, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17493, Lot 59981, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
94)	No. 61, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17494, Lot 59982, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
95)	No. 63, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17495, Lot 59983, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
96)	No. 65, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17496, Lot 59984, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
97)	No. 67, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17497, Lot 59985, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
98)	No. 69, Jln Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17498, Lot 59986, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
99)	No. 71, Jln Abadi 1A/KU8, Taman Daya Maju, Batu 6½, Off Jln Meru, 41050 Klang, Selangor.	GM 17499, Lot 59987, Mukim of Kapar, District of Klang, State of Selangor.	19/07/12 (A)	2	Freehold	Terrace house/ Accommodation for staff	130 square meter	164
100)	8-2,8-3,8-4,8-5, Setia Avenue Jalan Setia Prima (S) U13/5, Setia Alam, Seksyen U13, 40170, Shah Alam Selangor.	GM 290749, Lot No. 59640, Mukim Bukit Raja, District of Petaling, State of Selangor.	01/02/12 (A)	2	Freehold	Building	920.77 square meter	3,476
101) a)	11, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15238, PT 8349, HS(M) 15238, PT 8445, Mukim of Kapar, District of Klang, State of Selangor.	15/09/97 (A)	16	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	154
b)	22, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru Klang, Selangor.	HS (M) 15304, PT 8419, Mukim of Kapar, District of Klang, State of Selangor.	15/09/97 (A)	16			1,300 square feet/ 1,100 square feet	



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	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
101) c)	18, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15256, PT 8368, Mukim of Kapar, District of Klang, State of Selangor.	23/10/97 (A)	16	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	
d)	36, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15297, PT 8411, Mukim of Kapar, State of Selangor.	13/02/98 (A)	15			1,300 square feet/ 1,100 square feet	
102)	No 6, Lorong Abadi 3, Pekan Meru, Taman Saujana Meru, 41050 Klang Selangor.	HS (M) 20392, PT 25898, Mukim Kapar.	30/10/12 (A)	1	Freehold	Terrace house/ Accommodation for staff	111.483 square meter	124
103)	No 8, Jln Abadi 4, Taman Daya Meru, 41050 Klang Selangor.	HS (M) 18203, PT 24452, HS (M) 18245, PT 24494.	25/09/12 (A)	1	Freehold	Terrace house/ Accommodation for staff	130 square meter	117
104)	No 24, Lorong Hamzah Alang 77B, Off Jalan Kapar Batu 9 1/2, Taman Jaya, 42200 Kapar, Selangor	HS (D) 35605, PT 19713.	28/09/12 (A)	1	Freehold	Terrace house/ Accommodation for staff	120.75 square meter	116
105)	No. 40, Jln Mempari 10 Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang Selangor.	HS (M) 15228, PT 8339, Mukim Kapar.	12/10/12 (A)	1	Freehold	Terrace house/ Accommodation for staff	121 square meter	124
106)	No 28, Jln Mempari 12, 5th Miles, Jln Meru, 41050 Klang, Selangor.	HS (M) 15355, PT 8473.	04/02/13 (A)	1	Freehold	Terrace house/ Accommodation for staff	105 square meter	105
107)	Lot 4981, 5 Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5117, Lot 4981, Mukim of Kapar, District of Klang, State of Selangor.	06/06/13 (A)	N/A	Freehold	Vacant	1.2141 hectares	4,526
108)	Lot 4982, 5 Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4325, Lot 4982, Mukim of Kapar, District of Klang, State of Selangor.	01/01/13 (A)	N/A	Freehold	Vacant	1.2141 hectares	8
109)	Lot 4983, 5 Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 593, Lot 4983, Mukim of Kapar, District of Klang, State of Selangor.	01/01/13 (A)	N/A	Freehold	Vacant	1.2141 hectares	8
110)	Lot 4984, 5 Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2445, Lot 4984, Mukim of Kapar, District of Klang, State of Selangor.	01/01/13 (A)	N/A	Freehold	Vacant	1.2141 hectares	8
<b>B) TG Medical Sdn Bhd</b>								
1)	Lot 5091, Jalan Teratai Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	EMR 6510, Lot No 5091, Mukim of Kapar, District of Klang, State of Selangor.	25/10/95 (A)	18	Freehold	Factory/Glove manufacturing	3 acres/ 68,490 square feet	5,523
2)	19, Jalan Mempari 11, Batu 5½, Jalan Meru, Klang, Selangor.	HS (M) 15241, PT No 8352, HS (M) 15325, PT No 8442, Mukim of Kapar, District of Klang, State of Selangor.	08/05/98 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/1,100 square feet	93
3)	Lot 5972 & 5974, Jalan Teratai, Batu 5, Jalan Meru, 41050 Klang, Selangor.	EMR 8769, Lot 5972 & 5974, Mukim of Kapar, State of Selangor.	01/07/99 (A)	14	Freehold	Factory/Glove manufacturing	Approx 1.7935 acres/ 47,200 square feet	4,450
4)	Lot 5104, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	GM 5064, Lot No. 5104, Mukim of Kapar, District of Klang, State of Selangor.	29/03/04 (A)	9	Freehold	Factory/Glove manufacturing	3 acres/ 54,600 square feet	6,826
5)	No.1,3,5,7,9 & 11, Jalan Abadi 10D/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.  No.1,2,3,4,5,6,7,8,9,10, 11 & 12, Jalan Abadi 10C/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.  No.1,2,3,4,5,6,7,8,9,10, 11 & 12, Jalan Abadi 10A/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.	HS (M) 33205 – HS (M) 33252, PT NO. 50423 – PT NO. 50470, Mukim of Kapar, Daerah Klang, State of Selangor.	12/07/07 (A)	6	Freehold	Terrace house/ Accommodation for staff and workers	Approx 108.85 square meter per house	6,583

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For the financial year ended 31 August 2013 (cont'd)



	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
5)	No.1,2,3,4,5,6,7,8,910, 11 & 12, Jalan Abadi 10B/KU8, Taman Dayu Maju, Meru, 41050 Klang, Selangor.  No.85,87,89,91,93 &95, Jalan Abadi 1/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.							
<b>C) Top Glove Engineering Sdn Bhd</b>								
1)	Lot 213, GRN 285705, Pekan Bukit Changgang, Daerah Kuala Langat, State of Selangor.	18/04/96 (A)	N/A	Freehold	Land	3.39 acres/ 13,716 square meter	862	
2)	Lot 214, GRN 285705, Pekan Bukit Changgang, Daerah Kuala Langat, State of Selangor.	18/04/96 (A)	N/A	Freehold	Land	3.39 acres/ 13,711 square meter	862	
3)	Lot 215, GRN 285705, Pekan Bukit Changgang, Daerah Kuala Langat, State of Selangor.	18/04/96 (A)	N/A	Freehold	Land	3.39 acres/ 13,708 square meter	863	
4)	Lot 216, GRN 28508, Pekan Bukit Changgang, Daerah Kuala Langat, State of Selangor.	12/06/12 (A)	N/A	Freehold	Land	19.83 acres	8292	
5)	Lot 217, GRN 28509, Pekan Bukit Changgang, Daerah Kuala Langat, State of Selangor.	12/06/12 (A)	N/A	Freehold	Land	7.91 acres	3,305	
6)	Lot 218, GRN 285710, Pekan Bukit Changgang, Daerah Kuala Langat, State of Selangor.	12/06/12 (A)	N/A	Freehold	Land	6.77 acres	2,828	
<b>D) Top Glove Medical (Thailand) Co. Ltd.</b>								
1)	188, Moo 5, Karnchanawanich Road, Tambon Sumnukgarm, Sadao, Songkhla 90320, Thailand.	60199, 60200, 60201 & 60202, Tambon Sumnukkaam Ampur Sadao, 90320, Songkhla, Thailand	05/10/01 (A)	11	Freehold	Factory/Office building	Approx 16.06 acres/ 33,189 square meter	RM 10,660 (Thai Baht 102,329)
2)	Title Deed no.39553 Moo.5 Pruteaw Karnchanawanich Road, Tambon Samnakkaa, Ampur Sadao, Songkhla 90320 Thailand.	Title Deed no.39553 Moo.5 Pruteaw Karnchanawanich Road, Tambon Samnakkaa, Ampur Sadao, Songkhla 90320 Thailand.	03/03/05 (A)	9	Freehold	Pond	Approx 2.8 acres	RM 546 (Thai Baht 5,242)
3)	Nor. Sor. 3 Kor No 637 & 638 Tambon Sammakkaam, Ampur Sadao, Songkhla 90320, Thailand.	Nor. Sor. 3 Kor No 637 & 638 Tambon Sammakkaam, Ampur Sadao, Songkhla 90320, Thailand.	16/11/10 (A)	N/A	Freehold	Land	Approx 32 acres	RM 5123 (Thai Baht 49,177)
<b>E) Top Glove (ZhangJiaGang) Co. Ltd.</b>								
1)	53, Zhenbei Road, Xizhang Street, Fenghuang Town, ZhangJiaGang, 215614 Jiang Su, China.	No. 21-7-14, Zhangjiagang City, Xizhang Town, West Road, Southern Side, China.	10/09/02 (A)	11	Leasehold (Expiring on 27.09.2052)	Factory/Office building	Approx 56,405 square meter/ 33,463.48 square meter	RM 11,344 (RMB 21,467)
<b>F) TG Medical (U.S.A) INC.</b>								
1)	165-167 North Aspan, Avenue, Azusa, CA 91702, USA.,	Ssessor's ID #8615 018 010 05 000	31/03/05 (A)	8	Freehold	Warehouse/ Office building	Approx 47,896 square feet/ 25,878 square feet	RM 7,531 (USD 2,285)
2)	153-155 North Aspan, Avenue, Azusa, CA 91702, USA.	Ssessor's ID #8615 018 011	31/07/05 (A)	N/A	Freehold	Warehouse/ Office building	Approx 53,143 square feet/ 25,950 square feet	RM 10,501 (USD 3,186)



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<b>G) Top Glove Technology (Thailand) Co. Ltd.</b>								
1)	188, Moo 5, Tambon Pangla, Ampur Sadao, Songkhla 90170, Thailand.	23/02/06 (A)	6	Freehold	Factory/Office Building	Approx 40.4 acres/ 47,816.68 square meter	RM 15,518 (Thai Baht 148,966)	
<b>H) Great Glove (Xing Hua) Co. Ltd.</b>								
1)	South Wei Wu Lu, Xinghua Economic Development Region, Xinghua City, Jiangsu Province, China.	13/10/05 (A)	8	Leasehold (Expiring on Sept 2056)	Factory/Office Building, Industrial usage	112,234.48 square meter/ 30,646.96 square meter	RM 15,332 (RMB 29,014)	
2)	No. 20, Tian Shui Yuan Tian Shui Hua Ting, Xinghua Economic Development Region, Xinghua City, Jiangsu Province, China.	31/07/07 (A)	6	Leasehold (Expiring on 15th Jan 2074)	Accommodation for Staff	Approx 153.1 square meter/ 342.23 square meter	RM 533 (RMB 1,009)	
<b>I) B Tech Industry Co. Ltd.</b>								
1)	268 M.5 T.Kampangphet A.Rattaphum, Songkhla 90180, Thailand	1. Nor Sor 3 Kor No. 2361 2. Nor Sor 4 Jor No. 5943 3. Nor Sor 4 Jor No. 5944	01/08/06(A)	10	Freehold	Factory/Office Building	Approx 44,718 square meter / 8,754 square meter	RM 5,377 (Thai Baht 51,620)
		4. Nor Sor 4 Jor No. 5947 5. Nor Sor 4 Jor No. 5948 6. Nor Sor 4 Jor No. 5949 7. Nor Sor 4 Jor No. 5950 8. Nor Sor 4 Jor No. 5951	21/08/09 (A)	4	Freehold	Waste water pond.	Approx 18.64 acres	
<b>J) Flexitech Sdn Bhd</b>								
1)	Lot 127, Jalan 6, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5735, PT4065, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	15/09/05 (A)	8	Leasehold (Expiring on 26th Sep 2087)	Workers Hostel	Approx 11,735.87 square meter/ 6,826 square meter	4,176
2)	Lot 128, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5719, PT4049, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	02/08/05 (A)	1	Leasehold (Expiring on 26th Sep 2087)	Production Lot	Approx 11,735.87 square meter/ 6,183 square meter	9,749
3)	Lot 124, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5721, PT4051, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	08/01/09 (A)	8	Leasehold (Expiring on 26th Sep 2087)	Production/ Office Lot	Approx 12,140.56 square meter/ 10,172	5,544
4)	Lot 126, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5720, PT4050, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	08/01/09 (A)	8	Leasehold (Expiring on 26th Sep 2087)	Production/ Office Lot	Approx 12,140.56 square meter/ 6,813	5,544
5)	No. 11, Jalan Emas 28, Bandar Sungai Emas, 42700 Banting, Selangor.	GRN 108819, Lot 630 Seksyen 5 Pekan Sungai Manggis, Mukim Tanjong Dua belas, Daerah Kuala Langat, Selangor.	29/04/13(A)	8	Freehold	Accommodation for Staff	Approx 130 square meter	229
<b>K) Top Quality Glove Sdn. Bhd.</b>								
1)	Lot 2604, Mukim Tanjong Dua belas, Daerah, Kuala Langat, Selangor.	GRN 47717, Lot 2604, Mukim Tanjong Dua belas, Daerah Kuala Langat, Selangor.	25/01/13 (A)	N/A	Freehold	Land	Approx. 1.9526 hectares/ 4 acres 3 rood 12.0 pole.	2,035
2)	Lot 2605, Mukim Tanjong Dua belas, Daerah, Kuala Langat, Selangor.	GRN 47718, Lot 2605, Mukim Tanjong Dua belas, Daerah Kuala Langat, Selangor.	25/01/13 (A)	N/A	Freehold	Land	Approx. 2.031 hectares/ 5 acres 0 rood 03.0 pole.	2,117
3)	Lot 2615, Mukim Tanjong Dua belas, Daerah, Kuala Langat, Selangor.	GRN 47724, Lot 2615, Mukim Tanjong Dua belas, Daerah Kuala Langat, Selangor.	25/01/13 (A)	N/A	Freehold	Land	Approx. 1.7376 hectares/ 4 acres 1 rood 07.0 pole.	1,810
4)	Lot 2616, Mukim Tanjong Dua belas, Daerah, Kuala Langat, Selangor.	GRN 47725, Lot 2616, Mukim Tanjong Dua belas, Daerah Kuala Langat, Selangor.	25/01/13 (A)	N/A	Freehold	Land	Approx. 2.0942 hectares/ 5 acres 0 rood 28.0 pole.	2,183

# LIST OF PROPERTIES

For the financial year ended 31 August 2013 (cont'd)



	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2013 (RM'000)	
5)	Lot 4961, Tempat Batu 5, Jalan Binjai, 41050 Klang, Selangor.	GM 525, Lot No 4961, Mukim of Kapar, District of Klang, State of Selangor.	17/09/08 (A)	N/A	Freehold	Vacant	3 acres	10,958
<b>L) <u>GMP Medicare Sdn Bhd</u></b>								
1)	Lot 4991, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	HSM 39325 PT64593, Mukim of Kapar, District of Klang, State of Selangor.	19/10/04 (A)	N/A	Freehold	Vacant	4.3 acres PT64593	12,945
2)	Lot 2431, Mukim Port Dickson, Sendayan, 71100 Siliu, Port Dickson, Negeri Sembilan.	Lot 11558, (Baki Lot 2431, PA50813) Mukim Port Dickson, Daerah Port Dickson, Negeri Sembilan.	06/12/12 (A)	Phase 1 – 19yrs Phase 2 – 13yrs	Freehold	Factory/Glove Manufacturing	16.7 acres /22000 meter square	11,725
<b>M) <u>Top Glove Properties Sdn Bhd</u></b>								
1)	16, Persiaran Setia Dagang, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.	HSD 277347, PT29363, Mukim Bukit Raja, District of Petaling, State of Selangor	21/09/11 (A)	0	Freehold	TG Tower Project	2 acres	14,002
<b>N) <u>PT. Agro Pratama Sejahtera</u></b>								
1)	The City Tower, 12th Floor, 1N, JL MH Thamrin, No. 81, Jakarta Pusat 10310, Indonesia	Bangka Belitung Province	01/10/12 (A)	0	Land Concession for 60 years	Industrial Forest Plantation including Planting and Tapping of Rubber Trees	30,773 hectares	23,155



# ANALYSIS OF SHAREHOLDINGS AS AT 29 OCTOBER 2013

Authorised Share Capital	:	RM400,000,000.00
Issued and Fully Paid-Up Capital	:	RM310,247,681.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

## 1. DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	101	1.74	2,734	0.00
100 - 1,000	2,067	35.60	1,593,094	0.26
1,001 - 10,000	2,849	49.07	10,788,573	1.74
10,001 - 100,000	577	9.94	16,488,019	2.66
100,001 - 31,024,767 (less than 5% of Issued Shares)	210	3.62	437,252,548	70.47
31,024,768 (5% of Issued Shares) and above	2	0.03	154,370,394	24.88
	5,806	100.00	620,495,362	100.00

## 2. LIST OF SUBSTANTIAL SHAREHOLDERS

The Substantial Shareholders of Top Glove Corporation Berhad ("Top Glove") based on the Register of Substantial Shareholders of the Company and their respective shareholdings are as follows:

No.	Name	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Tan Sri <u>Lim Wee Chai</u>	179,061,138	28.86	55,934,904*	9.01
2.	Puan Sri Tong Siew Bee	13,845,748	2.23	221,150,294**	35.64
3.	Lim Hooi Sin	9,935,362	1.60	225,060,680***	36.27
4.	Top Glove Holding Sdn. Bhd.	32,153,794	5.18	-	-
5.	Kumpulan Wang Persaraan (Diperbadankan)	32,385,500	5.22	2,886,500	0.47
6.	Employees Provident Fund Board	33,052,473	5.33	-	-

Note :

- \* Deemed interested through Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin and Top Glove Holding Sdn Bhd's direct interest in Top Glove.
- \*\* Deemed interested through Tan Sri Lim Wee Chai, Mr. Lim Hooi Sin and Top Glove Holding Sdn Bhd's direct interest in Top Glove.
- \*\*\* Deemed interested through Tan Sri Lim Wee Chai, Puan Sri Tong Siew Bee and Top Glove Holding Sdn Bhd's direct interest in Top Glove.

# ANALYSIS OF SHAREHOLDINGS AS AT 29 OCTOBER 2013

(cont'd)



## 3. DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of Top Glove based on the Register of Directors' Shareholdings are as follows:

No.	Name	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1.	Tan Sri <u>Lim</u> Wee Chai	179,061,138	28.86	55,934,904*	9.01
2.	Tan Sri Dato' Seri Utama Arshad Bin Ayub	1,200,000	0.19	—	—
3.	Tan Sri Mohd Sidek Bin Haji Hassan	—	—	—	—
4.	Tan Sri Dato' Dr. Lin See Yan	—	—	—	—
5.	Tan Sri Rainer Althoff	—	—	—	—
6.	Lee Kim Meow	441,600	0.07	10,000****	0.00
7.	Puan Sri Tong Siew Bee	13,845,748	2.23	221,150,294**	35.64
8.	Lim Hooi Sin	9,935,362	1.60	225,060,680***	36.27
9.	Lim Cheong Guan	—	—	—	—
10.	Sekarajasekaran a/l Arasaratnam	11,785,118	1.90	—	—
11.	Lim Han Boon	—	—	—	—

Note :

- \* Deemed interested through Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin and Top Glove Holding Sdn Bhd's direct interest in Top Glove.
- \*\* Deemed interested through Tan Sri Lim Wee Chai, Mr. Lim Hooi Sin and Top Glove Holding Sdn Bhd's direct interest in Top Glove.
- \*\*\* Deemed interested through Tan Sri Lim Wee Chai, Puan Sri Tong Siew Bee and Top Glove Holding Sdn Bhd's direct interest in Top Glove.
- \*\*\*\* Deemed interested through Madam Chung Lee Moy.

The Directors' Share Options held under the Employees' Share Option Scheme of the Company are as follows:

No.	Name	No. of Options Held	
		Direct	Indirect
1.	Tan Sri <u>Lim</u> Wee Chai	588,000	363,200*
2.	Tan Sri Dato' Seri Utama Arshad Bin Ayub	—	—
3.	Tan Sri Mohd Sidek Bin Haji Hassan	—	—
4.	Tan Sri Dato' Dr. Lin See Yan	—	—
5.	Tan Sri Rainer Althoff	—	—
6.	Lee Kim Meow	352,800	—
7.	Puan Sri Tong Siew Bee	235,200	716,000**
8.	Lim Hooi Sin	128,000	823,200***
9.	Lim Cheong Guan	293,100	—
10.	Sekarajasekaran a/l Arasaratnam	—	—
11.	Lim Han Boon	—	—

Note :

- \* Deemed interested through Puan Sri Tong Siew Bee and Mr. Lim Hooi Sin's options in Top Glove.
- \*\* Deemed interested through Tan Sri Lim Wee Chai and Mr. Lim Hooi Sin's options in Top Glove.
- \*\*\* Deemed interested through Tan Sri Lim Wee Chai and Puan Sri Tong Siew Bee's options in Top Glove.



# ANALYSIS OF SHAREHOLDINGS AS AT 29 OCTOBER 2013

(cont'd)

## 4. LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	Shareholdings	%
1.	Tan Sri <u>Lim</u> Wee Chai	121,984,894	19.66
2.	Kumpulan Wang Persaraan (Diperbadankan)	32,385,500	5.22
3.	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Tan Sri <u>Lim</u> Wee Chai	30,900,000	4.98
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	25,598,073	4.13
5.	HSBC Nominees (Asing) Sdn. Bhd. - BBH and CO Boston for Matthews Pacific Tiger Fund	25,175,960	4.06
6.	MFP Capital Corporation	22,223,916	3.58
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. - UBS AG Singapore for Tan Sri <u>Lim</u> Wee Chai	20,000,000	3.22
8.	Top Glove Holding Sdn. Bhd.	15,400,000	2.48
9.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	15,189,296	2.45
10.	Puan Sri Tong Siew Bee	10,497,010	1.69
11.	Citigroup Nominees (Asing) Sdn. Bhd. - CBHK for Hostplus Superannuation Fund (Northcape)	10,077,372	1.62
12.	Top Glove Holding Sdn. Bhd.	7,883,232	1.27
13.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for BNP Paribas Securities Services (Client Assets)	7,340,103	1.18
14.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for The Bank of New York Mellon (Mellon ACCT)	7,103,205	1.14
15.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for JPMorgan Chase Bank, National Association (NORGES BK)	6,894,900	1.11
16.	Top Glove Holding Sdn. Bhd.	5,812,962	0.94
17.	HSBC Nominees (Asing) Sdn. Bhd. - HSBC - FS I for Best Investment Corporation (Deutsche Asia)	5,784,800	0.93
18.	HSBC Nominees (Asing) Sdn. Bhd. - TNTC for Somerset Emerging Markets Small Cap Fund LLC	5,725,095	0.92
19.	HSBC Nominees (Asing) Sdn. Bhd. - TNTC for Somerset Small Mid Cap Em All Country Fund LLC	5,721,000	0.92
20.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. - SSBT Fund C7KQ for MFS Emerging Markets Portfolio (MET INV STST)	5,582,400	0.90
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An for AIA Bhd.	5,499,500	0.89
22.	HSBC Nominees (Asing) Sdn. Bhd. - HSBC - FS for the Navis Asia Navigator Master Fund	5,497,000	0.89
23.	Lim Hooi Sin	5,144,730	0.83
24.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for JPMorgan Chase Bank, National Association (JPMEM IT)	5,144,600	0.83
25.	Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Trustees Berhad for Public Ittikal Fund	5,000,000	0.81
26.	Sekarajasekaran a/l Arasaratnam	4,967,118	0.80
27.	HSBC Nominees (Asing) Sdn. Bhd. - TNTC for PFS Somerset Emerging Markets Dividend Growth Fund (NWB AS DEP)	4,763,958	0.77
28.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for JPMorgan Bank Luxembourg S.A.	4,679,580	0.75
29.	Lim Hooi Sin	4,635,732	0.75
30.	HSBC Nominees (Asing) Sdn. Bhd. - TNTC for Overstone Fund Public Limited Company	4,179,034	0.67



# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING



**NOTICE IS HEREBY GIVEN THAT** the Fifteenth Annual General Meeting of the Company will be held at Ballroom 1 (First Floor), Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 7 January 2014 at 11:30 a.m. for the following purposes:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 August 2013 together with the Reports of the Directors and the Auditors thereon.
2. To approve the declaration of a Single Tier Final Dividend of 9 sen per share (18%) for the financial year ended 31 August 2013. **(Resolution 1)**
3. To approve the payment of Directors' Fees for the financial year ended 31 August 2013. **(Resolution 2)**
4. To re-elect the following Directors who retire pursuant to Article 94 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
  - (a) Lee Kim Meow; and **(Resolution 3)**
  - (b) Puan Sri Tong Siew Bee. **(Resolution 4)**
5. To re-elect the following Directors who retire pursuant to Article 100 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
  - (a) Tan Sri Mohd Sidek Bin Haji Hassan; and **(Resolution 5)**
  - (b) Tan Sri Rainer Althoff. **(Resolution 6)**
6. To pass the following resolutions pursuant to Section 129 (6) of the Companies Act, 1965:

"That the following Directors who have attained the age of over seventy (70) years, be and are hereby re-appointed as Directors of the Company and to hold office until the conclusion of the next Annual General Meeting:

  - (a) Tan Sri Dato' Seri Utama Arshad Bin Ayub; **(Resolution 7)**
  - (b) Mr. Sekarajasekaran a/l Arasaratnam; and **(Resolution 8)**
  - (c) Tan Sri Dato' Dr. Lin See Yan." **(Resolution 9)**
7. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 10)**
8. **As Special Business**

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions:

  - (a) **Ordinary Resolution No. 1**
    - **Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965**

"THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

**(Resolution 11)**



# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

(cont'd)

(b) **Ordinary Resolution Nos. 2 and 3**

• **Retention of Independent Directors**

“THAT subject to the passing of Resolutions Nos. 7 and 8 respectively, approval be and is hereby given to retain the following Directors who have served as Independent Non-Executive Directors of the Company for more than nine (9) years in accordance with Malaysian Code on Corporate Governance 2012:

- (a) Tan Sri Dato' Seri Utama Arshad Bin Ayub; and
- (b) Mr. Sekarajasekaran a/l Arasaratnam.

**(Resolution 12)**

**(Resolution 13)**

(c) **Ordinary Resolution No. 4**

• **Proposed Renewal of Authority for Share Buy-Back**

“THAT subject to the Companies Act, 1965, the Company's Memorandum and Articles of Association, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and the approvals of all relevant governmental and/or regulatory authority (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company (“Proposed Share Buy-Back”) as may be determined by the Board from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company;

AND THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits or share premium account of the Company based on its audited financial statements for the financial year ended 31 August 2013 of RM844,777,000.00 and RM180,174,000.00 respectively;

AND THAT at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities;

AND THAT such authority shall commence immediately upon passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company following the General Meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in General Meeting,

whichever is the earlier;

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

**(Resolution 14)**

9. To transact any other ordinary business for which due notice shall have been given.

# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

(cont'd)



## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** a Single Tier Final Dividend of 9 sen per share in respect of the financial year ended 31 August 2013 will be payable on 24 January 2014 to depositors who are registered in the Record of Depositors at the close of business on 10 January 2014, if approved by members at the forthcoming Fifteenth Annual General Meeting on 7 January 2014.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 10 January 2014 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

**CHUA SIEW CHUAN**  
(MAICSA 0777689)  
Chartered Secretary

**CHIN MUN YEE**  
(MAICSA 7019243)  
Chartered Secretary

**NGIAN YOKE FUNG**  
(MAICSA 7049093)  
Chartered Secretary

Subang Jaya  
20 November 2013

## Explanatory Note to Special Business:

### 1. Authority pursuant to Section 132D of the Companies Act, 1965.

Ordinary Resolution No. 1 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Fourteenth Annual General Meeting held on 8 January 2013 and which will lapse at the conclusion of the Fifteenth Annual General Meeting.

### 2. Retention as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance 2012

#### (i) Tan Sri Dato' Seri Utama Arshad Bin Ayub

Tan Sri Dato' Seri Utama Arshad Bin Ayub was appointed as Independent Non-Executive Director of the Company on 4 September 2000, and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for thirteen (13) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.



# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

(cont'd)

## (ii) Mr. Sekarajasekaran a/l Arasaratnam

Mr. Sekarajasekaran a/l Arasaratnam was appointed as Independent Non-Executive Director of the Company on 4 September 2000 and redesignated as Senior Independent Non-Executive Director on 21 February 2011, and has, therefore served for more than nine (9) years. As at the date of the notice of the Annual General Meeting, he has served the Company for thirteen (13) years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

## 3. Proposed Renewal of Authority for Share Buy-Back

Ordinary Resolution No. 4 is proposed for the purpose of renewing the authority granted by the shareholders of the Company at the Fourteenth Annual General Meeting held on 8 January 2013. The proposed renewal will allow your Board of Directors to exercise the power of the Company to purchase not more than 10% of the issued and paid-up share capital of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

### Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 December 2013 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Sections 149(1) (a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
3. Where a holder appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy must be deposited at the Secretarial Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no Director standing for election at the Fifteenth Annual General Meeting of the Company.

# FORM OF PROXY



\*I/We \_\_\_\_\_ (Name in full)

I/C No. or Company No. \_\_\_\_\_ of \_\_\_\_\_ (Address)

being a \*member/members of TOP GLOVE CORPORATION BERHAD hereby appoint: \_\_\_\_\_ I/C No. \_\_\_\_\_ of \_\_\_\_\_ (Name in full) (New and Old I.C. Nos.)

or failing \*him/her, \_\_\_\_\_ I/C No. \_\_\_\_\_ of \_\_\_\_\_ (Address) (Name in full) (New and Old I.C. Nos.)

or failing \*him/her, \*the CHAIRMAN OF THE MEETING, as \*my/our proxy to attend and vote for \*me/us, and on \*my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Sime Darby Convention Centre, Ballroom 1 (First Floor) of 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 7 January 2014 at 11:30 a.m. and at any adjournment thereof.

The proportion of \*my/our holding to be represented by \*my/our proxies are as follows:

First Proxy:	%	Second Proxy:	%	<i>* Strike out whichever not applicable.</i>
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Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1	To approve the declaration of the Single Tier Final Dividend of 9 sen per share (18%) for the financial year ended 31 August 2013.		
2	To approve the payment of Directors' Fees.		
3	To re-elect the Director, Mr. Lee Kim Meow.		
4	To re-elect the Director, Puan Sri Tong Siew Bee.		
5	To re-elect the Director, Tan Sri Mohd Sidek Bin Haji Hassan.		
6	To re-elect the Director, Tan Sri Rainer Althoff.		
7	To re-appoint the Director, Tan Sri Dato' Seri Utama Arshad Bin Ayub.		
8	To re-appoint the Director, Mr. Sekarajasekaran A/L Arasaratnam.		
9	To re-appoint the Director, Tan Sri Dato' Dr. Lin See Yan.		
10	To re-appoint Messrs. Ernst & Young as Auditors of the Company.		
<b>SPECIAL BUSINESS</b>			
11	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
12	To retain Tan Sri Dato' Seri Utama Arshad Bin Ayub as the Independent Non-Executive Director.		
13	To retain Mr. Sekarajasekaran a/l Arasaratnam as the Independent Non-Executive Director.		
14	Proposed Renewal of Authority for Share Buy-Back.		

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2013/2014

Number of Shares held	CDS Account No.

Signature of Member/Common Seal

**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 December 2013 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Sections 149(1) (a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- Where a holder appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the Secretarial Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.

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*Then fold here*

STAMP

The Company Secretary  
**TOP GLOVE CORPORATION BERHAD** (474423-X)  
Secretarial office:  
Level 7, Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur, Malaysia

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# CORPORATE OFFICES AND FACTORIES



**KLANG HEAD OFFICE (FACTORY 9)**  
 Address : Lot 4969, Jalan Teratai, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia  
 Tel : +603-3392 1992 / 1905  
 Fax : +603-3392 1291 / 8410  
 E-mails : (i) sales@topglove.com.my  
 (ii) invest@topglove.com.my  
 (iii) tgfoundation@topglove.com.my  
 Website : www.topglove.com.my



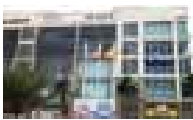
**SUBANG CORPORATE OFFICE**  
 A-11-01,  
 Empire Subang Office  
 Jalan SS 16/1,  
 47500 Subang Jaya,  
 Selangor D.E., Malaysia  
 Tel : +603-5022 2110  
 Fax : +603-5022 2113



**U.S.A. MARKETING OFFICE**  
 TG Medical (U.S.A.) Inc.,  
 165, North Aspan Avenue,  
 Azusa CA 91702, U.S.A.  
 Tel : 001-626-969-7838  
 Fax : 001-626-969-7823  
 E-mail : topglove@topgloveusa.com



**GERMANY SALES OFFICE**  
 Bliersheimer Str. 80 A  
 47229 Duisburg  
 Nordrhein-Westfalia, Germany  
 Tel : +49 (0) 2065 76421 0  
 Fax : +49 (0) 2065 76421 19  
 E-mail : info@topglove.de



**TG2 (Setia Avenue IT Office)**  
 Unit 8-3 & 8-4, Setia Avenue,  
 2 Jalan Setia Prima S U13/S,  
 Setia Alam Seksyen U13,  
 40170 Shah Alam,  
 Selangor D.E. Malaysia.  
 Tel : +603-3358 4200



**FACTORY 2**  
 Lot 4968, Jalan Teratai, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 1992 / 1905  
 Fax : +603 3392 2134



**FACTORY 3**  
 Lot 5091, Jalan Teratai, Batu 5,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 7880 / 7350  
 Fax : +603-3392 7229 / 9160



**FACTORY 4**  
 Lot 5987, Jalan Teratai, Batu 5,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 8588 / 8996  
 Fax : +603-3392 6788



**FACTORY 5 & 5B**  
 Lot 18, 27, 38 & 57, Medan Tasek,  
 Kawasan Perindustrian Tasek,  
 31400 Ipoh, Perak D.R., Malaysia.  
 Tel : +605-546 6360 / 547 9271  
 Fax : +605-547 8975



**FACTORY 6**  
 180/3, Moo 7, Srisonthon Road,  
 Tambon Srisonthon, Amphur Thalang,  
 Phuket 83110, Thailand.  
 Tel : +66-76-272 572-4  
 Fax : +66-76-273 447



**FACTORY 7**  
 188, Moo 5, Kanchanawanich Road,  
 Tambon Sumnakkham, Amphur Sadao,  
 Songkhla, 90320 Thailand.  
 Tel : +66-74-410-000  
 Fax : +66-74-410 007 / 008



**FACTORY 8**  
 53, Zhenbei Road, Xizhang Street,  
 Fenghuang Town, Zhangjiagang City,  
 Jiangsu Province 215614, China.  
 Tel : +86-512-5842 2860  
 Fax : +86-512-5842 2870



**FACTORY 10**  
 Lot 4970, Jalan Teratai, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 9288 / 9942/ 3320  
 Fax : +603-3392 8984



**FACTORY 11**  
 Lot 4967, Jalan Teratai, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 1899 / 5399  
 Fax : +603-3392 1299 / 1399



**FACTORY 12**  
 Lot 4960, Jalan Teratai, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 3375  
 Fax : +603-3392 5200



**FACTORY 13**  
 Lot 4947, Jalan Teratai, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3393 1288  
 Fax : +603-3393 1993



**FACTORY 14**  
 Lot 5104, Jalan Teratai, Batu 5,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 3378 / 3433  
 Fax : +603-3392 3372



**FACTORY 15**  
 South of Weiwu Road,  
 West of Xihuan Road,  
 Xinghua Economic Developing Zone,  
 225700 Jiang Su Province, China.  
 Tel : +86-523-8326 8976  
 Fax : +86-523-8326 8676



**FACTORY 16L**  
 188, Moo 5, Tambon Pangla,  
 Amphur Sadao, Songkhla 90170 Thailand.  
 Tel : +66-74-410 888  
 Fax : +66-74-410 886



**FACTORY 17L**  
 268, Moo 5, Tambon Kamphangphet,  
 Amphur Rattaphum,  
 Songkhla 90180 Thailand.  
 Tel : +66-74-302888  
 Fax : +66-74-302889 / 302890



**FACTORY 18 & 28**  
 Lot 124 & 126, Jalan Lapan,  
 Kompleks Perabot Olak Lempit, 13 KM,  
 Jalan Banting Dengkil, 42700 Banting,  
 Selangor D.E., Malaysia.  
 Tel : +603-3149 1998  
 Fax : +603-3149 3008



**FACTORY 19**  
 Lot 4987, Jalan Bunga Raya, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 5900  
 Fax : +603-3392 5910



**FACTORY 20**  
 Lot 4988, Jalan Bunga Raya, Batu 6,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia.  
 Tel : +603-3392 4429  
 Fax : +603-3392 4200



**FACTORY 21**  
 Lot 4989, Jalan Dahlia/KU8,  
 Kawasan Perindustrian Meru Timur,  
 41050 Klang, Selangor D.E., Malaysia.  
 Tel : +603-3392 4614  
 Fax : +603-3392 5066



**FACTORY 22**  
 Lot 4990, Jalan Bunga Raya,  
 Off Jalan Meru, 41050 Klang,  
 Selangor D.E., Malaysia  
 Tel : +603-3392 1187  
 Fax : +603-3392 1186



**FACTORY 23**  
 Lot 12, Persiaran Tasek,  
 Kawasan Perindustrian Tasek,  
 31400 Ipoh, Perak D.R., Malaysia.  
 Tel : +605-545 5032  
 Fax : +605-547 8975



**FACTORY 24**  
 Lot 4986, Jalan Dahlia/KU8,  
 Kawasan Perindustrian Meru Timur,  
 41050 Klang, Selangor D.E., Malaysia  
 Tel : +603-3392 6010/ 0975  
 Fax : +603-3392 0289



**FACTORY 25**  
 Lot 64593, Jalan Dahlia/KU8,  
 Kawasan Perindustrian Meru Timur,  
 41050 Klang, Selangor D.E., Malaysia.  
 Tel : +603-3392 6317  
 Fax : +603-3392 6348



**FACTORY 26**  
 Lot 4961, Jalan Teratai/KU8,  
 Kawasan Perindustrian Meru Timur,  
 41050 Klang, Selangor D.E., Malaysia.  
 Tel : +603-3392 3375  
 Fax : +603-3392 5200



**FACTORY 27**  
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 Sendayan, 71100 Siliuau,  
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## The World Is Our Market

**27**  
Factories



**485**  
Production Lines



**11,000**  
Employees



**45 billion**  
Gloves Per Annum



**TOP GLOVE CORPORATION BERHAD** (474423-X)

Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor D.E., Malaysia.

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Visit us at our website : [www.topglove.com.my](http://www.topglove.com.my)

