

FINANCIAL CALENDAR

FOR FINANCIAL YEAR END 31 AUGUST 2019

2018

NOVEMBER, 14

Notice Date and Issuance of Annual Report 2018

DECEMBER

(3RD WEEK)

Unaudited consolidated results
for the 1st quarter ending 30 November 2018

**1ST
QUARTER
FY2019**

2019

JANUARY, 8

20th Annual General Meeting

Time : 10.30 a.m.

Venue : Top Glove Tower

AGM

Proposed Final Dividend of 5.0 sen
Entitlement Date : 11 January 2019
Payment Date : 25 January 2019

MARCH

(3RD WEEK)

Unaudited consolidated results
for the 2nd quarter ending 28 February 2019

**2ND
QUARTER
FY2019**

JUNE

(3RD WEEK)

Unaudited consolidated results
for the 3rd quarter ending 31 May 2019

**3RD
QUARTER
FY2019**

OCTOBER

(2ND WEEK)

Unaudited consolidated results
for the 4th quarter and financial year ending 31 August 2019

**4TH
QUARTER
FY2019**

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.



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
 ผู้นำคนถุงมือที่พร้อมและคุณภาพดี
 เราสรรสร้างสรรค,เราเติบโต เรามั่นคง
 ~ เพื่อก้าวไปสู่สากล ด้วยมือเรา
 ทอปโกลฟดีกว่าใคร เราทำงานด้วยใจ
 คุณภาพดี และบริการที่ดี
 เพื่อความไว้วางใจ เรายินดีรับใช้
 ทอปโกลฟนั้นใจ คุณภาพทองที่นี้

The Board of Directors of Top Glove Corporation Bhd (“Top Glove” or “the Company”) (“the Board”) remains committed to embrace across organisation high standards of corporate governance and integrity whilst pursuing its corporate objectives in creating long-term shareholders’ value and competitiveness. The Board is always mindful on the importance of governance and acknowledges to continue delivering sustainable performance and instilling best corporate governance practices in building a sustainable business.

Top Glove’s commitment on corporate governance was testified by the following testament:

Malaysia-ASEAN Corporate Governance Transparency Index, Findings and Recognition 2017, the Company had achieved the following:

- i. Rank No. 14 in the list of top 100 companies with good disclosures (2016: No. 18); and
- ii. Rank No. 6 in the list of top 100 companies for overall corporate governance and performance (2016: No. 7).

Top Glove’s exemplary corporate governance practices have received many recognitions including the following in the financial year ended 31 August 2018 (“FY2018”):

- (a) Merit Award for Most Improved Corporate Governance Disclosure, MSWG~ASEAN Corporate Governance Award 2017; and
- (b) Industry Excellence in Manufacturing, MSWG~ASEAN Corporate Governance Award 2017.

Top Glove continues to be the selected constituents of the FTSE4Good Bursa Malaysia Index (“F4GBM”). Top Glove is included in the F4GBM Index since December 2015, having demonstrated a leading approach in addressing Environmental, Social and Governance (ESG) risks, in accordance to globally recognised standards. The aforesaid achievement reflects greater recognition of and better adherence to higher sustainability disclosure.

Top Glove is also one of the component stocks of the MSCI Global Standard Index, FBM Mid 70 Index, FBM Top 100 Index, FBM EMAS Syariah Index and FBM Hijrah Shariah Index.

Top Glove and its subsidiaries (“the Group”) will continue to endeavour its efforts in evaluating its governance practices in response to the evolving best practices and the changing requirements. The Board is pleased to present the Corporate Governance Overview Statement for the FY2018 outlining the application of the principles and recommendations as set out in the following guides:

- (a) Companies Act 2016 (“CA 2016”);
- (b) Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”);
- (c) Malaysian Code on Corporate Governance (“MCCG”); and
- (d) Corporate Governance Guide 3rd Edition issued by Bursa Malaysia Berhad.

The Group noted on the principles and recommendations of the above-mentioned guides and will further review its corporate governance practices to bring the same to be in line with the recommendations under those guides.

As part of its efforts to enhance its practices, Top Glove has also taken the initiative to benchmark itself against leading corporate governance standards of reputable public listed companies in Malaysia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

Release of Annual Report and Quarterly Financial Results and holding of Annual General Meeting (“AGM”) and Analyst Briefing

	Date of Issue/ Release	No. of Days after end of Year/ Quarter	Bursa Securities Deadline for the Issue/ Release	Date of AGM/ Analyst Briefing	No. of Days after date of Issue/ Release
Annual Report 2017	13 November 2017	74	31 December 2017	9 January 2018	56
Annual Report 2016	14 November 2016	75	31 December 2016	5 January 2017	51
2018 Quarterly Results					
First Quarter	19 December 2017	19	31 January 2018	12 January 2018	24
Second Quarter	15 March 2018	15	30 April 2018	16 March 2018	1
Third Quarter	19 June 2018	19	31 July 2018	19 June 2018	same day ¹
Fourth Quarter	11 October 2018	41	31 October 2018	17 October 2018	6

Note:

¹ Analyst Briefing was held through tele-conferencing.

The MCCG covers three (3) broad Principles, which are (A) Board leadership and effectiveness; (B) Effective audit and risk management; and (C) Integrity in corporate reporting and meaningful relationship with stakeholders.

This statement is prepared in compliance with Bursa Securities Main LR and it is to be read together with Corporate Governance Report 2018 (“CG Report”) of the Company based on a prescribed format pursuant to Paragraph 15.25 of Bursa Securities Main LR. The CG Report is available on Top Glove’s website: <http://www.topglove.com/corporate-governance/>

The CG Report provides the details on how the Company has applied the 32 Practices and 4 Step-Ups as set out in the MCCG during the FY2018.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board’s Responsibilities

Top Glove is led by an 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, legal 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.

During our Board strategic planning (offsite) meeting held on 17 January 2018, as part of the Board’s function to set the strategic direction of the Company, the Board has carved the strategic statements focussing on key strategic areas as the Group’s strategy plan to support the Group’s long-term value creation and sustainability businesses. The Board has also identified the key management personnel responsible for each key strategic area and they have to provide progressive report on its implementation to the Board. The Board will review, monitor and oversee the implementation of the key strategic areas at its quarterly Board meeting.

The annual budget meeting is held every year for the Board to review and oversee the Group’s budget together with the strategy plan of each business unit. During the FY2018, a brainstorming session was organised amongst the Board members and key management personnel to draft the new Vision and Mission Statement of the Company.

Presently, the Board is supported by four (4) Board Committees namely, Audit Committee (“AC”), Risk Management Committee (“RMC”), Nomination and Remuneration Committee (“NRC”) and Investment Committee (“IC”) that are delegated with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference (“TOR”). Each Board Committee will review, report and make recommendation to the Board during the Board meeting on matters relevant to their roles and responsibilities. The Board Committees also table the minutes of the Board Committees meetings at the quarterly Board meetings as to keep the Board abreast of the decision and discussion made by each Board Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

The Board Charter duly adopted by the Board clearly established the functions reserved for the Board, Directors' roles and responsibilities and those delegated to Management. It is a reference and induction literature in providing the Board members and Management insight into the functions of the Board. The Board Charter is accessible through the Company's website: <http://www.topglove.com/corporate-governance/>

Role of Chairman, Managing Director, Executive Directors and Independent Non-Executive Directors ("INED")

The Executive Chairman, Tan Sri Dr Lim Wee Chai is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board.

The Managing Director, Dato' Lee Kim Meow will assist the Executive Chairman in the effectiveness of implementation of the Board policies, making operational decisions and monitoring the day-to-day running of the businesses, including defining the limits of Management's responsibilities.

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 operational strategies are formulated.

INEDs are to deliberate and discuss policies and strategies formulated and proposed by Management with the view of long-term interests of all stakeholders. The INEDs provide independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision making process to safeguard the long-term interests of all stakeholders and the community.

The Senior INED, Tan Sri Dato' Seri Utama Arshad Bin Ayub ("Tan Sri Arshad Ayub"), acts as a point of contact for shareholders and other stakeholders with concerns which have not been resolved or those deemed inappropriate to be communicated through the normal channels.

Role of Company Secretaries

The Company Secretaries play significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. The Company Secretaries also highlight all compliance and governance issues that required the Board's attention.

The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and senior management.

Board Meetings

The dates of the meetings of the Board, Board Committees and AGM for each financial year were fixed in advance for the whole year to ensure all Directors/Board Committees members' dates are booked and also to facilitate Management's planning for the whole financial year.

The Board meets quarterly to review its quarterly performance and discuss new policies and strategies. Additional meetings will be called as and when necessary. During the FY2018, seven (7) Board meetings were held and the attendance of the Board and Board Committees members are as follows:

FY2018 meeting calendar for the Board and Board Committees

	Sept '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	June '18	July '18	Aug '18
BOD		√	√	√	√		√			√		√
AC		√		√	√		√	√		√		
NRC*	√	√					√			√		
IC							√			√		
RMC	√		√				√			√		

Note:

* *Nomination and Remuneration Committee had been merged on 13 October 2017. The meetings included Nomination Committee Meeting held on 12 October 2017 and Remuneration Committee Meeting held on 15 September 2017.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Attendance of Directors and Board Committees members at the respective meetings held during the FY2018

Name of Directors	Board of Directors	GM ^Ω	Board Committees			
			AC [@]	RMC	NRC [¥]	IC
1. Tan Sri Dr Lim Wee Chai (Executive Chairman)	7/7 (100%) [#]	3/3 (100%) [#]			1/1 (100%) [§]	2/2 (100%) [#]
2. Tan Sri Arshad Ayub	6/7 (85.7%)	3/3 (100%)	7/8 (87.5%) [#]		3/3 (100%) [#]	2/2 (100%) [§]
3. Tan Sri Rainer Althoff	7/7 (100%)	3/3 (100%)		4/4 (100%) [§]		
4. Puan Sri Tong Siew Bee	6/7 (85.7%)	3/3 (100%)				
5. Dato' Lee Kim Meow	7/7 (100%)	3/3 (100%)		4/4 (100%) [§]		
6. Lim Hooi Sin	7/7 (100%)	2/3 (66.7%)				
7. Lim Cheong Guan	7/7 (100%)	3/3 (100%)		4/4 (100%) [§]		1/2 (50%) [§]
8. Dato' Lim Han Boon	7/7 (100%)	3/3 (100%)	8/8 (100%) [§]	4/4 (100%) [#]	4/4 (100%) [§]	2/2 (100%) [§]
9. Datuk Noripah Binti Kamso	7/7 (100%)	3/3 (100%)	7/8 (87.5%) [§]			2/2 (100%) [§]
10. Sharmila Sekarajasekaran	7/7 (100%)	3/3 (100%)	8/8 (100%) [§]		3/3 (100%) [§]	
11. Tay Seong Chee Simon	7/7 (100%)	3/3 (100%)				
12. Datuk Dr. Norma Mansor	7/7 (100%)	3/3 (100%)		4/4 (100%) [§]	3/3 (100%) [§]	
13. Low Chin Guan (appointed as Executive Director on 4 April 2018 and removed on 10 October 2018)	2/2 (100%)					
Total no. of Meetings:	7	3	8	4	4	2

Note:

Chairman

§ Member

Ω General meetings. One (1) AGM held on 9 January 2018. Two (2) EGMs held on 9 January 2018 and 8 March 2018.

@ AC had eight (8) meetings, includes two (2) meetings with External Auditors (without Executive Directors' and Management's presence), one (1) meeting with Internal Auditors (without Executive Directors' and Management's presence) and one (1) meeting on internal audit matters.

¥ Nomination and Remuneration Committee had been merged on 13 October 2017.

All the above meetings were held in the Company's Corporate Office at Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan except for the Board Offsite meeting which was held at Phuket, Thailand.

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 and the same for the Board Committees.

The Board decisions made at the Board meetings shall be by a majority as prescribed by the Constitution of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

During the FY2018, some of the Board agenda items are as follows:

- (a) Strategic planning for the Group;
- (b) Budget review;
- (c) Quarterly Unaudited Consolidated Results;
- (d) Half-year Financial Performance Report;
- (e) Business Plan and Development;
- (f) Proposals and updates on Investment Projects;
- (g) Corporate proposals on Mergers and Acquisitions;
- (h) Progress updates on implementation of Key Strategic Areas;
- (i) Regulatory and Compliance updates;
- (j) Share performances on Bursa Malaysia Securities Berhad and Singapore Exchange Limited;
- (k) Capital Structure review and Balance Sheet Management;
- (l) Sustainability initiatives of the Group and reporting;
- (m) Analysis of Corporate Governance disclosure;
- (n) Dividend proposal; and
- (o) Board Committees composition, board processes and governance review.

All AC members are financially literate. Dato' Lim Han Boon is a member of the Malaysian Institute of Accountants, the Chartered Management Institute, United Kingdom ("UK") and fellow of the Association of Chartered Certified Accountant, UK which fulfilled the financial expertise requirement by Bursa Securities Main LR.

Our Executive Director and Senior General Manager, Finance attend all meetings of the AC, other than meetings held between the AC and External Auditors (without Executive Directors' and Management's presence) as well as the meeting held between the AC and Internal Auditors (without Executive Directors' and Management's presence).

During the FY2018, the AC met with the External Auditors (without Executive Directors' and Management's presence) twice and met with the Internal Auditors (without Executive Directors' and Management's presence) once.

Further details on the summary of activities of the AC during the FY2018 is set out separately in the AC Report on pages 90 to 91 of this Annual Report.

Supply of Information to the Board

All Directors are provided with an agenda of the meeting and board papers which contain the Company's financial performance, business outlook, various Board Committees' reports and disclosures by Directors of their interests in the shares and their interests in contracts, properties and offices pursuant to Section 219 and Section 221 of the CA 2016, respectively prior to the Board meeting. The board papers are issued in advance and in a timely manner to facilitate informed decision making. The Managing Director and Executive Directors would lead the presentation of board papers and provide comprehensive explanations of business plans, business performance, potential mergers and acquisitions and other pertinent issues.

Any proposal and recommendation by Management will be deliberated and discussed by the Board before a decision is made. All matters raised, discussions, deliberations, decisions and conclusions including dissenting views made at the Board meetings with clear actions to be taken by responsible parties are recorded in the minutes.

The Notices of the Board and Board Committees' meetings are sent within fourteen (14) days prior to the meetings and at all times, endeavour to deliver the non-financial meeting materials within seven (7) days prior to the meetings whereas the financial materials would be delivered in average within two (2) days prior to the meetings as the aforesaid materials are sensitive information.

Notices on the closed period for trading in Top Glove's securities are served to Directors, key management personnel and principal officers who are deemed to have privy to any sensitive information for the applicable periods especially the regular annual scheduled Board meetings to approve the quarterly financial results. This is to comply with Bursa Securities Main LR and the Capital Markets and Services Act 2007 requirements where Directors, key management personnel and principal officers of the Company and the Group are prohibited from trading in securities or any kind of property based on price sensitive information which have not been publicly announced within 30 calendar days before the targeted date of announcement of the quarterly financial results up to the date of announcement. In the FY2018, none of the Directors dealt in Top Glove's securities during the closed period.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



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The Directors are also notified of any corporate announcement released to Bursa Securities and the impending restrictions 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 Conducts for Directors and Secretaries. The Company Secretaries also act as the Secretaries for all the Board Committees.

Board Composition and Balance

The Board currently comprises twelve (12) members, made up of five (5) Executive Directors including the Executive Chairman and Managing Director and seven (7) INEDs. The roles and responsibilities of the Executive Chairman and the Managing Director are distinctive and have been clearly segregated to further enhance and preserve a balance of authority and accountability to avoid unfettered powers of decision making. The composition reflects a balance of Executive Directors and Non-Executive Directors (including INEDs); ensuring that all Board's discussions or decisions have the benefit of predominantly outside views and experiences, and that the INEDs are free from interests and influences that may conflict with their duties to the Company.

The majority number of INEDs help to ensure effective check and balance of the Board's function as the INEDs are often the carers of the minority shareholders in providing constructive feedbacks to the proposals of the Company.

There are four (4) female Board members, representing 33% of the total Board members. The aforesaid female Board members provide the Board with gender diversity that bring value to the Board's deliberations from the different perspectives and insights of the female Board members.

During the FY2018, Mr. Low Chin Guan was appointed to the Board on 4 April 2018 as Executive Director due to acquisition of Aspion group of companies. Subsequently, he had been removed from the Board on 10 October 2018 via an Extraordinary General Meeting.

The profile of each of the Board members is as presented on pages 10 to 17 of this Annual Report.

Independence

The Board recognises the significant contribution by INEDs to the Company in bringing independent and objective judgement to the Board in decision making.

The term "independence" as prescribed under Bursa Securities Main LR states that INEDs should be independent of management and free from any business or other relationships which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. INED is willing to express his/her opinion to the Board free of concern about his/her position or the position of any third party. Nevertheless, none of the INEDs engage in the day-to-day management of the Company, participate in any business dealings or is involved in any other relationships with the Company (other than in situations permitted by the applicable regulations).

An annual independency assessment has been carried out by the NRC to ensure the independency of all INEDs. The assessment is based on the criteria on independence as set out in Bursa Securities Main LR and Practice Notes of Bursa Securities Main LR, including a self-declaration of any involvement or relation which could interfere an independent judgement and ability to act in the best interests of the Company. An independent confirmation is obtained based on the independency assessment before the appointment of INED and INEDs are assessed annually to re-affirm their independence based on the provisions of Bursa Securities Main LR.

During the FY2018, the Board was satisfied that none of the INEDs had any relationship that could materially interfere with, or perceived to be materially interfere with their unfettered and independent judgement and ability to act in the best interests of the Company.

Gender Diversity on Board and Management

The Company takes diversity not only at the Board level but also at the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company. Diversity encapsulates not only gender but also age and ethnicity, if well-managed, can drive performance and strengthen governance.

Despite of the importance of Boardroom diversity, the Board is of the view that the selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority, not compromising on qualification, experience and capabilities.

A Board Diversity Policy was adopted by the Board in 2014 setting out the principles of Top Glove in maintaining a diversify Board. A copy of the Board Diversity Policy is made available on the Company's website: <http://www.topglove.com/corporate-governance/>

Currently, the Board has 33% female representation. Aside from achieving the gender diversity aspect, the Board also aspires to achieve significant benefits by focusing on individual talents, abilities and experiences to meet the Group's objectives of being the world's leading gloves manufacturer; hence, requiring a Board with broader range of competence, skills and experience.

Below sets the summary of the gender, ethnicity and age mix of our Management team, excluding workers:

A) Gender

(data compiled as at 26 September 2018)

Category	Total Headcount	Male Employees		Female Employees	
		Headcount	%	Headcount	%
All Staff	3,426	1,593	46.50	1,833	53.50
Management staff (Manager & above)	463	228	49.24	235	50.76
Directors on Board	13	9	69.23	4	30.77

B) Ethnicity

Category	Total Headcount	Malay		Chinese		Indian		Others	
		Headcount	%	Headcount	%	Headcount	%	Headcount	%
All Staff	3,426	1,613	47.08	864	25.22	375	10.95	574	16.75
Management staff (Manager & above)	463	109	23.54	282	60.91	33	7.13	39	8.42
Directors on Board	13	3	23.08	8	61.54	1	7.69	1	7.69

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

C) Age

Category	Total Headcount	70 & Above		60 to 69		50 to 59		40 to 49		30 to 39		20 to 29		Below 20	
		Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%	Headcount	%
All Staff	3,426	2	*	26	*	184	5	396	11	861	25	1,942	57	15	*
Management staff (Manager & above)	463	1	*	10	2	51	11	123	27	205	44	73	16	-	*
Directors on Board	13	2	15	5	39	6	46	-	-	-	-	-	-	-	-

Re-election and Re-appointment of Directors

In accordance with the Company's Constitution, 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.

The Directors due for re-election by rotation pursuant to Article 94 of the Company's Constitution at the forthcoming AGM are Dato' Lee Kim Meow, Puan Sri Tong Siew Bee and Mr. Lim Hooi Sin. Their profiles are set out on pages 12 and 14 of this Annual Report.

The Company has not established a term limit of the INEDs as the Board believes that a term limit does not in any way interfere with their contributions in terms of skills, experience, professionalism and integrity including core competencies in exercising their objectivity and independent judgement to discharge their responsibilities in good faith and in the best interests of the Company which are more critical in ascertaining the function and effectiveness of their independence than the number of years served on the Board. The on-going evaluation also further ensure the effectiveness of the Board as a whole in discharging their duties and responsibilities despite the duration of service for one (1) INED has exceeded nine (9) years.

Directors' Training

During the FY2018, 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, Management and through self-reading.

The Directors are also updated by the Company Secretaries on any change to legal and governance practices of the Group, and new accounting and auditing standards that may have impact on the Company's businesses via email and at every AC and Board meetings.

It is of 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/her to have first-hand understanding of the Company's operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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During the FY2018, all Directors had collectively or individually attended/participated in the following seminars/forums/conferences/training programmes:

Directors	Seminars/Forum/Conference/Training attended	Date
Tan Sri Dr <u>Lim</u> Wee Chai	1. Forbes Global CEO Conference & Forbes 100 th Anniversary celebration, Hong Kong	25 to 28 September 2017
	2. 企业分享及展望世界500强, Wisma Huazong, Selangor	20 October 2017
	3. Taiwan-Malaysia Industrial Collaboration Summit, Taichung, Taiwan	24 to 25 October 2017
	4. Workshop on Face to Face with VIP, Top Glove Tower, Setia Alam, Selangor	2 December 2017
	5. Mastering Creativity Workshop by Tan Sri Megat, Top Glove Tower, Setia Alam, Selangor	3 January 2018
	6. Bank of Singapore Global Outlook, Kuala Lumpur	10 January 2018
	7. Nikkei Asia 300 Summit, Singapore	18 January 2018
	8. UOB Private Bank First Market Outlook 2018, Kuala Lumpur	27 February 2018
	9. B-connected by UBS, Beijing, China	26 to 28 April 2018
	10. The JP Morgan Tech Ex-change, Shenzhen, China	10 May 2018
	11. Asia ~ The Greater Disruptor Investor Forum, Singapore	16 May 2018
	12. KWSP's strategy visit to Germany	19 to 22 May 2018
	13. Stewardship Asia Roundtable 2018, Singapore	4 June 2018
	14. DBS Asian Insights Conference 2018, Singapore	13 July 2018
	15. Top Glove Youth Leadership Submit Top Glove Tower, Setia Alam, Selangor	14 July & 22 September 2018
	16. UOB Private Bank KL Investment Forum, Kuala Lumpur	24 July 2018
	17. Alliance DBS Research 2 nd Half Market Outlook, Kuala Lumpur	26 July 2018
	18. FMM Council Brainstorming session, Bentong, Pahang	3 to 4 August 2018
Tan Sri Arshad Ayub	1. Independent Directors' Programme: The Essence of Independence, Kuala Lumpur	20 November 2017
Dato' Lee Kim Meow	1. Motivational Talk from Successful Malaysian Entrepreneur, Klang, Selangor	9 September 2017
	2. Synthomer Latest Technological Innovation, Kuala Lumpur	15 September 2017
	3. Fraud Risk Management Workshop by Bursa Malaysia, Kuala Lumpur	26 September 2017
	4. Corporate Governance Breakfast Series: Leading Change @ The Brain, Kuala Lumpur	5 December 2017
	5. Mastering Creativity Workshop by Tan Sri Megat, Top Glove Tower, Setia Alam, Selangor	3 January 2018

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Directors	Seminars/Forum/Conference/Training attended	Date
Dato' Lee Kim Meow (Cont'd)	6. Invest Malaysia 2018, Kuala Lumpur	23 January 2018
	7. Best Practice Forum, Kuala Lumpur	30 March 2018
	8. DTAP Kickoff Event by MDEC & MIDA, Kuala Lumpur	9 April 2018
	9. Top Glove Youth Leadership Submit, Top Glove Tower, Setia Alam, Selangor	14 July 2018
	10. Nation Building Event "New Malaysia: What's Next?", Kuala Lumpur	11 August 2018
Tan Sri Rainer Althoff	1. Independent Directors' Programme: The Essence of Independence, Kuala Lumpur	20 November 2017
Puan Sri Tong Siew Bee	1. Taiwan-Malaysia Industrial Collaboration Summit, Taichung, Taiwan	25 October 2017
	2. MRCA Corporate Advisors ~ MRCA 25th Anniversary, Kuala Lumpur	9 November 2017
	3. Integrity Talk 2017, Top Glove Tower, Setia Alam, Selangor	8 December 2017
	4. Nikkei Asia 300 Summit, Singapore	18 January 2018
	5. Julius Baer 2018 Market Outlook Luncheon Seminar, Kuala Lumpur	13 February 2018
	6. UBS B:connected 2018, Beijing, China	25 to 28 April 2018
	7. Visited Customer in SuZhou and attended J.P. Morgan Tech Exchange 2018, Shenzhen, China	9 to 12 May 2018
	8. Stewardship Asia Roundtable 2018, Themed "Stewardship in a Disruptive World", Singapore	4 June 2018
	9. FMM Selangor 'Nite 2018	27 June 2018
	10. FMM Council Brainstorming session, Bentong, Pahang	3 to 4 August 2018
Lim Hooi Sin	1. J.P. Morgan Asia Pacific CEO-CFO Conference, New York	6 to 7 September 2017
	2. MEDICA Conference, Germany	November 2017
	3. Daiwa Investment Conference, New York	29 to 30 May 2018
Lim Cheong Guan	1. Morgan Stanley Sixteenth Annual Asia Pacific Summit, Singapore	15 to 17 November 2017
	2. CIMB 10 th Annual Malaysia Corporate Day, Kuala Lumpur	4 January 2018
	3. DBS Pulse of Asia 2018, Singapore	11 January 2018
	4. Invest Malaysia 2018, Kuala Lumpur	23 to 24 January 2018
	5. Nomura Malaysia Focus, Kuala Lumpur	13 February 2018
	6. Corporate Governance Briefing session: MCCG Reporting & CG Guide, Kuala Lumpur	28 February 2018
	7. Credit Suisse Asian Investment Conference, Hong Kong	19 to 20 March 2018
	8. SGX Corporate Connect Seminar, Singapore	22 March 2018
	9. Invest ASEAN Singapore 2018	27 to 28 March 2018
	10. Macquarie ASEAN Conference, Singapore	28 August 2018

CORPORATE GOVERNANCE OVERVIEW STATEMENT



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Directors	Seminars/Forum/Conference/Training attended	Date
Dato' Lim Han Boon	1. Fraud Risk Management Workshop by Bursa Malaysia, Kuala Lumpur	26 September 2017
	2. Smart Sourcing Summit ~ Sustainable Growth in a "VUCA" environment, Kuala Lumpur	2 November 2017
	3. CG Breakfast Series with Directors ~ Integrating an Innovation Mindset with Effective Governance, Kuala Lumpur	7 November 2017
	4. 8 th International TEMOS Conference ~ Dusseldorf/ Germany "Healthcare Abroad & Medical Tourism"	3 to 5 December 2017
	5. Valuation on Mergers and Acquisitions, Kuala Lumpur	25 June 2018
	6. Corporate Liability Provisions by MACC, Petaling Jaya, Selangor	2 July 2018
	7. Sustainable Capitalism Forum by Securities Commission, Kuala Lumpur	16 July 2018
	8. International Professional Practices Framework for Audit Committee by Bursa Malaysia, Kuala Lumpur	28 August 2018
Datuk Noripah Binti Kamso	1. Valuation on Mergers and Acquisitions, Kuala Lumpur	25 June 2018
	2. Sustainability Engagement Series for Directors/Chief Executive Officers for 2018, Kuala Lumpur	5 July 2018
	3. Series 6 (The Role of Boards in Fraud Risk Management), Petaling Jaya, Selangor	20 August 2018
Tay Seong Chee, Simon	1. Arbitration: What Every Corporate Lawyer Should Know, Singapore	4 September 2017
	2. Arbitration: Fundamentals Matters & Recent Developments, Singapore	5 September 2017
	3. International Law Year in Review, Singapore	8 February 2018
Datuk Dr. Norma Mansor	1. Mandatory Accreditation Programme, Kuala Lumpur	25 to 26 September 2017
	2. CG Breakfast Series with Directors ~ Integrating an Innovation Mindset with Effective Governance, Kuala Lumpur	7 November 2017
	3. Sustainability Engagement Series for Directors/ Chief Executive Officers, Kuala Lumpur	5 July 2018
Sharmila Sekarajasekaran	1. IP : Moving Towards 2050, Kuala Lumpur	10 April 2018
	2. National Consultation in Gender Equality, Kuala Lumpur	24 to 25 July 2018

Succession Planning

The Board is responsible for reviewing candidates for key positions namely, the Executive Chairman, Managing Director, Executive and Non-Executive Directors and all Head of Divisions. The succession planning is to ensure all candidates appointed to senior management positions are of sufficient calibre. The Board had adopted a Succession Planning Policy in September 2013 ensuring that there are platforms in place to provide for the orderly succession of senior management.

The Succession Planning Policy is made available on the Company's website: <http://www.topglove.com/corporate-governance/>

Ethical Standards, the Codes and Policy

The **Directors' Code of Conduct** ("Directors' Code") was adopted by the Board in September 2013. The Directors' Code covers the principles of conflict of interests, insider dealings, integrity, law compliance obligation and others.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

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

As part of the enforcement, Directors are required to submit their declaration adhering and observing to the provisions in the Directors' Code annually.

The Directors' Code is made available on the Company's website: <http://www.topglove.com/corporate-governance/>

Employees' Code of Conduct and Ethics ("Employees' Code") is a manual applicable to employees of Top Glove and the Group. It guides the employee's conduct in the workplace, business conduct when dealing with external parties, key issues such as bribery, conflict of interests, insider trading as well as data integrity and retention. The Employees' Code is disseminated to the Group's employees through its intranet.

The Employees' Code is made available on the Company's website: <http://www.topglove.com/corporate-governance/>

The Board believes that having a **Whistle-Blowing Policy** in place strengthens, supports good management and at the same time demonstrates accountability, good risk management and sound corporate governance practice. A Whistle-Blowing Policy was adopted by the Board in year 2010 and is made available on the Company's website: <http://www.topglove.com/whistle-blowing/>

The Board aims 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 rule or procedure by employees or Management of the Company. The Whistle-Blowing 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 concern raised will be investigated by the Top Glove Prevention and Anti-Corruption Committee and Whistle Blowing Committee and a report and update will be provided to the Board, through the AC.

Whistle-blowers may write to the AC to communicate on any information about fraudulent actions and breaches of ethics directly and anonymously to whistleblower2acm@topglove.com.my.

NRC

The Board had merged the Nomination Committee and Remuneration Committee into a new Committee, known as NRC in October 2017, which aimed to improve its efficiency and effectiveness in discharging its duties. The composition of the NRC is as follows:

- | | | |
|-----|--------------------------|------------|
| (1) | Tan Sri Arshad Ayub | ~ Chairman |
| (2) | Dato' Lim Han Boon | ~ Member |
| (3) | Datuk Dr. Norma Mansor | ~ Member |
| (4) | Sharmila Sekarajasekaran | ~ Member |

The Board through the NRC reviewed its required mix of skills and experience and other qualities, including core competencies in which the Director should bring to the Board. The Board has also implemented a process to be carried out by the NRC 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 and AC member. During the deliberation of the performance of a particular Director who is also a member of the NRC, that member abstains from the discussions in order to avoid any conflict of interest.

During the FY2018, the NRC met four (4) times and the following key activities were deliberated:

- (a) Discussed and recommended the appointment of Executive Director of the Company.
- (b) Reviewed the Succession Planning and Leadership Development of the Board and senior management team of the Company.
- (c) Discussed the allocation of Employees' Share Option Scheme ("ESOS") to INEDs.
- (d) Reviewed its TOR and recommended the same to the Board for adoption.
- (e) Reviewed the Organisation Chart of the Company.
- (f) Deliberated on the findings of the Board's and Board Committees' assessments and reported the findings in the Board meeting.
- (g) Discussed and recommended to the Board the proposed Directors' fees and Board Committees' fees for the FY2018, benchmarked with industry survey.
- (h) Reviewed the payment of Directors' benefits (excluding Directors' fees) to Non-Executive Directors.
- (i) Reviewed and recommended to the Board for approval of the remuneration packages for Executive Directors and related employees.
- (j) Recommended the re-election, re-appointment and retention of Directors.

Board Mix and Skillsets Matrix

The Board is ultimately responsible for the oversight and review of the management, administration, compliance and overall governance of Top Glove. Consequently, the Board has been evaluated based on the following matrixes, which capture the key skills of the Board members which it believes are critical to succeeding in its objectives.

The Board presently possesses the following blend of skills, which are the appropriate mix of skills and experience required for the Board:

- (a) Corporate Governance, Risk Management and Internal Controls
- (b) Financial, Audit, Accounting and Taxation
- (c) Strategic Planning
- (d) Human Resource/Executive Performance Review
- (e) Legal, Regulatory and Compliance
- (f) Market Development

The evaluation result allows the NRC to address the evaluation assessment and the training needs of the Directors effectively.

Board Membership Criteria

In reviewing and recommending to the Board any new Director appointment, the NRC considers:

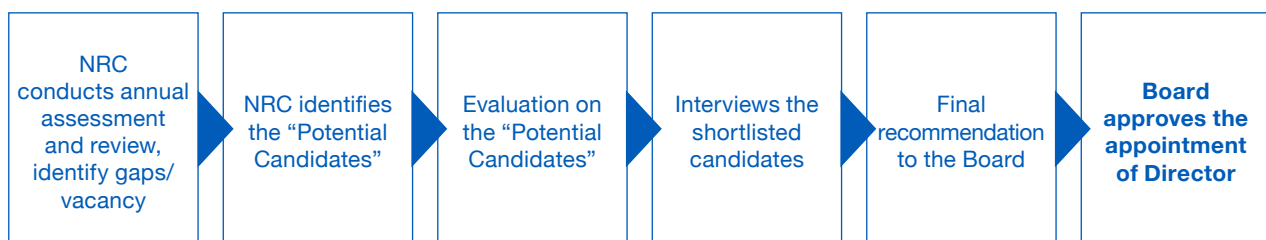
- (a) Age, skills, knowledge, expertise, experience, professionalism, integrity, capabilities and such other factors which would contribute to the Board's collective skills;
- (b) Competing time commitments if the candidate has multiple board representations;
- (c) Composition requirements for the Board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

Boardroom Appointments

The selection, nomination and appointment of suitable candidates to the Board follow a transparent process.

Review of candidates for Board's appointment has been delegated to the NRC. The NRC is also responsible to review the existing composition of the Board, identifying the gaps and subsequently review and recommend to the Board a suitable candidate with the relevant skillsets, expertise and experience.

Top Glove's Boardroom appointment process is as follows:



Board Induction/Orientation Programme

The Board's Induction/Orientation is a programme co-ordinated by the Company Secretaries together with the Executive Director and head of business units with the objectives of providing newly appointed Directors the necessary information and overview to assist them in understanding the operations, corporate strategies, current issues and challenges, structure and the management of the Company, as well as on-site briefings or site visits for better understanding of the operations aspect of the Company.

Board, Board Committees and Individual Director Assessment

The Board undertakes annual evaluation for the FY2018 via an Online Assessment system to review their own performance, the effectiveness of the Board as a whole, the contribution of each individual Director and peers, independency of INEDs and the Board's mix and skillset.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

The assessment of the Board covers areas such as the Board structure, operation, roles and responsibilities, Chairman's roles and responsibilities and the performance of the Board Committees. For self and peer assessments, the assessment criteria have included Board interaction and contribution, quality of input to the Board and Directors' calibre and personality.

As for the AC, an effective evaluation as a whole and member's self and peers' evaluation, Internal Audit function and the External Auditors performance and independence, were assessed. The assessment criteria include the quality and composition, skills and competencies, meeting administration and conduct, the effectiveness of Internal Audit function and the quality, performance, independency and the adequacy of audit scope of External Auditors.

NRC conducts review annually on its required mix of skills and experience and other qualities, including core competencies in which the Directors should bring to the Board.

The NRC is entrusted with the responsibility of carrying out annual Board effectiveness evaluation, the annual AC's term of office and performance evaluation and to authorise the evaluation process to ensure it meets the objectivity, including to review and approve all the evaluation forms/questionnaires, review the results of the evaluation and finally to convey the results to the respective parties for improvement and enhancement.

The evaluations were facilitated by the Company Secretaries making references to the guides available and the good corporate governance compliance companies.

The results of the evaluations indicated that the Board comprised highly competent Directors and has been effective in discharging its oversight responsibilities. The suggested areas for improvement were in respect of succession planning for the Board Committees. 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 upon reviewed by the NRC and the NRC had also made its recommendations to the Board.

Time Commitment

Paragraph 15.06 of Bursa Securities Main LR provides a director of a listed company must not hold more than five (5) directorships in listed companies.

Save for the Executive Chairman, Tan Sri Dr Lim Wee Chai, who was appointed as Deputy Chairman (Non-Independent Non-Executive) of Tropicana Corporation Berhad, none of the Executive Directors of the Company serve as a director of other listed companies.

Key Information on Directors

A brief description of the background of each Director is presented on pages 10 to 17 of this Annual Report. The Directors proposed for re-election are stated in the Notice of AGM.

No alternate Director has been appointed in respect of any of the Directors, during the FY2018.

Greater Transparency on Remuneration

A Remuneration Policy was adopted by the Board in October 2015. The Remuneration Policy was adopted to ensure that the Non-Executive Directors are commensurate according to their level of responsibilities and experience and to structure the component parts of remuneration so as to link rewards to corporate and individual performance of Executive Directors and ensure it was aligned with the business strategy and long-term objectives of the Company. The performance of the Executive Director is measured based on the achievements of his annual key performance indicators as well as the performance of the Group.

The Company rewards its employees and the Executive Directors with options under the ESOS and shares under the Employees' Share Grant Plan ("ESGP"). The Executive Directors are not entitled to receive meeting allowances for the Board and Board Committees meetings they have attended. The details of the vesting of options under the ESOS and awards of shares under the ESGP are set out on pages 98 to 99 of this Annual Report under the Directors' Report of the Audited Financial Statements for the FY2018.

Whereas, the Non-Executive Directors are entitled to receive meeting allowances for the Board and Board Committees meetings they have attended but are not entitled to participate in the ESOS and ESGP.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and the subsidiaries in FY2018 are as follows:

(i) **Received from Top Glove**

	Salaries RM	Fees RM	Bonus RM	ESOS RM	Other Emolument RM	Benefit- in-kind RM	Total RM
Executive Directors							
1. Tan Sri Dr <u>Lim</u> Wee Chai	2,301,910	119,000	281,905	112,850	236,380	31,150	3,083,195
2. Puan Sri Tong Siew Bee	-	73,000	-	-	-	-	73,000
3. Dato' Lee Kim Meow	-	83,000	-	-	-	-	83,000
4. Lim Hooi Sin	-	73,000	-	15,006	-	-	88,006
5. Lim Cheong Guan	523,112	73,000	91,190	33,184	74,612	19,290	814,388
6. Low Chin Guan (appointed as Executive Director on 4 April 2018 and removed on 10 October 2018)	-	28,000	-	-	1,000	-	29,000
Non-Executive Directors							
7. Tan Sri Arshad Ayub	-	117,500	-	-	15,032	-	132,532
8. Dato' Lim Han Boon	-	91,000	-	-	18,282	-	109,282
9. Tan Sri Rainer Althoff	-	79,500	-	-	11,032	-	90,532
10. Datuk Noripah Binti Kamsu	-	81,200	-	-	12,532	-	93,732
11. Sharmila Sekarajasekaran	-	82,800	-	-	13,032	-	95,832
12. Tay Seong Chee, Simon*	-	SGD 72,600	-	-	SGD 677	-	SGD 73,277
13. Datuk Dr. Norma Mansor	-	82,800	-	-	12,532	-	95,332
Total	2,825,022	1,201,600	373,095	161,040	396,466	50,440	5,007,663

Note: * Mr. Tay Seong Chee, Simon's Director's fees and other emolument were received or receivable in Singapore Dollar.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

(ii) Received on Group Basis

	Salaries RM	Fees RM	Bonus RM	ESOS RM	Other Emolument RM	Benefit- in-kind RM	Total RM
Executive Directors							
1. Tan Sri Dr <u>Lim</u> Wee Chai	2,301,910	119,000	281,905	112,850	236,380	31,150	3,083,195
2. Puan Sri Tong Siew Bee	168,196	73,000	16,570	5,551	22,294	35,200	320,811
3. Dato' Lee Kim Meow	587,356	83,000	92,874	37,210	81,637	19,371	901,448
4. Lim Hooi Sin	726,984	77,039	-	15,006	-	-	819,029
5. Lim Cheong Guan	523,112	73,000	91,190	33,184	74,612	19,290	814,388
6. Low Chin Guan (appointed as Executive Director on 4 April 2018 and removed on 10 October 2018)	440,000	28,000	-	-	83,949	-	551,949
Non-Executive Directors							
7. Tan Sri Arshad Ayub	-	117,500	-	-	15,032	-	132,532
8. Dato' Lim Han Boon	-	91,000	-	-	18,282	-	109,282
9. Tan Sri Rainer Althoff	-	79,500	-	-	11,032	-	90,532
10. Datuk Noripah Binti Kamso	-	81,200	-	-	12,532	-	93,732
11. Sharmila Sekarajasekaran	-	82,800	-	-	13,032	-	95,832
12. Tay Seong Chee, Simon*	-	SGD 72,600	-	-	SGD 677	-	SGD 73,277
13. Datuk Dr. Norma Mansor	-	82,800	-	-	12,532	-	95,332
Total	4,747,558	1,205,639	482,539	203,801	583,346	105,011	7,327,894

Note: * Mr. Tay Seong Chee, Simon's Director's fees and other emolument were received or receivable in Singapore Dollar.

Other Board Committees

The following Board Committees were established to support and strengthen the Board:

- AC, details as stated on page 89 of this Annual Report.
- RMC, details as stated on page 86 of this Annual Report.
- NRC, details as stated on page 73.
- IC, details as stated below.

The IC was established to provide guidance on the fund investments of the Company. The existing members of IC consist of the following:

- | | | |
|-----|--------------------------------|------------|
| (1) | Tan Sri Dr <u>Lim</u> Wee Chai | ~ Chairman |
| (2) | Tan Sri Arshad Ayub | ~ Member |
| (3) | Dato' Lim Han Boon | ~ Member |
| (4) | Dato' Noripah Binti Kamso | ~ Member |
| (5) | Lim Cheong Guan | ~ Member |

For the FY2018, the IC met twice and the key activities undertaken by the IC are as follows:

- Reviewed the Bond investment portfolios of the Company to ensure that the target yield is achieved.
- Reviewed the overseas investment and potential of listing of overseas subsidiary.
- Briefed on the global market outlook by bankers.

ESOS Committee

The Company, with approval from the shareholders in its Extraordinary General Meeting held on 9 January 2008, had established the ESOS II and the ESOS II was officially implemented on 1 August 2008 and expired on 1 August 2018. The Company had also obtained its shareholders' approval on the establishment of ESOS III during its EGM held on 9 January 2018. The ESOS III had been duly implemented with effect from 1 June 2018.

The ESOS Committee established by the Board on 11 April 2003 continued to oversee the administration as well as to ensure proper implementation of ESOS according to the By-laws of ESOS. In order to institute a good corporate governance practice, the Board had at its meeting held on 11 October 2018 revamped the composition of the ESOS Committee which now consisted of majority INEDs, as below:

- | | | |
|-----|--------------------------------|------------|
| (1) | Tan Sri Dr <u>Lim</u> Wee Chai | ~ Chairman |
| (2) | Lim Cheong Guan | ~ Member |
| (3) | Lim Jin Feng | ~ Member |
| (4) | Dato' Lim Han Boon | ~ Member |
| (5) | Datuk Noripah Binti Kamso | ~ Member |
| (6) | Datuk Dr. Norma Mansor | ~ Member |
| (7) | Sharmila Sekarajasekaran | ~ Member |

During the FY2018, the ESOS Committee had considered and approved the options offer factors under the ESOS to the eligible employees of the Group.

ESGP Committee

The ESGP was approved by the shareholders of the Company at the Extraordinary General Meeting held on 6 January 2016.

The Board had established the ESGP Committee to administer the ESGP in accordance to the By-laws of ESGP. In order to institute a good corporate governance practice, the Board had at its meeting held on 11 October 2018 revamped the composition of the ESGP Committee which now consisted of majority INEDs, as below:

- | | | |
|-----|--------------------------------|------------|
| (1) | Tan Sri Dr <u>Lim</u> Wee Chai | ~ Chairman |
| (2) | Lim Cheong Guan | ~ Member |
| (3) | Lim Jin Feng | ~ Member |
| (4) | Dato' Lim Han Boon | ~ Member |
| (5) | Datuk Noripah Binti Kamso | ~ Member |
| (6) | Datuk Dr. Norma Mansor | ~ Member |
| (7) | Sharmila Sekarajasekaran | ~ Member |

During the FY2018, the ESGP Committee had considered and approved the award factors under the ESGP to the eligible employees of the Group.

Senior Management Team

The Board is not involved in the day-to-day operations whereby the Board has delegated the authority and accountability for the day-to-day business operations of the Company, its subsidiaries and their respective operations to the senior management team led by the Managing Director and Executive Directors who report periodically to the Group Executive Chairman, Board and Board Committees. The senior management team is responsible for assisting the Managing Director and Executive Directors in implementing the policies and procedures adopted by the Board to achieve the Group's objectives.

The Board has unrestricted access to any information pertaining to the Group and any assistance of the senior management team. The senior management team would be invited to attend the Board and the Board Committees meetings as and when required and to provide explanations or clarifications on their respective areas of responsibility.

The Board acknowledged the recommendation of MCCG to disclose the remuneration of top nine (9) senior management on a named basis in bands of RM50,000. However, the Board took cognisance of the confidentiality and sensitiveness of the staff's remuneration and competitiveness from the outside world, the Board wished to stress the importance of the stability and continuity of the business operations supported by a competent and experienced executive team in place. For this disclosure, the Board is of the view that the disclosure be made on the following aggregate basis is suffice for stakeholders to make an appreciable link between remuneration of senior management and the performance of the Group:

Range of Remuneration (Annual basis) (RM)	Top Nine (9) Senior Management Team
150,001 to 200,000	1
250,001 to 300,000	1
350,001 to 400,000	2
400,001 to 450,000	3
450,001 to 500,000	1
600,001 to 650,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Strengthen the Independence and Effectiveness of the AC

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 also helps to safeguard the preparation of annual financial statements which present a true and fair view of the state of affairs of the Group and the Company at the reporting dates.

The Board is also committed to ensure that it presents a balanced and comprehensive assessment of the operations and financial results of the Group on a quarterly basis. 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 Bursa Securities Main LR.

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

The AC was established to assist the Board in overseeing the Group's activities within its clearly defined TOR.

The Directors' Responsibility Statement for the Audited Financial Statements of the Company is set out on page 93 of this Annual Report. The details of the Company and the Group's Audited Financial Statements for the FY2018 are made available on pages 95 to 186 of this Annual Report.

The NRC shall review the term of office and performance of the AC and each of its members annually to determine whether such AC and its members have carried out their duties in accordance with their TOR.

The Board has full access to both Internal and External Auditors and receives reports on all audits performed by them via the reports made by AC in Board meetings.

External Auditors and its Independence

The AC maintains a transparent and professional relationship with the External Auditors of the Company.

The AC is assigned to assess, review and supervise the performance, suitability and independence of the External Auditors. An External Auditors Assessment Policy was adopted by the AC which outlined the guidelines and procedures for the AC to assess and review the performance, suitability and independence of External Auditors.

The AC invites the External Auditors to attend all its meetings as and when required. The External Auditors had met the AC six (6) times during the reporting year. During the meetings, the External Auditors highlighted and discussed the nature, scope of the audit, audit programme, internal controls and issues that required the attention of the AC or the Board.

The AC had met with the External Auditors separately without the presence of Executive Directors and Management twice during the FY2018 to discuss on matters relating to the Group and its audit activities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



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The External Auditors Assessment Policy adopted by the Company restricts the type of non-audit services that can be provided by the External Auditors of the Group and the approval process related to them. Under this Policy, only non-audit services which are able to provide clear efficiencies and value-added benefits to the Group are accepted by the AC. The External Auditors Assessment Policy in place also ensure that the External Auditors' independence and the provision of non-audit works does not impede the External Auditors' audit works.

The AC remains confident that the objectivity and independence of the External Auditors are not in any way impaired by reason of the non-audit services provided to the Group.

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accounts' By-Law (on Professional Ethics, Conduct and Practice).

Details of statutory audit, audit-related and non-audit fees paid/payable in the FY2018 to the External Auditors are set out below:

Type of Fees		Top Glove (RM)	Top Glove Group (RM)
(a) Audit fees	~ Ernst & Young Malaysia	85,000	316,000
(b) Non-audit fees	~ Ernst & Young Malaysia ~ Affiliate to Ernst & Young Malaysia	91,000 850,000	215,000 850,000
(c) Tax compliance fees	~ Ernst & Young Malaysia	-	51,000
Total:		1,026,000	1,432,000

Related Party Transactions ("RPT")

A RPT Policy was developed and put in place in June 2016 to provide an avenue for employees to understand the policies and procedures that need to be adhered to in identifying and treating RPTs to ensure compliance with Bursa Securities Main LR and other applicable laws. The said Policy outlines the framework and the processes for purposes of identifying, monitoring, evaluating, reporting and approving the RPTs and recurrent related party transactions ("RRPTs"). It also serves as a guide to the AC and Board in discharging its role, which is to provide oversight over RPTs and RRPTs within the Group.

Significant RPTs of the Group for the FY2018 are set out on page 173 of this Annual Report. The AC had reviewed the RPTs that arose within the Group to ensure that the transactions were fair, reasonable and on normal commercial terms as well as not detrimental to the minority shareholders and were in the best interests of the Company.

Facilitate Objective Oversight by the Board of the AC

Minutes of each AC meeting is noted by the Board via distribution to each Board member and the Chairman of the AC highlights on key issues at each Board meeting.

The performance and effectiveness of AC would be assessed annually through AC evaluation and AC members self's and peers' evaluation conducted by the AC, and NRC reviewed the results of such assessments. The NRC reviews the term of office and performance of the AC members annually. During the FY2018, the Board is satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the AC.

Dedicated RMC

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.

The Board is responsible of identifying principal risks and ensures the implementation of a dynamic system to manage risk exposure within the acceptable level of tolerance. To fulfil its oversight responsibility, the Board, as a whole or through delegation to the RMC reviews the adequacy and integrity of the Group's risk management system which encapsulates the key processes of risk identification, assessment, mitigation, monitoring and reporting.



CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

Ensure the Internal Audit function is effective and independent

The Internal Audit (“IA”) Department carries out the IA function, which reports directly to the AC on its activities based on the approved annual IA 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 AC had met with the Internal Auditors separately without the presence of Executive Directors and Management once (1) during the FY2018 on any matters relating to the Group and IA activities.

The appointment, resignation and dismissal of the Head of IA is reviewed and approved by the AC and the Head of IA has unfettered access to the AC, the Board and the Management.

An IA Charter was adopted in year 2013 aimed to formalise the Mission Statement of Top Glove’s IA Department and established its position within the Company to ensure its access to various records, departments and activities, its responsibility and independence.

The Mission Statement of IA is to provide an independent, objective assurance and consulting activity designed to add value and improve Top Glove’s operations and internal controls and assist the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

An overview of the state of internal control within the Group, which includes the risk and key internal control structures, are set out in the Statement on Risk Management and Internal Control on pages 86 to 88 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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, medias and regulators.

Effective Dissemination of Information

An effective communication channel between the Board, stakeholders, institutional investors and the investing public at large is essential to provide a clear and complete picture of the Group’s performance and development, in a comprehensive, timely and continuing disclosure manner. Essentially, the Board is fully committed in maintaining a high standard in the dissemination of relevant and material information on the development of the Group.

The Company has had always been providing as much information on a voluntary basis in addition to complying with Bursa Securities Main LR through media releases. The Board is mindful of the legal and regulations governing the release of material and sensitive information so as not to mislead shareholders. Therefore, information that is price-sensitive or any undisclosed material information about the Group is not disclosed to any party until it is ready for simultaneous distribution.

The Company has been using the following formal channels to communicate with shareholders and stakeholders:

- **Annual Report**

The Annual Report remains a major channel of communication disclosing information not only on the Group's businesses, financials and additional information such as the Company's mission and vision, operations performance, outlooks and senior management team. The Board constantly improve the contents of the Annual Report to incorporate developments among others, in corporate governance and reports of Board Committees and ensure the accuracy of the information as the Annual Report is a vital and convenience source of essential information for investors, shareholders and other stakeholders.

The Chairman and Executive Director oversee the production of the Annual Report and review its contents before it is published.

Annual Reports of the Company are available online at the Company's website: <http://www.topglove.com/annual-report/>

Corporate related queries may be referred to the Company Secretary, Ms. Kassy Lim (Contact no.: +603-3362 3098, Fax no.: +603-3362 3860, E-mail: kslim@topglove.com.my).

- **Announcements to Bursa Securities**

All announcements are made via Bursa LINK. Examples of announcements are the quarterly financial results, circulars, corporate exercises, corporate changes and others. The Board is entrusted to review and approve the announcements ensuring its full compliance with regulatory authorities' disclosure requirements.

All announcements are made available at the Company's website: <http://www.topglove.com/bursa-announcements/>

Announcements related queries may be referred to the Company Secretary, Ms. Kassy Lim (Contact no.: +603-3362 3098, Fax no.: +603-3362 3860, E-mail: kslim@topglove.com.my).

- **Quarterly Results and Analyst and Media Briefings**

Analyst and media briefing via conference call is usually held immediately after the release of quarterly financial results to Bursa Securities or an actual briefing is held a week after the release of the quarterly financial results and chaired by the Executive Chairman, Managing Director and Executive Director. This briefing provides an avenue for fund managers, research analysts and media to have dialogue with the Group's Management to facilitate the receiving of a balanced and complete view of the Group's performance and challenges at the timeliest manner.

- **Investor Relations ("IR")**

The IR team has been scheduling regular engagement sessions with investors and are usually attended by the Executive Director and the IR team.

The IR team also attends to conferences, non-deal roadshows, and one-on-one meetings with equity analysts, fund managers and institutional shareholders to provide updates on the Company's quarterly financial performance, corporate and regulatory developments as well as to discuss on strategic matters and address issues that the investing community may have with respect to the businesses or operations of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

Some of the investor conferences and roadshows attended by our IR team in FY2018 are as follows:

No.	Conference	Date
1.	Daiwa Investment Conference Hong Kong 2017	November 2017
2.	Morgan Stanley Sixteenth Annual Asia Pacific Summit	November 2017
3.	CIMB 10 th Annual Malaysia Corporate Day	January 2018
4.	DBS Pulse of Asia 2018	January 2018
5.	Invest Malaysia 2018	January 2018
6.	Nomura Malaysia Focus Kuala Lumpur	February 2018
7.	Credit Suisse Asian Investment Conference	March 2018
8.	SGX Corporate Connect Seminar Singapore	March 2018
9.	Invest ASEAN Singapore 2018	March 2018
10.	SGX-MKES Healthcare Day	May 2018
11.	Invest Malaysia United Kingdom 2018	June 2018
12.	Invest Malaysia Tokyo 2018	July 2018
13.	Macquarie ASEAN Conference, Singapore	August 2018

Investor queries pertaining to financial performance or developments may be directed to the Executive Director, Mr. Lim Cheong Guan (Contact no.: +603-3362 3098, Fax no.: +603-3362 3860, E-mail: invest@topglove.com.my)

• **Company Website**

The Group has established a comprehensive website at www.topglove.com which includes a dedicated section on IR to further enhance shareholders' communication.

The Group has also included a Corporate Governance section on its website where information such as the Board Charter, Directors' Code, Employees' Code, Succession Planning Policy, Corporate Disclosure Policy, Whistle-Blowing Policy and various governance compliance statements are made available to the shareholders and public at <http://www.topglove.com/corporate-governance/>

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. In addition, stakeholders who wish to reach the respective divisions of the Group can do so through the 'Contact Us'.

Encourage shareholders' participation at general meetings

The Company despatches its Annual Report to all shareholders of the Company which includes the notice of AGM at least 28 days prior to the AGM. In addition to sending the notice, the Company also published the Notice of AGM on its website and released via Bursa LINK.

The AGM is the principal forum for dialogue with shareholders. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) 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. 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.

During the AGM, a presentation is given by the Chairman, Managing Director and Executive Director to explain on the Group's strategy, performance and major developments to shareholders. The Board encourages shareholders to participate in the questions and answers session at every general meeting. The Directors also shared with the shareholders of the Company's responses to questions raised by Minority Shareholder Watch Group, submitted in advance of the AGM.

Outcome of the AGM on 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 businesses included in the notice of the AGM is accompanied by a full explanation of the effects of a proposed resolution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



(CONT'D)

The extract of minutes of general meetings (including the attendance of Directors, questions raised by shareholders and the respective responses, outcome of the voting results and the reply to the Minority Shareholder Watch Group's queries) are made available to the shareholders and public for reference at <http://www.topglove.com/general-meeting/>

Using technology to facilitate voting and shareholders participation at meetings

The Company had implemented the poll voting via electronic means for past AGMs. The verification and counting of votes were done expeditiously. In addition, the Company has appointed a scrutineer to validate the votes cast at the AGM.

The result of each resolution was announced, which includes votes in favour and against and upon which the Chairman declared whether the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders.

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.

The Chairman of the AC, NRC and the External Auditors were present at the last AGM 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 during the AGM.

Shareholders were given a copy of suggestion form to invite shareholders to feedback and comment for notation by Management for consideration. Shareholders were also invited to submit any additional questions they might have had via help desk counter at the venue of the general meeting so that these could be responded to in writing after the meeting. Officers of the Company were present to assist and answer any queries raised by shareholders.

During the FY2018, the Company also had regular meetings with analysts and institutional fund managers, participated roadshows and investors conferences, both domestically and internationally, and hosted teleconferences with investors and analysts.

Summary of Corporate Governance Practices

Overall, the Company has applied all the Practices encapsulated in MCCG for the FY2018 except for the following:

- Practice 7.2: The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 8.2: The AC has a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.
- Practice 11.2: Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- Practice 12.3: Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate:

- ** voting including voting in absentia; and
- ** remote shareholders' participation of General Meetings.

The Company has provided explanations for the departures from the said Practices and measures that the Company will take to achieve the intended outcome of the departed Practices in the CG Report.

OTHER COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The Company did not raise funds through any corporate proposal during the financial year ended 31 August 2018 ("FY2018").

2. Recurrent Related Party Transactions of a Revenue or Trading Nature

The Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature was not renewed since the Nineteenth Annual General Meeting ("AGM").

3. Material Contracts

During the FY2018, there were no material contracts entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests.

4. Material Contracts Relating to Loans

During the FY2018, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests.

5. Insider Trading

During the FY2018, there was no insider trading reported.

6. Employees' Share Option Scheme ("ESOS")

During the FY2018, a total of 3,425,360 new ordinary shares were issued and allotted pursuant to the exercise of the ESOS. The details of the issued and paid-up share capital of the Company as at 31 August 2018 are as follows:

	No. of Shares	RM
As at 1 September 2017	1,256,298,764	636,643,620.16
Ordinary shares issued pursuant to the ESOS	3,425,360	11,971,936.00
Ordinary shares issued as satisfaction of consideration for acquisition of Aspion Sdn Bhd	20,505,000	137,000,000.00
ESOS compensation reserve	-	2,093,269.00
As at 31 August 2018	1,280,229,124	787,708,825.16

During the financial year, the number of ESOS option granted under ESOS III was 3,166,600 options. The percentage of ESOS option granted to the Directors and senior management was 21.9% of the total ESOS option granted.

The number of ESOS option granted and exercised by the Directors are disclosed on page 98 of this Annual Report.

7. Employees' Share Grant Plan ("ESGP")

During the financial year, 93,700 shares were awarded to the eligible employees under the ESGP. The percentage of shares awarded to the senior management was 0.35% of the total shares awarded.

There were no shares awarded to the Directors pursuant to the ESGP in FY2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board is committed to establish and maintain a sound, effective and efficient system of risk management and internal control to safeguard shareholders' investment and the Group's asset. There is an ongoing review process undertaken by the Board to ensure adequacy and integrity of the system mentioned.

The system of risk management and internal control is designed to identify and manage the Group's risk within the acceptable risk tolerance, rather than to eliminate the risk of failure in achieving the Group's corporate objective in accordance with the Group's strategy. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement, financial loss or fraud.

RISK MANAGEMENT GOVERNANCE

The Board regards risk management as an integral part of all business operations. Hence, the Board explicitly assumes the responsibility of identifying principal risks and ensures the implementation of a dynamic system to manage risk exposure within the acceptable level of tolerance.

To fulfill its oversight responsibility, the Board, as a whole or through delegation to the Risk Management Committee ("RMC"), reviews the adequacy and integrity of the Group's risk management system which encapsulates the key processes of risk identification, assessment, mitigation, monitoring and reporting.

The members of RMC, comprising of three Independent Non-Executive Directors and two Executive Directors, are as follows:

- | | | |
|-----|------------------------|------------|
| (1) | Dato' Lim Han Boon | ~ Chairman |
| (2) | Tan Sri Rainer Althoff | ~ Member |
| (3) | Datuk Dr. Norma Mansor | ~ Member |
| (4) | Dato' Lee Kim Meow | ~ Member |
| (5) | Lim Cheong Guan | ~ Member |

A Risk Working Committee ("RWC") has been formed in May 2013 to facilitate the group-wide risk management initiative from an operational perspective. RWC serves as the driving force behind the routine risk management activity. Its main function encompasses provision of regular feedback on risk factors' status for informed management decision making, execution of appropriate risk mitigation measures and progress monitoring thereof, and identification of new and emerging risk factors.

RWC is headed by an Executive Director and comprises of heads of business units or support functions, who are risk owners themselves, as members.

RISK MANAGEMENT SYSTEM

At the Group level, inherent risk factors arising from business operation are continuously identified. These identified risk factors are incorporated into the risk register and individually rated as Extreme, High, Medium or Low risk. The rating process is guided by a matrix of possibility of occurrence and the associated impacts, of which both financial and non-financial consequences are duly considered. Thereafter, owners of these risk factors will drive the implementation of risk mitigation measures towards achieving a residual risk that is within the acceptable tolerance.

Progress updates on the mitigation measures will be furnished on a quarterly basis by risk owners for deliberation at the RWC meeting from an operational perspective. Adequacy and effectiveness of the mitigation measures will be assessed and further enhanced where necessary. In addition, any identified emerging critical risk factors will be incorporated into the risk register and managed in accordance to the Group's risk management methodology. Outcome of RWC meetings will subsequently be escalated upwards to the RMC for further deliberation in a strategic manner. Direction of mitigation measures will be fine-tuned as it deems fit to ensure action plans are on track in addressing the significant risk factors. This approach creates a robust risk management system that is self-sustaining and will continue to evolve in response to changing business environment.

SIGNIFICANT RISK

As depicted in the Group's risk management framework, risks are broadly categorized into the aspects of Business, Information, Production, Credit, Financial, Operational, Information System and Human Resources. Identified individual risk factors under the broad risk categories have undergone comprehensive reviews in line with the Group's risk management methodology.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



(CONT'D)

For financial year ended 31 August 2018, the key risks that warrant highlighting are as outlined below:

1. Business

Execution of Merger and Acquisition exercises poses certain associated risks, notably the evaluation of target company and its subsequent integration with the Group. Various measures such as M&A procedures, strengthening internal management team's capability to handle operations after take-over and engaging external adviser for further advice have been carried out. M&A policies are still in the midst of being formalized.

2. Production

Due to unforeseen circumstances, the Group's factory production lines can face unplanned downtimes and thus result in productivity and financial losses. The 3 major risk factors which potentially contribute to the above are identified as fire outbreak, flooding and water shortage. Ongoing mitigation measures are implemented and tested by the Group to curb occurrences of these risk factors to prevent interruption to production or temporary shutdown of factory.

3. Information System

The Group's business may be vulnerable to security breaches to key systems, assets and facilities resulting from cyber vandalism or sabotage. Potential disruptions to operational systems or destruction of facilities from such security breaches can adversely affect the Group's reputation, business and financial result. To mitigate the risk, the Group is vigilant on potential cyber threats and has been continuously upgrading and enhancing the Group's security system.

4. Financial

As an export-oriented manufacturing entity, the Group's financial performance is exposed to the risks of fluctuation in foreign currency exchange rates and volatility in commodity prices; particularly the main raw material in glove manufacturing which are natural rubber latex and nitrile latex. Major movements in key foreign currency exchange rates, such as US Dollar, and the related commodity prices will create a short-term impact on the Group's financial performance due to time lag effect of the cost pass-through mechanism. The Group is thus constantly monitoring these risk factors and endeavors to achieve an effective and efficient cost pass-through mechanism to minimize the impact on its financial performance caused by macro factors.

INTERNAL CONTROL GOVERNANCE

The Management team, led by Executive Chairman, Managing Director and Executive Directors, comprises experienced personnel who are subject matter experts in their own specialized fields. These individual members in the Management team are held accountable for the conduct and performance within their assigned business units/ support functions. Internal control principles are strongly advocated and thus embedded into the various day-to-day operational policies and procedures of the business units/ support functions concerned. At regular intervals, these assigned business units/ support functions will conduct management meetings for the business objectives of, among others, performance assessment, action plan progress monitoring and feedback for improvement.

To fulfill its oversight responsibility, the Audit Committee ("AC") is committed to review the adequacy and effectiveness of the Group's internal control system. In this respect, the Group's Internal Audit Department ("IAD") has been set up in financial year ended 31 August 2003 to undertake the obligation to provide control assurance services to the Group.

The External Auditor provides further assurance to the AC in the form of annual statutory audit of the financial statements. Areas of concern identified during the course of external audit examination will be brought to the attention of the AC through management letters and discussion at AC Meeting.

INTERNAL AUDIT FUNCTION

The Group has in place an in-house IAD which provides to the Board, through the AC, independent assessment and assurance on the adequacy and effectiveness of the Group's system of internal controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

The scope of work of IAD 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;
- Appraising operations to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned;
- Report significant issues related to the business and operational processes for controlling the activities of the Group together with recommendations for improvements by issuing periodic audit reports summarizing results of audit activities and follow-up reports on timely basis to AC and management; and
- Assist in the investigation of significant suspected fraudulent activities and notify the AC and Top Management of the results.

The audit reports are presented and tabled at AC meetings quarterly to preserve its independence and objectivity. Significant internal audit findings and status update on outstanding management action plan will be brought to the attention of AC. If deemed necessary, management representative will be required to attend AC meeting to provide explanation and propose an action plan on the unresolved issues.

REVIEW OF EFFECTIVENESS

The Board is dedicated to operating a sound system of risk management and internal controls, and recognizes that the system must continuously evolve to support the progressive business growth of the Group.

The process for identifying, evaluating and managing risks as outlined in this Statement has been in place for the year under review and up to the date of approval of this statement. During the financial year ended 31 August 2018, a number of improvements to internal control gaps has been implemented. There has been no material adverse impact to the financial performance of the Group as a result of the internal control gaps detected.

The Board, with the assurance received from the Executive Chairman, Managing Director and its Executive Director, concludes that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

This statement does not include the state of internal control in associate companies, which has not been dealt with as part of the Group and is made in accordance with a resolution of the Board of Directors dated 11 October 2018.

REVIEW OF THE STATEMENTS BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the FY2018, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this Statement.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of Top Glove Corporation Bhd (“the Company”) is pleased to present the AC Report for the financial year ended 31 August 2018 (“FY2018”).

AC COMPOSITION AND ATTENDANCE

The AC comprises four (4) members and all of whom are Independent Non-Executive Directors, which meets the requirements of paragraphs 15.09(1)(a) and (b) of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”).

Tan Sri Dato’ Seri Utama Arshad Bin Ayub (“Tan Sri Arshad”), Chairman of AC, had a distinguished career in the Malaysian Civil Service, held various positions, including Deputy Governor of Bank Negara Malaysia and Deputy Director General in the Economics Planning Unit of the Prime Minister’s Department. Nevertheless, Tan Sri Arshad has other directorships in several public listed companies where he is also the member of AC.

Dato’ Lim Han Boon, member of AC, is a member of the Malaysian Institute of Accountants, the Chartered Management Institute, United Kingdom (“UK”) and fellow of the Association of Chartered Certified Accountants, UK, fulfills the financial expertise as required by Bursa Securities Main LR. He also has vast working experience in areas of corporate finance.

Datuk Noripah Binti Kamso, member of AC, has vast experience in the Banking and Investment industry. She was the former Advisor of CIMB Islamic and the founding Chief Executive Officer of CIMB-Principal Islamic Asset Management Sdn Bhd. She was also the Past President of the Malaysian Futures Brokers Association (MFBA). She was formerly a Global Practitioner in Residence in Principal Financial Group Centre for Global Citizenship, United States of America.

Ms. Sharmila Sekarajasekaran, member of AC, was in legal practice for many years, and joined the RIM Group in year 2005 and held various positions in the RIM Group.

In FY2018, the AC had met eight (8) times, two (2) of which were meeting with the External Auditors, without Executive Directors’ and Management’s presence and one (1) of which was meeting with the Internal Auditors, without Executive Directors’ and Management’s presence. The Executive Director, Head of Internal Audit, Senior Management, External Auditors, other Board members and the Company Secretary will attend the AC meetings upon invitation, as and when necessary. The attendance record of AC members was as follows:

Members	Directorship	Meeting Attendance
Tan Sri Dato’ Seri Utama Arshad Bin Ayub (Chairman)	Senior Independent Non-Executive Director	7/8 (87.5%)
Dato’ Lim Han Boon	Independent Non-Executive Director	8/8 (100%)
Datuk Noripah Binti Kamso	Independent Non-Executive Director	7/8 (87.5%)
Sharmila Sekarajasekaran	Independent Non-Executive Director	8/8 (100%)

During the FY2018, the AC had constantly engaged with the External Auditors and the Head of Internal Audit to keep abreast with the key audit issues and audit concerns affecting the Company.

Minutes of each AC meeting are noted by the Board via distribution to each Board member and the Chairman of the AC highlights on key issues discussed in the AC meeting at each Board meeting.

The performance and effectiveness of AC would be assessed annually through AC evaluation and AC members’ self and peer evaluation conducted by the AC, and the Nomination and Remuneration Committee (“NRC”) reviewed the results of such assessments. The NRC reviews the term of office and performance of the AC members annually. During the FY2018, the Board is satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference (“TOR”) of the AC.

AUDIT COMMITTEE REPORT

(CONT'D)

TOR OF THE AC

The AC had discharged its functions and carried out its duties as set out in the TOR of the AC.

The TOR of the AC is available for reference on the Company's website at <http://www.topglove.com/corporate-governance/>

SUMMARY OF ACTIVITIES FOR THE FY2018

1. Financial Reporting

- (a) Reviewed all the four (4) Quarter's Financial Statements and the annual Audited Financial Statements of the Company and recommended the same for the Board's approval. Discussions focused particularly on any change in the accounting policies and its implementation; significant and unusual events arising from the audit; the going concern assumption; compliance with accounting standards and other legal requirements; significant matters highlighted in the financial statements; and significant judgements made by Management.
- (b) Reported its findings on the financial and Management performance, and other material matters to the Board.

2. Internal Audit

- (a) Reviewed and approved the three years Internal Audit Plan for FY2018, FY2019 and FY2020 proposed by the Internal Auditors to ensure the adequacy of the scope, coverage of works and that it has the necessary authority to carry out its works.
- (b) Reviewed the Internal Audit programme and results of Internal Audit together with the recommendations from the Internal Auditors. The AC considered the Internal Auditors' recommendations taken into account Management's responses and upon which approved the Internal Auditors' proposals for rectification and implementation of the agreed remedial actions for improvement.
- (c) Undertook assessment of the performance of the Internal Audit function and reviewed its effectiveness of the audit processes and assessed the performance of the overall Internal Audit Department ("IAD").
- (d) Held separate meetings to discuss the result of assessment with the Internal Auditors and other areas of Internal Audit's concern, without the presence of Executive Directors and Management.
- (e) Conducted interviews with the potential candidates to fill the vacancy as the Head of Internal Audit.

3. External Audit

- (a) Discussed with the External Auditors before the audit commences, the audit plan, nature and scope of the audit, areas of audit emphasis, and ensured co-ordination where more than one (1) audit firms are involved; as well as the External Auditors' evaluation of the system of internal controls and audit reports.
- (b) Discussed and deliberated on the External Auditors' reports and recommendations regarding opportunities for improvement to the significant risk areas, internal controls and financial matters areas based on observations made in the course of interim and final audits.
- (c) Held two (2) private meetings with the External Auditors without the presence of the Executive Directors and Management to discuss on the areas of audit concern.
- (d) Discussed the results of annual assessment on the suitability and the independence of the External Auditors pursuant to the Company's External Auditors' Assessment Policy.
- (e) Reviewed the performance of the External Auditors and recommended its re-appointment and remuneration to the Board.
- (f) Reviewed and approved the provision of non-audit services rendered by the External Auditors.

AUDIT COMMITTEE REPORT

(CONT'D)

4. Related Party Transactions

- (a) Reviewed and recommended on quarterly basis the related party transactions presented by Management to the Board for approval, to ensure that these transactions are undertaken in the best interest of the Company, fair, reasonable and on normal commercial terms as well as not detrimental to the interest of the minority shareholders.
- (b) Monitored the thresholds of the related party transactions and recurrent related party transactions to ensure compliance with Bursa Securities Main LR.

5. Annual Reporting

Reviewed the AC Report, Statement on Risk Management and Internal Control and Corporate Governance Statement to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.

6. Others

- (a) Reviewed the progress of all investment projects of the Company.
- (b) Reviewed the Investment Portfolios of the Company.
- (c) Deliberated the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements.
- (d) Considered and discussed new business ventures of the Company for the Board's approval.
- (e) Verified the share buy-back of the Company.
- (f) Verified the allocation of Employees' Share Option Scheme ("ESOS") and Employees Share Grant Plan ("ESGP") complied with the criteria as stipulated in the by-laws of ESOS and ESGP of the Company, respectively.
- (g) Reviewed Whistle-Blowing Policy and cases of the Company.
- (h) Reviewed the term of office of the AC members.

TRAINING

During the FY2018, all of the AC members have attended various seminars, training programme and conferences. The list of trainings attended is disclosed in the Corporate Governance Overview Statement on pages 70 to 72 of this Annual Report.

INTERNAL AUDIT FUNCTION

The IAD is led by Lim Lung Fui @ Jack, a member of Malaysian Institute of Accountants who reports directly to the AC. The principal objective of IAD 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 function of the IAD is to provide the AC 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 AC reviews and approves the Internal Audit plan of the Group submitted by the Head of Internal Audit.

During the FY2018, 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 AC regularly and tabled in the AC meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management's responses with regards to any audit finding on the weaknesses in the systems and controls of the operations. The IAD conducted follow-up audit to ensure the agreed audit recommendations were implemented appropriately.

The total costs incurred for the in-house Internal Audit function for the FY2018 was RM605,096.48 (2017: RM522,156.00).

AUDIT COMMITTEE REPORT

(CONT'D)

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.

RISK MANAGEMENT COMMITTEE ("RMC") COMPOSITION AND ATTENDANCE

In FY2018, the RMC had met four (4) times. The composition and the attendance record of the RMC members were as follows:

Directors	Directorship	Meeting Attendance
Dato' Lim Han Boon (Chairman of RMC)	Independent Non-Executive Director	4/4 (100%)
Tan Sri Rainer Althoff	Independent Non-Executive Director	4/4 (100%)
Dato' Lee Kim Meow	Managing Director	4/4 (100%)
Lim Cheong Guan	Executive Director	4/4 (100%)
Datuk Dr. Norma Mansor	Independent Non-Executive Director	4/4 (100%)

TOR OF THE RMC

The RMC had discharged its functions and carried out its duties as set out in the TOR of the RMC.

The TOR of the RMC is available for reference on the Company's website at <http://www.topglove.com/corporate-governance/>

The aforesaid matter is further elaborated in details under a separate statement known as "Statement on Risk Management and Internal Control" on pages 86 to 88 of this Annual Report.



Top Glove's condom factory commenced operations in July 2018

DIRECTORS' RESPONSIBILITY STATEMENT



FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (“CA”) to cause Management to prepare the financial statements for each financial year which have been made out in accordance with the provision of the CA and applicable approved accounting standards.

The Directors are required to prepare financial statements 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 for the financial year.

In preparing the financial statements, the Directors shall ensure that Management have:

- a) Adopted appropriate accounting policies and applied them consistently;
- b) Made judgements and estimates that are reasonable and prudent;
- c) Ensured that all applicable approved accounting standards in Malaysia have been followed; and
- d) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records that disclose with reasonably accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the CA.

The Directors have general responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.



The Extraordinary General Meeting held on 10th October 2018

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018



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The stamping process in the production of Cast Polyethylene (CPE) gloves

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 2018.

Principal activities

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

The principal activities and other information of the subsidiaries are described in Note 19 to the financial statements.

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

Results

	Group RM'000	Company RM'000
Profit net of tax	437,906	233,759
Profit attributable to:		
Owners of the parent	434,215	233,759
Non-controlling interests	3,691	-
	437,906	233,759

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 Group and the Company since 31 August 2017 were as follows:

	Group and Company RM'000
In respect of the financial year ended 31 August 2017:	
Final tax exempt single tier dividend of 8.5 sen per share on 1,255,159,000 ordinary shares, declared on 10 November 2017 and paid on 25 January 2018	106,691
In respect of the financial year ended 31 August 2018:	
First tax exempt interim single tier dividend of 7 sen per share on 1,277,926,000 ordinary shares, declared on 19 June 2018 and paid on 17 July 2018	89,454
	196,145

Further details on dividends recognised during the financial year are disclosed in Note 44.

At the forthcoming Annual General Meeting, a single tier final dividend of 5 sen per share on 2,556,316,000 ordinary shares amounting to RM127,817,000 in respect of the financial year ended 31 August 2018 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 2019.

DIRECTORS' REPORT

(CONT'D)

Directors of the Company

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dr Lim Wee Chai*
Tan Sri Dato' Seri Utama Arshad bin Ayub
Tan Sri Rainer Althoff
Dato' Lee Kim Meow*
Puan Sri Tong Siew Bee*
Lim Hooi Sin*
Lim Cheong Guan*
Dato' Lim Han Boon
Datuk Noripah Binti Kamso
Sharmila Sekarajasekaran
Tay Seong Chee, Simon
Datuk Dr. Norma Mansor
Low Chin Guan* (appointed on 4 April 2018 and removed on 10 October 2018)

* These directors are also directors of the Company's subsidiaries.

Directors of subsidiaries

The following is a list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the financial year until the date of this report:

Dato' IR Haji Ahmad Bin Hassan
Dr. Pongsak Kerdvonbundit
Choh Ai Ying
Chookiad Usaha
Hue Kon Fah
Lew Sin Chiang
Liew Say Keong
Lim Jin Feng
Ng Wee Chong
Ng Yong Lin
Oh Teik Chye
Phattaraporn Fueangthong
Puon Tuck Seng
Ravi A/L Supramaniam
Saw Eng Kooi
Seah Chong Shew
See So Kim Huat
Siow Chun Min
Max Som Chai A/L Putian
Svami Utama Batang Taris
Tan Chee Hoong
Thomas Petermoeller
Wilawan Sakulsongboonsiri
Wong Chong Ban
Dr. Navindra A/L Nageswaran
Ho Chee Meng Edmund
Masato Katayama
Hoong Hsuch Ling
Tan Puay Choo
Lam Yat Hing (appointed on 30 October 2017)
Ho Kim Nam (appointed on 30 October 2017)
Leong Chew Mun (appointed on 21 February 2018)
Zhu Bai He
Victor Daniel Angenscheidt Baridon

DIRECTORS' REPORT

(CONT'D)

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") and the employee share grant plan ("ESGP").

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 below) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the Note 38 to the financial statements.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	9,555	3,292
Fees	1,256	1,202
Defined contribution plan	798	302
Defined benefit plan	12	1
Share option granted under ESOS	302	161
Share option granted under ESGP	18	-
Benefits-in-kind	211	50
	12,152	5,008

* The Company maintains a liability insurance for directors of the Group. The total amount of sum insured for the directors of the Group for the financial year amounted to RM5,000,000.

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 →			31 August 2018
	1 September 2017	Acquired	Sold	
Tan Sri Dr <u>Lim</u> Wee Chai				
- direct	368,822,176	1,092,600	-	369,914,776
- indirect	88,206,208	15,400	1,000,000	87,221,608
Puan Sri Tong Siew Bee				
- direct	3,605,896	9,300	-	3,615,196
- indirect	453,422,488	1,098,700	1,000,000	453,521,188
Dato' Lee Kim Meow				
- direct	620,100	266,700	400,000	486,800
- indirect	20,000	-	-	20,000
Lim Hooi Sin				
- direct	20,281,824	-	1,000,000	19,281,824
- indirect	436,735,660	1,101,900	-	437,837,560
Lim Cheong Guan				
- direct	8,000	288,800	148,000	148,800
Tan Sri Dato' Seri Utama Arshad bin Ayub				
- direct	900,000	-	100,000	800,000
- indirect	100,000	-	100,000	-
Low Chin Guan				
- direct	400	-	-	400
- indirect	-	20,505,000	10,252,500	10,252,500
Sharmila Sekarajasekaran				
- direct	-	5,000,000	-	5,000,000

Directors' interests (Cont'd)

	← Number of options over ordinary shares →			
	1 September 2017	Granted	Exercised	31 August 2018
Tan Sri Dr <u>Lim</u> Wee Chai	92,600	185,000	92,600	185,000
Puan Sri Tong Siew Bee	9,300	9,100	9,300	9,100
Dato' Lee Kim Meow	266,700	61,000	266,700	61,000
Lim Hooi Sin	-	24,600	-	24,600
Lim Cheong Guan	288,800	54,400	288,800	54,400

Tan Sri Dr 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.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM636,644,000 to RM787,709,000 by way of:

- (i) issuance of 3,425,000 ordinary shares pursuant to the Company's ESOS at an option price between RM1.76 to RM10.12 per ordinary share; and
- (ii) the issuance of 20,505,000 ordinary shares through a private placement at an issue price of RM6.68 per ordinary share, as partial discharge of purchase consideration for the acquisition of a subsidiary.

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 ("ESOS")

At an Extraordinary General Meeting held on 9 January 2018, shareholders approved the ESOS for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to the eligible employees and executive directors respectively of the Company and its subsidiaries.

The committee administering the ESOS comprise two executive directors, Tan Sri Dr Lim Wee Chai and Lim Cheong Guan; four independent non-executive directors Dato' Lim Han Boon, Datuk Noripah Binti Kamso, Sharmila Sekarajasekaran and Datuk Dr. Norma Mansor and one management staff Lim Jin Feng.

The salient features and other terms of the ESOS are disclosed in Note 37(i) to the financial statements.

During the financial year, the Company granted 3,166,600 share options under New Employee Share Option scheme. These options expire on 31 May 2028 and are exercisable if the employee has not served a notice of resignation or receive a notice of termination from the date of grant and certain conditions as detailed in Note 37(i) to the financial statements are met.

Employee share options scheme ("ESOS") (Cont'd)

Details of the options exercised to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 August 2018 are as follows:

Expiry date	Exercise price RM	Number of options '000
1 August 2018	1.76	49.6
1 August 2018	2.82	12.0
1 August 2018	2.90	1,506.8
1 August 2018	3.49	23.2
1 August 2018	3.08	129.2
1 August 2018	3.06	39.0
1 August 2018	3.43	31.6
1 August 2018	3.26	12.8
1 August 2018	2.08	21.4
1 August 2018	2.76	262.6
1 August 2018	2.32	394.1
1 August 2018	5.33	938.4
31 May 2028	10.12	4.7
		3,425.4

Details of shares granted to directors are disclosed in the section on Directors' Interest in this report.

Employee share grant plan ("ESGP")

At an Extraordinary General Meeting held on 6 January 2016, shareholders approved ESGP for the eligible employees and executive directors of the Company and its subsidiaries.

The committee administering the ESGP comprise two executive directors, Tan Sri Dr Lim Wee Chai and Lim Cheong Guan; four independent non-executive directors Dato' Lim Han Boon, Datuk Noripah Binti Kamso, Sharmila Sekarajasekaran and Datuk Dr. Norma Mansor and one management staff Lim Jin Feng.

The salient features and other terms of the ESGP are disclosed in Note 37(ii) to the financial statements.

During the financial year, the Company granted 93,700 share grant under ESGP amounted RM975,000 for employee and the certain conditions as detailed in Note 37(ii) to the financial statements.

Details of shares granted to directors are disclosed in the section on Directors' Interest in this report.

Treasury shares

During the financial year, the Company transferred 93,700 treasury shares to eligible employees under employee share grant scheme at average market price of RM10.40 per share. The total transferred treasury shares net of transaction costs were RM975,000. The difference between the transferred treasury shares and the cost of the treasury shares amounted to RM561,000 was recognised in equity.

As at 31 August 2018, the Company held as treasury shares a total of 2,071,000 of its 1,280,229,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM9,325,000 and further relevant details are disclosed in Note 34 to the financial statements.

Other statutory information

- (a) Before the 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 all known bad debts had been written off and that adequate provision had 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.

DIRECTORS' REPORT

(CONT'D)

Other statutory information (Cont'd)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company 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 their 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

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 19 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 47 to the financial statements.

Auditors

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

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young	316	85
Other auditors	583	-
	899	85

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young for the financial year ended 31 August 2018.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 October 2018.

Dato' Lee Kim Meow

Dato' Lim Han Boon



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Lee Kim Meow and Dato' 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 106 to 186 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2018 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 31 October 2018.

Dato' Lee Kim Meow

Dato' Lim Han Boon

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Dato' Lee Kim Meow, 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 106 to 186 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, Dato' Lee Kim Meow
at Shah Alam in the State of Selangor
on 31 October 2018

Dato' Lee Kim Meow

Before me,

Sirendar Singh
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TOP GLOVE CORPORATION BHD.
[INCORPORATED IN MALAYSIA]

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Top Glove Corporation Bhd., which comprise the statements of financial position as at 31 August 2018 of the Group and of the Company, and statements of profit or loss and other 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 106 to 186.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2018, and of their financial performance and their 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 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Review of costing of inventories

(Refer to Notes 4.15, 7.2(a) and 24 to the financial statements)

At 31 August 2018, the Group held RM508 million of inventories which represent approximately 10% of total assets of the Group. Total cost of inventory charged to the consolidated income statement for the year ended 31 August 2018 amounted to RM3,368 million, accounted for 91% of total expenditure of the Group. Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises the cost of purchase of raw materials, direct labour, plus conversion costs such as variable and fixed overhead.

The inventory cost is recorded and computed via the SAP system, after incorporating actual costs from a variety of inputs. As the computation and cost allocation process involve multiple inputs and management's judgement, the costing of inventories is considered complex and hence is a key area of audit focus.

Our audit procedures performed, amongst others are as follows:

- a) Obtained an understanding of the current inventories valuation policy and its related processes in allocating, recording and computing the cost of inventories.
- b) Performed walkthrough on the processes and reviewed the computation of standard costing of inventory. We have also observed the procedures of updating the standard cost into the SAP system.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TOP GLOVE CORPORATION BHD.
[INCORPORATED IN MALAYSIA] (CONT'D)

Review of costing of inventories (Cont'd)

- c) Performed walkthrough and tested controls over the recording of cost of purchases, which includes the raw materials, direct labour, and allocation of overheads, into the SAP system.
- d) Assessed the general and logical access controls surrounding the data input process of the SAP system by involving our IT audit professionals.

Annual impairment test of goodwill arising from the acquisition of Aspion Sdn. Bhd. ("Aspion")

(Refer to Notes 4.1, 7.2(b) and 23 to the financial statements)

As at 31 August 2018, the Group recorded a provisional goodwill of RM1,258 million arising from the acquisition of Aspion, which represents 24% of the Group's total assets. The goodwill amount has been allocated to cash generating unit ("CGU") on a provisional basis for impairment testing purposes. The Group estimated the recoverable amount of the CGU to which the goodwill is allocated based on value-in-use ("VIU").

Given its magnitude and the significant judgement involved in the annual impairment test, we consider this impairment test to be an area of audit focus. Specifically, we focus on the evaluation of the assumptions on the amount and timing of cash flows which are based on internal (e.g. budgets) and external market data (e.g. country specific interest rates and inflation percentages), and determination of an appropriate discount rate for Aspion.

Our audit procedures performed, amongst others are as follows:

- a) Evaluated management's key assumptions used in the cash flows projection, focusing on projected revenue, profit margins and growth rates, taking into consideration the current and expected future economic conditions. We compared the projected revenue to the past trends and compared expected growth rates to relevant market expectations.
- b) Together with EY valuation specialists, we evaluated the discount rate used to determine the present value of the cash flows and assessed whether the rate used reflect the current market assessment of the time value of money and the risk specific to the asset is the return that the investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset.
- c) Assessed the sensitivity of the cash flows to changes in the key inputs to understand the impact that reasonable alternative assumptions would have on the overall carrying value.
- d) Evaluated the adequacy of the Group's disclosures in the financial statements concerning those key assumptions to which the outcome of the impairment test is most sensitive.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TOP GLOVE CORPORATION BHD.
[INCORPORATED IN MALAYSIA] (CONT'D)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT



TO THE MEMBERS OF TOP GLOVE CORPORATION BHD.
[INCORPORATED IN MALAYSIA] (CONT'D)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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

Kuala Lumpur, Malaysia
31 October 2018

Ng Kim Ling
No. 03236/04/2020 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	Note	Group		Company	
		2018 RM'000	2017 (Restated) RM'000	2018 RM'000	2017 RM'000
Revenue	8	4,214,482	3,409,176	243,942	333,815
Cost of sales		(3,367,611)	(2,803,857)	-	-
Gross profit		846,871	605,319	243,942	333,815
Other items of income					
Interest income	9	12,256	17,232	217	1,861
Other income	10	39,752	53,488	-	10
Other items of expense					
Distribution and selling costs		(111,692)	(90,250)	-	-
Administrative and general expenses		(224,968)	(193,452)	(10,400)	(8,413)
Finance costs		(35,321)	(6,314)	-	-
Share of results of associates		1,697	(980)	-	-
Profit before tax	11	528,595	385,043	233,759	327,273
Income tax expense	14	(90,689)	(54,514)	-	-
Profit net of tax		437,906	330,529	233,759	327,273
Profit attributable to:					
Owners of the parent		434,215	330,664	233,759	327,273
Non-controlling interests		3,691	(135)	-	-
		437,906	330,529	233,759	327,273
Earnings per share attributable to owners of the parent (sen):					
Before issuance of bonus shares					
- Basic	15	33.92	26.38		
- Diluted	15	33.92	26.36		
After issuance of bonus shares					
- Basic	15	16.97	13.06		
- Diluted	15	16.97	13.06		

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 2018

	Group		Company	
	2018	2017 (Restated)	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	437,906	330,529	233,759	327,273
Other comprehensive (loss)/income:				
<i>To be reclassified to profit or loss in subsequent periods:</i>				
Net movement on available-for-sale financial assets	(2,465)	5,609	-	-
Cash flow hedges (Note 35)	(41,504)	-	-	-
Foreign currency translation differences of foreign operations	(17,741)	30,041	-	-
Foreign currency translation differences of associate	-	(1,252)	-	-
Other comprehensive (loss)/income for the year, net of tax	(61,710)	34,398	-	-
Total comprehensive income for the year	376,196	364,927	233,759	327,273
Total comprehensive income attributable to:				
Owners of the parent	372,671	364,297	233,759	327,273
Non-controlling interests	3,525	630	-	-
	376,196	364,927	233,759	327,273

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

STATEMENT OF FINANCIAL POSITION (GROUP)

AS AT 31 AUGUST 2018

TOP GLOVE
TOP QUALITY, TOP EFFICIENCY

	Note	2018 RM'000	2017 (Restated) RM'000	As at 1.9.2016 (Restated) RM'000
Assets				
Non-current assets				
Property, plant and equipment	16	2,064,817	1,498,486	1,128,937
Land use rights	17	101,675	40,457	39,461
Investment property	18	163,900	162,000	162,000
Investment in an associate	20	1,697	-	3,961
Deferred tax assets	21	14,288	14,681	7,081
Investment securities	22	392	392	145
Goodwill	23	1,304,496	22,805	22,805
		3,651,265	1,738,821	1,364,390
Current assets				
Inventories	24	508,186	315,775	263,679
Trade and other receivables	25	646,179	419,349	345,700
Other current assets	26	106,380	51,258	24,179
Tax recoverable		-	17,351	-
Investment securities	22	193,714	206,910	479,081
Derivative financial instruments	27	-	645	-
Cash and bank balances	28	164,836	240,068	224,099
		1,619,295	1,251,356	1,336,738
Total assets		5,270,560	2,990,177	2,701,128
Equity and liabilities				
Current liabilities				
Loans and borrowings	29	882,575	314,644	317,796
Trade and other payables	30	499,685	418,802	332,199
Other current liabilities	31	59,248	62,292	39,368
Income tax payable		8,680	-	1,357
Derivative financial instruments	27	856	-	189
		1,451,044	795,738	690,909
Net current assets		168,251	455,618	645,829

STATEMENT OF FINANCIAL POSITION (GROUP)

AS AT 31 AUGUST 2018 (CONT'D)



	Note	2018 RM'000	2017 (Restated) RM'000	As at 1.9.2016 (Restated) RM'000
Non-current liabilities				
Loans and borrowings	29	1,330,359	61,750	81,637
Deferred tax liabilities	21	94,670	68,257	52,885
Provisions		719	-	-
		1,425,748	130,007	134,522
Total liabilities		2,876,792	925,745	825,431
Net assets		2,393,768	2,064,432	1,875,697
Equity attributable to owners of the parent				
Share capital	32	787,709	636,644	627,406
Share premium	33	-	-	4,781
Treasury shares	34	(9,325)	(9,739)	(9,739)
Other reserves	35	4,551	62,499	28,508
Retained earnings		1,595,546	1,365,827	1,216,915
		2,378,481	2,055,231	1,867,871
Non-controlling interests		15,287	9,201	7,826
Total equity		2,393,768	2,064,432	1,875,697
Total equity and liabilities		5,270,560	2,990,177	2,701,128

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

STATEMENT OF FINANCIAL POSITION (COMPANY)

AS AT 31 AUGUST 2018



	Note	2018 RM'000	2017 RM'000
Assets			
Non-current asset			
Investment in subsidiaries	19	1,018,960	830,503
Current assets			
Trade and other receivables	25	2,000	174
Other current assets	26	1,071	-
Tax recoverable		12	16
Investment securities	22	2	2,583
Cash and bank balances	28	151	484
		3,236	3,257
Total assets		1,022,196	833,760
Equity and liabilities			
Current liabilities			
Trade and other payables	30	1,508	2,565
Other current liabilities	31	1	1
Total liabilities		1,509	2,566
Net current assets		1,727	691
Net assets		1,020,687	831,194
Equity attributable to owners of the Company			
Share capital	32	787,709	636,644
Treasury shares	34	(9,325)	(9,739)
Other reserves	35	1,929	2,568
Retained earnings	36	240,374	201,721
Total equity		1,020,687	831,194
Total equity and liabilities		1,022,196	833,760

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 2018

2018 Group	Attributable to owners of the parent										
	Total equity attributable to owners					Non-distributable					Distributable
	Total equity RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Cash flow hedge reserve RM'000	Fair value adjustment reserve RM'000	Retained earnings RM'000	Non-controlling interests ("NCI") RM'000
Opening balance at 1 September 2017	2,012,481	636,644	-	(9,739)	53,700	4,929	2,568	-	1,302	1,313,876	9,201
Effects of changes in accounting policy (Note 48)	51,951	-	-	-	-	-	-	-	-	51,951	-
1 September 2017 (Restated)	2,064,432	636,644	-	(9,739)	53,700	4,929	2,568	-	1,302	1,365,827	9,201
Profit net of tax	437,906	-	-	-	-	-	-	-	-	434,215	3,691
Other comprehensive loss	(61,710)	-	-	-	(17,575)	-	-	(41,504)	(2,465)	-	(166)
Total comprehensive income	376,196	-	-	-	(17,575)	-	-	(41,504)	(2,465)	434,215	3,525
Transactions with owners											
Issuance of ordinary shares pursuant to Employee Share Options Scheme ("ESOS") (Note 37)	11,972	11,972	-	-	-	-	-	-	-	-	-
Shares issued for acquisition of a subsidiary (Note 32)	137,000	137,000	-	-	-	-	-	-	-	-	-
Share options granted under ESOS (Note 35)	1,932	-	-	-	-	-	1,932	-	-	-	-
Issuance of shares to NCI	1,500	-	-	-	-	-	-	-	-	-	1,500
Transfer from share option reserve (Note 32)	-	2,093	-	-	-	-	(2,093)	-	-	-	-
Acquisition of subsidiary companies (Note 19)	5,268	-	-	-	-	-	-	-	-	-	5,268
Acquisition of equity interest of NCI	(3,944)	-	-	-	-	-	-	-	-	(5,155)	1,211
Transfer to retained earnings (Note 35)	-	-	-	-	-	-	(478)	-	-	478	-
Transfer to legal reserve (Note 35)	-	-	-	-	-	4,235	-	-	-	(4,235)	-
Transfer to Employee Share Grant Plan ("ESGP")	975	-	414	-	-	-	-	-	-	561	-
Dividends on NCI	(5,418)	-	-	-	-	-	-	-	-	-	(5,418)
Dividends on ordinary shares (Note 44)	(196,145)	-	-	-	-	-	-	-	-	(196,145)	-
Total transactions with owners	(46,860)	151,065	-	414	-	4,235	(639)	-	-	(204,496)	2,561
Closing balance at 31 August 2018	2,393,768	787,709	-	(9,325)	36,125	9,164	1,929	(41,504)	(1,163)	1,595,546	15,287

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

2017 Group	Attributable to owners of the parent										
	Total equity attributable to owners of the parent					Non-distributable					Distributable
	Total equity RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Cash flow hedge reserve RM'000	Fair value adjustment reserve RM'000	Retained earnings RM'000	Non-controlling interests ("NCI") RM'000
Opening balance at 1 September 2016	1,825,839	627,406	4,781	(9,739)	25,676	4,278	2,861	-	(4,307)	1,167,057	7,826
Effects of changes in accounting policy (Note 48)	49,858	-	-	-	-	-	-	-	-	49,858	-
1 September 2016 (Restated)	1,875,697	627,406	4,781	(9,739)	25,676	4,278	2,861	-	(4,307)	1,216,915	7,826
Profit net of tax, as previously stated	328,436	-	-	-	-	-	-	-	-	328,571	(135)
Effects of changes in accounting policy (Note 48)	2,093	-	-	-	-	-	-	-	-	2,093	-
As restated	330,529	-	-	-	-	-	-	-	-	330,664	(135)
Other comprehensive income	34,398	-	-	-	28,024	-	-	-	5,609	-	765
Total comprehensive income	364,927	-	-	-	28,024	-	-	-	5,609	330,664	630
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS (Note 37)	4,179	3,128	1,051	-	-	-	-	-	-	-	-
Share options granted under ESOS (Note 35)	578	-	-	-	-	-	578	-	-	-	-
Issuance of shares to NCI	780	-	-	-	-	-	-	-	-	-	780
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	35	(35)
Transfer from share option reserve (Note 32)	-	-	278	-	-	-	(278)	-	-	-	-
Transition to no-par value regime	-	6,110	(6,110)	-	-	-	-	-	-	-	-
Transfer to retained earnings (Note 35)	-	-	-	-	-	-	(593)	-	-	593	-
Transfer to legal reserve (Note 35)	-	-	-	-	-	651	-	-	-	(651)	-
Dividends on ordinary shares (Note 44)	(181,729)	-	-	-	-	-	-	-	-	(181,729)	-
Total transactions with owners	(176,192)	9,238	(4,781)	-	-	651	(293)	-	-	(181,752)	745
Closing balance at 31 August 2017	2,064,432	636,644	-	(9,739)	53,700	4,929	2,568	-	1,302	1,365,287	9,201

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 2018

	Total equity RM'000	Non-distributable			Distributable	
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000
2018						
Company						
Opening balance at 1 September 2017	831,194	636,644	-	(9,739)	2,568	201,721
Total comprehensive income	233,759	-	-	-	-	233,759
Transactions with owners						
Issuance of ordinary shares pursuant to ESOS (Note 37)	11,972	11,972	-	-	-	-
Issuance of ordinary shares (Note 32)	137,000	137,000	-	-	-	-
Share options granted under ESOS (Note 35)	1,932	-	-	-	1,932	-
Transfer from share option reserve (Note 35)	-	2,093	-	-	(2,093)	-
Transfer to retained earnings (Note 35)	-	-	-	-	(478)	478
Transfer to ESGP	975	-	-	414	-	561
Dividends on ordinary shares (Note 44)	(196,145)	-	-	-	-	(196,145)
Total transactions with owners	(44,266)	151,065	-	414	(639)	(195,106)
Closing balance at 31 August 2018	1,020,687	787,709	-	(9,325)	1,929	240,374
2017						
Company						
Opening balance at 1 September 2016	680,918	627,406	4,781	(9,739)	2,861	55,609
Total comprehensive income	327,273	-	-	-	-	327,273
Transactions with owners						
Issuance of ordinary shares pursuant to ESOS (Note 37)	4,179	3,128	1,051	-	-	-
Share options granted under ESOS (Note 35)	578	-	-	-	578	-
Transfer from share option reserve (Note 35)	-	-	278	-	(278)	-
Transition to no-par value regime	-	6,110	(6,110)	-	-	-
Transfer to retained earnings (Note 35)	-	-	-	-	(593)	593
Dividends on ordinary shares (Note 44)	(181,754)	-	-	-	-	(181,754)
Total transactions with owners	(176,997)	9,238	(4,781)	-	(293)	(181,161)
Closing balance at 31 August 2017	831,194	636,644	-	(9,739)	2,568	201,721

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 2018

	Group		Company	
	2018	2017	2018	2017
	RM'000	(Restated) RM'000	RM'000	RM'000
Operating activities				
Profit before tax	528,595	385,043	233,759	327,273
Adjustments for :				
Gross dividends	-	-	(239,030)	(329,505)
Depreciation on property plant and equipment (Note 16)	141,105	106,037	-	-
Amortisation of land use rights (Note 17)	1,298	734	-	-
Loss/(gain) on disposal of property, plant and equipment	904	(3,087)	-	-
Gain on disposal of land use right	(4,664)	-	-	-
Net loss from fair value remeasurement on investment property (Note 18)	721	3,096	-	-
Bad debts written off	-	1,355	-	-
Gain on disposal of debt securities	(273)	(4,032)	-	-
Gain on disposal of an associate	-	(1,205)	-	-
Property, plant and equipment written off	8,025	5,790	-	-
Shares granted under ESGP	975	2,359	-	53
Share options granted under ESOS	1,932	578	167	41
Unrealised foreign exchange loss	19,630	21,490	-	-
Share of results of an associate	(1,697)	980	-	-
Net fair value loss/(gain) on derivatives	2,262	(829)	-	-
Finance costs	35,321	6,314	-	-
Interest income	(12,256)	(17,232)	(217)	(1,861)
Total adjustments	193,283	122,348	(239,080)	(331,272)
Operating cash flows before changes in working capital	721,878	507,391	(5,321)	(3,999)
Changes in working capital				
Increase in inventories	(106,584)	(52,096)	-	-
(Increase)/decrease in receivables	(95,752)	(83,129)	(1,071)	20
Increase in other current assets	(55,122)	(27,079)	-	-
(Decrease)/increase in payables	(34,946)	109,656	(1,057)	310
Total changes in working capital	(292,404)	(52,648)	(2,128)	330
Cash flows from/(used in) operations	429,474	454,743	(7,449)	(3,669)
Interest paid	(35,321)	(6,314)	-	-
Purchase of shares for ESGP	-	(2,366)	-	-
Income taxes (paid)/refunded	(52,194)	(65,473)	4	(13)
Proceeds from government grant	-	496	-	-
Net cash flows generated from/(used in) operating activities	341,959	381,086	(7,445)	(3,682)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

	Group		Company	
	2018	2017 (Restated)	2018	2017
	RM'000	RM'000	RM'000	RM'000
Investing activities				
Purchase of property, plant and equipment	(458,812)	(479,252)	-	-
Purchase of land use rights	(341)	(1,536)	-	-
Additions to investment property	(2,621)	(2,106)	-	-
Purchase of investment securities	(170,408)	(51,269)	(95,296)	(1,486)
Proceeds from disposal of investment securities	179,953	320,892	97,877	99,066
Proceeds from disposal of land use rights	9,306	-	-	-
Decrease/(increase) in bank balances pledged with banks	(913)	(606)	-	-
Interest received	12,256	17,232	217	1,861
Dividends from subsidiaries	-	-	239,030	329,505
Dividend from an associate	-	787	-	-
Proceeds from disposal of property, plant and equipment	9,610	17,404	-	-
Additional investment in golf club membership	-	(247)	-	-
Additional investment in subsidiaries	-	-	(51,457)	(250,000)
Acquisition of equity interest of NCI	(3,944)	-	-	-
Net cash outflow on acquisition of subsidiaries	(1,270,542)	-	-	-
Net cash inflow on disposal of an associate	-	2,034	-	-
Repayment from subsidiaries	-	-	914	2,547
Net cash flows (used in)/generated from investing activities	(1,696,456)	(176,667)	191,285	181,493
Financing activities				
Proceeds from issuance of ordinary shares pursuant to ESOS	11,972	4,179	11,972	4,179
Dividends paid on ordinary shares (Note 44)	(196,145)	(181,729)	(196,145)	(181,754)
Dividends paid on non-controlling interest	(5,418)	-	-	-
Issuance of shares to non-controlling interest	1,500	780	-	-
Repayment of loans and borrowings	(292,402)	(154,637)	-	-
Drawdown of loans and borrowings	1,763,644	126,074	-	-
Net cash flows generated from/(used in) financing activities	1,283,151	(205,333)	(184,173)	(177,575)
Net (decrease)/increase in cash and cash equivalents	(71,346)	(914)	(333)	183
Effect of changes in foreign exchange rate	(4,799)	16,277	-	-
Cash and cash equivalents at 1 September 2017/2016	238,519	223,156	431	248
Cash and cash equivalents at 31 August (Note 28)	162,374	238,519	98	431

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

(a) Reconciliation of liabilities arising from financing activities

	1 September 2017 RM'000	Movements				31 August 2018 RM'000
		Cash flows	Non-cash changes	Acquisition	Foreign	
		Principal movement RM'000	Interest paid RM'000	Interest cost RM'000	of subsidiary companies RM'000	exchange movement RM'000
2018						
Group						
Loans and borrowings (Note 29)	376,394	1,471,242	(35,321)	35,321	310,038	54,973
					287	2,212,934

In accordance with the transitional provision of Disclosure Initiative (Amendment to MFRS 107) for the reconciliation of movement of liabilities to cash flows arising from financing activities, comparative information is not required for preceding periods.

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 2018



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 and Singapore Exchange Securities Trading Limited. The principal place of business of the Company is located at Level 21, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, 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 19. 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 2016 in Malaysia.

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.

During the financial year, the Group has re-assessed the current accounting policies and elected to change its accounting policy on measurement of the Group’s investment properties from the cost model to the fair value model. The effect of the change in accounting policies is accounted for retrospectively. Further details are disclosed in Note 48. Except for this change in accounting policy, the accounting policies and presentation adopted for this financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 August 2017.

3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at 31 August 2018 and 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses, unrealised gains and losses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

3. Basis of consolidation (Cont'd)

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4. Summary of significant accounting policies

4.1 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-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss.

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

Any excess in the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to Other Comprehensive Income ("OCI"). If the contingent consideration is not within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain 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 has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4. Summary of significant accounting policies (Cont'd)

4.1 Business combinations and goodwill (Cont'd)

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 entity acquired 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.

4.2 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated income statement, 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's 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 interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4.3 Investment in subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

4.4 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 investment in associates is accounted for using the equity method of accounting. Under the equity method, the investment in associates is measured in the consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

4. Summary of significant accounting policies (Cont'd)

4.4 Investment in associates (Cont'd)

The financial statements of the associates are prepared as of the same reporting date as the Group 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 Group, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Group's separate financial statements, investment in associate is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

4.5 Current versus non-current classification

Assets and liabilities in the statements of financial position are presented based on a current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. Summary of significant accounting policies (Cont'd)

4.6 Fair value measurement (Cont'd)

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.7 Foreign currencies

(a) Functional and presentation currency

The Group's and the Company's financial statements are presented in RM 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 spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



4. Summary of significant accounting policies (Cont'd)

4.7 Foreign currencies (Cont'd)

(b) Transactions and balances (Cont'd)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in foreign exchange reserve OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation 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 spot rate of exchange at the reporting date.

(c) Group companies

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

4.8 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 Group and the Company have concluded that they are the principals in all of their revenue arrangements since they are the primary obligors in all the revenue arrangements, have pricing latitude and are also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is 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 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 and at fair value through profit or loss, 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 profit or loss.

4. Summary of significant accounting policies (Cont'd)

4.8 Revenue and other income recognition (Cont'd)

(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.

4.9 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

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(c) Employee share option plans

Employees of the Group and of the Company 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 and the Company'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 capital if new shares are issued.

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

(d) Employee share grant plan ("ESGP")

Employees of the Group and of the Company are entitled to performance based shares as consideration for services rendered. The ESGP may be settled by way of issuance or transfer of shares of the Company or by cash at the discretion of the ESGP Committee. Trusts have been set up and are administered by an appointed trustee ("ESGP Trusts"). The trustee will be entitled from time to time, to accept advances from the Group and the Company, upon such terms and conditions as the Group and the Company and the trustee may agree to purchase the ordinary shares of the Company ("Trust Shares") from the open market for the ESGP Trusts. The value of the ESGP Awards granted to Eligible Employees is recognised as an employee cost.

The ESGP Trusts' asset is consolidated into the Group's consolidated financial statements. Dividends received by the ESGP Trusts are eliminated against the Company's dividend payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



4. Summary of significant accounting policies (Cont'd)

4.10 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 Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. 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.

(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 taxable 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.

4. Summary of significant accounting policies (Cont'd)

4.11 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 asset. 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.

4.12 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.

4.13 Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at using the investment method that makes reference to estimated market rental values and equivalent yields. Valuation is performed by accredited independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment property is included in profit or loss in the year in which they arise.

Subsequent expenditure is included in the investment property's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 4.12 up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

4. Summary of significant accounting policies (Cont'd)

4.14 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 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.

Leasehold lands	50 to 100 years
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(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 basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.15 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, packing materials and consumables: purchase costs on a weighted average basis.
- Former: 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, excluding borrowing costs.

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.

4.16 Impairment of non-financial assets

At each reporting date, an assessment is made as to 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 asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount 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. When 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.

4. Summary of significant accounting policies (Cont'd)

4.16 Impairment of non-financial assets (Cont'd)

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 of disposal, recent market transactions are taken into account. 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 companies or other available fair value indicators.

Impairment calculation is based on detailed budgets and forecast calculations, which are prepared separately for each CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover 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 profit or loss in expense categories consistent with the function of the impaired asset.

Goodwill is tested for impairment annually at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount of the asset or CGU is estimated. 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 profit or loss.

4.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.18 Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, 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. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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, i.e., the date that the Group and the Company commit to purchase or sell the asset.

The Group's and the Company's financial assets include cash and bank balances, trade and other receivables, investments in debt securities and money market funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



4. Summary of significant accounting policies (Cont'd)

4.18 Financial assets (Cont'd)

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(i) 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 and the Company 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 or 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.

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 profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

(ii) 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 profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. The category generally applies to trade and other receivables.

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

(iii) 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 and the Company have the positive intention and an ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the 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 as finance income in profit or loss. The losses arising from impairment are recognised in profit or loss as finance costs.

The Group and the Company did not have any held-to-maturity investments during the financial years ended 31 August 2018 and 2017.

4. Summary of significant accounting policies (Cont'd)

4.18 Financial assets (Cont'd)

(b) Subsequent measurement (Cont'd)

(iv) Available-for-sale ("AFS") financial assets

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

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the fair value adjustment reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the fair value adjustment reserve to profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Group and the Company evaluates whether the ability and intention to sell their AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group and the Company are unable to trade these financial assets due to inactive markets, the Group and the Company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the 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 maturity amount 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 profit or loss.

All quoted debt securities of the Group are designated as AFS financial assets.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired;
- The Group and the Company have transferred their 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 and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have 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 and the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

4. Summary of significant accounting policies (Cont'd)

4.18 Financial assets (Cont'd)

(d) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred '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 debtor 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.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group and the Company first assess 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 and the Company determine 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.

The amount of any impairment loss identified is measured as the difference between the asset's 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.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) 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. 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 and the Company. 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 write-off is later recovered, the recovery is credited to finance costs in profit or loss.

Available-for-sale ("AFS") financial assets

For AFS financial assets, an assessment is made at each reporting date whether there is objective evidence that an assets or a group of assets is impaired.

In the case of investments classified as AFS, 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. When 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 profit or loss) is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in other comprehensive income.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

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 profit or loss, the impairment loss is reversed through profit or loss.

4. Summary of significant accounting policies (Cont'd)

4.19 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, financial guarantee contracts, payables, or as derivatives as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) 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 and the Company 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 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.

(ii) 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 profit or loss.

(c) Financial guarantee contracts

Financial guarantee contracts issued by the Group and the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

4. Summary of significant accounting policies (Cont'd)

4.19 Financial liabilities (Cont'd)

(d) 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(e) Offsetting of financial instruments

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

4.20 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 4.18. The Group and the Company designate certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group and Company document at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group and Company also document their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within 'other gains/ (losses)' and 'foreign exchange gains/(losses)'.

4.21 Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash at banks and on hand and short-term deposits.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less excluding deposits pledged with banks that are not available for use.

4. Summary of significant accounting policies (Cont'd)

4.22 Share capital and share issue expenses

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

4.23 Cash dividend and non-cash distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders and a corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon 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 profit or loss.

4.24 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and 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. When it is expected that 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 a provision is presented in the income statements 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.25 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants related to assets, measured at nominal value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are presented by deducting the grants in arriving at the carrying amount of the assets.

4.26 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 and the Company.

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

4.27 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 Group 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 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

5. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 107: Disclosures Initiatives	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax for Unrealised Losses	1 January 2017
Amendments to MFRS 12: Disclosure of Interests in Other Entities (Annual Improvement to MFRS 2014-2016 Cycle)	1 January 2017

The nature and the impact of each amendment is described below:

Amendments to MFRS 107: Disclosures Initiatives

The amendments to MFRS 107 Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of these amendments, entities are not required to provide comparative information for preceding periods. Apart from the additional disclosures set out in the consolidated statement of cash flows, the application of these amendments has had no impact on the Group and on the Company.

Amendments to MFRS 112: Recognition of Deferred Tax for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The application of these amendments has had no impact on the Group and on the Company as the Group and the Company already assess the sufficiency of future taxable profits in a way that is consistent with these amendments.

Amendments to MFRS 12: Disclosure of Interests in Other Entities (Annual Improvement to MFRS 2014-2016 Cycle)

The amendments clarify that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The application of these amendments has had no effect on the Group as none of the Group's interest in these entities are classified, or included in a disposal group that is classified, as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



6. New and amended standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are discussed below. The Group and the Company intend to adopt these standards if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Clarifications to MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Venture	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 as discussed below:

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. During the financial year ended 31 August 2018, the Group and the Company performed a detailed impact assessment of all three aspects of MFRS 9. The assessment is based on present available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in the financial year ending 31 August 2019 when the Group and the Company adopt MFRS 9.

Based on the analysis of the Group's and of the Company's financial assets and liabilities as at 31 August 2018 on the basis of facts and circumstances that exist at that date, the directors of the Company have assessed the impact of MFRS 9 to the Group's and the Company's financial statements as follows:

(a) Classification and measurement

The Group and the Company do not expect a significant impact on its statements of financial position or equity on applying the classification and measurement requirements of MFRS 9. They expect to continue measuring at fair value all financial assets currently held at fair value.

Debt securities currently held as available-for-sale with gains and losses recorded in OCI will satisfy the conditions for classification as fair value through other comprehensive income ("FVOCI"). Fair value changes on debt securities at FVOCI are presented in OCI and are not subsequently transferred to profit or loss. Upon sale of debt securities at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings. Money market funds currently measured at FVTPL which will continue to be measured on the same basis under MFRS 9. Debt instruments currently measured at amortised cost which meet the conditions for classification as amortised cost under MFRS 9.

There will be no impact on the Group's and the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and modified financial liabilities, and the Group and the Company do not have any such financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



6. New and amended standards and interpretations issued but not yet effective (Cont'd)

MFRS 9 Financial Instruments (Cont'd)

(b) Impairment

MFRS 9 requires the Group and the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group and the Company will apply the simplified approach and record lifetime expected losses on all trade receivables. Based on readily available information as at date of this report, the Group and the Company do not expect significant increase in allowance for doubtful debts.

(c) Hedging

The Group determined that all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under MFRS 9. The Group has chosen not to retrospectively apply MFRS 9 on transition to the hedges where the Group excluded the forward points from the hedge designation under MFRS 139. As MFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of MFRS 9 will not have a significant impact on Group's financial statements.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, such as when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

The directors do not expect the application of MFRS 15 to have a significant impact on the financial statements of the Group and of the Company.

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group and the Company plan to assess the potential effect of MFRS 16 on their financial statements in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



7. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, 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.

7.1 Judgements made in applying accounting policies

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

Classification between investment property and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property. The Group has determined that its property held to earn rental income or capital appreciation is investment property as only an insignificant portion of the property is used in the production or supply of goods or services or for administrative purposes and ancillary services are not significant to the property.

7.2 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) Inventories

In determining the costing of inventories, management's judgement is required in determining the basis of finished goods and work-in-progress valuation which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

(b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires 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 23.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

8. Revenue

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sale of goods	4,214,482	3,409,176	-	-
Management fees from subsidiaries	-	-	4,912	4,310
Dividend income from subsidiaries	-	-	239,030	329,505
	4,214,482	3,409,176	243,942	333,815

9. Interest income

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest income from:				
Available-for-sale financial assets	4,285	11,929	-	-
Loans and receivables	3,947	992	217	412
Financial assets at fair value through profit or loss	4,011	4,309	-	1,449
Others	13	2	-	-
	12,256	17,232	217	1,861

10. Other income

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Realised gain on foreign exchange	2,435	26,031	-	-
Net gain on fair value changes of derivatives	-	829	-	-
Rental income	9,557	6,021	-	-
Gain on disposal of debt securities	273	4,032	-	-
Gain on disposal of an associate	-	1,205	-	-
Gain on disposal of property, plant and equipment	-	3,087	-	-
Gain on disposal of land use rights	4,664	-	-	-
Sales of scrap items	8,868	4,798	-	-
Insurance claims	4,996	-	-	-
Sundry income	8,959	7,485	-	10
	39,752	53,488	-	10

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

11. Profit before tax

The following items have been charged in arriving at profit before tax:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Auditors' remuneration:				
Company's auditors				
- Statutory audit				
- Current year	316	246	85	75
- Under/(over) provision in prior year	14	32	(7)	-
- Other services	1,065	60	941	60
Other auditors				
- Statutory audit				
- Current year	583	371	-	-
- (Over)/under provision in prior year	(2)	19	-	-
Depreciation on property, plant and equipment (Note 16 and 48)	141,105	106,037	-	-
Amortisation of land use rights (Note 17)	1,298	734	-	-
Bad debt written off	-	1,355	-	-
Direct operating expenses arising from investment property				
- Rental generating property	699	667	-	-
Net loss on foreign exchange				
- realised	-	-	6	34
- unrealised	19,630	21,490	-	-
Net loss on fair value changes of derivatives	2,262	-	-	-
Employee benefits expense (Note 12)	483,635	384,861	4,085	4,192
Non-executive directors' remuneration (Note 13)	839	745	837	742
Operating lease - Minimum lease payment for building and machinery	2,600	952	-	-
Net loss from fair value remeasurement on investment property (Note 18)	721	3,096	-	-
Loss on disposal of property, plant and equipment	904	-	-	-
Property, plant and equipment written off (Note 16)	8,025	5,790	-	-

12. Employee benefits expense

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Wages and salaries	434,340	345,795	3,050	3,264
Social security costs	3,303	4,377	2	2
Pension costs - defined contribution plan	17,061	12,726	319	392
Share options granted under ESOS	1,932	578	167	41
Shares granted under ESGP	975	2,359	-	53
Other staff related expenses	25,523	18,608	98	59
Executive directors' fees	501	418	449	381
	483,635	384,861	4,085	4,192

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM11,102,000 (2017: RM8,514,000) and RM4,121,000 (2017: RM3,974,000) respectively as further disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

13. Directors' remuneration

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	4,791	4,727	3,208	3,123
Pension costs - defined contribution plan	406	474	302	375
Social security contributions	1	1	1	1
Share options granted under ESOS	204	166	161	41
Shares granted under ESGP	18	53	-	53
Fees	449	381	449	381
Benefits-in-kind	105	103	50	50
	5,974	5,905	4,171	4,024
Non-executive:				
Fees	753	669	753	669
Other emoluments	84	73	84	73
	837	742	837	742
Other directors				
Executive:				
Salaries and other emoluments	4,680	2,450	-	-
Pension costs - defined contribution plan	392	143	-	-
Social security contributions	11	7	-	-
Share options granted under ESOS	98	11	-	-
Shares granted under ESGP	-	64	-	-
Fees	52	37	-	-
Benefits-in-kind	106	22	-	-
	5,339	2,734	-	-
Non-executive:				
Fees	2	3	-	-
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration (Note 12)	11,102	8,514	4,121	3,974
Total non-executive directors' remuneration (Note 11)	839	745	837	742
Total directors' remuneration (excluding benefits-in-kind)				
	11,941	9,259	4,958	4,716
Benefits-in-kind				
	211	125	50	50
Total directors' remuneration (including benefits-in-kind)				
	12,152	9,384	5,008	4,766

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

14. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 August 2018 and 2017 are as follows:

	Group		Company	
	2018	2017 (Restated)	2018	2017
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	51,876	31,650	-	-
- Foreign tax	15,075	8,973	-	-
- Real property gain tax ("RPGT")	177	258	-	-
- Under provision in respect of previous years	3,931	5,884	-	-
	71,059	46,765	-	-
Deferred income tax (Note 21):				
- Relating to origination and reversal of temporary differences	15,199	1,261	-	-
- Under provision in respect of previous years	4,431	6,488	-	-
	19,630	7,749	-	-
Income tax expense recognised in profit or loss	90,689	54,514	-	-

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 2018 and 2017 are as follows:

	Group		Company	
	2018	2017 (Restated)	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit before tax	528,595	385,043	233,759	327,273
Tax at Malaysian statutory tax rate of 24% (2017: 24%)	126,863	92,410	56,102	78,546
Adjustments:				
Different tax rates in other countries	(1,569)	(843)	-	-
Effects of tax incentives claimed by foreign subsidiaries	(6,926)	(1,459)	-	-
Income not subject to tax	(35,684)	(37,525)	(57,418)	(79,528)
Non-deductible expenses	25,846	14,791	1,314	791
Effect of income subject to RPGT	177	258	-	-
Expenses entitled for double deduction	(27)	(15)	-	-
Utilisation of tax incentives	(22,982)	(12,235)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowance	327	3,310	2	191
Deferred tax assets recognised in respect of previously unutilised tax losses, unrecognised export allowance, reinvestment allowance and capital allowance	(2,905)	(14,520)	-	-
Share of results of associate	(407)	235	-	-
Under provision of deferred tax in respect of previous years	4,431	6,488	-	-
Under provision of income tax in respect of previous years	3,931	5,884	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

14. Income tax expense (Cont'd)

Reconciliation between tax expense and accounting profit (Cont'd)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 August 2018 and 2017 are as follows (Cont'd):

	Group		Company	
	2018	2017	2018	2017
	RM'000	(Restated) RM'000	RM'000	RM'000
Utilisation of unabsorbed losses, reinvestment allowance and capital allowances	(386)	(2,265)	-	-
Income tax expense recognised in profit or loss	90,689	54,514	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

15. Earnings per share

(a) Basic

Basic earnings per share is 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, excluding treasury shares held by the Company.

	2018	2017
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	434,215	330,664
Weighted average number of ordinary shares in issue ('000)	1,280,032	1,253,286
Bonus issue subsequent to year end, excluding treasury held by the Company ('000) (Note 47)	1,278,158	1,278,158
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,558,190	2,531,444
Basic EPS		
- before issuance of bonus shares (sen)	33.92	26.38
- after issuance of bonus shares (sen)	16.97	13.06

(b) Diluted

Diluted earnings per share is 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

15. Earnings per share (Cont'd)

(b) Diluted (Cont'd)

	2018	2017
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	434,215	330,664
Weighted average number of ordinary shares in issue ('000)	1,280,032	1,253,286
Effects of dilution:		
Assumed exercise of share options	6	1,353
Bonus issue subsequent to year end, excluding treasury held by the Company ('000) (Note 47)	1,280,038	1,254,639
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,278,158	1,278,158
Diluted EPS		
- before issuance of bonus shares (sen)	33.92	26.36
- after issuance of bonus shares (sen)	16.97	13.06

The weighted average number of ordinary shares issued as at 31 August 2018 and 2017 have been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares which was completed on 29 October 2018. Further details are disclosed in Note 47.

16. 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
Cost					
At 1 September 2016, as previously stated	551,383	1,063,597	122,047	171,550	1,908,577
Effects of changes in accounting policy (Note 48)	3,231	(35,438)	-	-	(32,207)
At 1 September 2016, as restated	554,614	1,028,159	122,047	171,550	1,876,370
Additions #	143,535	111,859	21,008	202,850	479,252
Transfer to investment property (Note 18)	(292)	(701)	-	-	(993)
Reclassification	42,400	90,941	(954)	(132,387)	-
Written off	(229)	(13,974)	(783)	(6)	(14,992)
Disposals	(5,403)	(8,684)	(2,893)	(2,392)	(19,372)
Exchange differences	8,633	21,391	1,774	3,821	35,619
At 31 August 2017/ 1 September 2017	743,258	1,228,991	140,199	243,436	2,355,884
Additions	26,342	166,447	28,647	237,663	459,099
Transfer to investment property (Note 18)	-	-	-	(2)	(2)
Acquisition of subsidiary companies	87,308	180,128	5,405	1,318	274,159
Reclassification	43,109	108,176	3,599	(154,884)	-
Written off	(1,800)	(19,483)	(1,405)	(12)	(22,700)
Disposals	(6,946)	(24,183)	(2,675)	(348)	(34,152)
Exchange differences	(4,511)	(8,978)	(491)	(206)	(14,186)
At 31 August 2018	886,760	1,631,098	173,279	326,965	3,018,102

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

16. Property, plant and equipment (Cont'd)

Group	* Land and buildings RM'000	Plant and equipment RM'000	** Other assets RM'000	Capital work-in progress RM'000	Total RM'000
Accumulated depreciation					
At 1 September 2016, as previously stated	65,741	619,483	66,586	-	751,810
Effects of changes in accounting policy (Note 48)	-	(4,377)	-	-	(4,377)
At 1 September 2016, as restated	65,741	615,106	66,586	-	747,433
Depreciation charge for the year (Note 11 and 48)	8,786	84,759	16,103	-	109,648
Transfer to investment property (Note 18)	(3)	-	-	-	(3)
Reclassification	842	182	(1,024)	-	-
Written off	(178)	(8,367)	(657)	-	(9,202)
Disposals	(174)	(3,754)	(1,120)	-	(5,048)
Exchange differences	1,646	15,650	885	-	18,181
Adjustment on depreciation charge (Note 48)	-	(3,611)	-	-	(3,611)
At 31 August 2017/ 1 September 2017	76,660	699,965	80,773	-	857,398
Depreciation charge for the year (Note 11)	11,639	110,810	18,656	-	141,105
Reclassification	(2)	(10)	12	-	-
Written off	(312)	(13,162)	(1,201)	-	(14,675)
Disposals	(323)	(21,606)	(1,709)	-	(23,638)
Exchange differences	(848)	(5,750)	(307)	-	(6,905)
At 31 August 2018	86,814	770,247	96,224	-	953,285
Net carrying amount					
At 31 August 2017	666,598	529,026	59,426	243,436	1,498,486
At 31 August 2018	799,946	860,851	77,055	326,965	2,064,817

As at 31 August 2017, there was a government grant received of RM2,489,000 deducted in arriving at the carrying amount of plant and equipment.

** Other assets comprise motor vehicles, computer and software system, office equipment, signage, small value of assets, fire extinguisher, furniture and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

16. Property, plant and equipment (Cont'd)

*Land and buildings

	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 September 2016, as previously stated	235,379	316,004	551,383
Effects of changes in accounting policy	3,231	-	3,231
At 1 September 2016, as restated	238,610	316,004	554,614
Additions	111,154	32,381	143,535
Transfer to investment property (Note 18)	-	(292)	(292)
Reclassification	8,645	33,755	42,400
Written off	-	(229)	(229)
Disposals	(4,236)	(1,167)	(5,403)
Exchange differences	1,938	6,695	8,633
At 31 August 2017/1 September 2017	356,111	387,147	743,258
Additions	1,668	24,674	26,342
Acquisition of subsidiary companies	1,477	85,831	87,308
Reclassification	67	43,042	43,109
Written off	-	(1,800)	(1,800)
Disposals	-	(6,946)	(6,946)
Exchange differences	(848)	(3,663)	(4,511)
At 31 August 2018	358,475	528,285	886,760
Accumulated depreciation			
At 1 September 2016, as restated	-	65,741	65,741
Depreciation charge for the year	-	8,786	8,786
Transfer to investment property (Note 18)	-	(3)	(3)
Reclassification	-	842	842
Written off	-	(178)	(178)
Disposals	-	(174)	(174)
Exchange differences	-	1,646	1,646
At 31 August 2017/1 September 2017	-	76,660	76,660
Depreciation charge for the year	-	11,639	11,639
Reclassification	-	(2)	(2)
Written off	-	(312)	(312)
Disposals	-	(323)	(323)
Exchange differences	-	(848)	(848)
At 31 August 2018	-	86,814	86,814
Net carrying amount			
At 31 August 2017	356,111	310,487	666,598
At 31 August 2018	358,475	441,471	799,946

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

16. Property, plant and equipment (Cont'd)

- (a) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM459,099,000 (2017: RM479,252,000) of which RM287,000 (2017: Nil) was acquired by means of finance lease.
- (b) Property, plant and equipment of a subsidiary with the following net carrying amount is pledged to a bank for banking facility granted to the subsidiary as disclosed in Note 29.

	2018 RM'000	2017 RM'000
Freehold land	1,080	9,106
Buildings	76,003	12,682
Plant and equipment	70,726	-
Motor vehicles	122	-
	147,931	21,788

- (c) Property, plant and equipment of a subsidiary with the following net carrying amount is under finance lease arrangements as disclosed in Note 29.

	2018 RM'000	2017 RM'000
Plant and equipment	755	-
Motor vehicles	1,060	-
	1,815	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

17. Land use rights

	Group	
	2018 RM'000	2017 RM'000
Cost		
At 1 September 2017/2016	45,092	43,332
Additions	341	1,536
Acquisition of subsidiary companies	67,116	-
Disposals	(4,923)	-
Exchange differences	(347)	224
At 31 August 2018/2017	107,279	45,092
Accumulated amortisation		
At 1 September 2017/2016	4,635	3,871
Amortisation for the year (Note 11)	1,298	734
Disposals	(281)	-
Exchange differences	(48)	30
At 31 August 2018/2017	5,604	4,635
Net carrying amount	101,675	40,457
Amount to be amortised:		
- Not later than one year	1,781	754
- Later than one year but not later than five years	7,122	3,016
- Later than five years	92,772	36,687
	101,675	40,457

The net carrying amounts of land use rights pledged as securities for loans and borrowings as disclosed in Note 29 amounted to RM62,844,000 (2017: Nil).

18. Investment property

	Group	
	2018 RM'000	2017 (Restated) RM'000
Fair value of investment property (Note 40)	163,900	162,000
2018		
Freehold land and building RM'000		
Fair value		
At 1 September 2017, as previously stated		83,156
Effects of change in accounting policy (Note 48)		78,844
At 1 September 2017, as restated		162,000
Additions from subsequent expenditure		2,619
Transfer from property, plant and equipment (Note 16)		2
Net loss from fair value remeasurement (Note 11)		(721)
At 31 August 2018		163,900

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

18. Investment property (Cont'd)

2017	Freehold land and building RM'000
Fair value	
At 1 September 2016, as previously stated	82,184
Effects of change in accounting policy (Note 48)	79,816
At 1 September 2016, as restated	162,000
Additions from subsequent expenditure	2,106
Transfer from property, plant and equipment (Note 16)	990
Net loss from fair value remeasurement (Note 11)	(3,096)
At 31 August 2017	162,000

The fair value of the investment property was based on a valuation by an accredited independent qualified valuer. Valuation was based on current prices in an active market for certain properties and where appropriate, the investment method reflecting receipt of contractual rentals, expected future market rentals, current market yields, void periods, maintenance requirements and approximate capitalisation rates were used.

The following table shows the valuation technique used in the determination of fair value within Level 3, as well as the significant unobservable inputs used in the valuation model.

	Valuation technique	Significant unobservable inputs	Range 2018	2017
Land and building	Investment Method	Estimated rental value per square feet per month	RM3.70 to RM5.20	RM5.00 to RM6.00
		Term yield rate	6.5%	6.5%
		Occupancy rate	85.0%	49.0%
		Long term vacancy rate	10.0%	15.0%
		Reversionary yield rate	7.0%	7.0%

Using the discounted cash flows method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increase(decrease) in estimated rental value in isolation would result in a significantly higher/(lower) fair value of the property. Significant increases/(decreases) in the long term vacancy rate and yield rates in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



19. Investment in subsidiaries

	Company	
	2018 RM'000	2017 RM'000
Unquoted shares, at cost:		
- In Malaysia	1,020,077	831,620
Less: Accumulated impairment losses	(4,845)	(4,845)
	1,015,232	826,775
- Outside Malaysia	3,728	3,728
	1,018,960	830,503

Details of the subsidiaries are as follows:

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2018	2017	
Held by the Company:				
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
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	100	Manufacturing and trading of gloves
Eastern Press Sdn. Bhd.#	Malaysia	100	-	Printer and stationery
Top Feel Sdn. Bhd.#	Malaysia	100	-	Manufacture and sale of condoms and rubber related products
Top Glove Labuan Ltd.#	Labuan	100	-	Investment holding
Top Glove Global Sdn. Bhd.#	Malaysia	100	-	Provision of management services

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

19. Investment in subsidiaries (Cont'd)

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2018	2017	
Held through TGSB:				
Great Glove (Thailand) Co. Ltd.#	Thailand	74	74	Manufacturing and trading of gloves
Top Glove Medical (Thailand) Co. Ltd.#	Thailand	100	100	Manufacturing and trading 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 Gloves (Thailand) Co. Ltd.#	Thailand	100	100	Dormant
Top Glove Europe GmbH#	Germany	97.5	97.5	Trading of gloves
Great Glove (Xinghua) Co. Ltd.#	The People's Republic of China	100	100	Manufacturing and trading of gloves
TG Medical Suzhou Co. Ltd.#	The People's Republic of China	100	100	Trading of gloves
Top Glove International Sdn. Bhd.#	Malaysia	100	100	Research and development on gloves and rubber goods
Top Glove Properties Sdn. Bhd.#	Malaysia	100	100	Property investment
Medi-Flex Pte. Ltd. ("Medi-Flex")#	Singapore	100	100	Investment holding
BestStar Enterprise Ltd.*	The British Virgin Islands	100	100	Investment holding
Flexitech Sdn. Bhd. ("Flexitech")*	Malaysia	100	100	Manufacturing and trading of gloves
TG Porcelain Sdn. Bhd. ("TGPSB")#	Malaysia	100	100	Manufacturing of formers
TGGD Medical Clinic Sdn. Bhd. ("TGGD")#	Malaysia	75	75	Providing of clinical and specialist medical services
TG FMT Sdn. Bhd.*	Malaysia	70	70	Manufacturing and trading of chemicals
Top Glove Chemicals Sdn. Bhd.#	Malaysia	100	100	Manufacturing of chemicals and chemical compounds

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



19. Investment in subsidiaries (Cont'd)

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2018	2017	
Held through TGMSB:				
Top Healthy Fitness Sdn. Bhd.#	Malaysia	100	100	Fitness centre
Held through Great Glove (Xinghua) Co. Ltd.:				
TG Medical (Xinghua) Co. Ltd.#	The People's Republic of China	100	100	Trading of gloves
TG Medical (Putian) Co. Ltd.#	The People's Republic of China	100	100	Trading of gloves
Held through Top Care Sdn. Bhd.:				
Best Advance Resources Limited ("Best Advance")*	Malaysia	100	100	Investment holding
Green Resources Limited ("Green Resources")*	Malaysia	100	100	Investment holding
Aspion Sdn. Bhd. ("Aspion")#	Malaysia	100	-	Investment holding
Held through Top Feel Sdn. Bhd.:				
Duramedical Sdn. Bhd.#	Malaysia	85	-	Manufacturing of rubber dental dams and exercise bands
Held through Best Advance:				
PT. Topglove Indonesia ("PT Top Glove")# ^	Indonesia	100	100	Investment holding
Held through PT Top Glove:				
PT. Agro Pratama Sejahtera#	Indonesia	95	95	Plantation of rubber trees
Held through Aspion:				
Adventa Health Sdn. Bhd.#	Malaysia	100	-	Distribution of medical gloves and other hospital related products
Terang Nusa (Malaysia) Sdn. Bhd.#	Malaysia	100	-	Manufacturing and distribution of surgical and medical examination gloves
Cytotec (M) Sdn. Bhd.#	Malaysia	100	-	Generation and supply of energy and electricity using biomass technology
Purnabina Sdn. Bhd.**	Malaysia	97.2	-	Manufacturing and distribution of medical gloves

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

19. Investment in subsidiaries (Cont'd)

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2018	2017	
Held through Aspion: (Cont'd)				
Sentiex Sdn. Bhd.#	Malaysia	100	-	Manufacturing and distribution of medical and protection gloves
Terang Nusa Sdn. Bhd.#	Malaysia	100	-	Dormant
Ulma International GmbH#	Germany	100	-	Distribution of medical gloves and other hospital related products
Suizze Health Limited#	Hong Kong	100	-	Investment holding
Held through Adventa Health Sdn. Bhd.:				
Beijing Adventa Health Supplies Co. Ltd.#	China	100	-	Distribution of medical products and medical devices
Held through Suizze Health Limited:				
Kevenoll Do Brasil Produtos Medicos Hospitalares LTDA#	Brazil	100	-	Distribution of medical products and medical devices

* Audited by Ernst & Young, Malaysia

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:

	2018	2017
(i) Best Advance Resources Limited	99.9%	99.9%
(ii) Green Resources Limited	0.1%	0.1%

** The total equity interests held by the Group is 97.2% and it is held by the following subsidiaries:

	2018	2017
(i) Aspion Sdn Bhd	95.2%	-
(ii) Terang Nusa (Malaysia) Sdn. Bhd.	2.0%	-

Changes in group structure

(a) Incorporation of Top Glove Global Sdn. Bhd. ("TG Global")

On 5 September 2017, the Company incorporated TG Global, a wholly-owned subsidiary in Malaysia under the Companies Act 2016 with an issued and paid up capital of RM1.00 comprising 1 ordinary share.

(b) Incorporation of Top Glove Labuan Ltd. ("TG Labuan")

On 31 October 2017, the Company incorporated TG Labuan, a wholly-owned subsidiary in Labuan under the Labuan Companies Act 1990 with an issued and paid up capital of USD1.00 comprising 1 ordinary share.

(c) Incorporation of Top Feel Sdn. Bhd. ("Top Feel")

On 31 October 2017, the Company incorporated Top Feel, a wholly-owned subsidiary in Malaysia under the Companies Act 2016 with an issued and paid up capital of RM1.00 comprising 1 ordinary share.

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

19. Investment in subsidiaries (Cont'd)

(d) Acquisition of equity interest of NCI in Kevenoll Do Brasil Produtos Medicos Hospitalares LTDA ("Kevenoll")

On 30 May 2018, the Group completed the acquisition of the remaining 30% equity interest in Kevenoll for a purchase consideration of USD1 million and Kevenoll became a wholly-owned subsidiary of the Group.

(e) Acquisition of Eastern Press Sdn. Bhd. ("EP")

On 5 January 2018, the Company had acquired 5,000,000 ordinary shares representing 100% of the equity interest in EP for a cash consideration of RM46,250,000, resulting in the Company became the holding company of EP.

The acquired subsidiary has contributed the following results to the Group:

	RM'000
Revenue	48,145
Profit for the year	1,262

The fair values of the identifiable assets and liabilities of EP as at the date of acquisition were:

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment	32,912	33,993
Land use rights	17,100	9,887
Inventories	7,956	7,956
Trade and other receivables	20,201	20,201
Tax recoverable	81	81
Cash and bank balances	79	79
	78,329	72,197
Trade and other payables	18,553	18,553
Loans and borrowings	29,153	29,153
Provision for retirement benefits	656	656
Deferred tax liabilities	5,314	3,842
	53,676	52,204
Net identifiable assets	24,653	19,993
Group's interest in the fair value of net identifiable assets	24,653	
Total cost of acquisition	46,250	
Goodwill on acquisition - provisional (Note 23)	21,597	

The purchase price allocation for this acquisition is still incomplete as the Company is currently finalising its identification and measurement of all intangible assets and its allocated goodwill. The Company has up to 12 months to complete such allocation. Accordingly, on a provisional basis, the Company has recognised goodwill of RM21.6 million.

The effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	46,250
Cash and cash equivalents of subsidiary acquired	(79)
Net cash outflow on the acquisition	46,171

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

19. Investment in subsidiaries (Cont'd)

(f) Acquisition of Aspion Sdn. Bhd. ("Aspion")

On 4 April 2018, Top Care Sdn. Bhd. ("TCSB"), a wholly-owned subsidiary of the Company had acquired 270,850,119 ordinary shares representing the entire equity interest in Aspion for a purchase consideration of RM1,370 million. Accordingly, Aspion has become a wholly-owned subsidiary of TCSB.

Part of the purchase consideration amounting to RM1,233 million is settled in cash while the balance of RM137 million is through issuance of 20,505,000 new ordinary shares in the Company at an issue price of about RM6.6813 each ("Consideration Shares"). The Consideration Shares is listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m. on 5 April 2018.

The acquired subsidiary has contributed the following results to the Group:

	2018 RM'000
Revenue	234,229
Profit for the year	9,603

The fair values of the identifiable assets and liabilities of Aspion as at the date of acquisition were:

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment	238,740	238,740
Land use rights	49,358	49,358
Deferred tax assets	8,120	8,120
Inventories	77,739	77,739
Trade and other receivables	120,514	120,514
Derivative financial instruments	764	764
Cash and bank balances	11,789	11,789
	507,024	507,024
Trade and other payables	93,873	93,873
Loans and borrowings	279,274	279,274
Income tax payable	7,279	7,279
Deferred tax liabilities	9,826	9,826
	390,252	390,252
Net identifiable assets	116,772	116,772
Net identifiable assets	116,772	
Less: Non-controlling interests	(4,941)	
Group's interest in the fair value of net identifiable assets	111,831	
Total purchase consideration	1,370,000	
Goodwill on acquisition - provisional (Note 23)	1,258,169	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

19. Investment in subsidiaries (Cont'd)

(f) Acquisition of Aspion Sdn. Bhd. ("Aspion") (Cont'd)

	RM'000
The purchase consideration was satisfied by:	
a) Cash consideration	1,233,000
b) Issuance of 20,505,000 Consideration Shares	137,000
	1,370,000

The purchase price allocation for this acquisition is still incomplete as the Company is currently finalising its identification and measurement of all intangible assets and its allocated goodwill. The Company has up to 12 months to complete such allocation. Accordingly, on a provisional basis, the Company has recognised goodwill of RM1,258 million.

Summarised financial information for non-controlling interests of the acquired subsidiary has not been disclosed as the carrying amount of the non-controlling interests in the consolidated statement of financial position is immaterial to the Group.

The effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	1,233,000
Cash and cash equivalents of subsidiary acquired	(11,789)
Net cash outflow on the acquisition	1,221,211

(g) Acquisition of Duramedical Sdn. Bhd. ("Duramedical")

On 14 May 2018, Top Feel Sdn. Bhd. ("Top Feel"), a wholly-owned subsidiary of the Company had acquired 212,500 ordinary shares representing 85% of the equity interest in Duramedical for a cash consideration of RM3,778,000. Accordingly, Duramedical has become a subsidiary of Top Feel.

The acquired subsidiary has contributed the following results to the Group:

	2018 RM'000
Revenue	727
Profit for the year	61

The fair values of the identifiable assets and liabilities of Duramedical as at the date of acquisition were:

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment	2,507	2,217
Land use rights	658	312
Inventories	133	133
Trade and other receivables	89	89
Tax recoverable	32	32
Cash and bank balances	618	618
	4,037	3,401

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

19. Investment in subsidiaries (Cont'd)

(g) Acquisition of Duramedical Sdn. Bhd. ("Duramedical") (Cont'd)

The fair values of the identifiable assets and liabilities of Duramedical as at the date of acquisition were:
(Cont'd)

	Fair value RM'000	Carrying amount RM'000
Trade and other payables	63	63
Loans and borrowings	1,611	1,611
Deferred tax liabilities	183	30
	1,857	1,704
Net identifiable assets	2,180	1,697
Net identifiable assets	2,180	
Less: Non-controlling interests	(327)	
Group's interest in the fair value of net identifiable assets	1,853	
Total purchase consideration	3,778	
Goodwill on acquisition - provisional (Note 23)	1,925	

The purchase price allocation for this acquisition is still incomplete as the Company is currently finalising its identification and measurement of all intangible assets and its allocated goodwill. The Company has up to 12 months to complete such allocation. Accordingly, on a provisional basis, the Company has recognised goodwill of RM1.925 million.

Summarised financial information for non-controlling interests of the acquired subsidiary has not been disclosed as the carrying amount of the non-controlling interests in the consolidated statement of financial position is immaterial to the Group.

The effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	3,778
Cash and cash equivalents of subsidiary acquired	(618)
Net cash outflow on the acquisition	3,160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

20. Investment in an associate

	Group	
	2018 RM'000	2017 RM'000
Unquoted shares at cost	12,204	12,204
Share of post-acquisition reserves	(10,507)	(12,204)
	1,697	-

Details of the associate are as follows:

Name	Country of incorporation	Proportion of ownership interest (%)		Principal activities
		2018	2017	

Held through TGSB:

Value Add Sdn. Bhd.#	Malaysia	27	27	Investment holding
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Audited by firms other than Ernst & Young

The financial year end of the above associate is non-coterminous with the Group. For the purpose of applying the equity method of accounting, the latest available financial information has been used and appropriate adjustments have been made for the effects of significant transactions between the dates of the latest available financial information and financial years ended 31 August 2018 and 2017.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2018 RM'000	2017 RM'000
Assets and liabilities		
Non-current assets	215,196	214,881
Current assets	1,442	2,463
Total assets	216,638	217,344
Non-current liabilities	(190,154)	(208,920)
Current liabilities	(20,200)	(14,872)
Total liabilities	(210,354)	(223,792)
Net assets/(liabilities)	6,284	(6,448)
Results		
Revenue	15,029	22,194
Profit/(loss) for the year	12,732	(10,084)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

20. Investment in an associate (Cont'd)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates:

	Group	
	2018 RM'000	2017 RM'000
Net (liabilities)/assets of associates at 1 September 2017/2016	(6,448)	11,730
Profit/(loss) for the year	12,732	(10,084)
Disposal of investment in an associate	-	(6,439)
Dividend paid	-	(2,135)
Other comprehensive income	-	480
Net assets/(liabilities) of associates as at 31 August 2018/2017	6,284	(6,448)
Group's share of net assets	1,697	-

21. Deferred tax (assets)/liabilities

Deferred income tax as at 31 August 2018 and 2017 relates to the following:

Group	<i>Deferred tax liabilities</i>		<i>Deferred tax assets</i>	Total RM'000
	Property, plant and equipment RM'000	Others RM'000	Unabsorbed export allowance, business losses, capital and reinvestment allowances RM'000	
At 1 September 2016, as previously stated	52,272	17,300	(25,896)	43,676
Effects of changes in accounting policy (Note 48)	-	2,128	-	2,128
At 1 September 2016, as restated	52,272	19,428	(25,896)	45,804
Recognised in profit or loss, as previously stated	15,019	2,361	(9,476)	7,904
Adjustment (Note 48)	-	(155)	-	(155)
As restated	15,019	2,206	(9,476)	7,749
Exchange difference	-	23	-	23
At 31 August 2017/1 September 2017	67,291	21,657	(35,372)	53,576
Recognised in profit or loss	19,736	(3,497)	3,391	19,630
Acquisition of subsidiary companies	-	7,203	-	7,203
Exchange difference	-	(27)	-	(27)
At 31 August 2018	87,027	25,336	(31,981)	80,382

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

21. Deferred tax (assets)/liabilities (Cont'd)

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences applicable to foreign incorporated subsidiaries are pre-determined by and subject to the tax legislation of the respective countries.

Presented after appropriate offsetting as follows:

	Group	
	2018 RM'000	2017 RM'000
Deferred tax assets	(14,288)	(14,681)
Deferred tax liabilities	94,670	68,257
	80,382	53,576

Deferred tax assets have not been recognised by the Group and the Company in respect of the following items:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unutilised tax losses	5,787	17,094	1,895	1,895
Unabsorbed capital allowances	11,183	12,226	30	23
Unabsorbed reinvestment allowances	6,397	6,397	-	-
	23,367	35,717	1,925	1,918

Deferred tax assets have not been recognised by the Group and the Company in respect of these items as it is not probable that taxable profits of the Company and the subsidiaries would be available against which deductible temporary differences could be utilised.

22. Investment securities

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current				
<i>Available-for-sale financial assets</i>				
- Debt securities (quoted outside Malaysia)	106,019	125,453	-	-
<i>Financial assets at fair value through profit or loss</i>				
- Money market funds (quoted in Malaysia)	87,695	81,457	2	2,583
Total current investment securities	193,714	206,910	2	2,583
Non-current				
Unquoted investments - golf club membership	392	392	-	-
	194,106	207,302	2	2,583

Debt securities of the Group amounting to RM10,632,000 (2017: Nil) were pledged to a bank for credit facility granted to the Group as disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

23. Goodwill

Goodwill has been allocated to Cash Generating Units ("CGUs") identified as follows:

	Group	
	2018 RM'000	2017 RM'000
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	5,070
Eastern Press Sdn. Bhd. (Note 19(e))	21,597	-
Aspion Sdn. Bhd. (Note 19(f))	1,258,169	-
Duramedical Sdn. Bhd. (Note 19(g))	1,925	-
	1,304,496	22,805

Movement in goodwill:

As at 1 September 2017/2016	22,805	22,805
Acquisition of subsidiaries	1,281,691	-
As at 31 August 2018/2017	1,304,496	22,805

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 following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- (i) Growth rate for the 5 years projection is determined based on the management's estimate on the industry trends and past performances of the segments, thereafter terminal growth rate is assumed to be nil.
- (ii) A pre-tax discount rate of 7.41% (2017: 9%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on a weighted average cost of capital of the Company.

The Group is of the opinion that any reasonably possible change in the above key assumptions would not materially cause the recoverable amount of the CGU's to be lower than its carrying amount, other than the provisional goodwill of Aspion as disclosed below.

Sensitivity to changes in key assumptions

The sensitivity test indicated that changes in the discount rate used in the value-in-use calculation of Aspion Sdn. Bhd. will result in the recoverable amount to equal to the corresponding carrying amounts of the provisional goodwill and related assets, assuming no change in other variables, is as follows:

Increase in discount rate	0.6%
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

24. Inventories

	Group	
	2018 RM'000	2017 RM'000
Cost		
Raw materials	140,239	80,727
Consumables and hardware	39,041	28,257
Work-in-progress	71,742	66,325
Finished goods	247,795	121,131
	498,817	296,440
Net realisable value		
Raw materials	927	-
Work-in-progress	5,570	2,509
Finished goods	2,872	16,826
	508,186	315,775

During the year, the amount of inventories recognised as an expense of the Group amounted to RM3,368 million (2017: RM2,804 million).

25. Trade and other receivables

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade receivables				
Third parties	629,172	394,408	-	-
Less: Allowance for impairment	(3,422)	(975)	-	-
Trade receivables, net	625,750	393,433	-	-
Other receivables				
Amounts due from subsidiaries	-	-	1,992	166
Sundry receivables	11,467	14,036	8	8
Refundable deposits	8,962	11,880	-	-
	20,429	25,916	2,000	174
Total trade and other receivables	646,179	419,349	2,000	174
Total trade and other receivables	646,179	419,349	2,000	174
Add: Cash and bank balances (Note 28)	164,836	240,068	151	484
Total loans and receivables	811,015	659,417	2,151	658

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

25. Trade and other receivables (Cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2017: 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	
	2018 RM'000	2017 RM'000
Neither past due nor impaired	523,360	356,685
1 to 30 days past due not impaired	72,324	34,131
31 to 60 days past due not impaired	10,637	2,071
61 to 90 days past due not impaired	5,417	38
91 to 120 days past due not impaired	7,820	61
More than 121 days past due not impaired	6,192	447
Impaired	102,390 3,422	36,748 975
	629,172	394,408

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 are mostly 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 RM102,390,000 (2017: RM36,748,000) 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	
	2018 RM'000	2017 RM'000
Trade receivables-nominal amounts	3,422	975
Less: Allowance for impairment loss	(3,422)	(975)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

25. Trade and other receivables (Cont'd)

(a) Trade receivables (Cont'd)

Movements in the allowance accounts:

	Group	
	2018 RM'000	2017 RM'000
1 September 2017/2016	975	975
Written off	(975)	-
Acquisition of subsidiary company	3,422	-
31 August 2018/2017	3,422	975

Trade receivables that are individually determined to be impaired at the reporting date relate to a debtor that is in significant financial difficulty and has defaulted on payment. This receivable is 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.

26. Other current assets

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Prepaid operating expenses	28,698	13,502	1,024	-
Goods and service tax refundable	52,613	35,688	47	-
Advances to suppliers for raw materials	1,852	489	-	-
Advances to suppliers for property, plant and equipment	23,217	1,579	-	-
	106,380	51,258	1,071	-

27. Derivative financial instruments

	Group			
	2018 RM'000		2017 RM'000	
	Contract/ Notional Amount	Fair value Liabilities	Contract/ Notional Amount	Fair value Assets
Forward currency contracts	366,378	(856)	211,595	645

At 31 August 2018, the Group held forward currency contracts designated as hedges of expected future sales to customers and repayment of loan for which the Group has firm commitments. Forward currency contracts used to hedge the Company's sales are denominated in USD86,339,000 and EUR2,750,000 for which firm commitments existed at the reporting date, extending to January 2019 (2017: November 2017).

During the financial year, the Group recognised a loss of RM2,262,000 (2017: gain of RM829,000) in the profit or loss arising from changes in the fair value of the forward currency contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

28. Cash and bank balances

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cash on hand and at banks	159,979	230,005	151	484
Deposits with licensed banks and other financial institutions	4,857	10,063	-	-
Cash and bank balances	164,836	240,068	151	484
Less: Deposits pledged with banks with maturity of more than 3 months	(2,462)	(1,549)	-	-
Cash and cash equivalents	162,374	238,519	151	484

Cash at banks and deposits with licensed banks and other financial institutions of the Group amounting to RM2,462,000 (2017: RM1,549,000) are pledged to banks for credit facility granted to the Group as disclosed in Note 29.

The weighted average effective interest rates and maturity days of deposits with licensed banks and other financial institutions at the reporting date were as follows:

	Group	
	2018	2017
Weighted average effective interest rates (%)	2.26	1.59
Maturity days	7 days - 365 days	1 day - 357 days

29. Loans and borrowings

	Maturity	Group	
		2018 RM'000	2017 RM'000
Current			
<i>Secured:</i>			
RM Bank overdrafts	On demand	1,511	-
RM Bankers' acceptances	2018	42,714	-
Hire purchase payables (Note 39(c))	2019	725	-
USD Revolving credit	2018	98,146	-
USD Revolving loan	2019	21,441	20,988
RM Term loan	2019	2,637	-
USD Term loan	2019	90,746	267
RM Trade loan financing	2018	33,465	-
USD Trade loan financing	2018	14,446	-
		305,831	21,255
<i>Unsecured:</i>			
Thai Baht Promissory notes	2018	51,357	67,409
USD Revolving credit	2018	471,754	183,180
RM Revolving credit	2018	54,000	42,800
RM Term loan	2019	3,125	-
Less: Unamortised transaction costs		(3,492)	-
		576,744	293,389
Total current loans and borrowings		882,575	314,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

29. Loans and borrowings (Cont'd)

	Maturity	Group 2018 RM'000	2017 RM'000
Non-current			
<i>Secured:</i>			
Hire purchase payables (Note 39(c))	2020 - 2024	1,038	-
USD Revolving loan	2020 - 2021	35,674	60,666
RM Term loan	2020 - 2035	13,735	-
USD Term loan		-	1,084
		50,447	61,750
<i>Unsecured:</i>			
USD Syndicated term loan	2023	1,273,325	-
Less: Unamortised transaction costs		(5,288)	-
RM Term loan	2022	1,268,037	-
		11,875	-
		1,279,912	-
Total non-current loans and borrowings		1,330,359	61,750
Total loans and borrowings		2,212,934	376,394

The range of interest rates at the reporting date for borrowings is as follows:

	Group 2018 %	2017 %
Bank overdrafts	7.5%	Nil
Bankers' acceptances	3.9% to 8.1%	Nil
Hire purchase payables	2.5% to 5.3%	Nil
Promissory notes	1.9% to 7.1%	2.0% to 2.3%
Trade loan financing	3.2% to 4.6%	Nil
Revolving credit	1.8% to 5.6%	1.8% to 3.8%
Revolving loan	1.9% to 2.8%	1.93%
Syndicated term loan	2.7% to 3.3%	Nil
Term loan	3.4% to 5.5%	0.9% to 3.3%

The remaining maturities of the loans and borrowings as at 31 August 2018 and 2017 are as follows:

	Group 2018 RM'000	2017 RM'000
On demand or within one year	882,575	314,644
More than 1 year and less than 2 years	789,952	21,596
More than 2 years and less than 5 years	534,487	40,154
More than 5 years	5,920	-
	2,212,934	376,394

The RM bank overdrafts, RM bankers' acceptances, hire purchase payables, USD revolving credit, USD revolving loan, RM term loan, USD term loan, RM trade loan financing, USD trade loan financing of the Group and of the Company are secured by certain assets of the Group and of the Company as follows:

- (i) fixed charge over certain property, plant and equipment and land use rights as disclosed in Note 16 and 17 respectively;
- (ii) corporate guarantee from the Company as disclosed in Note 45;
- (iii) USD loan at 2.2% to 2.7% p.a. was secured by charges over debt securities of the Group as disclosed in Note 22; and
- (iv) deposits with licensed banks and other financial institutions as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

30. Trade and other payables

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade payables	275,801	233,494	-	-
<u>Other payables</u>				
Accrued operating expenses	82,067	56,546	1,499	2,488
Sundry payables	141,817	128,762	9	77
	223,884	185,308	1,508	2,565
Total trade and other payables	499,685	418,802	1,508	2,565
Add: Loans and borrowings (Note 29)	2,212,934	376,394	-	-
Total financial liabilities carried at amortised cost	2,712,619	795,196	1,508	2,565

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit term granted to the Group ranges from 30 to 90 days (2017: 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 (2017: range from 30 to 90 days).

31. Other current liabilities

These amounts represent advances received from customers for goods purchased.

32. Share capital

	Group and Company			
	2018		2017	
	Number of shares '000	Monetary value RM'000	Number of shares '000	Monetary value RM'000
Issued and fully paid				
At 1 September 2017/2016	1,256,299	636,644	1,254,812	627,406
Exercise of ESOS	3,425	11,972	1,487	3,128
Issued for acquisition of a subsidiary (Note 19(f))	20,505	137,000	-	-
Transfer from share option reserve	-	2,093	-	-
Transition to no-par value regime*	-	-	-	6,110
At 31 August 2018/2017	1,280,229	787,709	1,256,299	636,644

* The new Companies Act 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concepts of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM6,110,000 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM6,110,000 for purposes as set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



32. Share capital (Cont'd)

On 10 October 2018, the Company obtained shareholders' approval at its Extraordinary General Meeting for a bonus issue of 1,280,229,124 new ordinary shares on the basis of 1 bonus share for every 1 existing ordinary share. The bonus issue was completed on 29 October 2018.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

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

33. Share premium

This is a non-distributable reserve which arose from the issue of the Company's shares at a premium:

	Group and Company	
	2018	2017
	RM'000	RM'000
At 1 September 2017/2016	-	4,781
Issuance of ordinary shares pursuant to ESOS	-	1,051
Transfer from share option reserve	-	278
Transition to no-par value regime	-	(6,110)
At 31 August 2018/2017	-	-

34. Treasury shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in an annual general meeting held on 5 January 2017, renewed their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed in enhancing the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company transferred 93,700 treasury shares to eligible employees under employee share grant scheme at average market price of RM10.40 per share. The total transferred treasury shares net of transaction costs were RM975,000. The difference between the transferred treasury shares and the cost of the treasury shares amounted to RM561,000 was recognised in equity.

Of the total 1,280,229,000 issued and fully paid ordinary shares as at 31 August 2018, 2,071,000 are held as treasury shares by the Company. As at 31 August 2018, the number of outstanding ordinary shares in issue and fully paid is therefore 1,278,158,000 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

35. 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
Group						
At 1 September 2016	25,676	4,278	2,861	(4,307)	-	28,508
Gain on fair value changes	-	-	-	9,641	-	9,641
Transfer to profit or loss upon disposal of debt securities	-	-	-	(4,032)	-	(4,032)
Foreign currency translation	28,024	-	-	-	-	28,024
Share options granted under ESOS	-	-	578	-	-	578
Transfer from/(to) retained earnings	-	651	(593)	-	-	58
Transfer to share premium	-	-	(278)	-	-	(278)
At 31 August 2017/ 1 September 2017	53,700	4,929	2,568	1,302	-	62,499
Loss on fair value changes	-	-	-	(2,192)	(41,504)	(43,696)
Transfer to profit or loss upon disposal of debt securities	-	-	-	(273)	-	(273)
Foreign currency translation	(17,575)	-	-	-	-	(17,575)
Share options granted under ESOS	-	-	1,932	-	-	1,932
Transfer from/(to) retained earnings	-	4,235	(478)	-	-	3,757
Transfer to share capital	-	-	(2,093)	-	-	(2,093)
At 31 August 2018	36,125	9,164	1,929	(1,163)	(41,504)	4,551

	Share option reserve RM'000
Company	
At 31 August 2016/1 September 2016	2,861
Share options granted under ESOS	578
Transfer to share premium	(278)
Transfer to retained earnings	(593)
At 31 August 2017/1 September 2017	2,568
Share options granted under ESOS	1,932
Transfer to share capital	(2,093)
Transfer to retained earnings	(478)
At 31 August 2018	1,929

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



35. Other reserves (Cont'd)

(b) Legal reserve (Cont'd)

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 hedge reserve represents the effective portion of the cash flow hedge relationships incurred at the reporting date

36. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 August 2018 and 2017 under the single tier system.

37. Share based payments

(i) Employee share options scheme (“ESOS”)

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 2018 and became effective on 2 August 2018.

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 10% 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%).
- (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 vest date but before the expiry on 31 May 2028.
- (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 2018 (CONT'D)

37. Share based payments (Cont'd)

(i) Employee share options scheme ("ESOS") (Cont'd)

The terms of share options outstanding as at end of the financial year are as follows:

Grant date	Expiry date	Exercise price RM	Number of share options over the ordinary shares				As at 31.8.2018 '000
			As at 1.9.2017 '000	Granted '000	Exercised '000	Lapsed '000	
2018							
5.9.2008	1.8.2018	1.01	2.40	-	-	(2.4)	-
5.3.2009	1.8.2018	1.13	2.40	-	-	(2.4)	-
5.9.2009	1.8.2018	1.76	55.6	-	(49.6)	(6.0)	-
5.2.2010	1.8.2018	2.82	12.0	-	(12.0)	-	-
5.3.2010	1.8.2018	2.90	1,528.0	-	(1,506.8)	(21.2)	-
5.4.2010	1.8.2018	3.49	23.2	-	(23.2)	-	-
6.5.2010	1.8.2018	3.08	129.2	-	(129.2)	-	-
5.6.2010	1.8.2018	3.06	39.0	-	(39.0)	-	-
5.7.2010	1.8.2018	3.43	31.6	-	(31.6)	-	-
6.8.2010	1.8.2018	3.26	12.8	-	(12.8)	-	-
5.10.2011	1.8.2018	2.08	31.0	-	(21.4)	(9.6)	-
3.4.2013	1.8.2018	2.76	282.2	-	(262.6)	(19.6)	-
2.8.2014	1.8.2018	2.32	407.5	-	(394.1)	(13.4)	-
1.6.2017	1.8.2018	5.33	938.4	-	(938.4)	-	-
2.8.2018	31.5.2028	10.12	-	3,166.6	(4.7)	-	3,161.9
			3,495.3	3,166.6	(3,425.4)	(74.6)	3,161.9

Grant date	Expiry date	Exercise price RM	Number of share options over the ordinary shares				As at 31.8.2017 '000
			As at 1.9.2016 '000	Granted '000	Exercised '000	Lapsed '000	
2017							
5.9.2008	1.8.2018	1.01	2.4	-	-	-	2.4
5.3.2009	1.8.2018	1.13	7.2	-	(4.8)	-	2.4
5.9.2009	1.8.2018	1.76	91.8	-	(36.2)	-	55.6
5.11.2009	1.8.2018	2.06	28.0	-	(28.0)	-	(0.0)
5.2.2010	1.8.2018	2.82	12.0	-	-	-	12.0
5.3.2010	1.8.2018	2.90	2,147.7	-	(619.7)	-	1,528.0
5.4.2010	1.8.2018	3.49	27.2	-	(4.0)	-	23.2
6.5.2010	1.8.2018	3.08	131.2	-	(2.0)	-	129.2
5.6.2010	1.8.2018	3.06	97.2	-	(58.2)	-	39.0
5.7.2010	1.8.2018	3.43	32.0	-	(0.4)	-	31.6
6.8.2010	1.8.2018	3.26	20.0	-	(7.2)	-	12.8
5.10.2011	1.8.2018	2.08	100.4	-	(69.4)	-	31.0
3.4.2013	1.8.2018	2.76	521.8	-	(235.8)	(3.8)	282.2
2.8.2014	1.8.2018	2.32	746.6	-	(334.9)	(4.2)	407.5
1.6.2017	1.8.2018	5.33	-	1,024.7	(86.3)	-	938.4
			3,965.5	1,024.7	(1,486.9)	(8.0)	3,495.3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

37. Share based payments (Cont'd)

(i) Employee share options scheme ("ESOS") (Cont'd)

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
2018				
September 2017 - August 2018	1.76	5.50 - 11.56	49.6	87.3
September 2017 - August 2018	2.82	5.50 - 11.56	12.0	33.8
September 2017 - August 2018	2.90	5.50 - 11.56	1,506.8	4,369.6
September 2017 - August 2018	3.49	5.50 - 11.56	23.2	81.0
September 2017 - August 2018	3.08	5.50 - 11.56	129.2	397.9
September 2017 - August 2018	3.06	5.50 - 11.56	39.0	119.3
September 2017 - August 2018	3.43	5.50 - 11.56	31.6	108.4
September 2017 - August 2018	3.26	5.50 - 11.56	12.8	41.7
September 2017 - August 2018	2.08	5.50 - 11.56	21.4	44.5
September 2017 - August 2018	2.76	5.50 - 11.56	262.6	724.8
September 2017 - August 2018	2.32	5.50 - 11.56	394.1	914.3
September 2017 - August 2018	5.33	5.50 - 11.56	938.4	5,001.7
September 2017 - August 2018	10.12	5.50 - 11.56	4.7	47.6
			3,425.4	11,971.9
2017				
Before no-par value regime				
September 2016 - August 2017	1.76	4.26 - 8.50	5.0	8.8
September 2016 - August 2017	2.90	4.26 - 8.50	181.7	526.9
September 2016 - August 2017	3.06	4.26 - 8.50	4.0	12.2
September 2016 - August 2017	3.43	4.26 - 8.50	0.4	1.4
September 2016 - August 2017	2.08	4.26 - 8.50	18.2	37.9
September 2016 - August 2017	2.76	4.26 - 8.50	121.3	334.8
September 2016 - August 2017	2.32	4.26 - 8.50	161.8	375.4
			492.4	1,297.4
Less: Par value of ordinary shares				(246.2)
Share premium				1,051.2
After no-par value regime				
September 2016 - August 2017	1.13	4.26 - 8.50	4.8	5.4
September 2016 - August 2017	1.76	4.26 - 8.50	31.2	54.9
September 2016 - August 2017	2.06	4.26 - 8.50	28.0	57.7
September 2016 - August 2017	2.90	4.26 - 8.50	438.0	1,270.2
September 2016 - August 2017	3.49	4.26 - 8.50	4.0	14.0
September 2016 - August 2017	3.08	4.26 - 8.50	2.0	6.2
September 2016 - August 2017	3.06	4.26 - 8.50	54.2	165.9
September 2016 - August 2017	3.26	4.26 - 8.50	7.2	23.5
September 2016 - August 2017	2.08	4.26 - 8.50	51.2	106.5
September 2016 - August 2017	2.76	4.26 - 8.50	114.5	316.0
September 2016 - August 2017	2.32	4.26 - 8.50	173.1	401.6
September 2016 - August 2017	5.33	4.26 - 8.50	86.3	460.0
			994.5	2,881.9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

37. Share based payments (Cont'd)

(i) Employee share options scheme ("ESOS") (Cont'd)

Fair value of share options

The fair value of share options granted during the year were estimated by using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options granted on 2 August 2018 was estimated on the grant date using the following assumptions:

Fair value of share options (RM)	0.61
Weighted average share price (RM)	10.18
Weighted average exercise price (RM)	10.12
Expected volatility (%)	34.43
Expected life (years)	9.84
Risk free interest rate (%)	4.07
Expected dividend yield (%)	1.47

The expected life of the share 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.

(ii) Employee share grant plan ("ESGP")

The Company's ESGP is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 6 January 2016 and became effective on 12 January 2016 and is administered by the ESGP Committee.

Under the ESGP, Eligible Employees may be granted ESGP Awards comprising shares of the Company. The ESGP Awards, once accepted, will vest without any consideration payable, subject to vesting date(s) and/or vesting conditions as may be determined at the discretion of the ESGP Committee. The ESGP Committee may, at its discretion, decide that any vesting of the Company's shares comprised in an ESGP Awards shall be satisfied through:

- the issuance of new shares of the Company
- the transfer of existing shares of the Company
- settlement in cash; or
- a combination of any of the above

The main features of the ESGP are as follows:

- The aggregate number of shares of the Company which may be awarded under the ESGP and any other schemes involving issuance of new shares of the Company to employees which are still subsisting shall not exceed 10% of the issued and paid-up share capital of the Company ("Plan Size").
- Eligible persons are any employee or executive director of the Group (excluding dormant subsidiaries) who fulfills the eligibility criteria. The eligibility for participation in the ESGP shall be at the discretion of the ESGP Committee appointed by the Board of Directors.
- The number of shares comprised in each ESGP Award shall be determined at the discretion of the ESGP Committee after taking into consideration, inter alia, the performance and seniority, years of service and potential for future development of the Eligible Employee and the employee's contribution to the Group as well as such other criteria as the ESGP Committee may deem relevant.
- The aggregate number of shares that may be allocated to any one participant shall not exceed 10% of the total number of shares to be awarded under the ESGP and any other schemes involving issuance of new shares of the Company which may be implemented from time to time by the Company.
- The aggregate maximum allocation to the directors and senior management of the Group (excluding dormant subsidiaries) shall not be more than 75% of the Company's shares awarded under the ESGP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



37. Share based payments (Cont'd)

(ii) Employee share grant plan ("ESGP") (Cont'd)

The main features of the ESGP are as follows (Cont'd):

- (f) The ESGP shall be in force for a period of ten years from the effective date of implementation which is the date the last of the requisite approvals and/or conditions have been obtained and/or complied with.
- (g) The shares to be allotted and issued under the ESGP will, upon allotment and issue, rank pari passu in all respects with the existing shares of the Company, save and except that they will not be entitles to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment and issuance of the new shares.

38. 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 mutually agreed between the parties during the financial year:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Gross dividends from subsidiaries	-	-	239,030	329,505
Management fees from subsidiaries	-	-	4,912	4,310
Purchase of raw materials from related to certain directors of Company	71	22,033	-	-

(b) Compensation of key management personnel

The remuneration of executive directors and other key management personnel during the financial year were as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Salaries and other emoluments	10,276	8,853	3,208	3,123
Pension costs - defined contribution plan	896	817	302	375
Social security contributions	14	12	1	1
Share options granted under ESOS	317	191	161	41
Shares granted under ESGP	37	168	-	53
Fees	501	418	449	381
Benefits-in-kind	230	151	50	50
	12,271	10,610	4,171	4,024

39. Commitments

(a) Capital commitments

	Group	
	2018 RM'000	2017 RM'000
Property, plant and equipment:		
Approved and contracted for	186,901	113,586

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

39. Commitments (Cont'd)

(b) Operating lease arrangements

(i) Group as lessee

In addition to the land use rights disclosed in Note 17, the Group had 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	
	2018 RM'000	2017 RM'000
Future minimum rentals payments:		
Not later than 1 year	1,439	1,474
Later than 1 year and not later than 2 years	460	1,125
Later than 2 years and not later than 5 years	314	378
	2,213	2,977

(ii) Group as lessor

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2018 RM'000	2017 RM'000
Future minimum rentals payments:		
Not later than 1 year	6,079	6,040
Later than 1 year and not later than 2 years	4,548	4,846
Later than 2 years and not later than 5 years	5,519	8,107
	16,146	18,993

(c) Hire purchase payables

	Group	
	2018 RM'000	2017 RM'000
Minimum lease payments:		
Not later than 1 year	774	-
Later than 1 year but not later than 2 years	688	-
Later than 2 years but not later than 5 years	373	-
Later than 5 years	15	-
Total minimum lease payments	1,850	-
Less: Amounts representing finance charges	(87)	-
Present value of minimum lease payments	1,763	-
Present value of payments:		
Not later than 1 year	725	-
Later than 1 year but not later than 2 years	663	-
Later than 2 years but not later than 5 years	360	-
Later than 5 years	15	-
Present value of minimum lease payments	1,763	-
Less: Amount due within 12 months (Note 29)	(725)	-
Amount due after 12 months (Note 29)	1,038	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

40. Fair values

(i) Determination of fair value of financial instruments

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:

	Note
Trade and other receivables	25
Loans and borrowings (current)	29
Loans and borrowings (non-current)	29
Trade and other payables	30

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 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.

Investment securities (current)

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.

Investment property

The fair value of the investment property was based on a valuation by an accredited independent qualified value as disclosed in Note 18.

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at reporting date:

	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
Group				
As at 31 August 2018				
Current				
Assets/(liabilities) measured at fair value				
Available-for-sale financial assets	106,019	-	-	106,019
Financial assets at fair value through profit or loss	87,695	-	-	87,695
Derivative financial instruments	-	(856)	-	(856)
Non-current				
Assets measured at fair value				
Investment property (Note 18)	-	-	163,900	163,900

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

40. Fair values (Cont'd)

(ii) Fair value hierarchy (Cont'd)

	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
Group				
As at 31 August 2017				
Current				
Assets measured at fair value				
Available-for-sale financial assets	125,453	-	-	125,453
Financial assets at fair value through profit or loss	81,457	-	-	81,457
Derivative financial instruments	-	645	-	645
Non-current				
Assets measured at fair value				
Investment property (Note 18)	-	-	162,000	162,000
Company				
As at 31 August 2018				
Current				
Assets measured at fair value				
Financial assets at fair value through profit or loss	2	-	-	2
As at 31 August 2017				
Current				
Assets measured at fair value				
Financial assets at fair value through profit or loss	2,583	-	-	2,583

During the reporting period ended 31 August 2018 and 2017, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

41. Financial risk management objectives and policies

Financial liabilities comprise loans and borrowings, trade and other payables, derivative liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's and the Company's operations and to provide guarantees to support their operations. Financial assets include trade and other receivables, debt securities, derivative assets, money market funds investments and cash and short-term deposits.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management who have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

41. Financial risk management objectives and policies (Cont'd)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise interest rate risk, foreign exchange currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, cash and short term deposits, debt securities, money market funds investments and derivative financial instruments.

(b) 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 debt securities, money market funds investments, 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.

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 liabilities.

Credit risk concentration profile

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

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 25(a). 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 25(a).

(c) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

41. Financial risk management objectives and policies (Cont'd)

(c) Liquidity risk (Cont'd)

	2018			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Trade and other payables, excluding bank guarantees	499,685	-	-	499,685
Derivatives	856	-	-	856
Loans and borrowings	933,364	1,380,443	6,856	2,320,663
Total undiscounted financial liabilities	1,433,905	1,380,443	6,856	2,821,204

Company

Financial liabilities

Corporate guarantees*	1,874,167	-	-	1,874,167
Trade and other payables, excluding bank guarantees	1,508	-	-	1,508
Total undiscounted financial liabilities	1,875,675	-	-	1,875,675

	2017			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Trade and other payables, excluding bank guarantees	418,802	-	-	418,802
Loans and borrowings	322,362	63,528	-	385,890
Total undiscounted financial liabilities	741,164	63,528	-	804,692

Company

Financial liabilities

Corporate guarantees*	350,542	-	-	350,542
Trade and other payables, excluding bank guarantees	2,565	-	-	2,565
Total undiscounted financial liabilities	353,107	-	-	353,107

* Based on the maximum amount that can be called for under the corporate guarantees. No default has occurred at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



41. Financial risk management objectives and policies (Cont'd)

(d) 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 exposure to interest rate risk arises primarily from its loans and borrowings. The Group manages its interest rate exposure by maintaining a 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 points lower/higher, with all other variables held constant, the Group's profit before tax would have been RM2,196,000 (2017: RM375,000) 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.

(e) Market price risk

The Group's quoted investment securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the market price risk through diversification and by placing limits on individual and total investment in investment securities. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all investment decisions.

The Group has an Investment Committee with the objectives of reviewing, advising and ensuring that the Group's investment in debt securities is consistent with the delegated authority limit approved by the Board; and cash invested is within the risk appetite of the Group. The Investment Committee established certain criteria for current and future investment in debt securities. Any investment differing from the criteria established will require the Investment Committee's approval. The Investment Committee also aims to establish an effective investment management framework for the Group.

At the reporting date, the exposure to quoted investment securities at fair value was disclosed in Note 22.

Sensitivity analysis for market price risk

The following table demonstrates the sensitivity of the Group's debt investments to reasonably possible price movements in investments classified as available-for-sale at the reporting date:

	2018 RM'000	2017 RM'000
Group		
Debt investments - strengthened 5% (2017: 5%)	5,301	6,273
- weakened 5% (2017: 5%)	(5,301)	(6,273)

(f) 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 revenue that are denominated in a currency other than the respective functional currencies of the Group entities. These functional currencies are Malaysian Ringgit ("RM"), Thailand Baht ("Baht"), Chinese Renminbi ("RMB") and Australian Dollar ("AUD"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"), Euro and AUD. In addition, the Group has significant borrowings in USD (Note 29). Therefore, the Group is exposed to foreign currency risk. These exposures are managed, to the extent possible, by natural hedge that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

41. Financial risk management objectives and policies (Cont'd)

(f) Foreign currency risk (Cont'd)

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 (liabilities)/assets held in non-functional currency		
	USD RM'000	Euro RM'000	Total RM'000
Functional currency of Group companies			
At 31 August 2018:			
Ringgit Malaysia	(462,206)	(2,451)	(464,657)
Thailand Baht	35,893	(261)	35,632
Chinese Renminbi	20,795	-	20,795
Australian Dollars	23,827	815	24,642
	(381,691)	(1,897)	(383,588)
At 31 August 2017:			
Ringgit Malaysia	(175,598)	(193)	(175,791)
Thailand Baht	20,895	-	20,895
Chinese Renminbi	13,800	-	13,800
Australian Dollars	35,667	870	36,537
	(105,236)	677	(104,559)

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 EURO exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2018 RM'000	2017 RM'000
USD/RM - strengthened 5% (2017: 5%)	(23,110)	(8,780)
- weakened 5% (2017: 5%)	23,110	8,780
USD/Baht - strengthened 5% (2017: 5%)	1,795	1,045
- weakened 5% (2017: 5%)	(1,795)	(1,045)
USD/RMB - strengthened 5% (2017: 5%)	1,040	690
- weakened 5% (2017: 5%)	(1,040)	(690)
USD/AUD - strengthened 5% (2017: 5%)	1,191	1,783
- weakened 5% (2017: 5%)	(1,191)	(1,783)
EURO/RM - strengthened 5% (2017: 5%)	(123)	(10)
- weakened 5% (2017: 5%)	123	10
EURO/AUD - strengthened 5% (2017: 5%)	41	44
- weakened 5% (2017: 5%)	(41)	(44)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)



42. Capital management

The primary objective of the Group's and of the Company'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 and the Company manage their capital structure and make adjustments, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group and the Company 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 2018 and 2017.

As disclosed in Note 35(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 2018 and 2017.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve and the above-mentioned restricted statutory reserve fund.

	Note	Group		Company	
		2018 RM'000	2017 (Restated) RM'000	2018 RM'000	2017 RM'000
Loans and borrowings	29	2,212,934	376,394	-	-
Trade and other payables	30	499,685	418,802	1,508	2,565
Other current liabilities	31	59,248	62,292	1	1
Less: cash and cash equivalents	28	(162,374)	(238,519)	(151)	(484)
Net debt		2,609,493	618,969	1,358	2,082
Equity attributable to the owners of the parent		2,378,481	2,055,231	1,020,687	831,194
Add/(less):					
- Fair value adjustment reserve	35	1,163	(1,302)	-	-
- Legal reserve	35	(9,164)	(4,929)	-	-
Total capital		2,370,480	2,049,000	1,020,687	831,194
Capital and net debt		4,979,973	2,667,969	1,022,045	833,276
Gearing ratio		52.40%	23.20%	0.13%	0.25%

43. Segment information

For management purposes, the Group is organised into business units based on their geographical areas, and has five 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 the normal course of business and have been established on negotiated and mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

43. Segment information (Cont'd)

31 August 2018	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	The British Virgin Islands RM'000	Others RM'000	Eliminations RM'000	Note	Consolidated RM'000
Revenue								
External sales	3,514,891	390,050	176,748	-	132,793	-		4,214,482
Inter-segment sales	66,983	354,082	2,094	-	-	(423,159)	A	-
Total revenue	3,581,874	744,132	178,842	-	132,793	(423,159)		4,214,482
Results								
Interest income	10,618	107	129	4,315	-	(2,913)		12,256
Depreciation and amortisation	117,655	17,973	5,751	-	1,024	-		142,403
Segment profit/(loss)	514,212	66,403	27,881	5,927	(52,204)	(33,624)	B	528,595
Assets								
Additions to non-current assets	439,382	16,264	5,944	-	469	-	C	462,059
Segment assets	3,339,728	333,264	89,802	113,913	73,372	1,320,481	D	5,270,560
Liabilities								
Segment liabilities	1,366,564	102,211	20,417	11,878	1,272,372	103,350	E	2,876,792
Other segment information								
Capital commitments	181,716	4,687	498	-	-	-		186,901
31 August 2017								
Revenue								
External sales	2,844,069	290,662	118,471	-	155,974	-		3,409,176
Inter-segment sales	69,891	398,026	1,655	-	-	(469,572)	A	-
Total revenue	2,913,960	688,688	120,126	-	155,974	(469,572)		3,409,176
Results								
Interest income	11,576	84	45	12,031	-	(6,504)		17,232
Depreciation and amortisation	83,985	16,698	5,021	-	1,067	-		106,771
Segment profit/(loss)	319,250	40,921	13,487	13,451	5,228	(7,294)	B	385,043

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

43. Segment information (Cont'd)

31 August 2017	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	The British Virgin Islands RM'000	Others RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets								
Additions to non-current assets	430,922	45,874	6,085	-	13	-	C	482,894
Segment assets	2,349,621	307,700	77,506	151,098	66,766	37,486	D	2,990,177
Liabilities								
Segment liabilities	717,253	108,365	22,630	-	9,240	68,257	E	925,745
Other segment information								
Capital commitments	109,067	4,132	387	-	-	-		113,586

A Inter-segment revenues are eliminated on consolidation.

B The following items are (deducted from)/added to segment profit to arrive at profit before tax presented in the consolidated income statement.

	2018 RM'000	2017 RM'000
Share of results of associates	1,697	(980)
Finance costs	(35,321)	(6,314)
	(33,624)	(7,294)

C Additions to non-current assets consist of:

	2018 RM'000	2017 RM'000
Property, plant and equipment	459,099	479,252
Land used rights	341	1,536
Investment property	2,619	2,106
	462,059	482,894

D The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2018 RM'000	2017 RM'000
Deferred tax assets (Note 21)	14,288	14,681
Investments in associates (Note 20)	1,697	-
Goodwill (Note 23)	1,304,496	22,805
	1,320,481	37,486

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

43. Segment information (Cont'd)

- E The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2018 RM'000	2017 RM'000
Deferred tax liabilities (Note 21)	94,670	68,257

44. Dividends

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Recognised during the financial year:				
Dividends on ordinary shares:				
- Final tax exempt single tier dividend of 8.5 sen per share on 1,255,159,000 ordinary shares, and paid on 25 January 2018	106,691	-	106,691	-
- First tax exempt interim single tier dividend of 7 sen per share on 1,277,926,000 ordinary shares, and paid on 17 July 2018	89,454	-	89,454	-
- Final tax exempt single tier dividend of 8.5 sen per share on 1,252,987,000 ordinary shares, and paid on 23 January 2017	-	106,508	-	106,508
- First tax exempt interim single tier dividend of 6 sen per share on 1,253,938,000 ordinary shares, and paid on 17 July 2017	-	75,221	-	75,246
	196,145	181,729	196,145	181,754

At the forthcoming Annual General Meeting, a single tier final dividend of 5 sen per share on 2,556,316,000 ordinary shares amounting to RM127,817,000 in respect of the financial year ended 31 August 2018 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 2019.

Dividends received by the ESGP Trusts amounting to RM186 (2017: RM25,000) for the Group is eliminated against the dividend expense of the Company upon consolidation of the ESGP Trusts as disclosed in Note 4.9(d).

45. Financial guarantees

A nominal amount of RM1,874,167,000 (2017: RM350,542,000) relating to corporate guarantees has been provided by the Company to banks for its subsidiaries' loans and borrowings.

As at reporting date, no values are ascribed on these guarantees and letter of undertaking provided by the Company to secure banking facilities described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

46. Material litigation

The Company and its wholly-owned subsidiary, Top Care Sdn Bhd ("Top Care") have taken the following legal proceedings:

- (i) Writ action in the Kuala Lumpur High Court, against Low Chin Guan, Wong Chin Toh ACPL Sdn Bhd ("ACPL") and Kwek Siew Leng ("Kwek") (collectively, the "Defendants") ("Writ Action").
- (ii) Arbitration proceedings at the Singapore International Arbitration Centre, against Adventa Capital Pte. Ltd. ("Adventa Capital") ("Singapore Arbitration")

The Writ Action and the Singapore Arbitration pertain to the Sale and Purchase Agreement entered into by the Company and Top Care on 12 January 2018 for Top Care's purchase of all issued shares in Aspion Sdn Bhd from Adventa Capital for RM1.37 billion ("the SPA").

The claim is RM640,470,000 as damages suffered by reason of the fraudulent misrepresentations made by Adventa Capital, Wong and Low to induce the Company and Top Care to enter into the SPA at RM1.37 billion as well as conspiracy by Adventa Capital, Wong, Low and Kwek to defraud the Company and Top Care. ACPL is named by reason of it having received RM72.3 million out of the RM1.37 billion purchase price. The Company and Top Care have elected to affirm the SPA and claim for damages.

In the Singapore Arbitration, Adventa Capital is counterclaiming against the Company and Top Care for inter alia the following:

- (i) Losses suffered as a result of the Company's and Top Care's breach of the SPA by Adventa Capital a notice of breach under the SPA; and
- (ii) Losses suffered by Adventa Capital as a result of Low's removal from the Management of Aspion.

In aid of the Writ Action and Singapore Arbitration, the Company and Top Care had applied for:

- (i) A Mareva application in the Writ Action against Wong, Low and ACPL to restrain them from disposing their assets up to RM640,470,000. The hearing for the Mareva was fixed for hearing from 29 to 31 October 2018 and 2 November 2018. In the meantime, an ad interim injunction was allowed by the KL High Court.
- (ii) A Mareva Injunction application was filed against Adventa Capital ACPL to restrain it from disposing its assets up to RM640,470,000. The hearing for the Mareva was fixed for hearing from 29 to 31 October 2018 and 2 November 2018. In the meantime, an ad interim injunction was allowed by the KL High Court.
- (iii) A Mareva Injunction application in the Singapore High Court was also filed to restrain Adventa Capital from disposing its assets worldwide (save for Malaysia) up to the value of RM640,470,000. The Singapore High Court granted the Singapore Mareva Injunction. The hearing for the Mareva will continue from 29 to 30 November 2018 and 8 March 2019.

On 13 July 2018, Adventa Capital filed an application to set aside the Singapore Mareva Injunction ("Singapore Set Aside Application"). The Singapore Mareva Injunction and the Singapore Set Aside Application was part heard on 23 August 2018 by the Singapore High Court and will continue on 29 November 2018, 30 November 2018 and 8 March 2019. Further, the Company and Top Care had on 14 August 2018 filed an application to file further affidavits in respect of Adventa Capital's application to set aside the company's and Top Care's Mareva order in the Singapore OS ("the Leave Application"). The Leave Application will also be heard on 29 November 2018, 30 November 2018 and 8 March 2019.

The Writ Action and the Singapore Arbitration are on-going and our solicitors are of the view that the Company and Top Care have even chance of success in our claims. In the event that the Company and Top Care do not succeed in the claims under the Writ Action, Singapore Arbitration and fail to obtain the Injunctions, the Company and Top Care would be exposed to costs and damages for the Writ Action, Singapore Arbitration and the Mareva Injunctions that may be awarded to the Defendants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONT'D)

47. Subsequent events

- (i) On 10 October 2018, the Company obtained shareholders' approval at its Extraordinary General Meeting ("EGM") for a bonus issue of 1,280,229,124 new ordinary shares on the basis of 1 bonus share for every 1 existing ordinary share. The bonus issue was completed on 29 October 2018.
- (ii) The outstanding corporate proposals which have been approved by shareholders at EGM held on 10 October 2018 are as follows:
 - a) Proposed issuance of guaranteed exchangeable bonds with an aggregate principal amount of up to USD300 million; and
 - b) Proposed amendment to the constitution of Top Glove.

48. Comparative figures

Effective 1 September 2018, the Group adopted the policy to state its investment property at fair value. Previously, investment property was stated at cost.

The effect of the change in accounting policies is accounted for retrospectively. As a result of adopting this changes in accounting policies, fair value gains have been made to the opening retained earnings of the Group.

The following comparative figures have been restated arising from the effects of change in accounting policies:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Group			
Statement of financial position			
As at 1 September 2016			
Property, plant and equipment	1,156,767	(27,830)	1,128,937
Investment property	82,184	79,816	162,000
Deferred tax liabilities	50,757	2,128	52,885
Retained earnings	1,167,057	49,858	1,216,915
As at 31 August 2017			
Property, plant and equipment	1,523,406	(24,920)	1,498,486
Investment property	83,156	78,844	162,000
Deferred tax liabilities	66,284	1,973	68,257
Retained earnings	1,313,876	51,951	1,365,827
Statement of profit or loss			
For the financial year ended 31 August 2017			
Administrative and general expenses	(195,390)	1,938	(193,452)
Income tax expense	(54,669)	155	(54,514)
Statement of cash flows			
For the financial year ended 31 August 2017			
Operating activities			
Profit before tax	383,105	1,938	385,043
Net loss from fair value remeasurement	-	3,096	3,096
Depreciation:			
- Property, plant and equipment	109,648	(3,611)	106,037
- Investment property	1,423	(1,423)	-

49. Authorisation of financial statements for issue

The financial statements for the year ended 31 August 2018 were authorised for issue in accordance with a resolution of the directors on 31 October 2018.

LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	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 31.8.2018 (RM'000)
A) TOP GLOVE SDN BHD							
1)	No.18, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15256, PT 8368, Mukim Kapar, Daerah Klang, Selangor.	23/10/1997 (A)	20	Freehold	Terrace house/ Accommodation for staff 1,300 square feet/ 1,100 square feet	93
2)	No.36, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15297, PT 8411, Mukim Kapar, Daerah Klang, Selangor.	13/02/1998 (A)	20	Freehold	Terrace house/ Accommodation for staff 1,300 square feet/ 1,100 square feet	38
3)	No.11, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15238, PT 8349, HS (M) 15238, PT 8445, Mukim Kapar, Daerah Klang, Selangor.	15/09/1997 (A)	20	Freehold	Terrace house/ Accommodation for staff 1,300 square feet/ 1,100 square feet	87
4)	Lot 4968, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	EMR 6629, Lot 4968, Mukim Kapar, Daerah Klang, Selangor.	13/10/1993 (A)	24	Freehold	Factory/Glove manufacturing 3 acres/66,980 square feet	5,188
5)	Lot 5136, 6 th Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 3057, Lot 5136, Mukim Kapar, Daerah Klang, Selangor.	15/08/2014 (A)	N/A	Freehold	Vacant 1.8843 hectares	12,529
6)	No.23, Jalan Seri Kenangan 8, Taman Meru 3, Meru, 41050 Klang, Selangor.	HS (M) 10314, PT 15442, Mukim Kapar, Daerah Klang, Selangor.	23/05/1996 (A)	22	Freehold	Terrace house/ Accommodation for staff 1,608 square feet/ 1,350 square feet	70
7)	No.22, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15304, PT 8419, Mukim Kapar, Daerah Klang, Selangor.	15/09/1997 (A)	20	Freehold	Terrace house/ Accommodation for staff 1,300 square feet/ 1,100 square feet	93
8)	Lot 5987, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	EMR 8780, Lot 5987, Mukim Kapar, Daerah Klang, Selangor.	11/07/2000 (A)	18	Freehold	Factory/Glove manufacturing 2.8 acres/57,250 square feet	5,107
9)	Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 2143, Lot 4969, Mukim Kapar, Daerah Klang, Selangor.	11/10/2000 (A)	17	Freehold	Factory/Office building 3 acres/41,274 square feet	7,375
10)	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	22/11/1999 (A)	18	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	9,665
11)	No.3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25 & 27, Taman Mutiara, Tasek, 31400 Ipoh, Perak.	Lot 375847 - 375859 Tasek Mutiara, 31400 Ipoh, Perak.	02/11/2007 (A)	10	Freehold	Terrace house/ Accommodation for worker 1,400 square feet/ 1,625 square feet	1,711
12)	No.29, Jalan Abadi 1, Taman Daya Meru, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 13955, Lot 31151, Mukim Kapar, Daerah Klang, Selangor.	05/12/2013 (A)	4	Freehold	Terrace house/ Accommodation for staff 139 square meter	129
13)	Lot 12, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	PN 1308, Lot 56530, Mukim Hulu Kinta, Daerah Kinta, Perak.	04/02/2010 (A)	8	Leasehold (Expiring on: 05.04.2066)	Factory/Office building 213,889 square feet/ 131,576 square feet	6,413
14)	Lot 5094 & 5977, Mukim Kapar, Daerah Klang, 41050 Klang, Selangor.	GM 4326, Lot 5094 & 5977 Mukim Kapar, 4 ½ Mile Sungai Binjai Road	26/01/2018 (A)	N/A	Freehold	Factory/ Water Process and Supply 1.794 acres	5,485
15)	Plot 7, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	HS (D) 889/68, Lot 927, Mukim Hulu Kinta, Daerah Kinta, Perak.	05/07/2011 (A)	7	Leasehold (Expiring on: 02.05.2067)	Factory/Glove manufacturing 80,937 square feet/ 48,352 square feet	2,749

LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)
16)	Lot 4960, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 2326, Lot 4960, Mukim Kapar, Daerah Klang, Selangor.	24/09/2003 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/58,240 square feet	7,194
17)	Lot 4970, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 38148, PT Nos. 63271, Mukim Kapar, Daerah Klang, Selangor.	20/11/2003 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/67,924 square feet	5,824
18)	Lot 4967, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor	GM 5584, Lot 4967, Mukim Kapar, Daerah Klang, Selangor.	19/03/2004 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/58,240 square feet	6,762
19)	No.21, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15324, PT 8441, HS (M) 15242, PT 8353, Mukim Kapar,	12/05/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	96
20)	No.37, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 18522, PT 24689, Mukim Kapar, Daerah Klang, Selangor.	12/05/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	110
21)	No.26, Jalan Abadi 10A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	HS (M) 26112, PT 39636, Mukim Kapar, Daerah Klang, Selangor.	21/03/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	117
22)	No.21, Jalan Sesenduk 20, Off Taman Meru Jaya, 41050 Klang, Selangor.	GM 7798, Lot 37307, Mukim Kapar, Daerah Klang, Selangor.	13/05/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	117
23)	No.23, Jalan Sesenduk 20, Off Taman Meru Jaya, 41050 Klang, Selangor.	GM 7797, Lot 37306, Mukim Kapar, Daerah Klang, Selangor.	13/05/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	117
24)	No.27, Lorong Tempinis 1, Pekan Meru, 42200 Klang, Selangor.	HS (M) 3773, PT 1286 & HS (M) 3685, PT 1285, Mukim Kapar, Daerah Klang, Selangor.	25/05/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	95
25)	No.57, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7330, Lot 43375, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	117
26)	No.51, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7327, Lot 43372, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	117
27)	No.67, Jalan Sesenduk 6, Taman Meru Utama, 41050 Klang, Selangor.	GM 7311, Lot 43353, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	110
28)	No.65, Jalan Sesenduk 6, Taman Meru Utama, 41050 Klang, Selangor.	GM 7310, Lot 43352, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	13	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	110
29)	Lot 4947, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 5101, Lot 4947, Mukim Kapar, Daerah Klang, Selangor.	23/11/2004 (A)	13	Freehold	Factory/Glove manufacturing	3 acres/58,240 square feet	9,815

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)	
30)	No.1, 3, 5 & 7, Jalan Abadi 1A/KU8, No.1 - 8, Jalan Abadi 1B/KU8, No.1, 3, 5 & 7, Jalan Abadi 1C/KU8, No.60, 62, 64, 66, 67, 69, 71, 73, 75 & 77, Jalan Abadi 4/KU8, No.49, 51, 53, 55, 57, 59, 62, 64, 66, 68, 70 & 72, Jalan Abadi 5/KU8, No.46, 48, 50, 52, 54 & 56, Jalan Abadi 6/KU8, Taman Daya Maju, 41050 Klang, Selangor.	HS (M) 10598 - 10601, PT 49525 - 49528, HS (M) 10605 - 28476, PT 40356 - 40363, HS (M) 28477 - 28480 & 28484, PT 40367 - 40370 & 40374, HS (M) 28481 - 28483 & 28486 - 28491, PT 40371 - 40373 & 40376 - 40381, HS (M) 28492 - 28497 & 28499 - 28504, PT 40382 - 40387 & 40389 - 40394, HS (M) 28505 - 28510, PT 40395 - 40400, Mukim Kapar, Daerah Klang, Selangor.	29/04/2006 (A)	12	Freehold	Terrace house/ Accommodation for staff	70,995 square feet	5,501
31)	No.41, Jalan Abadi 3, Taman Daya Meru, 41050 Klang, Selangor.	HS (M) 18218, PT 24467, Mukim Kapar, Daerah Klang, Selangor.	02/12/2005 (A)	12	Freehold	Terrace house/ Accommodation for staff	1,098 square feet	90
32)	No.25, Jalan Sesenduk 20, Taman Meru Jaya, 41050 Klang, Selangor.	GM 7799, Lot 37308, Mukim Kapar, Daerah Klang, Selangor.	31/07/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	135
33)	No.7, Lorong Abadi 2, Batu 5½, Off Jalan Meru, Taman Daya Meru, 41050 Klang, Selangor.	GM 16575, Lot 31111, Batu 6, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	04/12/2009 (A)	8	Freehold	Terrace house/ Accommodation for staff	111 square meter	101
34)	No.20, Jalan Sesenduk 19, Taman Meru Jaya, 41050 Klang, Selangor.	GM 7804, Lot 37313, Batu 6½, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	08/02/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	111 square meter	133
35)	No.31, Jalan Mempari 12, Taman Bayu, Batu 5, Jalan Meru, 41050 Klang, Selangor.	GM 14268, Lot 38295 & HS (M) 15348, PT 8466, Batu 6, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	11/03/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	97
36)	No.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.	GM 7790, 7789, 7788, 7787, 7786, 7785, 7784, 7783, 7782, 7781, 7780, 7779, 7778, 7777, 7776, 7774, 7773, 7772, 7771, Lot 37299, 37298, 37297, 37296, 37295, 37294, 37293, 37292, 37291, 37290, 37289, 37288, 37287, 37286, 37285, 37283, 37282, 37281, 37280, Mukim Kapar, Daerah Klang, Selangor.	05/02/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	190 square meter/ unit	3,098
37)	No.47, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	GM 7295, Lot 43337, Mukim Kapar, Daerah Klang, Selangor.	13/08/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	141
38)	No.46, Jalan Sesenduk 7, Taman Meru Utama, Off Jalan Meru, 41050 Klang, Selangor.	GM 12533, Lot 33910, Mukim Kapar, Daerah Klang, Selangor.	31/07/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	132

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)	
39)	No.1, Jalan Sesenduk 3C, Taman Meru Utama 5, 41050 Klang, Selangor.	GM 15282, Lot 45058, Mukim Kapar, Tempat Batu 5½, Jalan Sungai Binjai, Daerah Klang, Selangor.	27/05/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	261 square meter	230
40)	No.69, Jalan Sesenduk 6, No.57, Jalan Sesenduk 7, & No.59, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7312, 7300, 7331, Lot 43354, 43342, 43376, Mukim Kapar, Tempat Batu 5, Jalan Sungai Binjai, Daerah Klang, Selangor.	25/01/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	133 square meter 193 square meter 133 square meter	287
41)	No.9, 11, 17 & 21, Jalan Sesenduk 3, No.3, Jalan Sesenduk 3C, Taman Meru Utama 55, 41050 Klang, Selangor.	GM 15247, 15246, 15244, 15242, 15265, Lot 45023, 45022, 45020, 45018, 45041, Mukim Kapar, Tempat Batu 5, Jalan Sungai Binjai, Daerah Klang, Selangor.	21/04/2010 (A)	8	Freehold	Terrace house/ Accommodation for staff	No.9 - 21: 110 square meter/unit No.3: 127 square meter/unit	126
42)	Lot 4908, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	EMR 6605, Lot 4908, Mukim Kapar, Daerah Klang, Selangor.	08/07/1997 (A)	21	Freehold	Terrace house/ Accommodation for staff	3 acres/54,140 square feet	1,867
43)	Lot 4988, 5½ Miles, Sungai Binjai Road, 41050 Klang, Selangor.	GM 1584, Lot 4988, Mukim Kapar, Daerah Klang, Selangor.	10/10/2005 (A)	12	Freehold	Factory/Glove manufacturing	3 acres/12,141 square meter	9,024
44)	Lot 4989, Mukim Kapar, 41050 Klang, Selangor.	GM 703, Lot 4989, Mukim Kapar, Daerah Klang, Selangor.	10/10/2005 (A)	12	Freehold	Factory/Glove manufacturing	3 acres/12,267 square meter	8,636
45)	Lot 4986, Batu 5, Jalan Sungai Binjai, Mukim Kapar, 41050 Klang, Selangor.	GM 1102, Lot 4986, Mukim Kapar, Daerah Klang, Selangor.	24/02/2006 (A)	12	Freehold	Factory/Glove manufacturing	3 acres/12,141 square meter	8,083
46)	Lot 4987, 5 th Miles, Sungai Binjai Road, Mukim Kapar, 41050 Klang, Selangor.	GM 2619, Lot 4987, Mukim Kapar, Daerah Klang, Selangor.	24/05/2006 (A)	12	Freehold	Factory/Glove manufacturing	3 acres/12,141 square meter	8,870
47)	Lot 4990, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 5116, Lot 4990, Mukim Kapar, Daerah Klang, Selangor.	05/03/2007 (A)	11	Freehold	Factory/Glove manufacturing	3 acres/12,267 square meter	8,777
48)	Lot 4946, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 2574, Lot 4946, Mukim Kapar, Daerah Klang, Selangor.	14/01/2008 (A)	N/A	Freehold	Vacant	3 acres	2,718
49)	Lot 4949, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 1728, Lot 4949, Mukim Kapar, Daerah Klang, Selangor.	18/01/2008 (A)	N/A	Freehold	Vacant	3 acres	3,072
50)	Lot 4962, 5 th Miles, Sungai Binjai Road, Mukim Kapar, 41050 Klang, Selangor.	GM 5100, Lot 4962, Mukim Kapar, Daerah Klang, Selangor.	05/09/2008 (A)	N/A	Freehold	Vacant	3 acres	3,535
51)	Lot 5094, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4326, Lot 5094, Mukim Kapar, Daerah Klang, Selangor.	03/10/2008 (A)	N/A	Freehold	Vacant	3 acres 5 pole	2,532
52)	Lot 5977 & 5975, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4436 & 4437, Lot 5977 & 5975, Mukim Kapar, Daerah Klang, Selangor.	03/10/2008 (A)	N/A	Freehold	Vacant	1.794 & 0.068 acres	1,531

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)	
53)	Lot 4941, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2082, Lot 4941, Mukim Kapar, Daerah Klang, Selangor.	01/06/2009 (A)	N/A	Freehold	Vacant	3 acres	1,698
54)	Lot 5139, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5863, Lot 5139, Mukim Kapar, Daerah Klang, Selangor.	07/09/2009 (A)	N/A	Freehold	Vacant	4 acres 2 road 25 pole	6,083
55)	Lot 5140, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 1657, Lot 5140, Mukim Kapar, Daerah Klang, Selangor.	30/11/2009 (A)	N/A	Freehold	Vacant	4 acres 3 road	6,085
56)	Lot 4985, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2321, Lot 4985, Mukim Kapar, Daerah Klang, Selangor.	18/06/2010 (A)	1	Freehold	Factory/Glove manufacturing	3 acres	4,233
57)	Lot 4956, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2580, Lot 4956, Mukim Kapar, Daerah Klang, Selangor.	19/11/2010 (A)	1	Freehold	Terrace house/ Accommodation for worker	1.2141 hectares	17,239
58)	Lot 5013, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 153, Lot 5013, Mukim Kapar, Daerah Klang, Selangor.	15/07/2011 (A)	N/A	Freehold	Vacant	1.2141 hectares	5
59)	Lot 5991, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5591, Lot 5991, Mukim Kapar, Daerah Klang, Selangor.	30/09/2010 (A)	N/A	Freehold	Vacant	1.1331 hectares	3,288
60)	HS (D) 129441, PT 62956, Jalan Bukit Kapar, 41050 Klang, Selangor.	HS (D) 129441, PT 62956, Mukim Kapar, Daerah Klang, Selangor.	28/02/2011 (A)	N/A	Freehold	Vacant	131,730 square meter	14,288
61)	No.22, Jalan Sesenduk 19, Taman Meru Utama, 41050 Klang, Selangor.	GM 7805, Lot 37314, Mukim Kapar, Daerah Klang, Selangor.	03/09/2010 (A)	7	Freehold	Terrace house/ Accommodation for staff	111 square meter	124
62)	No.55, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	GM 7299, Lot 43341, Mukim Kapar, Daerah Klang, Selangor.	29/10/2010 (A)	7	Freehold	Terrace house/ Accommodation for staff	121 square meter	141
63)	No.15, Jalan Abadi 10B/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 8996, Lot 48112, Mukim Kapar, Daerah Klang, Selangor.	30/10/2010 (A)	7	Freehold	Terrace house/ Accommodation for staff	109 square meter	128
64)	Lot 4953, 5 th Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2645, Lot 4953, Mukim Kapar, Daerah Klang, Selangor.	27/02/2014 (A)	N/A	Freehold	Vacant	1.2141 hectares	9,291
65)	Lot 5105, 4½ Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5076, Lot 5105, Mukim Kapar, Daerah Klang, Selangor.	19/11/2013 (A)	N/A	Freehold	Vacant	4.344 acres/ 1.7579 hectares	13,840
66)	No.25, Jalan Mempari 9, Taman Bayu, 41050 Klang, Selangor.	GM 13014, Lot 307, Seksyen 1, 6 th Miles, Sungai Binjai Road, Pekan Meru, Daerah Klang, Selangor.	15/12/2010 (A)	7	Freehold	Terrace house/ Accommodation for staff	109 square meter	124
67)	No.22, Jalan Sesenduk 4, Taman Meru Utama, 41050 Klang, Selangor.	GM 13456, Lot 33926, Mukim Kapar, Daerah Klang, Selangor.	30/12/2010 (A)	7	Freehold	Terrace house/ Accommodation for staff	190 square meter	125
68)	No.26, Jalan Mempari 1, Taman Bayu, 41050 Klang, Selangor.	GM 8479, Lot 38225, Seksyen 1, Mukim Kapar, Daerah Klang, Selangor.	31/12/2010 (A)	7	Freehold	Terrace house/ Accommodation for staff	121 square meter	94

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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 31.8.2018 (RM'000)	
69)	No.30, Jalan Abadi 5, Taman Daya Maju, 41050 Klang, Selangor.	Lot 31191, Mukim Kapar, Daerah Klang, Selangor.	12/05/2011 (A)	7	Freehold	Terrace house/ Accommodation for staff	82 square meter	104
70)	No.42, Jalan Mempari 10, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 14219, Lot 38256, Seksyen 1, Pekan Meru, Daerah Klang, Selangor.	07/09/2011 (A)	6	Freehold	Terrace house/ Accommodation for staff	121 square meter	107
71)	No.60, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 14210, Lot 38247, Seksyen 1, Pekan Meru, Daerah Klang, Selangor.	01/11/2011 (A)	6	Freehold	Terrace house/ Accommodation for staff	121 square meter	109
72)	No.58, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 8463, Lot 38208, Seksyen 1, Pekan Meru, Daerah Klang, Selangor.	15/11/2011 (A)	6	Freehold	Terrace house/ Accommodation for staff	121 square meter	101
73)	Lot 5002, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 10245, Lot 5002, (Lot 23552), Mukim Kapar, Daerah Klang, Selangor.	29/09/2015 (A)	2	Freehold	Factory	10,891 square meter	11,223
74)	No.64, Jalan Sesenduk 7, Off Jalan Meru, 41050 Klang, Selangor.	GM 7303, Lot 43345, Mukim Kapar, Daerah Klang, Selangor.	25/02/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	121 square meter	150
75)	No.21, Jalan Abadi 5, Taman Saujana Meru, 41050 Klang, Selangor.	GM 16595, Lot 31142, Mukim Kapar, Daerah Klang, Selangor.	21/03/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	121 square meter	84
76)	No.25, Jalan Abadi, 10D/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 9497, Lot 48131, Mukim Kapar, Daerah Klang, Selangor.	22/06/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	145 square meter	162
77)	No.47, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17487, Lot 59975, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	146
78)	No.43, Jalan Abadi 1A/KU8, Taman Daya Maju, Batu 6½, Off Jalan Meru, 41050 Klang, Selangor.	GM 17485, Lot 59973, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
79)	No.45, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17486, Lot 59974, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
80)	No.49, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17488, Lot 59976, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
81)	No.51, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17489, Lot 59977, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
82)	No.53, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17490, Lot 59978, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
83)	No.55, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17491, Lot 59979, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
84)	No.57, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17492, Lot 59980, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)	
85)	No.59, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17493, Lot 59981, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
86)	No.61, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17494, Lot 59982, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
87)	No.63, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17495, Lot 59983, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
88)	No.65, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17496, Lot 59984, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
89)	No.67, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17497, Lot 59985, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
90)	No.69, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17498, Lot 59986, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
91)	No.71, Jalan Abadi 1A/KU8, Taman Daya Maju, Batu 6½, 41050 Klang, Selangor.	GM 17499, Lot 59987, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	6	Freehold	Terrace house/ Accommodation for staff	130 square meter	147
92)	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 59640, Mukim Bukit Raja, Daerah Petaling, Selangor.	01/02/2012 (A)	6	Freehold	Building	920.77 square meter	3,117
93)	No.6, Lorong Abadi 3, Pekan Meru, Taman Saujana Meru, 41050 Klang, Selangor.	HS (M) 20392, PT 25898, Mukim Kapar, Daerah Klang, Selangor.	30/10/2012 (A)	5	Freehold	Terrace house/ Accommodation for staff	111.483 square meter	112
94)	No.24, Lorong Hamzah Alang 77B, Off Jalan Kapar Batu 9½, Taman Jaya, 42200 Kapar, Selangor.	HS (D) 35605, PT 19713.	28/09/2012 (A)	5	Freehold	Terrace house/ Accommodation for staff	120.75 square meter	104
95)	No.40, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15228, PT 8339, Mukim Kapar, Daerah Klang, Selangor.	12/10/2012 (A)	5	Freehold	Terrace house/ Accommodation for staff	121 square meter	112
96)	No.28, Jalan Mempari 12, 5 th Miles, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15355, PT 8473, Mukim Kapar, Daerah Klang, Selangor.	04/02/2013 (A)	5	Freehold	Terrace house/ Accommodation for staff	105 square meter	94
97)	Lot 4981, 5 th Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5117, Lot 4981, Mukim Kapar, Daerah Klang, Selangor.	06/06/2013 (A)	N/A	Freehold	Vacant	1.2141 hectares	5,255
98)	Lot 4982, 5 th Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4325, Lot 4982, Mukim Kapar, Daerah Klang, Selangor.	01/01/2013 (A)	N/A	Freehold	Vacant	1.2141 hectares	4,722
99)	Lot 4983, 5 th Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 593, Lot 4983, Mukim Kapar, Daerah Klang, Selangor.	01/01/2013 (A)	1	Freehold	Factory/Glove manufacturing	1.2141 hectares	24,507
100)	Lot 4984, 5 th Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2445, Lot 4984, Mukim Kapar, Daerah Klang, Selangor.	01/01/2013 (A)	1	Freehold	Factory/Glove manufacturing	1.2141 hectares	24,716

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)
101)	Lot 4991, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 39325, PT 64593, Mukim Kapar, Daerah Klang, Selangor.	19/10/2004 (A)	13	Freehold	Factory/Glove manufacturing	4.3 acres 3,242
102)	Unit C-34-07, Phase 2D02, Trefoil, Level 34, Tower C, Seksyen U13, Jalan Setia Dagang, AH U13/AH, Setia Alam, 40170 Shah Alam, Selangor.	GRN 308223, Lot 61049, Daerah Petaling, Selangor.	05/01/2016 (A)	2	Freehold	Strata office	45.1 square meter 268
103)	Unit C-34-08, Phase 2D02, Trefoil, Level 34, Tower C, Seksyen U13, Jalan Setia Dagang, AH U13/AH, Setia Alam, 40170 Shah Alam, Selangor.	GRN 308223, Lot 61049, Daerah Petaling, Selangor.	16/12/2015 (A)	2	Freehold	Strata office	45.1 square meter 268
104)	Lot 5090, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 2361, Lot 5090, Mukim Kapar, Daerah Klang, Selangor.	01/12/2016 (A)	1	Freehold	Factory/Glove manufacturing	12,104.55 square meter 12,962
105)	Lot 4961, Tempat Batu 5, Jalan Binjai, 41050 Klang, Selangor.	GM 525, Lot 4961, Mukim Kapar, Daerah Klang, Selangor.	17/09/2008 (A)	9	Freehold	Factory/Glove manufacturing	3 acres 3,663
B) TG MEDICAL SDN BHD							
1)	Lot 5091, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	GM 3989, Lot 5091, 4½ Miles, Sungai Binjai Road, Mukim Kapar, Daerah Klang, Selangor.	25/10/1995 (A)	22	Freehold	Factory/Glove manufacturing	3 acres/ 68,490 square feet 6,328
2)	No.19, Jalan Mempari 11, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15241, PT 8352, HS (M) 15325, PT 8442, Batu 6, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	08/05/1998 (A)	20	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet 85
3)	Lot 5972 & 5974, Jalan Teratai, Batu 5, Jalan Meru, 41050 Klang, Selangor.	GM 4098 & 4099, Lot 5972 & 5974, 4½ Miles, Sungai Benjai Road, Mukim Kapar, Daerah Klang, Selangor.	01/07/1999 (A)	19	Freehold	Factory/Glove manufacturing	Approx 1.7935 acres/ 47,200 square feet 3,205
4)	Lot 5104, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	GM 5064, Lot 5104, 12½ Miles, Sungai Berinai Road, Mukim Kapar, Daerah Klang, Selangor.	29/03/2004 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/ 54,600 square feet 6,632
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. No.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12, Jalan Abadi 10B/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor. No.85, 87, 89, 91, 93 & 95, Jalan Abadi 1/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.	HS (M) 33205 - HS (M) 33252, PT 50423 - PT 50470, Mukim Kapar, Daerah Klang, Selangor.	12/07/2007 (A)	11	Freehold	Terrace house/ Accommodation for staff and worker	Approx 108.85 square meter/unit 6,173

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)	
6)	Lot 5975, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4437, Lot 5975, Mukim Kapar, Daerah Klang, Selangor.	03/10/2008 (A)	N/A	Freehold	Vacant	0.0275 hectares	201
7)	Lot 6472, Lorong Sungai Puloh/KU6, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor.	GRN 52371, Lot 6472, Mukim Kapar, Daerah of Klang, Selangor.	01/03/2017 (A)	N/A	Freehold	Land	34,499 square meter	13
8)	Lot 5105, 4½ Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5076, Lot 5105, Mukim Kapar, Daerah Klang, Selangor.	19/11/2013 (A)	N/A	Freehold	Vacant	4.344 acres/ 1.7579 hectares	128
C) TOP GLOVE ENGINEERING SDN BHD								
1)	GRN 285705, Lot 213, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285705, Lot 213, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	18/04/1996 (A)	N/A	Freehold	Land	3.39 acres/13,716 square meter	1,738
2)	GRN 285706, Lot 214, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285706, Lot 214, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	18/04/1996 (A)	N/A	Freehold	Land	3.39 acres/13,711 square meter	1,736
3)	GRN 285707, Lot 215, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285707, Lot 215, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	18/04/1996 (A)	N/A	Freehold	Land	3.39 acres/13,708 square meter	1,736
4)	GRN 285708, Lot 216, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285708, Lot 216, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	12/06/2012 (A)	N/A	Freehold	Land	19.83 acres	8,304
5)	GRN 285709, Lot 217, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285709, Lot 217, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	12/06/2012 (A)	N/A	Freehold	Land	7.91 acres	3,305
6)	GRN 285710, Lot 218, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285710, Lot 218, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	12/06/2012 (A)	N/A	Freehold	Land	6.77 acres	2,831
7)	No.13, Jalan Setia Wawasan, U13/35D, Bandar Setia Alam, 40170 Shah Alam, Selangor.	HS (D) 291299, PT 32070, Mukim Bukit Raja, Daerah Petaling, Selangor.	05/01/2017 (A)	1	Freehold	Bungalow/ Accommodation for staff	397 square meter	1,756
8)	No.11, Jalan Setia Wawasan, U13/35D, Bandar Setia Alam, 40170 Shah Alam, Selangor.	HS (D) 291298, PT 32069, Mukim Bukit Raja, Daerah Petaling, Selangor.	05/01/2017 (A)	1	Freehold	Bungalow/ Accommodation for staff	397 square meter	1,764

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)	
D) TOP GLOVE MEDICAL (THAILAND) CO., LTD.								
1)	188, Moo 5, Karnchanawanich Road, Tambon Samnakkham, Sadao, Songkhla 90320, Thailand.	60199, 60200, 60201 & 60202, Tambon Samnakkham, Sadao, Songkhla 90320, Thailand.	28/02/2003 (A) 28/02/2003 (A)	15 15	Freehold Freehold	Land Factory/Office building	15.8 acres 9,504 square meter	2,700 (Thai Baht 21,507) 6,244 (Thai Baht 49,737)
		28/02/2003 (A)	15	Freehold	Accommodation for worker	1,200 square meter	1,425 (Thai Baht 11,355)	
		01/12/2011 (A)	6	Freehold	Factory building	5,134.5 square meter	3,201 (Thai Baht 25,499)	
		01/12/2011 (A)	6	Freehold	Accommodation for worker	882 square meter	1,274 (Thai Baht 10,147)	
2)	Title Deed No.39553 Moo.5 Pruteaw Karnchanawanich Road, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Title Deed No. 39553 Moo.5 Pruteaw Karnchanawanich Road, Tambon Samnakkham, Ampur Sadao, Songkhla 90320 Thailand.	03/03/2005 (A)	N/A	Freehold	Pond	Approx 2.8 acres	716 (Thai Baht 5,702)
3)	Nor. Sor. 3 Kor No.637 & 638, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Nor. Sor. 3 Kor No. 637 & 638, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	16/11/2010 (A)	N/A	Freehold	Land	Approx 32 acres	6,174 (Thai Baht 49,178)
4)	Title Deed No.38237 & 38236, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Title Deed No. 38237 & 38236, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	01/12/2016 (A)	N/A	Freehold	Land	Approx 21 acres	6,566 (Thai Baht 52,305)
E) TG MEDICAL (U.S.A.), INC.								
1)	165 - 167 North Aspan, Avenue, Azusa, CA 91702, USA.	Assessor's ID #8615 018 010	31/03/2005 (A)	13	Freehold	Warehouse/ Office building	25,878 square feet	8,562 (USD 2,085)
2)	153 - 155 North Aspan, Avenue, Azusa, CA 91702, USA.	Assessor's ID #8615 018 011	31/07/2013 (A)	5	Freehold	Warehouse/ Office building	25,950 square feet	12,022 (USD 2,927)
F) TOP GLOVE TECHNOLOGY (THAILAND) CO., LTD.								
1)	188, Moo 5, Tambol Pangla, Ampur Sadao, Songkhla 90170, Thailand.	Channod No.52538, 52539 & 52540, Tambol Pangla, Ampur Sadao, Songkhla, Thailand.	23/02/2006 (A)	12	Freehold	Factory/Office building	Approx 40.4 acres/47,816.68 square meter	17,131 (Thai Baht 136,462)
G) GREAT GLOVE (XING HUA) CO., LTD.								
1)	South Wei Wu Lu, Xinghua Economic Development Region, Xinghua City, Jiangsu Province, China.	South Wei Wu Lu, Zhao Yang Zheng, Xinghua City, China.	13/10/2005 (A)	12	Leasehold (Expiring on: 04.09.2056)	Factory/ Office building, Industrial usage	112,234.48 square meter/ 30,646.96 square meter	14,498 (RMB 24,112)
2)	No.20, Tian Shui Yuan Tian Shui Hua Ting, Xinghua Economic Development Region, Xinghua City, Jiangsu Province, China.	South Wei Wu Lu, Zhao Yang Zheng, Xinghua City, China.	31/07/2007 (A)	11	Leasehold (Expiring on: 15.01.2074)	Accommodation for staff	153.1 square meter/ 342.23 square meter	446 (RMB 742)

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)
H) B TECH INDUSTRY CO., LTD.								
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	01/08/2006(A)	12	Freehold	Factory/Office building	Approx 44,718 square meter/ 8,754 square meter	6,408 (Thai Baht 51,046)
		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	21/08/2009 (A)	9	Freehold	Waste water pond	Approx 18.64 acres	
I) FLEXITECH SDN BHD								
1)	Lot 127, Jalan 6, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5735, PT 4065, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	15/09/2005 (A)	12	Leasehold (Expiring on: 26.09.2087)	Accommodation for worker	Approx 11,735.87 square meter/ 6,826 square meter	3,913
2)	Lot 128, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5719, PT 4049, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	02/08/2005 (A)	13	Leasehold (Expiring on: 26.09.2087)	Production/ Warehouse	Approx 11,735.87 square meter/ 6,183 square meter	11,106
3)	Lot 124, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5721, PT 4051, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	08/01/2009 (A)	9	Leasehold (Expiring on: 26.09.2087)	Production/Office building	Approx 12,140.56 square meter/ 10,172 square meter	7,383
4)	Lot 126, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5720, PT 4050, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	08/01/2009 (A)	9	Leasehold (Expiring on: 26.09.2087)	Production/Office building	Approx 12,140.56 square meter/ 6,813 square meter	5,134
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.	29/04/2013(A)	5	Freehold	Accommodation for staff	Approx 130 square meter	206
6)	No.7, Jalan Emas 28, Bandar Sungai Emas, 42700 Banting, Selangor.	GRN 108817, Lot 628, Seksyen 5, Pekan Sungai Manggis, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	19/06/2013(A)	5	Freehold	Accommodation for staff	Approx 130 square meter	217
J) TOP QUALITY GLOVE SDN BHD								
1)	Lot 2604, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47717, Lot 2604, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 1.9526 hectares/4 acres 3 rood 12.0 pole	2,040
2)	Lot 2605, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47718, Lot 2605, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 2.031 hectares/5 acres 0 rood 03.0 pole	2,122
3)	Lot 2615, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47724, Lot 2615, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 1.7376 hectares/4 acres 1 rood 07.0 pole	1,815
4)	Lot 2616, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47725, Lot 2616, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 2.0942 hectares/5 acres 0 rood 28.0 pole	2,189

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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 31.8.2018 (RM'000)
5)	Lot 4961, Tempat Batu 5, Jalan Binjai, 41050 Klang, Selangor.	GM 525, Lot 4961, Mukim Kapar, Daerah Klang, Selangor.	17/09/2008 (A)	9	Freehold	Factory/Glove manufacturing	3 acres 8,353
6)	Lot 5135, Jalan Dahlia, Off Jalan Meru, 41050 Klang, Selangor.	GM 5061, Lot 5135, Mukim Kapar, Daerah Klang, Selangor.	10/07/2014 (A)	N/A	Freehold	Vacant	Approx 4.656 acres/ 202,827 square feet 13,462
7)	Lot 5144 & 5145, 6 th Miles, Sungei Binjai Road, 41050 Klang, Selangor.	GM 2306 & 5605, Lot 5144 & 5145, Mukim Kapar, Daerah Klang, Selangor.	28/12/2016 (A)	N/A	Freehold	Vacant	Approx Lot 5144: 202,824.364 square feet Lot 5145: 201,468.0994 square feet 33,556
8)	Lot 4977 & 4978, Jalan Dahlia, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 40486, PT 67437, Lot 4977 & 4978, Mukim Kapar, Daerah Klang, Selangor.	01/12/2016 (A) 01/12/2016 (A)	1 1	Freehold Freehold	Land Factory/Building	5.45 acres/ 2.21 hectares Double storey office building 8,874 square feet with 2 single storey warehouse 83,087 square feet 18,526 7,105
9)	Lot 4962, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 5100, Lot 4962, Mukim Kapar, Daerah Klang, Selangor.	26/03/2016 (A)	N/A	Freehold	Vacant	3 acres 98
10)	Lot 4941, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2082, Lot 4941, Mukim Kapar, Daerah Klang, Selangor.	20/05/2016 (A)	N/A	Freehold	Vacant	3 acres 6
11)	Lot 6472, Lorong Sg Puloh / KU6, Kawasan Perindustrian Sungai Puloh, 42100 Klang	GM 52371, Lot 6472, Mukim Kapar, Daerah Klang, Selangor.	10/07/2018 (A)	N/A	Freehold	Land	Approx. 34499 square meters 17,856
K) GMP MEDICARE SDN BHD							
1)	Lot 4991, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 39325, PT64593, Mukim Kapar, Daerah Klang, Selangor.	01/08/2013 (A)	5	Freehold	Factory/Glove manufacturing	75,669 square feet 13,521
2)	Lot 2431, Mukim Port Dickson, Sendayan, 71100 Siliu, Port Dickson, Negeri Sembilan.	Lot 11558, (Baki Lot 2431, PA 50813) Mukim Port Dickson, Daerah Port Dickson, Negeri Sembilan.	06/12/2012 (A)	Phase 1 - 19 years Phase 2 - 13 years	Freehold	Factory/Glove manufacturing	16.7 acres/22,000 square meter 26,344
3)	Lot 4985, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2321, Lot 4985, Mukim Kapar, Daerah Klang, Selangor.	18/06/2010 (A)	8	Freehold	Factory/Glove manufacturing	3 acres 9,971
4)	Lot 3726, Kawasan Perindustrian Nilai, Mukim Setul, Daerah Seremban, 71800 Nilai, Negeri Sembilan.	GRN 164813, Lot 8196, Mukim Setul, Daerah Seremban, Negeri Sembilan.	14/08/2017 (A)	N/A	Freehold	Land	Approx 4.326 acres 19,752
5)	Lot 3726, Kawasan Perindustrian Nilai, Mukim Setul, Daerah Seremban, 71800 Nilai, Negeri Sembilan.	Lot 3726, Kawasan Perindustrian Nilai, Mukim Setul Daerah Seremban, 71800 Nilai, Negeri Sembilan.	14/08/2017 (A)	1	Freehold	Factory/Glove manufacturing	Approx 14,256 square meter/153,450 square meter 6,547
6)	Lot 6021, Kawasan Perindustrian Bukit Bakri, 84200 Muar, Johor.	PN 9632, Lot 8728, Mukim Jalan Bakri, Muar, Johor.	14/08/2017 (A)	N/A	Leasehold (Expiring on: 29.12.2094)	Land	7,752 square meter 1,742
7)	Lot 6021, Kawasan Perindustrian Bukit Bakri, 84200 Muar, Johor.	PN 9632, Lot 8728, Mukim Jalan Bakri, Muar, Johor.	14/08/2017 (A)	1	Leasehold (Expiring on: 29.12.2094)	Factory/Glove manufacturing	Approx 7,808.82 square meter/83,860 square feet 4,218

LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)
L) TOP GLOVE PROPERTIES SDN BHD							
1)	No.16, Persiaran Setia Dagang, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.	HS (D) 277347, PT 29363, Mukim Bukit Raja, Daerah Petaling, Selangor.	21/09/2011 (A)	6	Freehold	Office Tower	2 acres 163,900
2)	No.18, Persiaran Setia Dagang, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.	HS (D) 293019, PT 32307, Mukim Bukit Raja, Daerah Petaling, Selangor.	07/05/2015 (A)	N/A	Freehold	Vacant	6,070.30 square meter 20,830
M) PT AGRO PRATAMA SEJAHTERA							
1)	The City Tower, 12 th Floor 1N, JL. MH Thamrin No.81, Jakarta Pusat 10310, Indonesia.	Bangka Belitung Province	01/10/2012 (A)	5	Leasehold (Expiring on: 18.03.2071)	Industrial Forest Plantation Including Planting and Tapping of Rubber Trees	30,773 hectares 21,474
N) TG PORCELAIN SDN BHD							
1)	Lot 4946, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 2574, Lot 4946, Mukim Kapar, Daerah Klang, Selangor.	01/05/2018 (A)	N/A	Freehold	Factory/Former Manufacturing	4,878.63 square feet 6,407
O) ASPION GROUP							
1)	Lot E4(3) [PT 4093], No. 2, Jalan 8, Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan.	Lot No 5052, Mukim Panchor, Daerah Kota Bharu, Kelantan.	05/04/2018 (A)	15	Leasehold (Expiring on: 15.02.2063)	Land	2.184 hectares 2,494
			05/04/2018 (A)	13		Factory/Office	9,496.09 square meter 4,791
2)	PLO 9 & 18, Jalan Mahsuri 1, 7.5km, Jalan Mersing, Kawasan Perindustrian Kluang, 86007 Kluang, Johor.	PTD 84462, Mukim Kluang, Daerah Kluang, Johor.	05/04/2018 (A)	10	Leasehold (Expiring on: 28.08.2053)	Land	2.2781 hectares 2,368
			05/04/2018 (A)	7		Factory Building	12,225.98 square meter 18,754
3)	Lot E4(4) [PT 4094], Jalan 8, Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan.	Lot No 5053, Mukim Panchor, Daerah Kota Bharu, Kelantan.	05/04/2018 (A)	15	Leasehold (Expiring on: 15.02.2063)	Land	2.341 hectares 2,532
			05/04/2018 (A)	10		Factory Building	14,604.21 square meter 5,834
4)	Lot E4(6) & Lot E4(7) [PT 4092 & PT 4091], Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan.	Lot No 5050, 5051, Mukim Panchor, Daerah Kota Bharu, Kelantan.	05/04/2018 (A)	15	Leasehold (Expiring on: 15.02.2063)	Land/Biomass plant	Lot 5050: 2.640 hectares Lot 5051: 2.366 hectares 5,423
			05/04/2018 (A)	12		Factory/Warehouse	10,546.36 square meter 5,977
			05/04/2018 (A)	4		Freehold	Office building/Warehouse
5)	PLO 5, Jalan Mahsuri 1, KM 7.5, Jalan Mersing, Kawasan Perindustrian Kluang, 86007 Kluang, Johor.	Lot PTD 38818, No. HS(D) 23914, Mukim of Kluang, Daerah Kluang, Johor .	05/04/2018 (A)	29	Leasehold (Expiring on: 01.10.2049)	Factory/Glove manufacturing	3 acres/ 7,515.14 square meter 3,863
6)	PLO 5, Jalan Mahsuri 1, KM 7.5, Jalan Mersing, Kawasan Perindustrian Kluang, 86007 Kluang, Johor.	Lot PTD 26427, No. HS(D) 25436, Mukim of Kluang, Daerah Kluang, Johor.	05/04/2018 (A)	12	Leasehold (Expiring on: 07.11.2050)	Factory/Glove manufacturing	3.206 acres/ 8,929.41 square meter 7,268
7)	Lot 366, GM 2547, Mukim of Kluang, Daerah Kluang, Johor.	GM 2547, Mukim of Kluang, Daerah Kluang, Johor.	05/04/2018 (A)	NA	Freehold	Agricultural land	1.467 hectares 363
8)	Lot 7, Jalan Hi Tech 12, Kulim Hi Tech Park (Phase 3), 09090 Kulim, Kedah.	Lot 7 (PT2487), Kulim Hi-Tech Park, Bandar Kulim, Daerah Kulim, Kedah Darul Aman.	05/04/2018 (A)	5	Freehold	Land	2,252,052 square feet 33,866
						Factory	1,316,383 square feet 29,971

LIST OF PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (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 31.8.2018 (RM'000)
9)	Rua Ricardo Georg, No 1.115 Itoupava Central - CEP 89.069-100 Blumenau - Santa Catarina, Brasil.	CEP 89.069-100 Blumenau - Santa Catarina, Brasil.	05/04/2018 (A)	5	Leasehold (Expiring on: 30.09.2018)	Office building/ Warehouse 1,300 square meter	65
P) DURAMEDICAL SDN BHD							
1)	No. 39 Jalan Utarid U5/27, Bandar Pingiran Subang, Seksyen U5, 40150 Shah Alam, Selangor.	PN 18556 Lot No.41047, Mukim of Sungai Buloh, Petaling, Selangor.	14/05/2018 (A)	8	Leasehold (Expiring on: 11.12.2096)	Land shop 279 square meter	2,409
2)	No. 32 Jalan Meru Indah 20, Taman Perindustrian Meru Indah, Off Persiaran Hamzah Alang, 42200 Klang, Selangor Darul Ehsan.	GRN 54893, Lot No. 34096, Mukim Kapar, Klang, Selangor.	14/05/2018 (A)	3	Freehold	One and half storey Semi-Detached Factory 836 square meter	572
Q) GREAT GLOVE (THAILAND) CO., LTD.							
1)	180/3 Moo.7, Srisonthon Rd., T.Srisonthon, A.Thalang, Phuket 83110 Thailand.	180/3 Moo.7, Srisonthon Rd., T.Srisonthon, A.Thalang, Phuket 83110 Thailand.	28/02/2006 (A)	12	Freehold	Building Block A 3,832 square meter	3,227 (Thai Baht 25,703)
			01/10/2016 (A)	1	Freehold	Building Block B 4,616 square meter	12,279 (Thai Baht 97,811)
R) TG FMT SDN BHD							
1)	Lot 4987, Jalan Bunga Raya, Batu 6 Off Jalan Meru, 41050 Klang, Selangor D.E.	Block B, Lot 4987, Jalan Bunga Raya, Batu 6 Off Jalan Meru, 41050 Klang, Selangor D.E.	01/06/2017 (A)	1	Freehold	Building 24,400 square feet	3,569
S) EASTERN PRESS SDN BHD							
1)	Lot 1, Jalan Paku 16/6, 40000 Shah Alam.	HS (D) 167430 Lot 1, Mukim Damansara, Petaling Jaya, Selangor.	05/01/2018 (A)	4	Leasehold (Expiring on: 03.04.2068)	Production use 3,121.44 square meter	5,323
2)	Lot 3, Jalan Paku 16/6, 40000 Shah Alam.	Q.T. R. 4248 L.O.No Lot 3, Jalan Paku 2/6, Mukim Damansara, District Klang.	05/01/2018 (A)	28	Leasehold (Expiring on: 03.04.2068)	Production use 1,774.39 square meter	5,096
3)	Lot 5, Jalan Paku 16/6, 40000 Shah Alam.	Kawasan Kilang Berderet Seksyen 16, Shah Alam, Selangor.	05/01/2018 (A)	31	Leasehold (Expiring on: 03.04.2068)	Production use 1,774.39 square meter	4,152
4)	Lot 13 & Lot 15, Jalan Paku 2/6, 40000 Shah Alam.	Q.T. R. 4253 & 4254, Jalan Paku 2/6, Mukim of Damansara, District Klang.	05/01/2018 (A)	22	Leasehold (Expiring on: 15.01.2068)	Production use Lot 13: 2,707.41 square meter	7,703
				22		Production use Lot 15: 2,856.16 square meter	
5)	Unit B2-602 Block 2, Pangsapuri Anggerik Indah, Jalan Sempadan 16/7, Seksyen 16, 40200 Shah Alam, Selangor.	Lot 10970, Section 16, Shah Alam / Petaling / Pajakan Negeri 110147 Apartment.	05/01/2018 (A)	20	Leasehold (Expiring on: 01.03.2099)	Workers apartment 823 square feet	63
6)	Unit B2-604 Block 2, Pangsapuri Anggerik Indah, Jalan Sempadan 16/7, Seksyen 16, 40200 Shah Alam, Selangor.	Lot 10970, Section 16, Shah Alam / Petaling / Pajakan Negeri 110147 Apartment	05/01/2018 (A)	20	Leasehold (Expiring on: 01.03.2099)	Workers apartment 740 square feet	70

ANALYSIS OF SHAREHOLDINGS

AS AT 29 OCTOBER 2018

Share Capital

Total Issued Share : 2,560,458,248 Ordinary Shares
Types of Shares : Ordinary Share
Voting Rights : One (1) vote per Ordinary Share on a poll

1. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders [^]	% [^]	No. of Holdings [^]	% [^]
1 to 99	168	1.08	3,726	0.00
100 to 1,000	4,000	25.75	2,314,778	0.09
1,001 to 10,000	8,225	52.96	33,771,828	1.32
10,001 to 100,000	2,318	14.92	70,239,266	2.75
100,001 to 127,815,841 (less than 5% of Issued Shares)	820	5.28	2,304,346,476	90.14
127,815,842 (5% of Issued Shares) and above	1	0.01	145,640,774	5.70
Total	15,532	100.00	2,556,316,848	100.00

Note:

[^] Excluding Treasury Shares

2. SUBSTANTIAL SHAREHOLDERS

The Substantial Shareholders of the Company based on the Register of Substantial Shareholders of the Company and their respective shareholdings are as follows:

No.	Name of Substantial Shareholders	No. of Ordinary Shares Held			
		Direct	% [^]	Indirect	% [^]
1.	Tan Sri Dr <u>Lim</u> Wee Chai	739,829,552	28.941	174,443,216 *	6.824
2.	Puan Sri Tong Siew Bee	7,230,392	0.283	907,042,376 **	35.482
3.	Lim Hooi Sin	38,563,648	1.509	875,675,120 ***	34.255
4.	Lim Jin Feng	34,000	0.001	875,675,120 ***	34.255
5.	Firstway United Corp	128,615,176	5.031	-	-
6.	Employees Provident Fund Board	155,707,474	6.091	-	-
7.	Kumpulan Wang Persaraan (Diperbadankan)	130,801,200	5.117	12,557,766	0.491

Note:

[^] Calculated based on 2,556,316,848 Ordinary Shares (issued share capital of 2,560,458,248 Ordinary Shares less Treasury Shares of 4,141,400)

* Deemed interested through Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin, Mr. Lim Jin Feng and Firstway United Corp's direct interest in Top Glove

** Deemed interested through Tan Sri Dr Lim Wee Chai, Mr. Lim Hooi Sin, Mr. Lim Jin Feng and Firstway United Corp's direct interest in Top Glove

*** Deemed interested through Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee and their direct interest in Firstway United Corp

ANALYSIS OF SHAREHOLDINGS

AS AT 29 OCTOBER 2018 (CONT'D)

3. DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of Top Glove based on the Register of Directors' Shareholdings and/or Record of Depositors are as follows:

No.	Name of Directors	No. of Ordinary Shares Held			
		Direct	% [^]	Indirect	% [^]
1.	Tan Sri Dr <u>Lim</u> Wee Chai	739,829,552	28.941	174,443,216*	6.824
2.	Tan Sri Dato' Seri Utama Arshad Bin Ayub	1,600,000	0.063	-	-
3.	Tan Sri Rainer Althoff	-	-	-	-
4.	Dato' Lee Kim Meow	973,600	0.038	40,000**	0.002
5.	Puan Sri Tong Siew Bee	7,230,392	0.283	907,042,376***	35.482
6.	Lim Hooi Sin	38,563,648	1.509	875,675,120****	34.255
7.	Lim Cheong Guan	297,600	0.012	-	-
8.	Dato' Lim Han Boon	-	-	-	-
9.	Datuk Noripah Binti Kamso	-	-	-	-
10.	Sharmila Sekarajasekaran	10,000,000	0.391	-	-
11.	Tay Seong Chee, Simon	-	-	-	-
12.	Datuk Dr. Norma Mansor	-	-	-	-

Note:

[^] Calculated based on 2,556,316,848 Ordinary Shares (issued share capital of 2,560,458,248 Ordinary Shares less Treasury Shares of 4,141,400)

* Deemed interested through Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin, Mr. Lim Jin Feng and Firstway United Corp's direct interest in Top Glove

** Deemed interested through his wife, Datin Chung Lee Moy

*** Deemed interested through Tan Sri Dr Lim Wee Chai, Mr. Lim Hooi Sin, Mr. Lim Jin Feng and Firstway United Corp's direct interest in Top Glove

**** Deemed interested through Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee and their direct interest in Firstway United Corp

The Directors' Share Options held under the Employees' Share Option Scheme of the Company based on the Register of Directors' Shareholding are as follows:

No.	Name of Directors	No. of Options Held	
		Direct	Indirect
1.	Tan Sri Dr <u>Lim</u> Wee Chai	370,000	77,800*
2.	Tan Sri Dato' Seri Utama Arshad Bin Ayub	-	-
3.	Tan Sri Rainer Althoff	-	-
4.	Dato' Lee Kim Meow	122,000	-
5.	Puan Sri Tong Siew Bee	18,200	429,600**
6.	Lim Hooi Sin	49,200	388,200***
7.	Lim Cheong Guan	108,800	-
8.	Dato' Lim Han Boon	-	-
9.	Datuk Noripah Binti Kamso	-	-
10.	Sharmila Sekarajasekaran	-	-
11.	Tay Seong Chee, Simon	-	-
12.	Datuk Dr. Norma Mansor	-	-

Note:

* Deemed interested through Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin and Mr. Lim Jin Feng's options held in Top Glove

** Deemed interested through Tan Sri Dr Lim Wee Chai, Mr. Lim Hooi Sin and Mr. Lim Jin Feng's options held in Top Glove

*** Deemed interested through Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee's options held in Top Glove

ANALYSIS OF SHAREHOLDINGS

AS AT 29 OCTOBER 2018 (CONT'D)

4. THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Names	Shareholdings	% [^]
1.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	145,640,774	5.70
2.	Kumpulan Wang Persaraan (Diperbadankan)	125,840,000	4.92
3.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Bank of Singapore Limited for Tan Sri Dr <u>Lim</u> Wee Chai	105,600,000	4.13
4.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Dr <u>Lim</u> Wee Chai	77,000,000	3.01
5.	UOBM Nominees (Tempatan) Sdn. Bhd. - United Overseas Bank Nominees (Pte) Ltd for Tan Sri Dr <u>Lim</u> Wee Chai	76,000,000	2.97
6.	CIMSEC Nominees (Asing) Sdn. Bhd. - CIMB Bank for Firstway United Corp	72,615,176	2.84
7.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Dr <u>Lim</u> Wee Chai	62,500,000	2.44
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Tan Sri Dr <u>Lim</u> Wee Chai	61,800,000	2.42
9.	Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Trustees Berhad for Public Regular Savings Fund	61,538,200	2.41
10.	Cartaban Nominees (Tempatan) Sdn. Bhd. - Standard Chartered Bank Singapore Branch (Private Bank) for Tan Sri Dr <u>Lim</u> Wee Chai	56,000,000	2.19
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. - UBS AG Singapore for Tan Sri Dr <u>Lim</u> Wee Chai	55,000,000	2.15
12.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account - DBS Bank Ltd for Tan Sri Dr <u>Lim</u> Wee Chai	50,000,000	1.96
13.	MFP Capital Corporation	44,900,000	1.76
14.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. - Exempt an for Bank of Singapore Limited	44,024,000	1.72
15.	RHB Capital Nominees (Asing) Sdn. Bhd. - Pledged securities account for Firstway United Corp (RHB Bank (L) Ltd.)	44,000,000	1.72
16.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for the Central Depository (Pte) Limited	41,436,400	1.62
17.	HSBC Nominees (Tempatan) Sdn. Bhd. - Pledged securities account - HBAP SG for Tan Sri Dr <u>Lim</u> Wee Chai	38,000,000	1.49
18.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. - State Street Australia Fund Remi for Retail Employees Superannuation Trust	32,163,280	1.26
19.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for State Street Bank & Trust Company (West CLT OD67)	31,516,000	1.23
20.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt an for Citibank New York (Norges Bank 9)	29,855,636	1.17
21.	Citigroup Nominees (Asing) Sdn. Bhd. - CBHK for Hostplus Pooled Superannuation Trust (Northcape Cap)	28,823,664	1.13
22.	HSBC Nominees (Asing) Sdn. Bhd. - JPMCB na for Vanguard Emerging Markets Stock Index Fund	27,006,200	1.06
23.	HSBC Nominees (Asing) Sdn. Bhd. - JPMCB na for Vanguard Total International Stock Index Fund	25,195,000	0.99
24.	Citigroup Nominees (Tempatan) Sdn. Bhd. - UBS AG Singapore for Tan Sri Dr <u>Lim</u> Wee Chai	25,000,000	0.98
25.	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	24,890,000	0.97
26.	Cartaban Nominees (Tempatan) Sdn. Bhd. - PAMB for Prulink Equity Fund	22,539,200	0.88
27.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Dr <u>Lim</u> Wee Chai (HGDL- CBM-LC1)	22,000,000	0.86
28.	HSBC Nominees (Asing) Sdn. Bhd. - BPSS SYD for Northcape Capital Global Emerging Markets Fund	20,755,436	0.81
29.	Lim Hooi Sin	20,578,920	0.81
30.	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	20,539,400	0.80
Total		1,492,757,286	58.39

Note: [^] Calculated based on 2,556,316,848 Ordinary Shares (issued share capital of 2,560,458,248 Ordinary Shares less Treasury Shares of 4,141,400)

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting (“20th AGM”) of the Company will be held at TG Grand Ballroom 1, Level 9, Top Glove Tower of 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 8 January 2019 at 10:30 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 August 2018 together with the Reports of the Directors and the Auditors thereon. **(Refer to Note 2)**
2. To approve the declaration of a Single Tier Final Dividend of 5.0 sen per share for the financial year ended 31 August 2018. **(Resolution 1)**
3. To re-elect the following Directors who retire pursuant to Article 94 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - (a) Dato’ Lee Kim Meow **(Resolution 2)**
 - (b) Puan Sri Tong Siew Bee **(Resolution 3)**
 - (c) Lim Hooi Sin **(Resolution 4)**
4. To approve the payment of Directors’ Fees for the financial year ended 31 August 2018. **(Resolution 5)**
5. To approve the payment of Directors’ Benefits (excluding Directors’ Fees) to the Non-Executive Directors up to an amount of RM200,000.00 from 9 January 2019 until the next Annual General Meeting of the Company to be held in year 2020. **(Resolution 6)**
6. 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 7)**
7. **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 the Companies Act 2016 (“the Act”) **(Resolution 8)**

“**THAT** subject to the Act, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any relevant governmental/regulatory authority, the Directors of the Company be and are hereby empowered, pursuant to the Act, 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 total number of issued shares of the Company for the time being; **AND THAT** 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 Securities; **AND FURTHER 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.”

NOTICE OF THE 20TH AGM

(CONT'D)

(b) Ordinary Resolution No. 2

Proposed Renewal of Share Buy-Back Authority

(Resolution 9)

“THAT subject to the Companies Act 2016 (“the Act”), the Company’s Constitution, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares 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 number of issued shares of the Company;

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 of the Company based on its audited financial statements for the financial year ended 31 August 2018;

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/or transferred the shares for the purposes of or under an employees’ share scheme in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Main LR of Bursa Securities and any other relevant authorities for the time being in force;

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 this 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 condition, modification, variation and/or amendment 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.”

NOTICE OF THE 20TH AGM

(CONT'D)

(c) Ordinary Resolution No. 3

Proposed Allocation of Awards to Ang Eng Li Andrea

(Resolution 10)

“**THAT** pursuant to the Employees’ Share Grant Plan (“ESGP”) as approved by the shareholders under Ordinary Resolution 2 at the Extraordinary General Meeting held on 6 January 2016, approval be and is hereby given to the Board to authorise the ESGP Committee to award, from time to time throughout the duration of the ESGP, up to 300,000 Top Glove Shares under the ESGP to Ang Eng Li Andrea, a person connected with Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee, provided that not more than ten per centum (10%) of the Top Glove Shares made available under the ESGP and any other schemes involving issuance of new Top Glove Shares to employees which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds twenty per centum (20%) or more of the total number of issued shares of the Company (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

(d) Ordinary Resolution No. 4

Proposed Allocation of Options to Ang Eng Li Andrea

(Resolution 11)

“**THAT** pursuant to the new Employees’ Share Option Scheme (“ESOS”) as approved by the shareholders under Ordinary Resolution 1 at the Extraordinary General Meeting held on 9 January 2018, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the new ESOS, options to subscribe for up to 300,000 new Top Glove Shares under the new ESOS to Ang Eng Li Andrea, a person connected with Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee, provided that not more than ten per centum (10%) of the Top Glove Shares made available under the new ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds twenty per centum (20%) or more of the total number of issued Top Glove Shares (excluding treasury shares), subject always to such terms and conditions of the new ESOS By-Laws and/or any adjustments which may be made in accordance with the provisions of the new ESOS By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

(e) Special Resolution

Proposed Adoption of the New Constitution of the Company

(Resolution 12)

“**THAT** approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Part C of the Circular to Shareholders dated 14 November 2018 despatched together with the Company’s Annual Report 2018 be and is hereby adopted as the Constitution of the Company (“Proposed Adoption”);

AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities (if any) and to do all acts and things and take all such steps as may be considered necessary to give effect to the Proposed Adoption.”

8. To transact any other ordinary business for which due notice shall have been given.

NOTICE OF THE 20TH AGM

(CONT'D)



NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT a Single Tier Final Dividend of 5.0 sen per share in respect of the financial year ended 31 August 2018 will be payable on 25 January 2019 to Depositors who are registered in the Record of Depositors at the close of business on 11 January 2019, if approved by members at the forthcoming 20th AGM on 8 January 2019.

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 11 January 2019 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

LIM KEAT SEE
(MAICSA 7020290)
Chartered Secretary

SHAH ALAM
14 November 2018

NOTES TO THE NOTICE OF THE 20TH AGM:

1. Proxy

- i. In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 December 2018 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
- ii. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) 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. 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.
- iii. Where a holder appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- iv. 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.
- v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- vi. The instrument appointing a proxy must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.

NOTICE OF THE 20TH AGM

(CONT'D)

2. Audited Financial Statements for the financial year ended 31 August 2018

The Audited Financial Statements under Agenda 1 is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 ("the Act") does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item is not put forward for voting.

3. Declaration of a Single Tier Final Dividend of 5.0 sen per share for the financial year ended 31 August 2018

The Company's existing dividend policy provides that the Company intends to pay annual dividends of not less than 50% of its Profit after Tax and Minority Interests, subject to a number of factors including the Company's available cash and cash equivalents, return on equity and retained earnings, the Company's projected levels of capital expenditure and other investment plans and other factors considered relevant by the Board.

In accordance with Article 153 of the Company's Constitution, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. A Single Tier Final Dividend of 5.0 sen per share based on 2,556,365,448 ordinary shares (the adjusted issued share capital after netting 4,141,400 treasury shares) as at the date of the Notice amounting to RM127,818,272.40 in respect of the financial year ended 31 August 2018 is proposed for shareholders' approval. The actual amount of Single Tier Final Dividend per ordinary share would be dependent on the actual number of ordinary shares as at the book closure date. Pursuant to Paragraph 8.26 of Bursa Securities Main LR, the Single Tier Final Dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval.

4. Re-election of Directors who retire by rotation pursuant to Article 94 of the Company's Constitution

Article 94 of the Company's Constitution provides that one third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting ("AGM") of the Company. All the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Tan Sri Dato' Seri Utama Arshad Bin Ayub who has served on the Board as an Independent Non-Executive Director for more than 12 years and who retires by rotation in accordance with Article 94 of the Constitution, has notified the Board that he does not wish to seek re-election as Director. Hence, he shall retire as Director at the conclusion of the 20th AGM.

The profiles of the Directors who are standing for re-election as per Agenda 3 of the Notice of the 20th AGM are stated on pages 12 and 14 of this Annual Report.

5. Determination and Payment of Directors' Fees

Paragraph 7.24 of Bursa Securities Main LR stipulates that the fees of directors, and any benefits payable to directors shall be subject to annual shareholders' approval at a general meeting. Therefore, shareholders' approval is required for the determination and payment of Directors' Fees amounting to RM1,201,600.00 for the financial year ended 31 August 2018.

6. Directors' Benefits (excluding Directors' Fees)

The Directors' Benefits (excluding Directors' Fees) comprise the meeting allowances payable to the Non-Executive Directors. The meeting allowances are fixed as follows:

Type of Meeting	Meeting Allowance per Meeting (RM)	
	Chairman	Non-Executive Director/Member
Board	Nil	1,250.00
General	Nil	1,250.00
Board Committee	1,000.00	750.00

NOTICE OF THE 20TH AGM

(CONT'D)

In determining the estimated total Directors' Benefits (excluding Directors' Fees) for the period commencing 9 January 2019 until the next AGM ("Relevant Period"), the arrears payment to the Director for the period from 1 July 2018 to 8 January 2019 which exceeded the amount approved by the shareholders in the 19th AGM and the size of the Board and Board Committees as well as the estimated number of meetings scheduled to be held during the Relevant Period were taken into consideration.

7. Re-appointment of Auditors

The Audit Committee and the Board have considered the re-appointment of Messrs. Ernst & Young as Auditors of the Company and collectively agreed that Messrs. Ernst & Young have met the relevant criteria prescribed by Paragraph 15.21 of Bursa Securities Main LR.

EXPLANATORY NOTE TO SPECIAL BUSINESS:

1. Authority to Issue Shares pursuant to the Act

The proposed adoption of Ordinary Resolution No. 1 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to the Act, 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 ten per centum (10%) of the total number of issued shares 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 AGM of the Company.

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising 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, there were no new shares issued pursuant to the mandate granted to the Directors at the Nineteenth (19th) AGM held on 9 January 2018 and which will lapse at the conclusion of the 20th AGM.

2. Proposed Renewal of Authority for Share Buy-Back

The proposed adoption of Ordinary Resolution No. 2 is for the purpose of renewing the authority granted by the shareholders of the Company at the 19th AGM held on 9 January 2018. The aforesaid proposed renewal will allow your Board of Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Securities Main LR.

3. Proposed Allocation of Awards to Ang Eng Li Andrea

The proposed adoption of Ordinary Resolution No. 3, if passed, will enable the Company to award Ang Eng Li Andrea, the person connected to Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee, up to 300,000 shares of the Company ("Top Glove Shares") to be issued to and/or vested in her pursuant to the Employees' Share Grant Plan ("ESGP") over a period of ten (10) years commencing from the date on which the ESGP takes effect. Ang Eng Li Andrea and persons connected to her shall abstain from voting on this resolution. Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee had also abstained from all deliberation and voting on this resolution at the Board of Directors' Meeting.

4. Proposed Allocation of Options to Ang Eng Li Andrea

The proposed adoption of Ordinary Resolution No. 4, if passed, will enable the Company to award Ang Eng Li Andrea, the person connected to Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee, up to 300,000 Top Glove Shares to be issued to and/or vested in her pursuant to the new Employees' Share Option Scheme ("ESOS") over a period of ten (10) years commencing from the date on which the new ESOS takes effect. Ang Eng Li Andrea and persons connected to her shall abstain from voting on this resolution. Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee had also abstained from all deliberation and voting on this resolution at the Board of Directors' Meeting.

NOTICE OF THE 20TH AGM

(CONT'D)

5. Proposed Adoption of the New Constitution of the Company (“Proposed Adoption”)

The proposed adoption of Special Resolution, if passed, will streamline the Company’s Constitution with the new provisions of the Companies Act 2016, amendments made to Bursa Securities Main LR and enhance administrative efficiency. The Board proposed that the existing Constitution be revoked in its entirety and the proposed new Constitution of the Company as set out in Part C of the Circular be adopted as the new Constitution of the Company.

The Proposed Adoption shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to attend and vote and do vote in person or by proxy at the 20th AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF AGM

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this 20th AGM.



Water tight test for glove quality inspection

ADMINISTRATIVE DETAILS FOR THE 20TH AGM



Date	: Tuesday, 8 January 2019
Time	: 10.30 a.m.
Venue of Meeting	: TG Grand Ballroom 1 Level 9, Top Glove Tower of 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia
Time & Place of Registration	: From 8.30 a.m. onwards Level 2, Top Glove Tower of 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia

REGISTRATION

1. Registration will commence at 8.30 a.m. and will remain open until the conclusion or adjournment of the Twentieth Annual General Meeting (“AGM”) or such time as may be determined by the Chairman of the meeting.
2. Please produce your **ORIGINAL** National Registration Identification Card (“NRIC”)/ Passport during registration for verification. Kindly ensure that you collect your NRIC/Passport upon completion of registration. No person will be allowed to register on behalf of another person even with the original NRIC/Passport of the other person.
3. Upon registration, you will be given a barcoded wristband, gift bag, voucher for breakfast box and lunch box redemption and AGM question form.

A shareholder or a proxy-holder is only entitled for one (1) gift bag, one (1) breakfast voucher and one (1) lunch voucher each. In the event that a shareholder is also an appointed proxy/ proxies; or if there is any subsequent appointment(s) to an already appointed proxy, he/ she will be entitled for another one (1) gift bag, one (1) breakfast voucher and one (1) lunch voucher only. Henceforth, any one (1) shareholder/ proxy may be entitled to a maximum of two (2) gift bags, two (2) breakfast vouchers and two (2) lunch vouchers.

4. Please fill up the AGM question form if you have any question to ask in the Twentieth AGM and submit the completed form at the Help Desk counter located at Level 2 before 10.00 a.m. or alternatively, you could ask the question during the AGM.
5. Only those with barcoded wristband will be allowed to enter the meeting hall. If you are attending as shareholder as well as proxy, you will only be given one identification barcoded wristband.
6. To place your votes, please produce your barcoded wristband at the designated e-voting stations in the meeting hall.
7. Should you have any queries or are unable to register, please proceed to the Help Desk counter for clarifications.

PARKING

Parking is complimentary at Top Glove Tower **ONLY**. Please produce your parking ticket for validation at the Help Desk counter.

BREAKFAST BOX AND LUNCH BOX REDEMPTION

Breakfast box may be redeemed upon registration at Level 2 and lunch box may be redeemed upon the conclusion of voting by shareholders and proxies at the foyer at Level 9.

HELP DESK

Please proceed to Help Desk for the following matters:

1. Parking ticket validation;
2. Registration of Corporate Member;
3. Any revocation of Proxy’s Appointment or any clarifications or queries or feedbacks; and
4. Submission of AGM question form.

ADMINISTRATIVE DETAILS FOR THE 20TH AGM

(CONT'D)

GENERAL MEETING RECORD OF DEPOSITORS

Members whose names appear in the Record of Depositors as at 31 December 2018 shall be entitled to attend, speak and vote at the Twentieth AGM or appoint proxies to attend, speak and vote on members' behalf.

VOTING PROCEDURE

The voting at the AGM will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll, respectively. Poll voting for each of the resolution will be conducted upon the conclusion of the deliberations of all the businesses indicated in the Notice of the Twentieth AGM. The registration for attendance will be closed to facilitate the commencement of the poll voting.

PROXY

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies, to attend and vote on his/ her behalf. If you are unable to attend the Meeting and wish to appoint a proxy to vote on your behalf, please submit your Form of Proxy in accordance with the notes and instructions printed therein.
2. If you wish to attend the Meeting yourself, please do not submit any Form of Proxy for the Meeting that you wish to attend. You will not be allowed to attend the Meeting together with a proxy appointed by you.
3. If you have submitted your Form of Proxy prior to the Meeting and subsequently decided to attend the Meeting yourself, please proceed to the Help Desk to revoke the appointment of your proxy.
4. Please also ensure that the original Form of Proxy is deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.

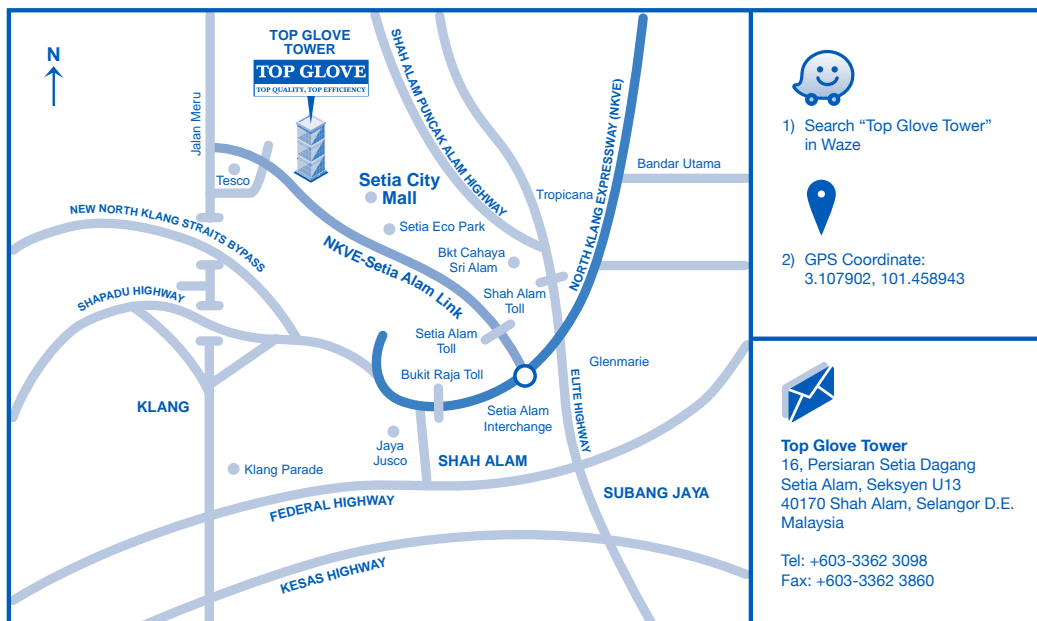
ENQUIRY

Please email to agm2019@topglove.com.my, if you have any queries in relation to the AGM, Form of Proxy, Administrative Details of the Meeting and the 2018 Annual Report. This email account was created for AGM enquiries and will only be valid from Wednesday, 14 November 2018 to Thursday, 10 January 2019.

Alternatively, you may contact our Share Registrar at Tel: +603-2084 9000, during office hours:

1. Mr. Wong Piang Yoong (piang.yoong.wong@sshsb.com.my)
2. Encik Mohd Hisham Hashim (hishamh@sshsb.com.my)
3. Puan Nurhayati Ang (nurhayati.ang@sshsb.com.my)

MAP TO TOP GLOVE TOWER



FORM OF PROXY

*I/We _____
 NRIC/Passport/Company No.: _____ Tel: _____
 CDS Account No.: _____ Number of Shares Held: _____
 Address: _____

being a member of **TOP GLOVE CORPORATION BHD (474423-X)** hereby appoint:

- 1) Name of Proxy: _____ NRIC/Passport No.: _____
 Address: _____
 _____ Tel: _____ Percentage of Shares Represented: _____ %
- 2) Name of Proxy: _____ NRIC/Passport No.: _____
 Address: _____
 _____ Tel: _____ Percentage of Shares Represented: _____ %

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 Twentieth Annual General Meeting of the Company to be held at TG Grand Ballroom 1, Level 9, Top Glove Tower of 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 8 January 2019 at 10:30 a.m. and at any adjournment thereof.

Please indicate with "X" how you wish your vote to be casted. In the absence of specific instruction, your Proxy will vote or abstain from voting at his/her discretion.

No.	Resolutions	For	Against
ORDINARY BUSINESS			
1	To approve the declaration of the Single Tier Final Dividend of 5.0 sen per share.		
2	To re-elect the Director, Dato' Lee Kim Meow.		
3	To re-elect the Director, Puan Sri Tong Siew Bee.		
4	To re-elect the Director, Mr. Lim Hooi Sin.		
5	To approve the payment of Directors' Fees.		
6	To approve the payment of Directors' Benefits (excluding Directors' Fees).		
7	To re-appoint Messrs. Ernst & Young as Auditors of the Company.		
SPECIAL BUSINESS			
8	Authority to Issue Shares Pursuant to the Companies Act 2016.		
9	Proposed Renewal of Share Buy-Back Authority.		
10	Proposed Allocation of Awards to Ang Eng Li Andrea.		
11	Proposed Allocation of Options to Ang Eng Li Andrea.		
12	Proposed Adoption of New Constitution.		

Signed on this _____ day of _____ 2018/2019

 Signature of Member/Common Seal

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 December 2018 (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 not more than two (2) 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. 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 more than one (1) proxy, 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 (1) 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 office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.

Fold this flap for sealing

Then fold here

STAMP

The Share Registrar
TOP GLOVE CORPORATION BHD (474423-X)
c/o: Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia

1st fold here

Top Glove posts record revenue, declares dividend

Friday, 12 Oct 2018



PETALING JAYA: Top Glove Corp Bhd, which saw its net profit rising 7.51% to RM101.59mil in fourth quarter ended Aug 31, has declared a final dividend of 50 sen per share.

"We are very pleased to have achieved another historical high with our best full-year performance yet, especially given the challenging operating environment. Our record results underline the effectiveness of our ongoing technology-driven improvement initiatives, which focus on quality and cost-efficiency.

Top Glove transform its HCM platform in Malaysia

Focus Malaysia | 14 Sep 2018 16:39

The world's largest manufacturer of gloves, Top Glove Corporation Bhd, has engaged Deloitte to implement SAP SuccessFactors to transform its Human Capital Management (HCM) platform, thereby strengthening its people processes to attract and on-board the right talent, bringing it closer to its vision of capturing 30% of the world market by 2020.

Top Glove proposes one-for-one bonus issue

KUALA LUMPUR: Top Glove Corp Bhd has proposed a one-for-one bonus issue at a yet-to-be determined entitlement date, which will see up to 1.28 billion bonus shares issued to shareholders of the company.

"We have always been committed to adding and creating value for our shareholders, and the proposed one-for-one bonus issue will enable us to reward our loyal shareholders.

Top Glove inks deal to buy Eastern Press for RM46.25m

KUALA LUMPUR (Nov 3): Top Glove Corp Bhd has inked a deal to buy Eastern Press Sdn Bhd, a supplier of printing and packaging material to improve coordination in its packaging material supply.

The planned purchase will be funded using bank borrowings, as stated in a statement.

Top Glove posts higher profits, pursuing strategic expansion

11 October 2018



Top Glove was also looking to expand its operations to Vietnam. — Malay Mail pic

KUALA LUMPUR, Oct 11 — Top Glove Corporation Bhd, which recorded commendable financial results in 2018, will continue to pursue strategic expansion to ensure it is well-positioned to meet the robust global demand for gloves and achieve its ambitious Fortune Global 500 dream.

Top Glove adds RM100m to capex to set up factory in Vietnam

KUALA LUMPUR (March 30) Top Glove Corp Bhd has added another 2M300 million to its current financial year's capital expenditure (capex) of RM213.2 million to set up a factory in Vietnam, tailored for vinyl glove production.

Top Glove to begin condom production by July



Source: www.berita.com.my

By Sankar KANDEL / Pw by MANDIRI HANUSMAN

The world's largest rubber-glove manufacturer Top Glove Bhd will begin condom production by July this year. The company has announced it is entering the lucrative condom supply market and will manufacture the product at its factory in Muar, Johor.

"We will start small, using double former condom-making on two lines, but could eventually increase to 10 lines," he said.

Top Glove plans to buy 85% stake Duramedical



U.S.A. MARKETING OFFICE

TG Medical (U.S.A.) Inc.,
155, North Aspan Avenue,
Azusa CA 91702 U.S.A.
Tel : +1-626-969-8808
Fax : +1-626-969-7823
E-mails : topglove@topgloveusa.com

GERMANY SALES OFFICE 1

Top Glove Europe GmbH,
Bliersheimer Str. 80 A,
47229 Duisburg,
North Rhine-Westphalia, Germany.
Tel : +49 (0) 2065 76421 0
Fax : +49 (0) 2065 76421 19
E-mail : info@topglove.de

GERMANY SALES OFFICE 2

ulma International GmbH,
Pfaffenweg 35,
89231 Neu-Ulm, Germany.
Tel : +49-731-926043-15
Fax : +49-731-926043-10
E-mail : ulma@ulma.de

BRAZIL MARKETING OFFICE

Kevenoll Do Brasil Produtos
Medicos Hospitalares Ltda.
Rodovia Antonio Heil, 1001, KM 01
Complemento 203
Itaipava, Itajai SC Cep 88316-001
Brasil.
Tel : +5547 3349-6168
E-mail : kevenoll@kevenoll.com.br

FACTORY 2

Lot 4968, Jalan Teratai, Batu 6,
Off Jalan Meru, 41050 Klang,
Selangor D.E., Malaysia.
Tel : +603-3392 1992/1905

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 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, Srisoontorn Road,
Tambon Srisoontorn, Amphur
Thalang, Phuket 83110, Thailand.
Tel : +66-76-620 190-4
Fax : +66-76-620 196

FACTORY 7

188, Moo 5, Karnchanawanich
Road, Tambol Samnakkham,
Amphur Sadao, Songkhla 90320
Thailand.
Tel : +66-74-410-000
Fax : +66-74-410 007/008

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

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 13P

Lot 4946, Jalan Teratai, Batu 6,
Off Jalan Meru, 41050 Klang,
Selangor D.E., Malaysia.
Tel : +603-3885 3141
Fax : +603-3393 1993

FACTORY 14

Lot 5104, Jalan Teratai, Batu 5,
Off Jalan Meru, 41050 Klang,
Selangor D.E., Malaysia.
Tel : +603-3392 3626

FACTORY 15

No. 4 Weiwu Road,
Economic Development District,
Xinghua City,
225700 Jiang Su Province,
P. R. China.
Tel : +86-523-8326 8976
Fax : +86-523-8326 8676

FACTORY 16L

188, Moo 5, Tambol Pangla,
Amphur Sadao,
Songkhla 90170 Thailand.
Tel : +66-74-410 888
Fax : +66-74-410 886

FACTORY 17L

268, Moo 5, Tambol Kampangphet,
Amphur Rattaphum,
Songkhla 90180 Thailand.
Tel : +66-74-302888
Fax : +66-74-302889/302890

FACTORY 18B & 18G

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 19BF

Lot 4987, Jalan Bunga Raya, Batu 6,
Off Jalan Meru, 41050 Klang,
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Tel : +603-7890 3319

FACTORY 20 & 20BC

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Fax : +603-3392 4200

FACTORY 21

Lot 4989, Jalan Dahlia/KU8,
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Tel : +603-3392 4614/4642
Fax : +603-3392 5068

FACTORY 22

Lot 4990, Jalan Bunga Raya, Batu 6,
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Tel : +603-3392 1187/
+603-7890 3322
Fax : +603-3392 1186

FACTORY 23

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CORPORATE OFFICE, SETIA ALAM

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FACTORY OFFICE, KLANG (FACTORY 9)

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FACTORY 25

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FACTORY 26

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 Fax : +603-3392 5200

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 Fax : +606-651 6896

FACTORY 29

Lot 4985, Jalan Dahlia/KU8, Kawasan Perindustrian Meru Timur, 41050 Klang, Selangor D.E., Malaysia.
 Tel : +603-3392 6010

FACTORY 30

Lot 4983 & 4984, Jalan Dahlia, Kawasan Perindustrian Meru Timur, 41050 Klang, Selangor D.E., Malaysia.
 Tel : +603-7890 3330
 Fax : +603-3392 5066

FACTORY 31

Lot 6472, Lorong Sungai Puloh/KU06, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor D.E., Malaysia.
 Tel : +603-7890 3331

FACTORY 33

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FACTORY 34PM

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FACTORY 35CD

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 Fax : +609 771 3565/3072

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Exports to 195 Countries Worldwide

**ANNUAL
REPORT
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31 AUGUST 2018



TOP GLOVE CORPORATION BHD (474423-X)

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Visit us at our [website](http://www.topglove.com) : www.topglove.com

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PRODUCTION
LINES

OVER
17,000
EMPLOYEES

40
FACTORIES

60.5
BILLION
GLOVES PER
ANNUM

