TOP GLOVE CORPORATION BHD

(Company Registration No: 474423-X)
(Incorporated in Malaysia under the Companies Act, 1965)

INTRODUCTORY DOCUMENT DATED 24 JUNE 2016

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

This introductory document ("**Introductory Document**") is issued by Top Glove Corporation Bhd (the "**Company**") in connection with the listing of the ordinary shares of our Company ("**Shares**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") by way of an introduction ("**Introduction**"). This Introductory Document provides information on our Company and our Shares in compliance with the listing requirements of the SGX-ST.

Our Shares are and will continue to be listed and traded on the Main Market of the Bursa Malaysia Securities Berhad ("**Bursa Securities**"). Application has been made to the SGX-ST for permission to list all our issued Shares on the Main Board of the SGX-ST. Such permission for the listing of our Shares will be granted when we have been admitted to the Official List of the SGX-ST. When our Shares become tradable on the SGX-ST, they will be quoted and traded in Singapore Dollars. Our Shares will be traded in board lot sizes of 100 Shares.

We have received a letter of eligibility from the SGX-ST for the listing of our Shares on the Main Board of the SGX-ST. Our Company's eligibility to list is not an indication of the merits of the Introduction, our Company, our Group (as defined herein) or our Shares.

The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Introductory Document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Introduction, our Company, our Group or our Shares.

Nothing in this Introductory Document constitutes or shall be construed as an offer, or an invitation or a solicitation of an offer by us or on our behalf, to the public to subscribe for or purchase, any of our Shares. No Shares shall be allotted or allocated on the basis of this Introductory Document. This Introductory Document does not constitute a prospectus under Singapore law and has not been lodged with or registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of the Introductory Document. The Authority has not, in any way, considered the merits of our Shares being listed.

Investing in our Shares involves certain risks. Please carefully read the "Risk Factors" section of this Introductory Document beginning on page 34.

Joint Managers to the Introduction

CIMB Bank Berhad, Singapore Branch
(Company Registration No. 13491-P)
(Incorporated in Malaysia)

HL Bank
(Singapore Branch of Hong Leong Bank Berhad)
(UEN S56FC1182L)
(Incorporated in Malaysia)

Joint Malaysian Principal Advisers to our Company

Hong Leong Investment Bank Berhad
(Company Registration No. 10209-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

CIMB Investment Bank Berhad
(Company Registration No. 18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

TABLE OF CONTENTS

NOTICE TO INVESTORS 3

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS 5

ENFORCEABILITY OF CIVIL LIABILITIES 7

INDUSTRY AND MARKET DATA 8

PRESENTATION OF FINANCIAL INFORMATION 9

ATTENDANCE AND VOTING AT GENERAL MEETINGS 10

CORPORATE INFORMATION 12

DEFINED TERMS AND ABBREVIATIONS 16

GLOSSARY OF TECHNICAL TERMS 26

SUMMARY 28

SUMMARY OF THE INTRODUCTION 32

RISK FACTORS 34

DIVIDEND POLICY 55

MARKET PRICE INFORMATION 57

CAPITALISATION AND INDEBTEDNESS 59

EXCHANGE RATES AND EXCHANGE CONTROLS 60

SELECTED CONSOLIDATED FINANCIAL INFORMATION 63

SELECTED PRO FORMA FINANCIAL INFORMATION 66

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 69

OUR GROUP STRUCTURE 92

BUSINESS 94

MANAGEMENT AND CORPORATE GOVERNANCE 148

DESCRIPTION OF SHARE CAPITAL 167

SHAREHOLDERS AND SHARE-BASED INCENTIVES 176

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST 187

REGULATIONS 191

TAXATION 198

CLEARANCE AND SETTLEMENT 203

LEGAL MATTERS 207

INDEPENDENT AUDITORS 208

GENERAL AND STATUTORY INFORMATION 209

APPENDIX A – INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 AUGUST 2015, 2014 AND 2013 . . . . . A-1

APPENDIX B – INDEPENDENT AUDITORS' REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 AND 28 FEBRUARY 2015 . . . . . B-1

APPENDIX C – UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 AND THE SIX-MONTH FINANCIAL PERIOD ENDED 29 FEBRUARY 2016 . . . . . C-1

APPENDIX D – SUMMARY OF OUR ARTICLES OF ASSOCIATION D-1

APPENDIX E – COMPARISON OF MALAYSIAN CORPORATE LAW WITH SINGAPORE CORPORATE LAW E-1

APPENDIX F – COMPARISON BETWEEN THE BURSA LISTING REQUIREMENTS AND THE SGX-ST LISTING RULES F-1

APPENDIX G – OUR SUBSIDIARIES AND ASSOCIATED COMPANIES G-1

APPENDIX H – LIST OF PAST AND PRESENT PRINCIPAL DIRECTORSHIPS H-1

APPENDIX I – SUMMARY OF RELEVANT BNM RULES ON INVESTMENT IN FOREIGN CURRENCY ASSETS I-1

APPENDIX J – AMENDED BY-LAWS OF THE TOP GLOVE EMPLOYEE SHARE OPTION SCHEME J-1

APPENDIX K – AMENDED BY-LAWS OF THE TOP GLOVE EMPLOYEES' SHARE GRANT PLAN K-1

APPENDIX L – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE THIRD QUARTER ENDED 31 MAY 2016 . . . . . L-1

NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Introductory Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, the Joint Managers or the Joint Malaysian Principal Advisers. The delivery of this Introductory Document shall not under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, condition and prospects of our Company or the Shares since the date hereof. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, our Company will make an announcement of the same on SGXNET. Recipients of this Introductory Document and all prospective investors in the Shares should take notice of such announcements and upon release of such announcement shall be deemed to have notice of such changes.

No representation, warranty or covenant, express or implied, is made by our Company, the Joint Managers, the Joint Malaysian Principal Advisers or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Introductory Document is, or shall be relied upon as, a promise, representation or covenant by our Company, the Joint Managers or the Joint Malaysian Principal Advisers or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

Recipients of this Introductory Document and all prospective investors in the Shares should not construe the contents of this Introductory Document as legal, business, financial or tax advice. Recipients of this Introductory Document and all prospective investors in the Shares should consult their own professional advisers as to the legal, business, financial, tax and related aspects of holding and owning the Shares.

This Introductory Document has been prepared solely for the purpose of the Introduction and may not be relied upon by any persons for purposes other than the Introduction prior to the Listing Date (as defined herein) or for any purpose whatsoever on or after the Listing Date. Nothing in this Introductory Document constitutes or shall be construed to constitute an offer, invitation or solicitation in any jurisdiction. This Introductory Document does not constitute and shall not be construed to constitute an offer, invitation or solicitation to any person to subscribe for or purchase the Shares. This Introductory Document does not constitute a prospectus under Singapore law and has not been lodged with or registered by the Authority.

The distribution of this Introductory Document may be prohibited or restricted by law in certain jurisdictions. Our Company, the Joint Managers and the Joint Malaysian Principal Advisers require persons into whose possession this Introductory Document comes to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to our Company, the Joint Managers and the Joint Malaysian Principal Advisers. Persons to whom a copy of this Introductory Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Introductory Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Copies of this Introductory Document may be obtained on request, subject to availability, during office hours, from:

CIMB Bank Berhad, Singapore Branch

50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

HL Bank
(Singapore Branch of Hong Leong Bank Berhad)

20 Collyer Quay #01-02
Singapore 049319

A copy of this Introductory Document is also available on SGXNET at http://www.sgx.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Introductory Document constitute forward-looking statements. Some of these statements can be identified by forward-looking terms such as "aim", "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will" and "could" or similar words or phrases. However, please note that these words are not the exclusive means of identifying forward-looking statements. All statements other than statements of historical facts included in this Introductory Document, including those regarding our financial position and results, business strategies, plans and objectives of management for future operations (including development plans and dividends), are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. You should not place undue reliance on any such forward-looking statements. In addition, their inclusion in this Introductory Document shall not be regarded as a representation or warranty by our Company, the Joint Managers or the Joint Malaysian Principal Advisers that the plans and objectives of our Group will be achieved.

The important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information include, but are not limited to:

- shortages in raw materials or increases in raw material prices;
- changes or volatility in inflation, interest rates and foreign exchange rates;
- volatility of prices for crude oil which may have an indirect impact on our raw materials;
- effects of significant competition in the business segments in which we operate; and
- the effects of, and changes in, applicable governmental regulations, including licensing requirements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors", "Dividend Policy", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business". These forward-looking statements speak only as at the date of this Introductory Document and we do not guarantee that the information contained herein is still current after the date of this Introductory Document.

Although we believe that the assumptions upon which the forward-looking statements are based are reasonable, given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Introductory Document, we advise you not to place undue reliance on those statements. None of us, the Joint Managers, the Joint Malaysian Principal Advisers nor any other person, represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Joint Managers and the Joint Malaysian Principal Advisers disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

Forward-looking statements regarding our Company had been announced on the websites of Bursa Securities at http://www.bursamalaysia.com and our Company at http://www.topglove.com.my. Such forward-looking statements include management projections and such management projections are prospective statements and have not been audited nor reviewed by the Independent Auditors. These prospective statements may not eventually materialise and they should not be treated as audited or reviewed financial forecasts or estimates. They are not to be deemed in any way as being part of this Introductory Document or incorporated by reference in any way. Investors should exercise care when viewing such forward-looking statements. In the event of doubt, investors should consult their own professional advisers.

ENFORCEABILITY OF CIVIL LIABILITIES

We, and our principal operating subsidiaries, are incorporated in Malaysia and most of our Directors and Executive Officers named in this Introductory Document are residents of Malaysia. Additionally, most of our assets and the assets of our Directors and Executive Officers are located in Malaysia. As a result, you may not be able to:

- effect service of process of a writ issued outside of Malaysia upon our principal operating Subsidiaries or these persons within Malaysia without leave of court outside Malaysia; or

- enforce judgements obtained in courts outside of Malaysia against us, unless it is a judgement of a superior court of a reciprocating country (as listed in the First Schedule of the Reciprocal Enforcement of Judgments Act 1958 of Malaysia ("**REJA**")) and complies with the provisions of REJA which can then be registered in Malaysia and (subject to the judgement debtor's right to set aside the registration in Malaysia in certain circumstances) the registered foreign judgement has the same force and effect as a judgement of the High Court in Malaysia.

However, in respect of a foreign judgment which does not satisfy the requirement of REJA, such foreign judgement may be enforced by way of a common law action.

Please refer to the section entitled "*Risk Factors – Risks relating to the jurisdictions in which we operate – Non-enforceability of non-Malaysian judgments may limit your ability to recover damages from us*" of this Introductory Document for further details.

INDUSTRY AND MARKET DATA

Certain market data, industry forecasts and data relating to our business used throughout this Introductory Document have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information is not guaranteed. Similarly, while we believe these industry forecasts and market research to be reliable, we have not independently verified this information and do not make any representation as to its accuracy.

We derived certain facts and statistics in this Introductory Document relating to the glove manufacturing industry globally from various publicly available industry, government and research publications. This Introductory Document also includes industry data and forecasts that we obtained from such industry publications and surveys, reports of governmental agencies and internal company surveys. We have taken reasonable action to ensure that the facts and statistical data used in this Introductory Document have been extracted from these sources in their proper form and context. However, we have not verified the accuracy of the information extracted nor have we obtained the specific consent of these sources for the inclusion of such information in this Introductory Document unless otherwise specified. Our Directors are also not aware of any disclaimers made by these sources in relation to reliance on such information.

PRESENTATION OF FINANCIAL INFORMATION

This Introductory Document contains the audited consolidated financial statements of our Group for the financial years ended 31 August 2013, 2014 and 2015, and the unaudited consolidated financial statements of our Group for the six months ended 29 February 2016 together with the related notes thereto (together the "**Consolidated Financial Statements**"), each of which has been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRS**") as issued by the Malaysian Accounting Standards Board and the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The preparation of the Consolidated Financial Statements in conformity with both MFRS and IFRS at times requires our management to make subjective estimates and judgments regarding matters that are inherently uncertain. Such estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and judgments affect reported amounts and disclosures. Our results of operations may differ if prepared under different estimates and judgments.

We will, in accordance with the relevant laws and regulations in Singapore and Malaysia, prepare all future periodic financial reports which we will release on SGXNET, and all audited financial statements which we will provide to Top Glove CDP Depositors, in accordance with both MFRS and IFRS.

The 3Q2016 Financial Statements have been released in Malaysia and announced on the websites of Bursa Securities at http://www.bursamalaysia.com and our Company at http://www.topglove.com.my. The 3Q2016 Financial Statements are set out at Appendix L – "Unaudited Consolidated Financial Statements of our Group for the third quarter ended 31 May 2016" for reference only. The 3Q2016 Financial Statements were prepared in accordance with MFRS.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

GENERAL MEETINGS OF THE SHAREHOLDERS

A shareholder of a company primarily listed on the SGX-ST would normally be entitled to attend and vote at a general meeting of shareholders if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting. However, this entitlement will not apply to our Shareholders as we are a company incorporated in Malaysia and governed by Malaysian law and our primary listing is on Bursa Securities.

In connection with our Company's listing on the Main Board of the SGX-ST, CDP has appointed an EAN in Malaysia to hold Shares which are listed and traded on the SGX-ST for Top Glove CDP Depositors via a CDS omnibus account. Under Malaysian law, the person whose name appears in the record of depositors maintained by Bursa Depository will be considered the registered owner of these shares and treated as if it were a member of our Company. Thus, CDP's EAN in Malaysia will be regarded as our Shareholder in respect of the Shares which are listed and traded on the SGX-ST and registered in its name, rather than CDP or Top Glove CDP Depositors and CDP depository agents in the Depository Register maintained by CDP. Accordingly, such Top Glove CDP Depositors and CDP depository agents on whose behalf CDP or its nominees holds Shares through CDP's EAN in Malaysia may not be accorded the full rights of membership under the Malaysian laws such as voting rights, the right to appoint proxies, or the right to receive shareholder circulars, proxy forms, annual reports, prospectuses and takeover documents. Top Glove CDP Depositors and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

VOTING INSTRUCTIONS

Under Malaysian law, only persons or entities recognised as a Shareholder will be legally entitled to attend general meetings of our Company and to vote on any matter submitted to the vote of our Shareholders at a general meeting of Shareholders. Accordingly, investors who hold Shares through the CDP system will not be able to attend such Shareholders' meetings in their own names. Nevertheless, CDP's EAN in Malaysia, as Shareholder under Malaysian law and our Articles of Association, is entitled to appoint an unlimited number of proxies and thus may accord such voting rights to Top Glove CDP Depositors, who are the beneficial owners of the Shares, by executing instruments of proxies in order to give such investors the rights to attend and vote at such Shareholders' meetings. This right to appoint proxies to vote at general meetings is provided in our Articles of Association. CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint the Top Glove CDP Depositors as proxies in accordance with Malaysian law and our Articles of Association.

Top Glove CDP Depositors who are not individuals can only be represented at a general meeting of our Company if their nominees are appointed by CDP's EAN as proxies. Top Glove CDP Depositors who are unable to personally attend general meetings of our Company may enable their nominees to attend as proxies of CDP's EAN or forward their completed forms to our Singapore Share Transfer Agent.

Top Glove CDP Depositors who desire to exercise their voting rights under their own names with regard to Shares that are credited to their Securities Account with CDP will be required to transfer their Shares out of the CDP system in Singapore into the Bursa Depository system (the CDS) in Malaysia at their own costs.

All documents issued by the Company to its Shareholders will also be despatched by the Company to persons who are Top Glove CDP Depositors, subject to compliance with all applicable rules and regulations. For the avoidance of doubt, CDP or its nominees, as bare trustees, will not be regarded as having an interest in our Shares in respect of the Shares registered in their respective names. No share certificate will be issued to the Top Glove CDP Depositors whose names appear in the Depository Register maintained by CDP and such Top Glove CDP Depositors will not be deemed to be members under the Malaysian Companies Act. Please see the section entitled "*Attendance and Voting at General Meetings – Voting Instructions*" for more information about how investors who hold Shares through CDP are treated under Malaysian law.

CORPORATE INFORMATION

Directors	Tan Sri Dr Lim Wee Chai Tan Sri Dato' Seri Utama Arshad Bin Ayub Tan Sri Mohd Sidek Bin Haji Hassan Tan Sri Rainer Althoff Lee Kim Meow Puan Sri Tong Siew Bee Lim Hooi Sin Lim Cheong Guan Dato' Lim Han Boon Datuk Noripah Binti Kamso Sharmila Sekarajasekaran Professor Simon Tay Seong Chee
Company Secretaries	Chua Siew Chuan (Chartered Secretary of Malaysia, MAICSA No: 0777689) Chin Mun Yee (Chartered Secretary of Malaysia, MAICSA No: 7019243) Ngian Yoke Fung (Chartered Secretary of Malaysia, MAICSA No: 7049093)
Company Registration Number	474423-X
Registered Office and Registered Place of Business	Level 21, Top Glove Tower 16, Persiaran Setia Dagang, Setia Alam Seksyen U13, 40170 Shah Alam Selangor D.E., Malaysia
Joint Managers to the Introduction	**CIMB Bank Berhad, Singapore Branch** 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623 **HL Bank** (Singapore Branch of Hong Leong Bank Berhad) 20 Collyer Quay #01-02 Singapore 049319
Joint Malaysian Principal Advisers to our Company	**Hong Leong Investment Bank Berhad** Level 23, Menara HLA No. 3 Jalan Kia Peng 50450 Kuala Lumpur, Malaysia **CIMB Investment Bank Berhad** Level 17, Menara CIMB No. 1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia

Legal Adviser to the Introduction and to our Company as to Singapore Law	**Rajah & Tann Singapore LLP** 9 Battery Road #25-01 Straits Trading Building Singapore 049910
Legal Adviser to our Company as to Malaysia Law	**Christopher & Lee Ong** Level 22, Axiata Tower No. 9, Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia
Legal Adviser to our Company as to Thai Law	**Rajah & Tann (Thailand) Limited** 973 President Tower, 12th Floor Units 12A – 12F, Ploenchit Road Lumpini, Pathumwan Bangkok 10330, Thailand
Independent Auditors	**Ernst & Young** Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur, Malaysia Partner-in-charge: Ong Chee Wai (Chartered Accountant)
Principal Bankers	**Bank of China Limited** No 1 Fuxingmen Nei Dajie Beijing, China, 100818 **BNP Paribas Malaysia Berhad** Vista Tower, Level 48A, The Intermark 348 Jalan Tun Razak 50400 Kuala Lumpur, Malaysia **CIMB Bank Berhad** Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia **Deutsche Bank (Malaysia) Berhad** Level 18-20, Menara IMC 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia **Hong Leong Bank Berhad** Level 8, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur, Malaysia

HSBC Bank Malaysia Berhad
No 2 Leboh Ampang
50100 Kuala Lumpur, Malaysia

Industrial and Commercial Bank of China (Malaysia) Berhad
Level 35, Menara Maxis
Kuala Lumpur City Center
50088 Kuala Lumpur, Malaysia

Malayan Banking Berhad
14th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Mizuho Bank (Malaysia) Berhad
Level 27, Menara Maxis
Kuala Lumpur City Centre
50088, Kuala Lumpur, Malaysia

OCBC Bank (Malaysia) Berhad
19th Floor Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Public Bank Berhad
27th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur, Malaysia

Standard Chartered Bank Malaysia Berhad
Level 16, Menara Standard Chartered
No 30, Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

Siam Commercial Bank Public Company Limited
9th Floor, Zone C
9 Rutchadapisek Road
Jatujak
Bangkok, Thailand 10900

Sumitomo Mitsui Banking Corporation Malaysia Berhad
Suite 22-03, Level 22, Integra Tower
The Intermark, 348, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia

The Bank of Nova Scotia Berhad
Level 10, Menara Hap Seng 2
Plaza Hap Seng, No. 1, Jalan P. Ramlee
50250 Kuala Lumpur, Malaysia

Malaysia Share Registrar	**Securities Services (Holdings) Sdn Bhd** Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur, Malaysia
Singapore Share Transfer Agent	**Boardroom Corporate & Advisory Services Pte. Ltd.** 50 Raffles Place Singapore Land Tower #32-01 Singapore 048623

DEFINED TERMS AND ABBREVIATIONS

This glossary contains a list of abbreviations of our subsidiaries and associated companies and explanations and definitions of certain terms used in this Introductory Document in connection with our business. The terms and their assigned meaning may not correspond to standard industry or common meaning or usage of these terms.

Subsidiaries and Associated Companies

"APS"	:	PT. Agro Pratama Sejahtera
"BAR"	:	Best Advance Resources Limited
"BEL"	:	BestStar Enterprise Ltd
"BTI (Thailand)"	:	B Tech Industry Co., Ltd.
"EPCL"	:	Efficient Plantations Co., Ltd. (in the process of voluntary winding up)
"FSB"	:	Flexitech Sdn. Bhd.
"GGSB"	:	Great Glove Sdn. Bhd.
"GG (China)"	:	Great Glove (Xinghua) Co Ltd
"GG (Thailand)"	:	Great Glove (Thailand) Co., Ltd.
"GMSB"	:	GMP Medicare Sdn. Bhd.
"GPCL"	:	Great Plantations Co., Ltd. (in the process of voluntary winding up)
"GRL"	:	Green Resources Limited
"MFPL"	:	Medi-Flex Pte. Ltd.
"SCPL"	:	Sonic Clean Pte Ltd
"TASB"	:	Techniglove Asia Sdn. Bhd.
"TCSB"	:	Top Care Sdn. Bhd.
"TG (Germany)"	:	Top Glove Europe GmbH
"TG (Indonesia)"	:	PT. TopGlove Indonesia
"TG (Thailand)"	:	Top Glove Technology (Thailand) Company Limited
"TGESB"	:	Top Glove Engineering Sdn. Bhd.

"TGGD"	:	TGGD Medical Clinic Sdn. Bhd. (formerly known as TG GD Medical Clinic Sdn. Bhd.)
"TGISB"	:	Top Glove International Sdn. Bhd.
"TGPSB"	:	TG Porcelain Sdn. Bhd.
"TGM (China)"	:	TG Medical Suzhou Co., Ltd. (formerly known as TG Medical SuZhou Incoporated)
"TGM (USA)"	:	TG Medical (U.S.A.) Inc.
"TGMSB"	:	TG Medical Sdn. Bhd.
"TGSB"	:	Top Glove Sdn. Bhd.
"TGM (Thailand)"	:	Top Glove Medical (Thailand) Co., Ltd.
"TGP"	:	Top Glove Properties Sdn. Bhd.
"THF"	:	Top Healthy Fitness Sdn. Bhd. (formerly known as Top Glove Agro Sdn. Bhd.)
"TQGSB"	:	Top Quality Glove Sdn. Bhd.
"TQG (Thailand)"	:	Top Quality Gloves (Thailand) Co., Ltd
"VA"	:	Value Add Sdn. Bhd.

Other Companies, Corporations or Organisations

"Authority"	:	Monetary Authority of Singapore
"BNM"	:	Bank Negara Malaysia
"Bursa Depository"	:	Bursa Malaysia Depository Sdn. Bhd.
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDP"	:	The Central Depository (Pte) Limited of Singapore
"CDS"	:	The Central Depository System of Malaysia
"DOE"	:	The Department of Environment of Malaysia
"DHS"	:	DHS Emergency Asia Sdn. Bhd.
"FDA"	:	Food and Drug Administration of the USA

"MARGMA"	:	Malaysian Rubber Glove Manufacturers Association
"MHA"	:	Ministry of Home Affairs of Malaysia
"MITI"	:	Ministry of International Trade and Industry of Malaysia
"MPK"	:	Majlis Perbandaran Klang
"MRB"	:	Malaysian Rubber Board, the custodian of the rubber industry in Malaysia
"MREPC"	:	Malaysian Rubber Export Promotion Council
"OCBC"	:	Oversea-Chinese Banking Corporation Limited
"SAFE"	:	State Administration for Foreign Exchange of the PRC
"Securities Commission"	:	Securities Commission Malaysia
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"TGA"	:	Therapeutic Goods Administration of Australia
"Top Glove Foundation"	:	A charitable foundation launched on 14 June 2009 with the objective of providing funds for the purpose of charity, education and activities related to environment and community

General

"1H2015"	:	Financial period for the six months ended 28 February 2015
"1H2016"	:	Financial period for the six months ended 29 February 2016
"3Q2016 Financial Statements"	:	The unaudited consolidated financial statements of our Group for the third quarter ended 31 May 2016
"ADA"	:	Authorised Depository Agent
"ADM"	:	Authorised Direct Member
"Articles of Association"	:	The articles of association of our Company, as amended, modified or supplemented from time to time

"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"Audit Committee"	:	The audit committee of our Company as at the date of this Introductory Document
"Board"	:	Our Company's board of Directors
"Bonus Issue"	:	The issue of Bonus Shares on the basis of one (1) Bonus Share for every one (1) existing Share held on 26 January 2016
"Bonus Shares"	:	625,713,562 Shares issued pursuant to the Bonus Issue
"Bursa LINK"	:	Bursa Securities' Listing Information Network
"Bursa Listing Requirements"	:	The Main Market Listing Requirements of Bursa Securities
"CAGR"	:	Compound annual growth rate
"Central Depositories Act"	:	The Securities Industry (Central Depositories) Act 1991 of Malaysia, as amended, modified or supplemented from time to time
"Clean Air Regulations"	:	The Environmental Quality (Clean Air) Regulations 2014 of Malaysia
"CMSA"	:	The Capital Markets and Services Act 2007 of Malaysia, as amended, modified or supplemented from time to time
"Company" or "Top Glove"	:	Top Glove Corporation Bhd

"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in a company; or (b) in fact exercises control over a company, as defined in the Listing Manual
"Directors"	:	Our Company's directors as at the date of this Introductory Document
"EAN"	:	Exempt authorised nominee
"EQA"	:	The Environment Quality Act 1974 of Malaysia, as amended, modified or supplemented from time to time
"ESGP"	:	Employees' share grant plan of our Company, which was implemented on 12 January 2016 (as amended on 15 June 2016) and will expire on 12 January 2026
"ESGP Committee"	:	The committee appointed by the Board to administer the ESGP in accordance with the by-laws of the ESGP
"ESOS"	:	Employee share option scheme of our Company, which was established on 1 August 2008 (as amended on 10 January 2012) and will expire on 1 August 2018
"ESOS Committee"	:	The committee appointed by the Board to administer the ESOS in accordance with the by-laws of the ESOS
"Executive Officers"	:	Tan Sri Dr Lim Wee Chai, Mr. Lee Kim Meow, Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin and Mr. Lim Cheong Guan
"FMA"	:	The Factories and Machinery Act 1967 of Malaysia, as amended, modified or supplemented from time to time
"Foreign Exchange Administration Rules"	:	Malaysian foreign exchange administration rules and notices administered by BNM
"Foreign Share Ownership Regulation"	:	The Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996
"FSA"	:	The Financial Services Act 2013 of Malaysia, as amended, modified or supplemented from time to time
"FY2013"	:	Financial year ended 31 August 2013
"FY2014"	:	Financial year ended 31 August 2014

"FY2015"	:	Financial year ended 31 August 2015
"FY2016"	:	Financial year ending 31 August 2016
"Group"	:	Our Company and our subsidiaries as at the date of this Introductory Document
"GST Act"	:	Goods and Services Tax Act 2014 of Malaysia, as amended, modified or supplemented from time to time
"ICA"	:	Industrial Co-ordination Act 1975 of Malaysia, as amended, modified or supplemented from time to time
"IFRS"	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
"Introduction"	:	The listing by way of introduction of our Shares on the Main Board of the SGX-ST
"Investment Committee"	:	The investment committee of our Company as at the date of this Introductory Document
"Joint Malaysian Principal Advisers"	:	The Joint Malaysian Principal Advisers to our Company, Hong Leong Investment Bank Berhad and CIMB Investment Bank Berhad
"Joint Managers"	:	The Joint Managers to the Introduction, CIMB Bank Berhad, Singapore Branch and HL Bank
"Latest Practicable Date" or "LPD"	:	10 June 2016, being the latest practicable date prior to the issue of this Introductory Document
"Listing Date"	:	The date on which trading of our Shares on the SGX-ST commences
"Listing Manual"	:	The listing manual of the SGX-ST
"Malaysian Companies Act"	:	The Companies Act 1965 of Malaysia, as amended, modified or supplemented from time to time
"Malaysian Take-over Code"	:	The Malaysian Code on Take-overs and Mergers 2010, as amended, modified or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST and Bursa Securities is open for trading in securities (as the case may be)
"MFRS"	:	Malaysian Financial Reporting Standards as issued by the Malaysian Accounting Standards Board
"MRBR"	:	The Malaysian Rubber Board (Licensing and Permit) Regulations 2014 of Malaysia

"Nomination Committee"	:	The nomination committee of our Company as at the date of this Introductory Document
"OEM"	:	Original Equipment Manufacturer
"OSHA"	:	The Occupational Safety and Health Act 1994 of Malaysia, as amended, modified or supplemented from time to time
"Period Under Review"	:	The period comprising FY2013, FY2014, FY2015 and 1H2016
"PRC"	:	The People's Republic of China
"R&D"	:	Research and development
"REJA"	:	The Reciprocal Enforcement of Judgments Act 1958 of Malaysia, as amended from time to time
"Remuneration Committee"	:	The remuneration committee of our Company as at the date of this Introductory Document
"Risk Management Committee"	:	The risk management committee of our Company as at the date of this Introductory Document
"Rules of Bursa Depository"	:	The Rules of Bursa Depository as defined in Section 2 of the Central Depositories Act
"Securities and Futures Act" or "SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"Securities Account"	:	A securities account maintained by a Top Glove CDP Depositor with CDP, not including a securities sub-account
"Service Agreements"	:	The service arrangements entered into between our Company and each of our Executive Directors
"SFR"	:	The Securities and Future (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore
"SGXNET"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shareholders"	:	Shareholders whose names appear on (a) the record of depositors maintained by Bursa Depository, and (b) the Register of Members kept in Malaysia (except Bursa Malaysia Depository Nominees Sdn Bhd)
"Shares"	:	Ordinary shares of par value RM0.50 each in the share capital of our Company

"Singapore Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Singapore Take-over and Merger Laws and Regulations"	:	Sections 138, 139 and 140 of the Securities and Futures Act and the Singapore Take-over Code
"Singapore Take-over Code"	:	The Singapore Code on Take-overs and Mergers
"Substantial Shareholder"	:	A Shareholder who has an interest or interests in the Shares, where the total votes attached to those Shares is not less than 5.0% or more of the total votes attached to all Shares
"Top Glove CDP Depositors"	:	Depositors holding Shares under a direct account with CDP or a securities sub-account with a Depository Agent (as defined under the Singapore Companies Act)
"UK"	:	United Kingdom
"U.S." or "USA"	:	United States of America
"U.S. Securities Act"	:	The Securities Act of 1933 of the USA, as amended from time to time

Currencies and Units of Measurements and Others

"Baht" or "THB"	:	The lawful currency of Thailand
"IDR"	:	The lawful currency of Indonesia
"RM" or "MYR" or "Ringgit Malaysia" or "sen"	:	The lawful currency of Malaysia
"RMB" or "Chinese Renminbi"	:	The lawful currency of the PRC
"S$" or "Singapore Dollar" or "cents"	:	The lawful currency of the Republic of Singapore
"Sq m"	:	Square metre
"Sq ft"	:	Square feet
"US$" or "USD" or "US dollar"	:	The lawful currency of the USA
"%"	:	Percentage or per centum

In this Introductory Document, unless the context otherwise requires, references to "**we**", "**our Company**" or "**the Company**" refer to Top Glove Corporation Bhd; references to "**Group**", "**us**", "**our**", "**ourselves**" and "**our Group**" refer to our Company and our subsidiaries taken as a whole. References to our management and Directors are to the management and Directors of our Company; references to our "**Articles**" are to the Memorandum of Association and Articles of Association of our Company; and references to "**our share capital**" are to the share capital of our Company.

The terms "**associate**", "**associated company**", "**related corporation**" and "**subsidiary**" shall have the same meanings ascribed to them respectively in the Fourth Schedule of the SFR and/or the Listing Manual, as the case may be.

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

In this Introductory Document, references to "**RM**", "**MYR**", "**Ringgit Malaysia**", "**Ringgit**" and "**sen**" are to the lawful currency of Malaysia, references to "**S$**", "**Singapore Dollar**" or "**Singapore Cents**" are to the lawful currency of the Republic of Singapore. Please see the section entitled "*Exchange Rates and Exchange Controls*" for more information concerning the exchange rates between Singapore Dollar and Ringgit Malaysia. These translations should not be construed as representations that the relevant currency amounts have been, could have been or could be, converted into the stated currency at that or any other rate.

We maintain our accounts and publish our financial statements in Ringgit Malaysia. This Introductory Document contains conversions of certain amounts into Singapore Dollar at specified rates solely for the convenience of the reader. Unless otherwise indicated, we have made all conversions from Ringgit Malaysia to Singapore Dollar at the rate of S$1.00 = RM3.002, which is the closing Singapore Dollar/Ringgit Malaysia exchange rate quoted by Bloomberg L.P. as at the Latest Practicable Date.

Bloomberg L.P. has not provided its consent to the inclusion of the exchange rate quoted above and other information in the sections entitled "*Market Price Information*" and "*Exchange Rates and Exchange Controls*" in this Introductory Document and is thereby not liable for such information. While we, the Joint Managers and the Joint Malaysian Principal Advisers have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, neither we, the Joint Managers, the Joint Malaysian Principal Advisers nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information. We do not represent that the Ringgit Malaysia or Singapore Dollar amounts referred to herein could have been or could be converted into Singapore Dollar at this rate, at any particular rate or at all. Fluctuations in the exchange rates between the Singapore Dollar and the Ringgit Malaysia will affect cash dividends paid by us, if any, in Singapore Dollar. Please also see "*Risk Factors – Risks relating to our Industry and Business – We are exposed to foreign exchange risks*" for more information.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding, and figures herein have been rounded to the nearest one decimal place, or where applicable, figures are rounded to the nearest whole number. Measurements in sq m are converted to sq ft and vice versa based on the conversion rate of 1.0 sq m = 10.7639 sq ft. Measurements in acres are converted to sq ft and vice versa based on the conversion rate of 1.0 acre = 43,560 sq ft.

The information on our websites or any website directly or indirectly linked to such websites, is not incorporated by reference into this Introductory Document and should not be relied on.

Any reference in this Introductory Document to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted.

Any reference to a time of day in this Introductory Document refers to Singapore time unless otherwise stated.

Various names in Malay have been translated into English names. These translations are provided solely for your convenience. The English translations may not have been registered with the relevant Malaysian authorities and should not be construed as representations that the English names actually represent the names in Malay.

Any discrepancies in the tables, graphs and charts between the listed amounts and the totals thereof are due to rounding.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations commonly used in our industry. The terms and abbreviations and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms.

"ISO"	:	International Organisation for Standardisation, a worldwide federation of national standards bodies from more than 140 countries, whose mission is to develop industrial standards that facilitate international trade
"ISO 13485"	:	An international standard which specifies the requirements for a quality management system where an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements and regulatory requirements applicable to medical devices and related services
"ISO 9001"	:	An international standard which specifies the requirements for a quality management system for any organisation that needs to demonstrate its ability to consistently provide products that meet customer requirements and applicable requirements and aim to enhance customer satisfaction
"diisononyl phthalate"	:	Mixture of chemical compounds used as a plasticiser and added to plastics to increase flexibility, transparency, durability and longevity
"dioctyl phthalate"	:	Organic compound used as a plasticiser and added to plastics to increase flexibility, transparency, durability and longevity
"cleanroom"	:	Working environment with a low level of environmental pollutants such as dust, airborne microbes, aerosol particles, and chemical vapors
"elastomer"	:	Alternative term for rubber
"latex"	:	Milky fluid found in many plants, including rubber trees, used to produce natural rubber
"nitrile latex"	:	Synthetic rubber made from acrylonitrile-butadiene, a synthetic polymer material which is used to produce nitrile gloves
"pH"	:	Numeric scale used to specify the acidity or basicity of an aqueous solution
"polyethylene"	:	A commonly produced form of plastic, used in packaging

"polymer chlorinated"	:	Addition of chlorine gas to a material to produce a surface layer more resistant to the effects of oils, acids and agents that cause progressive cracking and breakdown of unprotected rubber
"polyvinyl chloride" or "PVC"	:	A commonly produced form of plastic
"thermoformed plastic film"	:	A plastic film manufactured through the heating of plastic sheets to a pliable forming temperature, formed to a specific shape in a mould and trimmed

SUMMARY

This summary highlights information contained elsewhere in this Introductory Document and may not contain all of the information that may be important to you. You should read the summary together with the more detailed information regarding, including our financial statements and related notes appearing e lsewhere in this Introductory Document. You should carefully consider, among other things, the matters discussed in "Risk Factors", before making a decision to invest in us.

OVERVIEW

Our Group was established in 1991. Our Company was listed on the Second Board of the Kuala Lumpur Stock Exchange in 2001 and was transferred to the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 16 May 2002. We are the world's largest rubber glove manufacturer and strive for continued success as a leader in the glove manufacturing industry. We are also one of the component stocks of the FTSE Bursa Malaysia ("**FBM**") Mid 70 Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, FTSE Bursa Malaysia Hijrah Shariah Index and FTSE4Good Bursa Malaysia Index.

The main business of our Group is in the production of rubber gloves, with 27 factories (25 glove manufacturing factories and two (2) latex processing plants) and 484 production lines with total annual production capacity of approximately 45 billion pieces of gloves.

Our products are exported to more than 195 countries worldwide, and include countries in North America, Latin America, Europe, Africa, Asia, Middle East and Oceania. To support our extensive distribution network, we have distribution platforms based in Malaysia, USA, Germany, Thailand and the PRC which distribute the products manufactured by us to our customers.

We derive our revenue mainly from the manufacturing and sale of latex powdered gloves, latex powder-free gloves and nitrile gloves. We also manufacture and sell other ancillary products including surgical, vinyl, cleanroom, household, cast polyethylene, industrial/long length high risk, thermoplastic elastomer, nitrile surgical, double donning surgical and thermoformed film packed surgical gloves.

Our customers come from different industries, including distribution companies and end users such as hospitals and laboratories. We sell our products under our own brand names or under third party labels where we are engaged as OEMs.

We act as a comprehensive one-stop glove sourcing centre, with more than a dozen variations of latex and nitrile gloves. This allows us to compete for market share in many countries and offers convenience of sourcing for a variety of gloves for our customers without them having to approach different suppliers.

We place significant emphasis on quality control and production standards during our production processes. As a testament to our commitment to the production of high quality products, we have quality standard accreditation under the ISO 9001:2008 certification. We also regularly send our gloves to accreditation bodies all over the world and have also been accredited by organisations such as the FDA, the TGA and the TUV Product Service GmbH, Germany. Please refer to the section entitled "*Business – Quality Assurance*" for more information.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths include the following:

We have an established track record and a geographically diverse customer base

We are a strong player in the rubber glove manufacturing industry with a strong track record and market position. We have grown to become a well-known and trusted brand due to our focus on high quality control and production standards. Coupled with the high economies of scale we enjoy, we have been able to deliver positive results and robust volume growth in spite of the increasingly competitive environment.

Through our extensive distribution network comprising key distribution platforms in Malaysia, Thailand, the PRC, Germany and USA, we have established a strong global presence and are able to capture market share in many countries. As a comprehensive one-stop glove sourcing centre with more than a dozen variations of glove products, we are also able to offer our customers convenience of sourcing for a variety of gloves without having to approach different suppliers.

We have strong research and development capabilities and technical expertise

We are committed to carrying out continuous internal quality and cost efficiency improvements and have embarked on, in particular, concerted efforts in automation, R&D and re-engineering. Our R&D efforts have enabled us to engage in cost-optimisation practices and process improvements via continuous automation, which ensures our ability to maintain cost-efficiency, as well as to keep abreast with the technological developments and extend our product pipeline in line with increasingly stringent market requirements.

With our focus on quality, innovation, automation, cost discipline and efficiency across all aspects of our operations, we are well-positioned to capitalise on the industry's robust growth momentum and maintain our strong performance.

We have an experienced and committed key management team

Our key management has extensive industry knowledge, experience and operational expertise, with at least over a decade of experience in the rubber glove industry. Certain of our Executive Directors are also members of multiple rubber-related organisations and committees such as the

MARGMA, MRB, MREPC and the ASEAN Rubber Glove Manufacturers Association, and contribute to the development of the Malaysian and regional rubber glove industry through their active participation in these organisations.

Our founder, Tan Sri Dr Lim Wee Chai, is also the recipient of several awards and accolades in recognition of, amongst others, his stewardship of our Group and leadership in developing Top Glove as a world class manufacturer. Additionally, Mr. Lim Hooi Sin, our Executive Director and the founder of TGM (USA) (a wholly-owned subsidiary of our Company), has more than 15 years of experience in the USA glove market. His particular expertise in this region provides valuable support towards our expansion plans in the USA.

We are able to meet the changing demands and evolving requirements of our customers in different markets

We are adaptable and responsive to changing demands between the developed and developing markets. As such, we have implemented immediate capacity expansion plans to cater to the rising demand of nitrile gloves and non-medical gloves in the developed countries, and are actively pursuing first-mover advantage in the emerging markets.

With the support of our sales and marketing arm, we are also able to provide value-added services and tailored product offerings for our customers, in accordance with our customers' specific requirements and the prevailing industry requirements.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Over time, we will develop and implement a series of steps and initiatives so as to maintain our position as the world's largest rubber glove manufacturer. Currently, our key business strategies and immediate future plans are:

We intend to expand our presence in various markets

We aim to widen our market reach and to increase recognition of the Top Glove brand in the various global markets. To this end, we will continue to leverage on our established operating presence in Malaysia, Thailand and the PRC, and build upon these foundations to increase our business portfolio. We are looking to continue expanding our presence in developed markets such as North America and Europe, as well as to capture growth in demand from emerging markets such as India and the PRC.

We have enjoyed an incremental growth in our nitrile glove sales of 646% over a 6-year period (from FY2010 to FY2015), and continue to deploy resources to keep up with such growing demand, especially in the USA and Europe. Going forward, we will continue to increase our nitrile glove production capacity accordingly to cope with the rapidly rising demands. Sales of gloves to North America and Europe make up 31% and 28% of our revenue (for FY2015) respectively and we seek to increase sales to these regions by increasing sales of our nitrile gloves in these markets from our new nitrile glove facilities. Additionally, we will continue our efforts to venture into developing countries such as India and the PRC by expanding our distribution network in these countries.

To further enhance our market presence in these developed and developing markets, we intend to leverage on existing independent intermediaries, and may appoint new independent intermediaries to undertake marketing and distribution of our products. In addition, we will continue to actively participate in international trade exhibitions and other similar marketing opportunities.

We intend to acquire new facilities and optimise our current facilities

To ensure that our Group is well-positioned to meet the increasing demand for rubber gloves, we will also continue to expand our operations and build new optimised facilities with faster, more efficient and technologically-advanced production lines with a view to increasing profitability. In this regard, we expect to commence operations at the expanded portion of our Factory 27 in Lukut, Port Dickson, Malaysia in July 2016, and at the expanded portion of our Factory 30 in Klang, Malaysia in 2017, both of which are nitrile facilities which are expected to contribute a total of approximately 44 more production lines to our manufacturing capacity. We also expect to commence operations at the extension to Factory 6 in Phuket, Thailand by the 4th quarter of 2016, which will contribute approximately 12 additional lines to our natural rubber facilities and will accordingly enhance our sales in the developing markets. With the completion of the expansion plans for the factories above, our Group's number of production lines and capacity will increase to 540 production lines and 52.4 billion gloves per annum respectively.

Our R&D department is dedicated to developing innovations that will help to move our manufacturing process forward as we take our business to the next level. Through R&D, we seek to achieve increased automation throughout the manufacturing process, in order to reduce reliance on manual labour and to improve the consistency, quality and efficiency of our production lines. In connection with the shift towards further automated processes, our total number of employees had been temporarily reduced by approximately 7.5%, from 10,631 to 9,837 between FY2013 and FY2014. Due to extensive internal improvements focused on automation, R&D and engineering, our efforts have resulted in enhanced quality output and substantially reduced downtime, which has increased our levels of efficiency throughout the manufacturing process.

We intend to undertake mergers and acquisitions if the right opportunity arises

We are keenly pursuing opportunities to acquire or merge businesses that synergise with our current business, in similar or related industries.

Whilst there is no assurance that any such mergers and acquisitions will necessarily result in successful integration into our Group, we believe that suitable mergers and acquisitions, joint ventures and strategic partnerships will give us access to new markets and customers, as well as enhance and/or complement our existing business performance.

OUR CONTACT DETAILS

Our registered address and principal place of business is Level 21, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam Selangor D.E., Malaysia. Our telephone and facsimile numbers are +603 3362 3098 and +603 3362 3860 respectively. Our website address is http://www.topglove.com.my. Information contained in our website does not constitute part of and is not incorporated by reference to this Introductory Document and should not be relied on.

SUMMARY OF THE INTRODUCTION

Our Company	Top Glove Corporation Bhd, a company incorporated with limited liability under the laws of Malaysia.
Listing on the SGX-ST	Application has been made to the SGX-ST for permission to list all of our issued Shares on the Main Board of the SGX-ST. Such permission will be granted when we have been admitted to the Official List of the SGX-ST.
Trading on the SGX-ST	Our Shares will, upon their listing and quotation on the SGX-ST, be traded on the SGX-ST under the book-entry (scripless) settlement system of CDP. Dealing in and quotation of our Shares on the SGX-ST will be in Singapore Dollars. The Shares will be traded in board lot sizes of 100 Shares. Our Shares are currently listed and traded on the Main Market of Bursa Securities under the code, 7113.
Voting Rights	Registered owners of our Shares will be entitled to full voting rights. Top Glove CDP Depositors' ability to vote at Shareholders' meetings will be limited. Please refer to the section entitled "*Attendance and Voting at General Meetings*".
Dividends	We have adopted a dividend policy to declare and pay annual dividends of not less than 50% of our profit after tax and minority interest. For a detailed description on our dividend policy, please refer to the section entitled "Dividend Policy". Top Glove CDP Depositors whose Shares are held through CDP will receive their dividends through CDP in Singapore Dollars. We will make the necessary arrangements to convert the dividends in Ringgit Malaysia into the Singapore Dollar equivalent at the prevailing exchange rate on each relevant date for CDP's onward distribution to the entitled Top Glove CDP Depositors. On 15 June 2016, we had declared a first interim dividend of RM0.06 per Share (the "**Interim Dividend**"). Top Glove CDP Depositors whose Securities Accounts are with the CDP (either directly or through CDP depository agents) and are credited with Shares as at 5.00 p.m. on 1 July 2016 will be entitled to the Interim Dividend.

Share Capital	As at the date of this Introductory Document, our authorised share capital is RM800,000,000 comprising 1,600,000,000 Shares and our issued and paid-up share capital is RM626,278,782 comprising 1,252,557,564 Shares (excluding 2,164,400 Shares held as treasury shares). All our issued Shares are currently listed on the Main Market of Bursa Securities. We have only one class of shares. All of our Shares are in registered form.
Risk Factors	Prospective investors should carefully consider certain risks connected with an investment in our Shares, as discussed under the section entitled "Risk Factors".

RISK FACTORS

Prospective investors should consider, among other things, the risk factors set out herein before making an investment decision. The risks described below are not the only ones we face. There may be additional risks not described below or not presently known to us or that we currently believe to be immaterial that turn out to be material. Our business, financial position, operating results and prospects could be materially and adversely affected by any of these risks, should they occur or turn out to be material.

This Introductory Document also contains forward-looking statements which involve risks and uncertainties. The actual results of our operations may differ materially from those anticipated by these forward-looking statements due to a variety of factors including, but not limited to, the risk factors described below and elsewhere in this Introductory Document.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Our profitability may be affected by shortages in raw materials or fluctuations in raw material prices.

The primary raw materials used in our production facilities are natural rubber and nitrile which accounted for in aggregate approximately 49%, 44% and 43% of our total cost of sales in FY2013, FY2014 and FY2015 respectively. We purchase our raw material mainly from external suppliers. The market prices of our raw materials may also fluctuate due to, among other reasons, changes in global supply and demand conditions. Nitrile, a raw material used in the production of our nitrile examination gloves, is a petroleum based product. Any increase in petroleum prices may result in the increase in nitrile prices and consequently, an increase in our production costs. Any increase in the cost of natural rubber may also lead to an increase in our production costs.

Although we have not encountered any shortage of raw materials in the past, any sudden shortage of supply or reduction of allocation of raw materials to us from our suppliers, or any increase in raw material prices may result in us having to pay a higher cost for these raw materials which may adversely affect our results of operations. In the event that we are unable to find a comparable source of supply at similar rates or pass on increases in the costs of such raw materials to our customers on a timely basis, the profit margins for our products may be adversely affected.

In addition, we also purchase and maintain an inventory of raw materials ahead of receipt of orders from our customers. We usually maintain an inventory for raw materials of approximately three (3) weeks for our operating requirements. Accordingly, a significant decrease in raw material prices during the inventory holding period may adversely affect our profit margins and profitability as we may have to lower our selling prices for new orders.

We are exposed to foreign exchange risks.

We are exposed to risks related to exchange rate fluctuations, particularly with respect to the US$. While our Group's operating expenses and purchases are denominated mainly in RM, Baht and RMB, our sales are primarily denominated in US$ as our sales are principally in markets outside of Malaysia. To the extent that our sales, purchases and operating costs are not naturally matched in the same currency and there are timing differences between invoicing and collections/payment, we will be exposed to any adverse fluctuations of the various currencies against RM. In addition, we are subject to translation risks as our consolidated financial statements are reported in RM while the financial statements of our foreign-incorporated operating subsidiaries are prepared in the foreign currencies of their domicile.

While there are hedging instruments available to reduce our exposure to exchange rate fluctuations, the cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. We have entered into certain hedging transactions to reduce our exposure to foreign currency exchange risks, and in particular against the US$, which may affect us in any of the following ways:

- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes, although unrealised, would reduce our net asset value if it is due to downward adjustments; and
- other risks or transaction costs may be incurred, which may reduce our overall returns.

As such, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

The volatility of prices for crude oil may affect our results of operations.

Our profitability may be affected by the prices of crude oil, which has an indirect impact on our raw materials, and in particular nitrile prices. Nitrile prices move in correlation with the price of their main feedstock, butadiene, which in turn moves in tandem with crude oil prices. Although we have historically been able to pass on cost increases and cost savings to our customers, there can be no assurance that we will be able to continue doing so in the future either on a timely basis or at all. If we are unable to pass on cost increases to our customers and we are unsuccessful in alternatively managing our exposure to the effects of nitrile price fluctuations, our financial condition, results of operations and/or prospects could be materially and adversely affected.

In recent years, the international market for crude oil has been characterised by significant price fluctuations due to a variety of factors beyond our control. These factors, among others, include:

- international events and circumstances, as well as political developments and instability in petroleum producing regions, such as the Middle East, Latin America, Northern Africa (particularly Libya) and Western Africa; the ability of the Organization of Petroleum Exporting Countries and other petroleum producing nations to set and maintain production levels and therefore influence market prices;
- supply levels and costs of substitute energy sources, such as coal;
- domestic and foreign government regulations with respect to oil and energy industries in general;
- fluctuations in foreign exchange rates;
- the level and scope of activity of global oil and natural gas exploration and production, global oil and natural gas inventories, oil speculators and other commodity market participants;
- weather conditions and seasonality; and
- overall global, domestic and regional economic conditions.

Given the erratic nature of the crude oil market, there can be no assurance that the recent decreases in the price of crude oil will continue or be sustained. While the demand for our nitrile gloves is generally resilient against movements in crude oil prices, high volatility and any significant spikes in the price of crude oil may cause a reduction in the demand for our nitrile products. On the other hand, sharp decreases in crude oil prices may create stiff price competitions in our industry, leading to margin erosions. Such extreme fluctuations in the prices of crude oil may have a material adverse effect on our business, financial condition, results of operations and/or prospects.

We face significant competition in the business segments in which we operate.

Our Group faces keen competition from local and foreign glove manufacturing companies, particularly in the nitrile glove segment, as major industry players continue to expand their production capacity. Our success depends on our ability to maintain our existing customers, generate customer patronage and nurture loyalty mainly by consistently offering top quality products and services at competitive prices on a timely basis. In the event we are unable to do so, we may be unable to compete successfully against our competitors and may not be able to maintain or grow our market share. Accordingly, our financial condition and operating results may be adversely affected. While we benefit from economies of scale and high barriers to entry to the rubber glove manufacturing industry, key factors affecting our competitiveness include price, product quality, brand recognition, distribution reach and operating history.

Please refer to the section entitled "*Business – Competition*" in this Introductory Document for details of our key competitors.

We are not in compliance with building laws and regulations and have not obtained building approvals, occupancy certificates and/or operational licences for continued operations of some of our properties.

We have not obtained the Certificate of Fitness for Occupation ("**CF**") and/or Certificate of Completion and Compliance ("**CCC**") (as applicable) for 14 properties owned by the Group, comprising 11 factories, two (2) hostels and one (1) office and multi-purpose hall (collectively, the "**Affected Properties**") as we have yet to fulfil certain of the requisite conditions, such as submission and approval of building plans. Pending the issuances of such CF or CCC for the Affected Properties, business licences for certain of our factories cannot be applied for. While we are currently carrying out business operations at the Affected Properties, the relevant local authorities may not allow our Group to continue to occupy and operate at such Affected Properties which do not have such occupancy certificates and/or operational licences. In addition, we have also received a stop-work order at a factory currently under development in Klang ("**Factory 30**") as we had commenced construction works on Factory 30 prior to obtaining the approval of building plans.

Although no enforcement action has been taken against us as at the Latest Practicable Date and we are actively undertaking rectification measures, we cannot assure you that the relevant local authorities will not impose fines and/or penalties on us for the foregoing non-compliances. Under the relevant legislation, the fines may range from RM2,000 to RM500,000 and may also include imprisonment terms. In such event, our reputation, business, financial condition, results of operations and/or prospects may be adversely affected. Please refer to the section entitled "*Regulations – Permits, Licences, Approvals, Certifications and Government Regulations – Malaysia*" for information on the specific penalties under the relevant statutes.

Whilst we believe that alternative premises can be found to accommodate our workers living at the two (2) hostels and for office and multi-purpose hall usage with minimal impact to the Group, in the event any or all of the factories for which CF or CCC have not been obtained ("**Affected Factories**") are ordered to cease production, we may be required to utilise spare capacity in the

other factories of the Group to accommodate the production shortfall from the cessation of the Affected Factories. In the event all of the Affected Factories are ordered to cease production prior to such completion and/or rectification of the outstanding approvals, our revenues may be impacted by up to 15%, based on our revenues for FY2015. In addition, whilst the extension to Factory 6 is expected to be completed and be operational by the 4th quarter of 2016, this will only be able to partially absorb the production shortfall from the Affected Factories. Any cessation of operations at the Affected Factories may adversely affect our business, financial condition, results of operations and/or prospects and our ability to pay dividends to our Shareholders.

Please refer to the section entitled "*Business – Material Licences*" for further information on the outstanding approvals of the Group.

We are subject to applicable governmental regulations, including licensing requirements.

We hold various licences and permits issued by various government authorities and regulatory agencies in the countries in which we operate, and such licences and permits are essential for the conduct of our business. For more information, please refer to the sections entitled "*Business – Material Licences*" and "*Regulations*".

These licences and permits are generally subject to a variety of conditions which are either stipulated in the licences and permits themselves or under the particular legislation and/or regulations. The continuation of these licences and permits may be subject to periodic examinations and/or random inspections by the relevant authorities to ensure that our premises comply with all relevant regulations of the issuing authority.

Any breach or material non-compliance with the regulations of the issuing authorities may result in suspension, withdrawal or termination of the relevant licences and permits, financial penalties or cessation of our operations. In the ordinary course of business, we are required to undertake the renewal of various licences and permits, and the renewal processes may inadvertently be delayed due to administrative lag. We cannot guarantee that, upon the expiration of any of our licences and permits, we will be able to renew all necessary licences and permits in the future in a timely manner or at all or that we will not be subject to suspension, withdrawal or termination of our licences and permits. Any failure to secure renewal, or loss, of a required licence or permit, would materially and adversely affect our business, financial condition, results of operations and/or prospects.

We are also in the process of applying for certain new regulatory licences, approvals and permits (please refer to the sections entitled "*Business – Material Licences*" and "*Business – Material Licences – Outstanding Approvals*" for further information) and there is no assurance that we will be able to obtain such licences, approvals and permits in a timely manner or at all. Certain of our business operations may already have commenced and/or been operating for an extended period of time without the requisite licences, approvals and permits. Please see above "*– We are not in compliance with building laws and regulations and have not obtained building approvals, occupancy certificates and/or operational licences for continued operations of some of our properties*" for more information. Even if we are able to obtain such licences, approvals and permits, there is no assurance that the relevant authorities would not hold us responsible for previous breaches as a result of operating without the relevant licences, approvals and permits and we may be subject to various sanctions including monetary penalties which could materially and adversely affect our financial performance and/or results of operations.

We are exposed to product safety and quality-related risks that may harm our business and reputation and subject us to product liability claims and/or regulatory action.

Product safety and quality is critical to our business and we rely heavily on our quality control systems to ensure the safety and quality of our products. Please see the section entitled "*Business – Quality Assurance*" for more details on our quality control systems. While we believe that our quality control systems function properly and we routinely inspect the safety and quality of products prior to them being delivered to our customers, we cannot assure you that failures in our quality control systems will not occur in the future. Such failures may occur due to technical malfunctions, including of the equipment used to manufacture gloves, or through negligence or misconduct occurring during the production or operating process which results in product contamination. Our safety and quality inspection systems may not always be able to detect any such contamination or quality-related issues. Contamination and quality-related issues may also result from residues introduced during the storage, handling and transportation phases. Any such contamination or quality-related issues could cause us to suffer from monetary losses through product liability claims or penalties assessed by government agencies or result in damage to our reputation, which would in turn materially and adversely affect our business, financial condition, results of operations and/or prospects.

Although our gloves are required to comply with our stringent quality assurance procedures, as well as to comply with international standards and requirements, there remains a possibility that the gloves manufactured or distributed may contain chemical substances, including latex protein and/or other substances that are sensitive to certain users. Although we have not faced any material complaints on safety or quality-related issues in the past, customers who use our products may develop allergic or other adverse reactions despite our safety and quality controls and testing. If customers and users of our products suffer any damage, injury, illness or other adverse reactions as a result of using our products, we may face an inherent risk of exposure to product liability actions and legal claims. While we have not faced such events in the past, in the case that such events do occur, we may have to compensate such persons or expend significant amounts on litigation.

Further, in the event our products are found to be unfit for their intended purpose, non-compliance with industry requirements or contain material defects, we may face product liability claims from our customers. Whilst there have been no past incidences of quality control systems failures which had materially affected our Company, there can be no assurance that such incidents would not occur in the future. In the event of such incidents, we may have to spend a significant amount of time and resources to defend ourselves in the event that legal proceedings are instituted against us, with or without merit. Such claims, if decided unfavourably against us, may have an adverse impact on our business, financial condition and results of operation.

Failure to comply with environmental regulations, could harm our operating results, financial condition and reputation.

Our manufacturing operations are located in Malaysia, Thailand and the PRC and we are subject to the relevant environmental laws and regulations in Malaysia, Thailand, the PRC and any other jurisdictions in which we may operate in the future. These laws and regulations in the jurisdictions in which we operate require us to adopt measures to effectively control and properly dispose of waste gases, waste water, industrial waste, dust and other environmental waste materials.

Due to the scale of our operations, it is inevitable that a large quantity of waste and emissions is produced, some of which require appropriate disposal. Although we have installed and have adopted measures to control the disposal of waste gases, waste water and other environmental waste materials and to reduce the environmental impact of the discharged waste, there is no assurance that these measures may be sufficient now or in the future. In the event environmental

laws, regulations or government policies are amended and more stringent requirements are imposed on us, we may incur corresponding increased costs and expenses and need to allocate additional resources to comply with such requirements.

In the course of our operations, we may have unknowingly emitted pollutants or otherwise caused environmental damage or been in breach of applicable environmental laws and regulations. Even with regular monitoring, such environmental issues may continue until and even after they are brought to our attention. While we have not encountered any material instances of environmental non-compliance in the past, any failure by us to comply with environmental laws and regulations may lead to claims, liabilities or the suspension of our operations, and thereby materially adversely affect our business, financial condition, results of operations and/or prospects.

If we fail to comply with any of the relevant environmental laws and regulations, depending on the type and severity of any violation, we may be subject to, among other things, further warnings from relevant authorities, imposition of fines and/or criminal liability, being ordered to close down our business operations and suspension of relevant permits. As a result, our reputation may be harmed and our business, financial condition, results of operations and/or prospects could be materially and adversely affected. In addition, because these laws and regulations are becoming increasingly more stringent globally, there can be no assurance that we will not be required to incur additional expenses to comply with such laws and regulations in the future.

Rising operational costs could materially and adversely affect our business, financial condition, results of operations and prospects.

We use various types of fuel including natural gas, biomass and diesel mainly for the boilers and other heating devices used in our production process. Fuel expenditure constituted approximately 7%, 8% and 10% of our total cost of sales for FY2013, FY2014, and FY2015 respectively. While the global fuel prices have been on a downward trend since 2014, the Malaysian government had abolished petrol and diesel subsidies with effect from 1 December 2014, and has been reducing subsidies for natural gas. As fuel costs contribute a significant proportion of our cost of production, any increase in the global fuel prices may have an adverse effect on our profitability and financial performance in the event we are unable to pass on the increase in fuel costs to our customers.

Rising electricity costs may also result in increased energy-related costs for our operating activities. In addition, operational costs for compliance with new labour policies may increase exponentially. Please see below "– *We are dependent on foreign workers and may face increased costs of labour or labour shortage*" for more information. There can be no assurance that rising labour and utilities costs may not have an increasingly adverse impact upon our operational costs and materially and adversely affect our business, financial condition, results of operations and/or prospects.

We are dependent on foreign labour and may face increased costs of labour or labour shortage.

The glove manufacturing industry requires manual labour in certain areas which do not involve automated processes, such as quality control and packing. We rely on foreign labour in our manufacturing process and they represent 66%, 68% and 69% of our total number of workers in FY2013, FY2014 and FY2015 respectively. Any changes in the policies of the foreign workers' countries of origin or any restrictions in the jurisdictions we operate in may affect the supply of foreign labour and cause disruptions to our business operations. The Malaysian government had recently announced a revised hike in foreign workers levy with effect from 18 March 2016. Further, the Malaysian government has stipulated that with effect from 1 July 2016, the minimum wage for foreign workers will be increased from RM900 to RM1,000 per month. Given the relatively large workforce under the employment of the Group, earnings may be affected unless the effects of the revised hike and/or the minimum wage increase can be mitigated by improved automation,

computerisation and R&D improvement initiatives. In addition, any increase in competition for foreign workers may also increase labour costs. In the event that the number of foreign workers that we can employ is reduced and/or we have to turn to a more costly source of labour, our financial performance may be adversely affected.

Recruitment of foreign workers in Malaysia is currently limited to only approved sectors, which are the manufacturing, plantation, construction, agriculture, and certain types of services sectors. In addition, the MHA has imposed specific requirements for the recruitment of foreign workers, such as countries of origin and gender of workers for certain sectors. There is no assurance that such policies will not be amended or restricted in any way, and that in the event such policies are amended, we will be able to comply with the new policies.

As applications for recruitment of foreign workers in Malaysia are subject to approval procedures, there is no assurance that we will be able to continue to employ sufficient numbers of foreign workers to meet our operational requirements. In particular, in the event that the MHA restricts the number of foreign workers which we can recruit, or our applications for recruitment of foreign workers are continuously rejected, our business operations, financial condition and operating results may be adversely affected. For example, the MHA has suspended new intakes of foreign workers with effect from 19 February 2016, whilst the Malaysian Government conducts a review of the two-tier levy programme for foreign workers. While the hiring suspension has been partially and conditionally lifted in May 2016, there is no certainty as to when such hiring suspension may be fully lifted and in the meantime, we may not be able to engage in further recruitment of foreign workers.

We are subject to risks associated with technological changes and advancements in materials technology.

Our business is susceptible to changes in technology. With the advancement of technology and continual R&D in the production process for the manufacturing industry, new manufacturing techniques for our products may be developed. There is no assurance that potential competitors may not in the future adopt newer and cheaper alternatives to replace the raw materials used in the production of our products. This may result in lower production costs per unit. Whilst we invest substantially in R&D (please refer to the section entitled "*Business – Research and Development*"), in the event that we are unable to adapt our production processes with newer and more efficient manufacturing techniques and/or price our products competitively against other glove manufacturers, we may lose our market share and our business, profitability and financial position will be adversely affected.

We are exposed to the credit risks of our customers.

We may extend credit terms to our customers ranging from 30 days to 90 days on a case-by-case basis depending on, amongst others, their creditworthiness and the length of the customer relationship. Our trade receivables' turnover days for FY2013, FY2014 and FY2015 were 45 days, 43 days and 53 days respectively.

Whilst we have not in the past experienced any significant credit issues with our key customers, there is no assurance that our trade receivables can be collected fully or within a reasonable period of time and failure to do so could adversely affect our cash flow and financial performance. We also receive payments upfront in cash from some of our customers. In the event that we are not able to collect payments from our customers, our business, financial condition and operating results may be adversely affected.

We are dependent on our ability to retain key personnel.

Our continued success is dependent on our ability to retain the services of our key management and executives who are key to the successful implementation of our business strategy in the near to medium term. The goodwill and strong networks that our experienced management team has developed with various customers over the past years are important to the further development of our business. The in-depth knowledge, relevant experience and commitment of our key executives are instrumental to our development and growth. As such, any loss of any key personnel without qualified and timely replacements and the inability to attract, train and retain qualified replacements will have an adverse impact on our operations.

Tan Sri Dr Lim Wee Chai, our founder, has been the main contributor to our success and provides strategic leadership and vision for our Group. The continued success and growth of our Group is dependent on our ability to retain his service, and the loss of Tan Sri Dr Lim Wee Chai's service as Executive Chairman may adversely affect our business, future plans and prospects.

We may be affected by natural disasters, terrorist attacks, armed conflicts and other events beyond our control.

Our Group may face disruptions to our productions facilities due to unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, shortage of water, insufficient electricity supply and other calamities or events beyond our control. This would result in longer lead-time for production and delayed delivery to our customers. Failure to meet our customers' expectations and make deliveries as required by our agreements with customers could damage our reputation and/or expose us to legal claims and may, as a result, lead to loss of business and affect our ability to attract new business. In such events, our business and financial performance will be adversely affected.

In addition, terrorist attacks, armed conflicts, increased hostilities and other acts of violence or war around the world may adversely affect the regional and global financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to an economic recession and have an adverse effect on our business, results of operations and financial condition. There can be no guarantee that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect our businesses, results of operations and financial condition.

Our insurance coverage may be inadequate to indemnify us against all possible liabilities.

Our insurance coverage may not adequately protect us from the key risks associated with our business. Our Group maintains various insurance policies covering, amongst others, product liability, our stock-in-trade (including our raw materials, semi-finished and finished gloves, our dipping lines and equipment), as well as our buildings and extensions. We also insure our principal assets against risk of physical loss or damage caused by accident, fire, civil disorder and/or natural disasters. There is however, no assurance that we will be able to continue to maintain our existing insurance coverage or obtain insurance policies on economically viable terms or acceptable premiums.

During the course of our operations, we may face various claims and disputes against liabilities that are not insured adequately, or at all, or liabilities that cannot be insured. There can be no assurance that our existing insurance policies will be sufficient to cover all of our potential losses or risks associated with our business and operations. In the event that our insurance coverage is insufficient to indemnify us against all possible liabilities or losses arising from our business operations, our business, financial condition and operating results may be adversely affected. Please refer to the section entitled *"Business – Insurance"* for more information on our existing insurance policies.

We may be affected by negative publicity.

Reports in publications and journals relating to issues such as latex protein allergy may have a negative effect on our image. The publication of reports asserting or alleging that gloves in general (even if not sold by us) may cause allergies or adverse reactions, in particular protein allergy, may have a negative effect on our sales regardless of whether such report are substantiated scientifically or whether the harmful effects are restricted to the products sold by other companies. For example, the FDA has recently proposed a ban the use of powdered rubber latex medical gloves in the USA, suggesting that the airborne powder as well as excessive exposure to natural latex proteins from such medical gloves can cause serious allergic reactions for users. The ban has called for a switch to medical gloves of the natural rubber latex powder-free and the nitrile varieties. Consequently, while natural rubber latex powder-free gloves and nitrile gloves comprise a significant portion of our product mix (contributing to approximately 19% and 32% of our total sales for 1H2016, respectively), there is no assurance that we can increase our natural rubber latex powder-free and nitrile glove productions to meet any drastic change in demand in a timely manner. While such proposed ban will not materially affect our capital expenditures and production capacities or capabilities, and may have a limited impact on our export sales to the USA (as most of our glove exports to the USA are of the nitrile and latex non-powdered variety), there is no assurance that the developing markets will not impose a similar ban on the use of powdered rubber latex medical gloves. However, in the unlikely event that such ban is proposed in the developing markets, our export sales to the developing markets may be affected and any resultant decrease in or loss of sales of the affected products may have a material adverse financial effect on our Group.

We could be adversely affected if customers lose confidence in the safety and quality of our products. These concerns could cause our customers to avoid purchasing certain products from us, or to seek alternative sources of supply for their needs, even if the basis for the concern is not valid and/or is outside of our control. Adverse public perceptions created as such, whether or not valid, could discourage our customers from buying our products and any lost confidence on the part of our customers may be difficult and costly to re-establish. Any product contamination involving our competitors could also impact the reputation of the industry as a whole and have a negative effect on our business.

Although we have not been the subject of negative publicity in the past, any complaints or product liability claims by customers may also affect public perception of our brands and products. In the event that we are required to compensate our customers, our corporate image, financial condition and results of operations may be adversely affected.

Our growth strategy subjects us to various risks.

We plan to pursue a growth strategy that includes expanding our factory production capacities and further investing in automated production lines. Our growth strategies include organic growth through the construction of new facilities as well as increasing our manufacturing and production capacities and expanding our distribution capabilities. Risks relating to our growth strategy include the following:

- we may face competition to obtain building and occupational approvals for expansion opportunities;

- we may face increased costs, supply difficulties and competition in obtaining raw materials for our operations;

- we may not be able to hire and retain skilled employees (including engineers, laboratory technicians, researchers and chemists) necessary for our expanded operations or may have to pay higher wages for these employees than we expect; and

- unforeseen circumstances and problems relating to our expansion projects may distract our management from focusing on our existing operations.

We cannot assure you that we will be able to identify, acquire, or profitably manage our expanded businesses without incurring substantial costs, or that we will not face delays or other operational or financial difficulties in doing so.

Domestic, regional or global economic changes may adversely affect our business.

The global economic crisis that began in 2008 has resulted in the global financial markets experiencing significant turbulence originating from the liquidity shortfalls in the U.S. credit and sub-prime residential mortgage markets, which have caused liquidity problems resulting in bankruptcy for many institutions, and unprecedented major government bailout packages for banks and other institutions. Any further government intervention, restrictions or regulation could have a material adverse effect on our business, financial performance, results of operations and prospects. The global economic crisis has also resulted in a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in the value of global stock markets, a slowdown in global economic growth and a drop in demand for certain commodities.

This economic situation was further exacerbated by the debt crises in the Eurozone (namely in Greece, Portugal, Spain, Ireland and Italy) and the potential impact of these crises on the rest of Europe and the world. The global financial markets had also experienced volatility as a result of the downgrade of U.S. sovereign debt and concerns over the debt crises in the Eurozone. More recently, the U.S. federal government has undertaken a roll back of its quantitative easing programmes and has increased interest rates. Global markets have also been heavily affected by the stock market crash in the PRC in 2015 and early 2016, following the implementation of circuit breakers which resulted in increased worldwide market volatility. It is difficult to predict the extent to which global markets are affected by these conditions and the extent and nature of such effects on our markets, products and business. Any prolonged downturn in general economic conditions would present risks for our business, such as a potential slowdown in our sales to customers.

Further, there can be no assurance that measures implemented by governments around the world to stabilise the credit and capital markets will improve market confidence and the overall credit environment and economy. Any adverse economic developments in the markets that we operate in or that have an indirect impact on the demand for our products and our business could have material and adverse effects on our business, results of operations, financial performance and prospects. In addition, the general lack of available credit and lack of confidence in the financial markets associated with any market downturn could adversely affect our access to capital as well as our suppliers' and customers' access to capital, which in turn could adversely affect our ability to fund our working capital requirements and capital expenditures.

We may encounter difficulties in projects being developed in conjunction with business partners or held by joint venture project companies.

While our core businesses are wholly-owned and operated by our Group, we may on occasion enter into joint ventures or other arrangements with other parties as part of our business. We currently have business ventures with unrelated third parties, including DHS (in respect of TGGD). We expect to continue collaborating with these and other third parties in the future. The success

of these joint ventures depends significantly on our good relationship with our joint venture partners and their satisfactory fulfillment of their obligations. Please also refer to the section entitled "*Our Group Structure*".

Joint ventures involve special risks. Our joint venture partners may have economic or business interests or goals that are inconsistent with ours, take actions or omit to take actions contrary to our instructions, policies or objectives or in violation of good corporate governance practices or the law, be unable or unwilling to fulfill their obligations under the relevant joint venture agreements, have disputes with us that arise out of the joint venture, or experience financial difficulties.

Depending on the extent of our interest in these joint ventures, we may not be able to control or direct the actions of the joint venture. Any disagreement we may have with our joint venture partners may lead to an operational deadlock, which could adversely affect the timing and completion of our operations. We cannot assure you that we will be able to resolve such disagreements in a manner that will be in our best interests, or at all, which could have an adverse effect on our business, financial condition, results of operations and/or prospects.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Non-enforceability of non-Malaysian judgments may limit your ability to recover damages from us.

Our Company is incorporated in Malaysia and most of our assets are located in Malaysia. In addition, a majority of our Directors are non-residents of Singapore and substantially all the assets of these persons are located outside Singapore. As a result, it could be difficult for our Shareholders to commence an action against our Company or our Directors who are non-residents of Singapore as service of process will have to be effected outside of Singapore, or to enforce a judgment obtained in the Singapore courts against our Company or Directors who are non-residents of Singapore.

Any monetary judgment obtained in a foreign court will be enforceable in the courts of Malaysia in accordance with the REJA. Subject to the provisions of REJA, only a monetary judgment obtained in a superior court of the reciprocating countries listed in the First Schedule of REJA (such as United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India and Brunei) shall, upon registration with the courts of Malaysia within six (6) years after the date of judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment, have the same force and effect as if it had been a judgment originally entered or obtained, as of the date of registration, in the registering court. Nevertheless, the registered judgments may also be set aside by applications made by the party against whom a registered judgment may be enforced if the registering court is satisfied that the provisions under REJA are satisfied.

In order to pursue a claim in Malaysia against us or any of our officers or Directors, you will have to bring a separate action or claim in Malaysia. While a non-Malaysian judgment could be introduced as evidence in a court proceeding in Malaysia, a Malaysian court would be free to examine new issues arising in the case. Thus, to the extent that you may succeed in bringing legal actions against us outside Malaysia, your available remedies and any recovery in any Malaysian proceedings may be limited. Please also refer to the section entitled "*Enforceability of Civil Liabilities*".

Political, economic and social conditions in the countries in which we operate may adversely affect their economies, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business, prospects, financial condition and/or results of operations may be adversely affected by political and social developments that are beyond our control in Malaysia, Thailand and the PRC. Such political and social uncertainties include, but are not limited to, the risks of frequent changes in government and government policy, internal conflict, nationalism, expropriation, methods of taxation and tax policy, unemployment trends and other matters that influence continued and stable business operations and customer confidence and spending.

Adverse developments in any of the jurisdictions in which we operate may include, but are not limited to, changes in political leadership, nationalisation, price and capital controls, sudden restrictive changes to government policies, introduction of new taxes on goods and services and introduction of new laws, as well as demonstrations, riots, coups and war. These may result in the nullification of contracts and/or prohibit us from continuing our business operations.

We operate in jurisdictions which have in the past experienced incidents of political and ethnic disturbances, including rioting, military coups and terrorist attacks. There is no assurance that civil disturbances and political instability will not occur in the future. If these were to occur, such disturbances could lead to further political and economic instability as well as loss of confidence in investment in those countries and materially and adversely affect our business, prospects, financial conditions and/or results of operations.

In addition, government intervention and significant changes in policies in the countries we operate in, including inflation, wage and price controls, capital controls, interest rates controls and limitations on imports or exports, may adversely affect our business, financial condition, profitability and results of operations. Economic slow-downs and global market fluctuations may also have a material adverse effect on global economic conditions and investment sentiments. Such developments could adversely affect our business, lead to reduction in demand for our products and adversely affect our competitive position.

Any limitations on the ability of our subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business.

We are a holding company and operate a significant part of our businesses through our operating subsidiaries in Malaysia, Thailand and the PRC. Therefore, the availability of funds to pay dividends to our Shareholders depends upon dividends received from these subsidiaries. If our subsidiaries incur debts or losses, such indebtedness or loss may impair their ability to pay dividends or other distributions to us. As a result, our ability to pay dividends to our Shareholders and Top Glove CDP Depositors will be restricted. Local laws and regulations have differing requirements and restrictions on the ability of a company to pay dividends to its shareholders.

While we have not in the past received any objections from any of the banks and financial institutions which had extended credit facilities to our Company as to the distribution of dividends by our Group, there can be no assurance that we will not face such objections in the future. Certain of our subsidiaries and associated companies may also enter into loan facilities with various banks and financial institutions from time to time, pursuant to which the relevant subsidiary or associated companies may be prohibited from making any distribution (including dividends) unless the relevant bank or financial institution has determined that such distribution will not affect the ability of that subsidiary or associate, as the case may be, from repaying that particular loan. Please see the section entitled "*Dividend Policy*" for further details.

Thailand

Thailand's exchange controls are established by the Exchange Control Act B.E. 2485 (1942). The Bank of Thailand oversees all foreign exchange transactions.

Commercial banks established in Thailand designated by the Bank of Thailand as its "Authorised Agents" handle and authorise outward remittances of currencies. Currency transactions that fall within prescribed categories of transactions, such as outward remittances of foreign currencies for the purpose of making overseas investments in shareholding of less than 10% or loans extended to overseas business establishments exceeding US$50,000,000 per year or paying securities in overseas markets (other than the listed companies), are required to be approved by the Bank of Thailand before the remittances of funds can take place. Approval is not required for companies remitting foreign currencies as investments or loans to businesses or companies (in which the companies sending funds hold at least 10%) or to companies within the same group.

In the event that our Thai operating subsidiaries are required to make outward remittances of currency which do not fall within the prescribed categories of transactions, such as the remittance of dividends, investment funds, profits, loan repayment and interest payment thereon, such remittance shall, subject to the payment of all applicable taxes in Thailand, have to be approved by the "Authorised Agents" subject to the authority granted by the Bank of Thailand, provided that the requisite documentary evidence shall be furnished to the satisfaction of the remitting commercial bank prior to remittance. Please also refer to "*Exchange Rates and Exchange Controls – Exchange Controls – Thailand*" for further details.

The PRC

Foreign exchange control in the PRC may limit our ability to utilise our revenue effectively and affect our ability to receive dividends and other payments from our PRC subsidiaries. Applicable PRC laws, rules and regulations permit payment of dividends by our PRC subsidiaries only out of its retained earnings, if any, as determined in accordance with PRC accounting standards. Our PRC subsidiaries are required to set aside a certain percentage of their respective after-tax profit based on PRC accounting standards each year to their respective reserve funds in accordance with the requirements of the relevant laws and provisions in their articles of association. As a result, our PRC subsidiaries are restricted in their ability to transfer a portion of their profits to their shareholder in the form of dividends. Any restriction on the ability of our PRC subsidiaries to pay dividends to our Group could materially and adversely limit our ability to grow, or make investments or acquisitions that could be beneficial to our businesses. Distributions by our PRC subsidiaries to our Group in forms other than dividends may be subject to government approval and taxes. Any transfer of funds from our Group to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, is subject to registration with, or approval of, the relevant PRC government authorities. These limitations on the flow of funds within our Group could restrict our ability to respond to changing market conditions or appropriately allocate funds to our PRC subsidiaries in a timely manner.

In the event the PRC government imposes further restrictions or requirements on the conversion of RMB for repatriation as dividends overseas, our ability to repatriate dividends or distributions from our PRC subsidiaries may be affected.

The interpretation and application of laws and regulations in the jurisdictions in which we operate involve uncertainties.

The courts in certain jurisdictions in which we operate may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for

resolving issues or disputes compound such problems. Accordingly, we could face risks such as (i) effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience or unpredictability of the judiciary and courts in such matters.

Enforcement of laws in some of the jurisdictions in which we operate may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to us by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to our contracts, joint operations, licences, licence applications or other arrangements.

While we are not aware of any current specific instance of uncertainty in the interpretation and applications of laws and regulations that would materially affect our Group's business and/or financial position, there can be no assurance that there will be no unfavorable interpretation or application of the laws in the jurisdictions in which we operate or that such interpretation or application will not adversely affect our contracts, joint operations, licences, licence applications or other legal arrangements. In certain jurisdictions, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be less certain and more susceptible to revision or cancellation, and legal redress may be uncertain or delayed. If the existing body of laws and regulations in the countries in which we operate are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the courts or applicable regulatory bodies, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws and regulations, which in turn could hinder our long-term planning efforts and may create uncertainties in our operating environment.

Foreign exchange regulations may have a material adverse effect on your investment.

At present, the RM, Baht and RMB are not freely convertible to other foreign currencies, and conversion and remittance of foreign currencies are subject to the relevant foreign exchange regulations.

Malaysia

There are foreign exchange control policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by the FSA and the Foreign Exchange Administration Rules. These regulations regulate both residents and non-residents of Malaysia.

Under the current Foreign Exchange Administration Rules issued by BNM, non-residents are free to repatriate capital, profits, dividends, rental, fees and interest arising from investments in Malaysia, provided that such repatriation is made in foreign currency except in the currency of Israel. The repatriation of funds is subject to the applicable reporting requirements and any withholding tax. In the event BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends to Singapore. Please refer to the section entitled "*Exchange Rates and Exchange Controls – Exchange Controls*" for more information.

The PRC

Our PRC subsidiaries are subject to the rules and regulations imposed by the PRC government on currency conversion. In the PRC, SAFE regulates the conversion of RMB into foreign currencies and vice versa and, in certain cases, the remittance of currency out of the PRC. Currently, Foreign Investment Enterprises (the "**FIEs**") are required to apply to SAFE for a Foreign Exchange Registration Certificate ("**FIE Certificate**"). Such registration certificates are renewable annually and allow FIEs to open foreign currency accounts for the payment of:

(a) recurring items, including the distribution of dividends and profits after tax to foreign investors of FIEs upon presentation of board resolutions which authorise the distribution of profits or dividends ("**Current Account**"); and

(b) capital items, such as repatriation of capital, repayment of loans and for securities investment ("**Capital Account**").

Under existing PRC foreign exchange regulations, currency transactions within the scope of the "Current Account", including profit distributions, interest payments and expenditures from trade-related transactions, can be effected without requiring the approval of SAFE, while the conversion of currency in the "Capital Account" still requires the approval of SAFE. At present, our PRC subsidiaries hold the relevant FIE Certificate. With the FIE Certificate, our PRC subsidiaries are able to convert RMB revenue into foreign currency and repatriate dividends and profits to our Group.

Under our current corporate structure, part of our source of funds will consist of dividend payments from our subsidiaries in the PRC and Thailand, denominated in RMB and Baht respectively. We cannot assure you that we will be able to meet all of our foreign currency obligations or to remit payments out of these countries. If our subsidiaries in the PRC are unable to obtain SAFE approval to repay loans to our Company, or if future changes in relevant regulations place restrictions on the ability of the subsidiaries to remit dividend payments to our Company, our Company's liquidity and ability to satisfy its third-party payment obligations, and its ability to distribute dividends in respect of the Shares, could be materially and adversely affected.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

As we are incorporated in Malaysia and primarily listed on the Main Market of Bursa Securities, we are subject to Malaysian laws and regulations.

Our corporate affairs are governed by our Memorandum and Articles of Association and by the laws governing corporations incorporated in Malaysia and will be governed by the Bursa Listing Requirements for as long as our Shares are listed on the Main Market of Bursa Securities. The rights of our Shareholders and the responsibilities of our management and our Board under Malaysian law may be different from those applicable to a company incorporated in another jurisdiction. For example, majority shareholders of Malaysian companies that are publicly listed in Malaysia do not owe fiduciary duties to minority shareholders, as compared to controlling shareholders in the USA. Our public Shareholders may have more difficulty in protecting their interests in connection with actions taken by our management, members of our Board or our Substantial Shareholders than they would as shareholders of a company incorporated in another jurisdiction.

Furthermore, the nature and content of publicly available information about public companies listed on Bursa Securities and the Main Board of the SGX-ST, such as our Company, may be different from those made available by public companies in other jurisdictions. These differences

may include the disclosure of beneficial ownership of equity securities of officers, directors and substantial shareholders, officer certification of disclosure and financial statements in periodic public reports, and disclosure of results of operations in periodic public reports.

As the listing of our Shares on the SGX-ST is a secondary listing, with a primary listing on Bursa Securities, we are subject to limited regulatory oversight by the SGX-ST. Under the Listing Manual, a foreign issuer having a secondary listing on the SGX-ST, as is our case, need not comply with the SGX-ST's listing rules, provided that we undertake to:

- release all information and documents in English to the SGX-ST at the same time as they are released to Bursa Securities;

- inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of Bursa Securities in relation to the listing of these securities on Bursa Securities; and

- to comply with such other listing rules as may be applied by the SGX-ST from time to time.

For example, any interested person transactions involving our Group would not be subject to the SGX-ST's requirements for disclosure or shareholder approval. Instead, any related party transactions (as defined under the Bursa Listing Requirements) involving our Group may be subject to the Bursa Listing Requirements and the Malaysian Companies Act.

Further, the SGX-ST has confirmed the non-applicability of Chapters 9, 10 and 13 of the SGX-ST Listing Manual, subject to disclosure in this Introductory Document of a comparison between key continuing listing requirements of the SGX-ST and Bursa Securities. Please refer to Appendix E – "*Comparison of Malaysian Corporate Law with Singapore Corporate Law*" and Appendix F – "*Comparison between the Bursa Listing Requirements and the SGX-ST Listing Rules*" for more information.

The SGX-ST's role in performing any regulatory, disciplinary or enforcement role against us may also be limited. Therefore, Top Glove CDP Depositors in Singapore may have more difficulty in protecting their interests than they would as shareholders of a company incorporated in Singapore.

We may experience capital market risks and our share price may be volatile.

The performance of the SGX-ST and Bursa Securities are very much dependent on external factors such as the performance of the regional and world bourses and the flows of foreign funds. Sentiments are, amongst others, driven by internal factors such as the economic and political conditions in Singapore and Malaysia as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on the SGX-ST and Bursa Securities, thus adding risk to the market price of the listed securities.

In addition, the market price of our Shares may fluctuate significantly and rapidly in response to the following, among other factors, some of which are beyond our control:

- variations in our results of operations;

- success or failure of our management team in implementing business and growth strategies;

- gain or loss of an important business relationship;

- changes in securities analysts' recommendations, perceptions or estimates of our financial performance;

- changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events;

- changes in market valuations and share prices of companies with similar businesses to our Company that may be listed on the SGX-ST or Bursa Securities;

- additions or departures of key personnel;

- fluctuations in foreign exchange rates;

- fluctuations in stock market prices and volume; or

- involvement in litigation.

Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution.

Our Shares will be quoted in Ringgit Malaysia on the Main Market of Bursa Securities and in Singapore Dollars on the SGX-ST. Dividends, if any, with respect to our Shares will be declared in Ringgit Malaysia and converted to Singapore Dollars for payment in relation to Shares which are listed on the SGX-ST. Fluctuations in the exchange rates between the Ringgit Malaysia and the Singapore Dollars will affect, among other things, the value of the dividends to be received in Singapore Dollars by investors of our Shares in Singapore. Whilst an investor who sells our Shares on the Main Market of Bursa Securities and converts the proceeds from the sale of the Shares to a currency other than Ringgit Malaysia will be subject to fluctuations in exchange rates between the converted currency and Ringgit Malaysia, similarly, an investor who sells our Shares on the SGX-ST and converts the proceeds from the sale of the Shares to a currency other than Singapore Dollars will be subject to fluctuations in exchange rates between the converted currency and Singapore Dollars.

Please see the section entitled "*Exchange Rates and Exchange Controls*" for more information.

We may not be able to pay dividends.

Our ability to declare dividends in relation to our Shares will depend on our Group's future financial performance which, in turn, depends on the successful implementation of our strategies and future plans and on financial, competitive, regulatory, technical and other factors, general economic conditions, and other factors specific to our industry or specific projects, many of which are beyond our control.

Our ability to pay dividends is also subject to our having sufficient distributable reserves. In the case that we do not pay cash dividends on our Shares, you may not receive any return on an investment in our Shares unless you sell our Shares for a price greater than that which you paid for it.

Further, to the extent that any dividends that we pay are converted into currencies other than Ringgit Malaysia, such dividends may be subject to any foreign exchange controls that may be in effect at the relevant time.

Please see the sections entitled "*Dividend Policy*", "*Capitalisation and Indebtedness*" and "*Exchange Rates and Exchange Controls*" for more information.

Future sales of our Shares, and the availability of large amounts of the Shares for sale, could depress the Share price.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, or the issuance of new Shares, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price favourable to us. In addition, our Shareholders will experience dilution in their holdings upon issuance or sale of additional securities in the future. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders in our Company may be reduced.

Top Glove CDP Depositors whose names appear in the Depository Register maintained by the CDP will not be recognised as members of our Company and will have a limited ability to attend general meetings.

Under the Malaysian Companies Act, Top Glove CDP Depositors whose names appear in the Depository Register maintained by the CDP are not members of our Company.

In connection with our Company's listing on the Main Board of the SGX-ST, CDP has appointed an EAN in Malaysia to hold Shares which are listed and traded on the SGX-ST for Top Glove CDP Depositors via a CDS omnibus account. Under Malaysian law and our Articles of Association, CDP's EAN in Malaysia will be our shareholder in respect of the Shares which are listed and traded on the SGX-ST and registered in its name, rather than CDP or Top Glove CDP Depositors and CDP depository agents in the Depository Register maintained by CDP. As such, Top Glove CDP Depositors and CDP depository agents holding Shares through the CDP system may only be accorded such rights as may be accorded to CDP by CDP's EAN in Malaysia and which CDP may make available in accordance with the terms and conditions for the operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time. Accordingly, investors who hold Shares through the CDP system will not be able to attend such Shareholders' meetings in their own names.

CDP has made arrangements for its EAN in Malaysia to split the votes of Shares held through the CDP system and to appoint Top Glove CDP Depositors who wish to attend and vote at general meetings of our Company as proxies in accordance with Malaysian law and our Articles of Association. Top Glove CDP Depositors who desire to exercise their voting rights under their own names with regard to Shares that are credited to their Securities Account with CDP, will be required to transfer their Shares out of the CDP system in Singapore into the CDS in Malaysia at their own costs. Please also refer to the section entitled *"Attendance and Voting at General Meetings"*.

There is no seamless trading platform between Bursa Securities and the SGX-ST.

There is no seamless trading platform between Bursa Securities and the SGX-ST. Shares traded on Bursa Securities will be settled by book-entry settlement through the CDS, which will be effected in accordance with the Rules of Bursa Depository and the provisions of the Securities Industry (Central Depositories) Act 1991 of Malaysia. Shares traded on the SGX-ST will be settled by book-entry settlement through the CDP, which will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended from time to time. Therefore, there are two different sets of rules which will govern the trading and settlement of our Shares depending on which stock exchange the Shares are traded on, which may result in our Shares having different prices per share and settlement deadlines even when they are traded at the same time on each stock exchange.

In addition, there may be a time lag during the transmission of our Shares from one exchange to the other. Top Glove CDP Depositors whose Shares are listed on the SGX-ST and who wish to trade their Shares on Bursa Securities or vice versa must follow the procedures for the transfer of the Shares between Bursa Securities and the SGX-ST to facilitate the trade. This process would involve the transfer of Shares from a CDS account with a Malaysian ADA/ADM and CDP's CDS account, which is maintained with its EAN in Malaysia and vice versa, which may take at least one (1) Market Day (the "**Transfer Period**"). During the Transfer Period, while the Shares are transferred, Shareholders or Top Glove CDP Depositors (as the case may be) seeking to trade their Shares will not be able to take advantage of arbitrage opportunities arising from any difference between the price of our Shares on each of Bursa Securities and the SGX-ST. In addition, although the Shares are transferable between Bursa Securities and the SGX-ST, there is no assurance that the exchanges will not impose restrictions on your ability to transfer your Shares in the future.

Negative market conditions on one market on which our Shares are listed may affect the price of our Shares on the other market.

As our Shares will be listed and quoted on both Bursa Securities and the SGX-ST, prices of our Shares will be affected by general market conditions on Bursa Securities, in addition to general market conditions of the SGX-ST. There is no assurance that any negative market conditions on the SGX-ST will not affect the price of our Shares listed and quoted on Bursa Securities and vice versa. In addition, there may be occasions when our Shares may trade on one market while the other market is closed for trading. If there are negative trading conditions on the market which is open for trading and the price of our Shares on this market declines during trading hours, investors who hold our Shares on the other market which is closed for trading will not have the opportunity to sell their Shares during the period when the price of our Shares on the other market is declining.

Overseas shareholders may not be able to participate in future rights offerings or certain other equity issues by us.

If we offer or cause to be offered to our Shareholders rights to subscribe for additional Shares or any rights of any other nature, we will have the discretion as to the procedure to be followed in making such rights available to our Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders. We may decide not to offer such rights to Shareholders having an address in a jurisdiction outside Malaysia and Singapore. For example, we may decide not to offer such rights to our Shareholders who have a registered address in the USA unless a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for us to offer such rights to holders and sell the securities represented by such rights, or the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the U.S. Securities Act. We are under no obligation to prepare or file any registration statement under the U.S. Securities Act. Accordingly, Shareholders who have a registered address in the USA may be unable to participate in rights offerings and may experience a dilution in their holdings as a result.

Malaysian laws and regulations contain provisions that could discourage a take-over of our Company.

As our Company is incorporated outside Singapore and does not maintain a primary listing in Singapore, we are not subject to the provisions of the Singapore Take-over Code. A take-over bid in respect of our Company will be regulated by the Malaysian Take-over Code, which regulates the take-over of public companies and contains provisions which may deter, discourage or delay a possible take-over of our Company.

The Malaysian Take-over Code stipulates that a person and the parties acting in concert with him (if any) are required to extend a mandatory general offer for the remaining shares in our Company, if:

- the person, along with the parties acting in concert with him (if any), acquire(s), or intends to acquire, more than 33% of the voting shares or voting rights in our Company; or

- the person, along with the parties acting in concert with him (if any), already holds more than 33% but not more than 50% of the voting shares or voting rights in our Company, acquire(s), or intends to acquire, within any period of six (6) months more than 2% of the voting shares or voting rights in our Company.

While the Malaysian Take-over Code seems to ensure equality of treatment among Shareholders, its provisions could substantially impede the ability of our Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control.

The Introduction may not result in an active or liquid market on the SGX-ST for our Shares.

As at the date hereof, there is no public market for our Shares in Singapore. We have received an eligibility-to-list letter from the SGX-ST to have our Shares listed and quoted on the SGX-ST. Listing and quotation does not, however, guarantee that a trading market for our Shares on the SGX-ST will develop or, if a market does develop, the liquidity of that market for our Shares. Although we currently intend that our Shares will remain listed on the SGX-ST and Bursa Securities, there is no guarantee of the continued listing of our Shares.

The trading prices of our Shares on the SGX-ST and Bursa Securities may differ significantly due not only to currency fluctuations but also due to differences in market liquidity for the Shares, trading participants and investor bases, exchange trading systems, and other factors outside of our control. There is no guarantee that the trading prices of our Shares on the SGX-ST will be equivalent to the trading prices of our Shares on Bursa Securities.

The trading prices of our Shares could be subject to fluctuations in response to variations in our results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting us, our clients or our competitors, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors, many of which are beyond our control. Volatility in the price of our Shares may be caused by factors outside of our control or may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Control by our largest shareholder may limit the ability of Shareholders to influence the outcome of decisions requiring approval of Shareholders.

Our Company's largest Shareholder is Tan Sri Dr Lim Wee Chai, with approximately 30% direct ownership and who also has influence in our Company through his position as our Executive Chairman and Director. Tan Sri Dr Lim Wee Chai will be able to exercise significant influence over all matters requiring the approval of Shareholders (other than matters in which he is interested and thus required to abstain from voting on), including the election of Directors and the approval of significant corporate transactions, the result of which may not be in, or may conflict with, the best interests of the Shareholders. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of which may benefit the minority Shareholders.

Although our Shares are currently listed on the Main Market of Bursa Securities and will be listed on the SGX-ST, there is no assurance that we will remain listed on either Bursa Securities or the SGX-ST.

There is no assurance of the continued listing of our Shares on either or both of Bursa Securities and the SGX-ST. We may not be able to continue to satisfy the Bursa Listing Requirements as well as other relevant rules, regulations and laws in Malaysia or in Singapore. Under the Bursa Listing Requirements, Bursa Securities may remove our Shares from trading on Bursa Securities. Our eligibility-to-list on the SGX-ST is conditional upon, among other things, the maintenance of our primary listing on Bursa Securities. Thus, in the event that our Shares are removed from trading on Bursa Securities, there is no assurance that our Shares will remain listed on the Official List of the SGX-ST. If our Shares are suspended from quotation on, or removed from trading on Bursa Securities and/or the SGX-ST, Shareholders and/or Top Glove CDP Depositors (as the case may be) will not be able to trade their Shares on Bursa Securities and/or the SGX-ST and there is no assurance that Shareholders and/or Top Glove CDP Depositors (as the case may be) will be entitled to compensation or an exit offer, or should they be so entitled, that Shareholders and/or Top Glove CDP Depositors (as the case may be) will receive realisation for their investments that they would have been able to obtain through trading their Shares on Bursa Securities or the SGX-ST. If our Shares are removed from the Official List of the SGX-ST and in the event that there is no exit offer or that the Top Glove CDP Depositors choose not to accept an exit offer, the Top Glove CDP Depositors whose Shares are listed on the Official List of the SGX-ST may have to transfer their Shares to Bursa Securities for disposal or trading. Please see the section entitled "*Clearance and Settlement*" for information on the transfer of Shares between the SGX-ST and Bursa Securities.

DIVIDEND POLICY

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Joint Managers, the Joint Malaysian Principal Advisers, or any other person. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Introductory Document for more information.

PAST DIVIDENDS

The following table shows the dividends we have declared and paid in respect of each of the three (3) most completed financial years:

Year	Cash Dividend (RM per Share[(1)])	Total Dividend (RM million)
FY2013	0.16	99.3
FY2014	0.16	99.0
FY2015	0.23	143.1

Note:

(1) Based on the Shares of par value of RM0.50 after adjusting for the Bonus Issue.

On 15 June 2016, we had declared a first interim dividend of RM0.06 per Share (the "**Interim Dividend**"). Our Register of Members will be closed on 1 July 2016 for the purpose of determining entitlements to the Interim Dividend. The ex-dividend date will be 29 June 2016. Top Glove CDP Depositors whose Securities Accounts are with the CDP (either directly or through CDP depository agents) and are credited with Shares as at 5.00 p.m. on 1 July 2016 will be entitled to the Interim Dividend.

DIVIDEND POLICY

Our Board may recommend annual dividends, subject to the approval by our Shareholders, in an annual general meeting. From time to time, our Board may declare interim dividends if our Board considers that the profits of our Company justify such payment. On 14 October 2014, our Company had resolved to adopt a dividend policy to declare and pay annual dividends of not less than 50% of our profit after tax and minority interest.

The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factor deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, our Company intends to take into account various factors including:

(i) our Company's available cash and cash equivalents;

(ii) return on equity and retained earnings; and

(iii) our Company's projected capital expenditure and other investment plans.

Our Company's Articles of Association adopt the provision of the Malaysian Companies Act that no dividend shall be payable to the shareholders of any company except out of profits. The declaration of final dividends must be made with the sanction of a general meeting. Our Company's Articles of Association further provide that the Directors are authorised to set aside out of the profits of our Company, such sums as they think proper as a reserve fund, before recommending any dividend.

Cash dividends on our Shares, if any, will be declared in Ringgit Malaysia and converted to Singapore Dollar for payment in relation to Shares which are listed on the SGX-ST. Top Glove CDP Depositors whose Shares are held through CDP will receive their dividends through CDP in Singapore Dollar. We will make the necessary arrangements to convert the dividends in Ringgit Malaysia into the Singapore dollar equivalent at the prevailing exchange rate on each relevant date for CDP's onward distribution to the entitled Top Glove CDP Depositors. As a result, the equivalent of any dividends paid in Singapore Dollars will also be affected by changes in the exchange rate between the Ringgit Malaysia and the Singapore Dollar. Neither our Company nor CDP will be liable for any loss whatsoever arising from the conversion of the dividend entitlement of Top Glove CDP Depositors holding their Shares through CDP from Ringgit Malaysia into the Singapore Dollar equivalent.

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries, and associated companies, which will in turn depend upon their operating results, financial condition, capital expenditure plans, applicable loan covenants, where applicable, available reserves, and any other relevant factors. Please refer to the sections entitled "*Risk Factors – Risks Relating to an Investment in our Shares – We may not be able to pay dividends*" and "*Exchange Rates and Exchange Controls – Exchange Controls*" of this Introductory Document for further details.

As at the Latest Practicable Date, none of our borrowing arrangements nor the borrowing arrangements of our subsidiaries contain restrictions and/or lenders' consent requirements on the declaration and/or payment of dividends by such subsidiaries.

You should note that all the foregoing statements (being non-legally binding statements) are merely statements of our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which may be subject to modification (including reduction or non-declaration thereof) in the sole and absolute discretion of our Board.

No inference should or can be made from any of the foregoing statements as to our Company's actual future profitability or our Company's ability to pay dividends in any period.

MARKET PRICE INFORMATION

Our Company is currently listed on the Main Market of Bursa Securities. The following table shows certain pricing and trading volume information for our Shares on Bursa Securities for the three (3) most recent completed financial years and for each of the last six (6) months before the date of this Introductory Document. No inference should or can be made from any of the information below as to our actual share price performance or movement of our Shares. There can be no assurance that the market price of our Shares following the close of the Introduction will attain a price which is higher or lower than the range of prices set forth below or a price which is within such range.

Period	High[(1)] (RM)	Low[(1)] (RM)	Average Daily Trading Volume (Number of Shares)
FY2013	3.345	2.45	2,224,554
FY2014	3.255	2.25	1,744,306
FY2015	4.25	2.13	3,117,808
December 2015	6.92	4.85	7,568,648
January 2016	6.96	5.42	6,895,458
February 2016	5.84	5.47	7,193,372
March 2016	5.59	4.89	7,396,204
April 2016	5.32	4.96	4,572,543
May 2016	5.30	4.93	3,645,581
June 2016 (up to the Latest Practicable Date)	5.22	5.00	2,486,500

Notes:

(1) Based on the Shares of par value of RM0.50 after adjusting for the Bonus Issue.

(2) Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent for the inclusion of the prices and trading volumes quoted under this section and is therefore not liable for such information. While we, the Joint Managers and the Joint Malaysian Principal Advisers have taken reasonable actions to ensure that the above market price information has been reproduced in their proper form and context, neither we, the Joint Managers, the Joint Malaysian Principal Advisers nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

The following table shows the highest and lowest prices of our Shares for each financial quarter for FY2014, FY2015, 1H2016 and the financial quarter ended 31 May 2016.

Period	High[(1)] (RM)	Low[(1)] (RM)
September 2013 to November 2013	3.255	2.840
December 2013 to February 2014	2.945	2.690
March 2014 to May 2014	2.940	2.340
June 2014 to August 2014	2.440	2.250
September 2014 to November 2014	2.505	2.270
December 2014 to February 2015	2.530	2.130
March 2015 to May 2015	2.800	2.485
June 2015 to August 2015	4.250	2.650
September 2015 to November 2015	5.070	3.725
December 2015 to February 2016	6.960	4.850
March 2016 to May 2016	5.590	4.890

Notes:

(1) Based on the Shares of par value of RM0.50 after adjusting for the Bonus Issue.

(2) Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent for the inclusion of the prices quoted under this section and is therefore not liable for such information. While we, the Joint Managers and the Joint Malaysian Principal Advisers have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, neither we, the Joint Managers, the Joint Malaysian Principal Advisers nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

The closing price of our Shares on Bursa Securities as at the Latest Practicable Date was RM5.00. The closing price of our Shares on Bursa Securities on 23 June 2016, being the last trading day before the date of this Introductory Document, was RM4.67.

There has been no significant trading suspension that has occurred on Bursa Securities from the date of our listing on Bursa Securities to the Latest Practicable Date. Our Shares have been regularly traded on Bursa Securities.

CAPITALISATION AND INDEBTEDNESS

The following table shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 31 May 2016, based on our unaudited management accounts.

The information in this table should be read in conjunction with the sections of this Introductory Document entitled "Selected Consolidated Financial Information", "Selected Pro Forma Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the "Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013", "Independent Auditors' Report on the Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015" and "Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 August 2015 and the Six-Month Financial Period ended 29 February 2016" as set out in Appendices A, B and C of this Introductory Document respectively.

	Unaudited as at 31 May 2016
	RM'000
Cash and bank balances	150,645
Current Indebtedness	
Secured and guaranteed bank loans	4,975
Secured and non-guaranteed bank loans	180
Unsecured and guaranteed bank loans	318,773
Non-Current Indebtedness	
Secured and guaranteed bank loans	–
Secured and non-guaranteed bank loans	2,993
Unsecured and guaranteed bank loans	83,967
Total loans and borrowings	410,888
Share Capital	627,357
Share Premium	4,994
Treasury Shares	(9,739)
Retained Earnings	1,102,063
Other Reserves	29,253
Non-controlling Interests	7,607
Total equity	1,761,535
Total capitalisation	**2,172,423**

From 31 May 2016 to the date of this Introductory Document, there have been no material changes in our total capitalisation and indebtedness, save for changes in our retained profits and cash and cash equivalents arising from our day-to-day operations in the ordinary course of business.

EXCHANGE RATES AND EXCHANGE CONTROLS

As at the Latest Practicable Date, the exchange rate between Ringgit Malaysia and Singapore Dollars (in RM per Singapore Dollar), rounded to three decimal places, is RM3.002: S$1.000.

The following table below shows the high, low, average and period-end exchange rates between Singapore Dollar and Ringgit Malaysia (in RM per Singapore Dollar) as announced by the Bloomberg L.P.. These exchange rates have been presented for solely for information only. We do not make any representations that the Ringgit Malaysia or Singapore Dollar amounts set forth below and referred to elsewhere in this Introductory Document could have been or could be converted into any of the respective other currencies at the rate indicated or at any other rate or at all.

	Closing Exchange Rates RM per Singapore Dollar[1]			
Year/Period	**Average[2]**	**High**	**Low**	**Period End**
FY2013	2.504	2.602	2.397	2.580
FY2014	2.577	2.630	2.522	2.527
FY2015	2.699	3.029	2.526	2.968
1H2016	3.020	3.120	2.914	2.992
Month				
December 2015	3.040	3.067	2.995	3.040
January 2016	3.030	3.065	2.914	2.914
February 2016	2.975	3.009	2.923	2.992
March 2016	2.961	3.001	2.895	2.895
April 2016	2.889	2.906	2.853	2.906
May 2016	2.953	2.992	2.915	2.992
June 2016 to the Latest Practicable Date	3.006	3.017	2.994	3.002

Notes:

(1) Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent for the inclusion of the exchange rates quoted under this section and is therefore not liable for such information. While we, the Joint Managers and the Joint Malaysian Principal Advisers have taken reasonable actions to ensure that the above exchange rates have been reproduced in their proper form and context, neither we, the Joint Managers, the Joint Malaysian Principal Advisers nor any other party have conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

(2) The yearly or periodic average rate is calculated based on the average of the exchange rate on the last business day of each month during that year or period. The monthly average rate is calculated based on the average of the exchange rate on each day during that month.

Fluctuations in the exchange rate between the Singapore Dollar and Ringgit Malaysia will affect the Ringgit Malaysia equivalent of the Singapore Dollar price of our Shares on the SGX-ST and the Ringgit Malaysia value of the cash dividends paid by us in Singapore Dollar. Please see the section entitled "*Risk Factors – Risks Relating to an Investment in our Shares – Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution*".

Exchange Controls

The following is a description of the exchange controls that exist in the key jurisdictions our Group operates in.

Malaysia

There are foreign exchange control policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by the FSA and Foreign Exchange Administration Rules. These regulations regulate both residents and non-residents of Malaysia.

Under the current Foreign Exchange Administration Rules issued by BNM, non-residents are free to repatriate capital, profits, dividends, rental, fees and interest arising from investments in Malaysia, provided that such repatriation is made in foreign currency except in the currency of Israel. The repatriation of funds is subject to the applicable reporting requirements and any withholding tax.

Thailand

In accordance with Thailand's Exchange Controls Act B.E. 2485 (1942), foreign funds and profits made therefrom are subject to the following:

(a) the remittance of dividends, investment funds, profits, loan repayment and interest payment thereon, after settlement of all applicable taxes in Thailand, may be made freely, provided that required documentary evidence is furnished to the satisfaction of the remitting bank;

(b) in respect of the purchase of foreign currencies in excess of US$50,000 or its equivalent in other currency, the Bank of Thailand requires the notification form of the remittance to the Exchange Control Officer and documentary evidence to be furnished to the remitting banks as evidence of the transaction; and

(c) further, in respect of the purchase of foreign currencies for any purpose, the Bank of Thailand requires documentary evidence to be furnished to the remitting banks to establish the legitimacy of the transaction.

Under the laws of Thailand, dividends can be paid only when the company has earned profits. If the company has incurred losses, no dividends may be paid unless such losses have been made good. TGM (Thailand), TG (Thailand), BTI (Thailand), GG (Thailand) and TQG (Thailand) are each required to retain at least 5.0% of their profits ("**5% Threshold**"), at each distribution of dividend, as their reserve fund and may declare no more than 95.0% of their profits as dividends. However, if each company's reserve fund is equal to 10.0% or more of its capital ("**10% Threshold**"), all its net profit may be declared as dividends. As the reserve funds for TG (Thailand), BTI (Thailand) and GG (Thailand) have each reached the 10% Threshold, all of their net profits may be declared as dividends. The reserve fund of TGM (Thailand) has only reached the 5% Threshold as it had increased its share capital in 2013, and no dividend has been declared since then. TQG (Thailand) has always been dormant and has not contributed any profits towards the reserve fund. In addition, dividends paid out of Thailand to a juristic entity and an individual residing outside Thailand are subject to a withholding tax rate of 10% unless otherwise provided by a double tax treaty.

PRC

The PRC exercises controls on foreign exchange. The legal tender currency of the PRC is Renminbi, which cannot be converted to foreign currencies freely as doing so is limited by foreign exchange controls. SAFE is responsible for administrating all affairs relating to foreign exchange, including executing foreign exchange control regulations.

Pursuant to the Regulations on the Control of Foreign Exchange of the PRC (中华人民共和国外汇管理条例) which was promulgated by the State Council on 29 January 1996, came into effect on 1 April 1996 and was amended on 14 January 1997 and 5 August 2008, foreign exchange receipts of domestic institutions or individuals may be repatriated to the PRC or deposited abroad. Foreign exchange receipts for current account transactions may be retained or sold to financial institutions engaged in the settlement or sale of foreign exchange. Overseas institutions or individuals that directly invest in the PRC shall go through registration formalities at the relevant foreign exchange control authorities after receiving approval from the relevant competent authorities. Domestic institutions or individuals that engage in overseas direct investment shall go through foreign exchange registration formalities.

Singapore

There are no foreign exchange control restrictions in Singapore.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

You should read the following selected consolidated financial information for the periods and as at the dates indicated in conjunction with the section of this Introductory Document entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the sections entitled "Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013" and the "Independent Auditors' Report on the Interim Consolidated Condensed Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015" as set out in Appendices A and B of this Introductory Document respectively.

Our financial statements are reported in Ringgit Malaysia and are prepared and presented in accordance with MFRS and IFRS. We have prepared the unaudited interim financial statements on the same basis as our audited financial statements. Our historical results for any prior or interim periods are not necessarily indicative of results to be expected for a full fiscal year or for any future period.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited			Unaudited	
	FY2013	FY2014	FY2015	1H2015	1H2016
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,313,234	2,275,366	2,510,510	1,139,875	1,494,131
Cost of sales	(1,950,016)	(1,891,915)	(1,955,610)	(923,582)	(1,121,881)
Gross profit	363,218	383,451	554,900	216,293	372,250
Other items of income					
Interest income	12,664	10,307	23,920	9,876	17,055
Other income	36,251	32,464	18,697	8,205	34,588
Other items of expense					
Distribution and selling costs	(67,001)	(70,158)	(82,127)	(36,354)	(39,826)
Administrative and general expenses	(99,723)	(138,794)	(135,973)	(61,608)	(87,997)
Finance costs	(733)	(4,226)	(4,170)	(2,365)	(3,172)
Share of results of associates	(2,472)	3,266	(11,709)	(5,410)	133
Profit before tax	**242,204**	**216,310**	**363,538**	**128,637**	**293,031**
Income tax expense	(39,375)	(32,745)	(82,346)	(29,763)	(52,891)
Profit net of tax	**202,829**	**183,565**	**281,192**	**98,874**	**240,140**
Profit attributable to:					
Owners of the parent	196,500	180,523	279,781	98,319	238,945
Non-controlling interest	6,329	3,042	1,411	555	1,195
	202,829	**183,565**	**281,192**	**98,874**	**240,140**
Earnings per Share attributable to owners of the parent (sen)					
Basic	**31.72**	**29.09**	**45.22**	**7.94[1]**	**19.13**
Diluted	**31.68**	**29.05**	**45.17**	**7.93[1]**	**19.09**
Other comprehensive (loss)/income:					
Net movement on available-for-sale financial assets	(2,543)	(584)	(1,132)	7,646	(9,489)
Foreign currency translation	5,859	(4,461)	36,664	14,781	(11,047)
Net movement on cash flow hedge	(31,393)	31,393	–	–	–
Other comprehensive (loss)/income for the year, net of tax	**(28,077)**	**26,348**	**35,532**	**22,427**	**(20,536)**
Total comprehensive income for the year	**174,752**	**209,913**	**316,724**	**121,301**	**219,604**
Total comprehensive income attributable to:					
Owners of the parent	168,262	206,759	314,456	120,385	218,587
Non-controlling interest	6,490	3,154	2,268	916	1,017
	174,752	**209,913**	**316,724**	**121,301**	**219,604**

Note:

(1) Based on the Shares of par value of RM0.50 after adjusting for the Bonus Issue.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited as at 31 August 2013	Audited as at 31 August 2014	Audited as at 31 August 2015	Unaudited as at 28 February 2015	Unaudited as at 29 February 2016
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	928,802	995,242	1,026,490	1,056,856	1,074,141
Land use rights	45,647	42,068	40,315	40,385	40,042
Investment properties	–	–	111,178	–	115,402
Investment in associates	17,022	20,058	5,140	14,895	5,287
Deferred tax assets	19,165	12,825	8,762	12,776	7,382
Investment securities	145	145	145	145	145
Goodwill	25,183	22,805	22,805	22,805	22,805
	1,035,964	1,093,143	1,214,835	1,147,862	1,265,204
Current assets					
Inventories	219,685	207,377	252,115	202,700	235,632
Trade and other receivables	295,141	288,863	380,700	339,742	356,230
Other current assets	3,853	2,770	24,148	8,954	31,009
Investment securities	93,669	154,322	669,672	454,467	679,598
Derivative financial instruments	–	2,662	–	–	2,690
Cash and bank balances	123,111	184,030	146,460	128,932	130,035
	735,459	840,024	1,473,095	1,134,795	1,435,194
Total assets	1,771,423	1,933,167	2,687,930	2,282,657	2,700,398
Equity and liabilities					
Current liabilities					
Loans and borrowings	55,581	178,179	530,333	358,224	376,172
Trade and other payables	234,074	267,006	326,174	288,855	321,116
Other current liabilities	28,504	38,112	29,625	39,977	36,859
Income tax payable	6,013	2,530	25,348	13,105	52,609
Derivative financial instruments	40,852	–	9,211	3,020	–
	365,024	485,827	920,691	703,181	786,756
Net current assets	370,435	354,197	552,404	431,614	648,438
Non-current liabilities					
Loans and borrowings	2,809	2,540	105,693	82,351	96,047
Deferred tax liabilities	45,749	47,250	47,153	47,271	39,264
	48,558	49,790	152,846	129,622	135,311
Total liabilities	413,582	535,617	1,073,537	832,803	922,067
Net assets	1,357,841	1,397,550	1,614,393	1,449,854	1,778,331
Equity attributable to owners of the parent					
Share capital	310,110	310,332	312,092	310,362	627,231
Share premium	180,174	180,673	200,302	180,898	4,221
Treasury shares	–	–	(14,722)	(14,722)	(9,739)
Other reserves	(3,209)	21,520	53,709	44,566	28,292
Retained earnings	844,777	880,864	1,056,583	923,673	1,120,880
	1,331,852	1,393,389	1,607,964	1,444,777	1,770,885
Non-controlling interest	25,989	4,161	6,429	5,077	7,446
Total equity	1,357,841	1,397,550	1,614,393	1,449,854	1,778,331
Total equity and liabilities	1,771,423	1,933,167	2,687,930	2,282,657	2,700,398

SELECTED PRO FORMA FINANCIAL INFORMATION

*You should read the following selected pro forma financial information in conjunction with the section entitled "Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 August 2015 and the Six-Month Financial Period ended 29 February 2016" (the "**Pro Forma Financial Information**") as set out in Appendix C of this Introductory Document. The Pro Forma Financial Information is presented in RM and all values are rounded to the nearest thousand (RM'000) except when otherwise stated.*

Subsequent to the year ended 31 August 2015 and immediately prior to the issuance of this Introductory Document, our Group had issued Shares pursuant to exercise of options under the ESOS, resold treasury shares, declared and paid dividends, and issued the Bonus Shares pursuant to the Bonus Issue (collectively, the "**Significant Events**"). The Pro Forma Financial Information have been prepared for illustrative purposes only and are based on certain assumptions set out therein, to illustrate the impact of the Significant Events on the Group's financial position as at 31 August 2015 and 29 February 2016 as if the Significant Events had taken place on 31 August 2015 and 29 February 2016 respectively, and financial performance and cash flows for the financial year ended 31 August 2015 and for the six-month financial period from 1 September 2015 to 29 February 2016 as if the Significant Events had taken place on 1 September 2014. The Pro Forma Financial Information is not necessarily indicative of the financial position, financial performance and cash flows of the operations that would have been attained had the Significant Events actually occurred at the respective dates. Accordingly, such information, because of its nature, may not be reflective of the Group's actual financial position, financial performance and cash flows, and does not purport to predict the future financial position of the Group.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	1 September 2015 to 29 February 2016	1 September 2014 to 31 August 2015
	RM'000	RM'000
Revenue	1,494,131	2,510,510
Cost of sales	(1,121,881)	(1,955,610)
Gross profit	372,250	554,900
Other items of income		
Interest income	17,055	23,920
Other income	34,588	18,697
Other items of expense		
Distribution and selling costs	(39,826)	(82,127)
Administrative and general expenses	(87,997)	(135,973)
Finance costs	(3,172)	(4,170)
Share of results of associates	133	(11,709)
Profit before tax	293,031	363,538
Income tax expense	(52,891)	(82,346)
Profit net of tax	240,140	281,192
Profit Attributable to:		
Owners of the parent	238,945	279,781
Non-controlling interest	1,195	1,411
	240,140	281,192
Earnings per share attributable to owners of the parent (sen):		
Basic	19.11	22.38[(1)]
Diluted	19.08	22.34[(1)]
Other comprehensive (loss)/income:		
Net movement on available-for-sale financial assets	(9,489)	(1,132)
Foreign currency translation	(11,047)	36,664
Other comprehensive loss for the year, net of tax	(20,536)	35,532
Total comprehensive income for the year	219,604	316,724
Total comprehensive income attributable to:		
Owners of the parent	218,587	314,456
Non-controlling interest	1,017	2,268
	219,604	316,724

Note:

(1) Based on the Shares of par value of RM0.50 after adjusting for the Bonus Issue

The accompanying notes form an integral part of the Unaudited Pro Forma Financial Information.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 29 February 2016	Unaudited as at 31 August 2015
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	1,074,141	1,026,490
Land use rights	40,042	40,315
Investment properties	115,402	111,178
Investment in associates	5,287	5,140
Deferred tax assets	7,382	8,762
Investment securities	145	145
Goodwill	22,805	22,805
	1,265,204	1,214,835
Current assets		
Inventories	235,632	252,115
Trade and other receivables	356,230	380,700
Other current assets	31,009	24,148
Investment securities	679,598	669,672
Cash and bank balances	130,703	91,390
Derivative financial instruments	2,690	–
	1,435,862	1,418,025
Total assets	2,701,066	2,632,860
Equity and liabilities		
Current liabilities		
Loans and borrowings	376,172	530,333
Trade and other payables	396,399	401,457
Other current liabilities	36,859	29,625
Income tax payable	52,609	25,348
Derivative financial instruments	–	9,211
	862,039	995,974
Net current assets	573,823	422,051
Non-current liabilities		
Loans and borrowings	96,047	105,693
Deferred tax liabilities	39,264	47,153
	135,311	152,846
Total liabilities	997,350	1,148,820
Net assets	1,703,716	1,484,040
Equity attributable to equity holders of the Company		
Share capital	627,357	627,357
Share premium	5,010	5,010
Treasury shares	(9,739)	(9,739)
Other reserves	28,045	48,337
Retained earnings	1,045,597	806,646
	1,696,270	1,477,611
Non-controlling interest	7,446	6,429
Total equity	1,703,716	1,484,040
Total equity and liabilities	2,701,066	2,632,860
Pro forma number of ordinary shares ('000)	1,254,713	1,254,713
Pro forma net asset value per ordinary share (RM)	1.36	1.18

The accompanying notes form an integral part of the Unaudited Pro Forma Financial Information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We discuss below our historical results of operations and financial condition as at and for the Period Under Review. You should read the following discussion in conjunction with the sections entitled "Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013", "Independent Auditors' Report on the Interim Condensed Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015" and "Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 August 2015 and the Six-month Financial Period ended 29 February 2016" as set out in Appendices A, B and C of this Introductory Document respectively. We have prepared our financial statements in accordance with the MFRS and the IFRS. Our interim results of operations are not necessarily indicative of our results of operations for the full year.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance and involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including but not limited to those set forth in this section and under the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Directors, our Company, our Group, the Joint Managers, the Joint Malaysian Principal Advisers or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements which are made only as at the date hereof. See the section entitled "Cautionary Note Regarding Forward-looking Statements".

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

OVERVIEW

Our Group was established in 1991. Our Company was listed on the Second Board of the Kuala Lumpur Stock Exchange in 2001 and was transferred to the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 16 May 2002. We are the world's largest rubber glove manufacturer and strive for continued success as a leader in the glove manufacturing industry.

The main business of our Group is the production of rubber gloves, with 27 factories, of which, 25 are glove manufacturing factories and 2 are latex concentrate plants. Of these, 22 glove manufacturing facilities are located in Malaysia, 2 glove manufacturing facilities and both latex concentrate plants are located in Thailand and 1 glove manufacturing facility is located in China.

We currently have a total of 484 production lines and a capacity of approximately 45 billion gloves per annum. We have a presence in 5 countries (Malaysia, Thailand, the PRC, Germany and USA) and serve a growing network of over 2,000 customers across more than 195 countries.

Our products are exported to more than 195 countries worldwide, and include countries in North America, Latin America, Europe, Africa, Asia, Middle East and Oceania. To support our extensive distribution network, we have distribution platforms based in Malaysia, USA, Germany, Thailand and the PRC which distribute the products manufactured by us to our customers.

We derive our revenue mainly from the manufacturing and sale of latex powdered gloves, latex powder-free gloves and nitrile gloves. We also manufacture and sell other ancillary products including surgical, vinyl, cleanroom, household, cast polyethylene, industrial/long length high risk, thermoplastic elastomer, nitrile surgical, double donning surgical and thermoformed film packed surgical gloves.

Sales of our key glove products are shown in the following table, with latex powdered gloves forming the highest percentage of gloves sold. However, we have been aggressively expanding into the nitrile gloves segment due to the increasing demand of nitrile gloves from the developed markets. Going forward, the target is to have a product mix that is reflective of global demand.

Our sales quantity by product type for the Period Under Review is shown in the table below.

	FY2013 (%)	FY2014 (%)	FY2015 (%)	1H2016 (%)
Latex powdered	49%	48%	46%	40%
Nitrile	20%	24%	28%	32%
Latex powder-free	22%	20%	18%	19%
Vinyl	7%	6%	6%	7%
Surgical	2%	2%	2%	2%

Please refer to the section entitled "*Business*" in this Introductory Document for more details.

FACTORS AFFECTING OUR RESULTS OF OPERATION

Revenue

Our revenue by geographical area for the Period Under Review is shown in the table below.

	FY2013 (%)	FY2014 (%)	FY2015 (%)	1H2016 (%)
North America	28%	28%	31%	31%
Europe	33%	31%	28%	32%
Asia	13%	16%	17%	17%
Latin America	15%	14%	13%	10%
Middle East	7%	7%	7%	7%
Africa	4%	4%	4%	3%

North America and Europe are two of our largest markets, owing to higher healthcare standards and awareness. However, developing countries in Asia, Latin America and the Middle East represent future high growth areas where glove usage in the medical sector is still relatively low.

For the Period Under Review, our revenue was derived both primarily from Europe which accounted for RM2.63 billion or 31% of total revenue for the Period Under Review, and North America which accounted for RM2.52 billion or 29% of total revenue for the Period Under Review. In addition to North America and Europe, other regions which we sell our gloves to include Asia, Latin America, Middle East and Africa ("**Other Regions**"). The total revenue from Other Regions accounted for RM3.44 billion or 40% of total revenue for the Period Under Review.

For 1H2016, our Europe business continued to be our main revenue driver which accounted for RM0.47 billion or 32% of our total revenue whereas our North America business accounted for RM0.46 billion or 31% of our total revenue.

Revenue from Europe

For the Period Under Review, our largest contributor to overall revenue was from the Europe region. Revenue for the Period Under Review derived from Europe totaled RM2.63 billion.

For 1H2016, revenue derived from Europe was RM0.47 billion or 32% of total revenue, which was mainly driven by sale of nitrile gloves and latex powdered gloves which accounted for 69% of total revenue derived from Europe.

Revenue from North America

For the Period Under Review, the other largest revenue contributor was from the North America region. Revenue for the Period Under Review derived from North America totaled RM2.52 billion.

For 1H2016, revenue derived from North America was RM0.46 billion or 31% of total revenue, mainly driven by sales of nitrile gloves and latex powder-free gloves which accounted for 81% of total revenue derived from North America.

Revenue from Other Regions

For the Period Under Review, revenue derived from Other Regions totaled RM3.44 billion.

For 1H2016, revenue derived from Other Regions (ex-Japan) was RM0.48 billion or 32% of total revenue, mainly driven by sales of latex powdered gloves which accounted for 54% of total revenue derived from Other Regions (ex-Japan). In addition, sales to Japan for 1H2016 was RM0.08 billion or 5% of total revenue, mainly driven by sales of nitrile gloves.

Key factors affecting our revenue

Our revenue may be affected by, amongst others, the following factors:

(i) global demand for rubber gloves: Global demand for gloves will continue to increase by 8% to 10% per annum[1]. This demand would be supported by, amongst others, increasing healthcare spending and have a potential positive effect on our product sales and revenue;

(ii) improving health and safety guidelines in developed countries: We have been expanding into the nitrile gloves segment due to the increasing demand of nitrile gloves from the developed markets such as North America, Western Europe and Japan. Demand for nitrile gloves is relatively higher in developed countries where there are higher health and safety guidelines; and

(iii) increasing per capita healthcare spending: Global per capita healthcare expenditure has increased at a CAGR of 5.9% since 2000[2]. Increasing global healthcare expenditure will have a positive correlation with demand for rubber gloves in the medical industry.

---

[1] Source: MARGMA. MARGMA has not provided its consent for the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. Our Company has included the above information in its proper form and context in this Introductory Document and has not verified the accuracy of the above information.

[2] Source: World Development Indicators, the World Bank. The World Bank has not provided its consent for the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. Our Company has included the above information in its proper form and context in this Introductory Document and has not verified the accuracy of the above information.

Cost of Sales

Our cost of sales comprises raw materials, labour, chemicals, fuel, packaging material, overheads and others. Raw materials mainly consist of nitrile or natural rubber latex required in the manufacture of our products which we purchase from both internal and external suppliers.

In FY2013, FY2014, FY2015, and 1H2016, our total cost of sales amounted to RM1.95 billion, RM1.89 billion, RM1.96 billion, and RM1.12 billion which represented 84%, 83%, 78% and 75% of our total revenue respectively.

The price of raw materials will fluctuate and is affected, amongst others, by the following:

(i) the volatility of prices for crude oil;

(ii) the global demand and supply of raw materials;

(iii) suppliers' assessment of our creditworthiness; and

(iv) payment terms.

Raw materials in the form of natural rubber and nitrile latex make up the bulk of our total manufacturing cost at 42% and 49% respectively for 1H2016.

Direct labour cost is attributable to workers' wages, overtime, allowances and bonuses. The upward revision of the minimum wage, from RM900 per worker to RM1,000 per worker, by the government (effective 1st July 2016) is expected to impact our labour costs. However, we are continuously looking at automating our processes to reduce our dependence on manual labour and to offset potential cost increases.

Fuel cost is mainly related to natural gas, for which subsidies are gradually being reduced by the government. This will render the cost closer to the prevailing market price.

Packaging material cost pertains to inner boxes and carton boxes utilised in the packing of our gloves. These materials are sourced locally from a panel of suppliers.

Manufacturing overheads include electricity, water and depreciation costs.

The table below summarises the breakdown of cost of sales for natural rubber gloves and nitrile gloves in 1H2016.

	As a percentage of total cost of sales for natural rubber gloves	**As a percentage of total cost of sales for nitrile gloves**
Latex	42%	49%
Other Overheads	16%	18%
Chemical	11%	8%
Labour	11%	9%
Fuel	12%	11%
Packaging	8%	5%

Please refer to the section entitled "*Risk Factors*" of this Introductory Document, which contains information of the above and of other factors which may affect the price at which we procure raw materials and consumables.

Gross Profit

Our Group's gross profit and gross profit margin for FY2013, FY2014, FY2015 and 1H2016 are as below.

	FY2013		FY2014		FY2015		1H2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gross profit	363,218	15.7	383,451	16.9	554,900	22.1	372,250	24.9

The gross profit margin has increased over the Period Under Review mainly due to the appreciation of the USD against the MYR (as most of our sales are transacted in USD), changes in product mix (increase in nitrile sales from the new capacity being added between FY2013 to FY2015), and the decrease of our raw material prices. In addition, improvement in utilisation rate and manufacturing efficiency with more automation and technologically-advanced production lines also helped in improving our gross profit margin.

For FY2015, USD strengthened by 10.8% against the MYR and raw material prices decreased by 17.4% as compared to FY2014. Our utilisation rates increased from 68% in FY2014 to 74% in FY2015.

For 1H2016, USD strengthened by 19.5% against the MYR and raw material prices decreased by 6% as compared to FY2015. Our utilisation rates improved from 74% in FY2015 to 80% in 1H2016.

Other Income

Main contributors to other income for the Period Under Review include:

(i) gain on foreign exchange;

(ii) net gain on fair value changes in derivatives;

(iii) gain on disposal of investment securities; and

(iv) gain on disposal of subsidiary in the PRC.

Gain on foreign exchange relates to the foreign currencies exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date.

We utilise forward foreign currency contracts (such as USD forward exchange contracts) to hedge our foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

We invest in foreign financial institutional bonds from our excess cash and borrowings to generate additional income. During the Period Under Review, our Company has disposed some of these financial institutional bonds, which resulted in a gain on disposal of investment securities.

Gain on disposal of subsidiary was in relation to our on-going cost rationalisation and business streamlining strategy to enhance efficiency in the PRC. Factory 8 in Zhangjiagang, PRC, was consequently divested on 13 June 2014 as part of our business streamlining strategy and a gain of RM10.5 million was recognised for FY2014.

The table below summarises the breakdown of our other income for the Period Under Review.

	FY2013	FY2014	FY2015	1H2016
	RM'000	RM'000	RM'000	RM'000
Gain on foreign exchange	16,567	1,856	8,360	18,204
Net gain on fair value changes of derivatives	886	2,394	–	11,901
Gain on disposal of investment securities	9,062	6,962	911	–
Gain on disposal of subsidiary	–	10,537	–	–
Total	**26,515**	**21,749**	**9,271**	**30,105**

Interest Income

Interest income is derived from the investment of the excess cash in local fund placement and foreign financial institutional bonds.

The interest income (and also expressed as a percentage of revenue) for the Period Under Review is presented below.

	FY2013		FY2014		FY2015		1H2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest Income	12,664	0.5	10,307	0.5	23,920	1.0	17,055	1.1

Distribution and Selling Costs

Distribution and selling costs included salary to the marketing team, entertainment expenses, travelling and accommodation costs incurred in attending overseas medical fairs/trade shows, shipping and costs related to handling and delivery of goods and other marketing related expenses.

The distribution and selling costs (and also expressed as a percentage of revenue) for the Period Under Review is presented below.

	FY2013		FY2014		FY2015		1H2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution and selling costs	67,001	2.9	70,158	3.1	82,127	3.3	39,826	2.7

Administrative and General Expenses

Administrative and general expenses referred to salaries and remuneration to staff and directors, staff-related expenses, loss on foreign exchange, loss on fair value changes of derivatives, depreciation, and other general expenses.

The largest component in relation to our administrative and general expenses was employee benefits expenses which includes staff salaries, bonuses and other staff related expenses.

The administrative and general expenses (also expressed as a percentage of revenue) for the Period Under Review is presented below.

	FY2013		FY2014		FY2015		1H2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Administrative and general expenses	99,723	4.3	138,794	6.1	135,973	5.4	87,997	5.9

Depreciation expenses comprise mainly depreciation of property, plant and equipment and investment properties. Amortisation expenses relate to the amortisation of land use rights. Land use rights are initially measured at cost and measured at cost less accumulated amortisation and impairment losses over their lease terms of between fifty (50) to one hundred (100) years. The following table shows the breakdown (and percentage on total contribution) of our depreciation and amortisation expenses.

	FY2013		FY2014		FY2015		1H2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Property, plant and equipment	79,695	99.2	90,863	99.2	96,616	97.8	51,611	95.2
Land use rights	650	0.8	708	0.8	695	0.7	238	0.4
Investment properties	–	–	–	–	1,469	1.5	2,357	4.4
Total	**80,345**	**100.0**	**91,571**	**100.0**	**98,780**	**100.0**	**54,206**	**100.0**

During the Period Under Review, our other operating expenses comprised the following:

(i) audit fees paid or payable to the auditor of the company or other auditors;

(ii) loss on disposal of property, plant and equipment;

(iii) professional expenses on legal advice, business related consultancy, accounting, tax and secretarial services;

(iv) costs incurred in relation to office expenses;

(v) losses arising from impairment;

(vi) travelling and accommodation expenses mainly related to reimbursement of air tickets and hotel expenses incurred by our directors, employees and appointed consultants on business operation purposes; and

(vii) IT support expenses, including telecommunication and utilities for our business purposes.

Finance Costs

Finance costs comprise mainly interest paid on short and long-term borrowings to banks charged by banks on long term borrowings and working capital purposes.

The finance costs (also expressed as a percentage of revenue) for the Period Under Review is presented below.

	FY2013		FY2014		FY2015		1H2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Finance costs	733	0.0	4,226	0.2	4,170	0.2	3,172	0.2

Income tax (expense)/credit

The Group has operations in Malaysia, Thailand, the PRC, USA and Germany. During the Period Under Review, the corporate tax rate for the respective operations and our Group's effective tax rate is presented below:

	FY2013	FY2014	FY2015	1H2016
	%	%	%	%
Malaysia	25	25	25	24
Thailand	20	20	20	20
PRC	25	25	25	25
USA	43	43	43	43
Germany	16	16	16	16
Effective tax rate of the Group	**16.3**	**15.1**	**22.7**	**18.0**

The higher Group effective tax rate in FY2015 was due to the 68% increase in profit before tax to RM363.5 million in FY2015 from RM216.3 million in FY2014. The Group's annual effective tax rate is derived after taking into account the following considerations:

(i) tax incentives from reinvestment allowance, capital allowance and other tax allowances in Malaysia;

(ii) several entities are still within their respective allocated tax free period in Thailand; and

(iii) the Group does not have similar tax incentives in the PRC, USA and Germany.

REVIEW OF PAST OPERATING PERFORMANCE

FY2015 COMPARED TO FY2014

Revenue

For FY2015, we achieved the highest revenue for any financial year of RM2.51 billion, representing a 10.3% increase over FY2014. We recorded growth in sales volume (quantity) of 8%, having strengthened our presence in developed markets as sales of nitrile gloves increased by 27%.

The breakdown in sales quantity by various product types for FY2015 is presented below.

Product Type	As a percentage of our total sales
Latex powdered	46%
Nitrile	28%
Latex powder-free	18%
Vinyl	6%
Surgical	2%

Interest income

Interest income includes interest income derived from both available for sale financial assets, loans and receivables. Interest income in FY2015 was RM23.9 million which was an increase of RM13.6 million from RM10.3 million in FY2014. The increase was mainly due to the following:

(i) available-for-sale financial assets: Interest income derived from available-for-sale financial assets increased by 139.3% from RM8.4 million in FY2014 to RM20.1 million in FY2015; and

(ii) loans and receivables: Interest income derived from loans and receivables increased by 116.7% from RM1.8 million in FY2014 to RM3.9 million in FY2015.

Available-for-sale financial assets comprises of investments in foreign currency financial institutional bonds.

Other items of income

Other items of income includes both interest income and other income. Interest income is derived from our investment in unit trusts. Other income includes gains on foreign exchange, rental income, sundry income, and gain on disposal of investment securities and land use rights. Other income in FY2015 was RM18.7 million which was a decrease of RM13.8 million from RM32.5 million in FY2014. The decrease was mainly due to gain on disposal of subsidiary in FY2014 of RM10.5 million.

Distribution and selling costs

Distribution and selling costs included salary to the marketing team, entertainment expenses, travelling and accommodation costs incurred in attending overseas medical fairs/trade shows, shipping and costs related to handling and delivery of goods and other marketing related expenses.

Distribution and selling costs in FY2015 was RM82.1 million, an increase of 17.0% from RM70.2 million in FY2014. The increase was mainly due to the increase in sales volume (quantity) of 8% from FY2014 to FY2015.

Administrative and general expenses

Administrative and general expenses in FY2015 were RM136.0 million, a decrease of 2.0% from RM138.8 million in FY2014. The decrease was mainly due to our ongoing streamlining of business processes and strategic initiatives to enhance operational efficiencies.

Finance costs

Finance costs in FY2015 were RM4.17 million, a decrease of 1.4% from RM4.23 million in FY2014. Total loans and borrowings in FY2015 were RM636.0 million, an increase of 252.0% from RM180.7 million in FY2014. The main reason for the decrease in FY2015 was due to the absence of a non-loan and borrowing costs incurred in FY2014 amounting to RM2.78 million as a result of the adoption of cash flow hedge accounting in relation to the outstanding foreign currency forward contracts. In FY2015, such outstanding foreign currency forward contracts were fair-valued and reflected as a loss on fair value changes of derivatives under the administrative and general expenses and not reflected as part of finance costs.

Depreciation and amortisation

Depreciation and amortisation expense in FY2015 was RM98.8 million, which was an increase of 7.9% from RM91.6 million in FY2014. The increase was primarily due to the increased depreciation expense in relation to property, plant and equipment, which increased from RM90.9 million in FY2014 to RM96.6 million in FY2015.

Income tax expense

Income tax expense in FY2015 was RM82.3 million, which was an increase of 151.7% from RM32.7 million in FY2014. Effective tax rate in FY2015 had increased compared to FY2014 due to the significant increase in profit contribution from Malaysia which was subject to the prevailing Malaysia corporate tax rate.

FY2014 COMPARED TO FY2013

Revenue

For FY2014, revenue stood at RM2.28 billion, 1.6% lower than FY2013, mainly due to lower average selling price on the back of declining raw material costs and heightened competition. However, we saw an increase in sales volume of 3% at the close of the financial year and increased contribution from nitrile gloves from 20% in FY2013 to 24% in FY2014.

Breakdown in sales quantity by various product types for FY2014 is presented below:

Product Type	As a percentage of our total sales
Latex powdered	48%
Nitrile	24%
Latex powder-free	20%
Vinyl	6%
Surgical	2%

Interest income

Interest income includes interest income derived from both available-for-sale financial assets loans and receivables. Interest income in FY2014 was RM10.3 million which was a decrease of RM2.4 million from RM12.7 million in FY2013. The decrease was mainly due to interest income arising from others decreasing by 96.4% from RM2.8 million in FY2013 to RM0.1 million in FY2014.

Other items of income

Other items of income includes both interest income and other income including investment income. Other income in FY2014 was RM32.5 million which was a decrease of RM3.8 million from RM36.3 million in FY2013. The decrease was mainly due to the decrease in gain on foreign exchange from RM16.6 million in FY2013 to RM1.9 million in FY2014, and a gain of RM10.5 million on disposal of a PRC in FY2014. The decrease in gain on foreign exchange was mainly due to a lower average forward contract hedging rate as compared to the average actual rate of USD against MYR in FY2014, as compared to FY2013.

Distribution and selling costs

Distribution and selling costs in FY2014 was RM70.2 million, an increase of 4.8% from RM67.0 million in FY2013. The increase was mainly due to the increase in sales volume (quantity) of 3% from FY2013 to FY2014.

Administrative and general expenses

Administrative and general expenses in FY2014 were RM138.8 million, an increase of 39.2% from RM99.7 million in FY2013. The increase was due to the following:

(i) loss on foreign exchange: Realised loss in foreign exchange loss increased from zero in FY2013 to RM18.5 million in FY2014; and

(ii) loss on disposal of property, plant and equipment: Loss on disposal of property, plant and equipment increased from RM0.1 million in FY2013 to RM12.7 million in FY2014, mainly attributable to the realised loss on disposal of our subsidiary in the PRC of RM8.7 million in FY2014.

Finance costs

Finance costs in FY2014 were RM4.2 million, an increase of 500.0% from RM0.7 million in FY2013. Total loans and borrowings in FY2014 were RM180.7 million, an increase of 209.4% from RM58.4 million in FY2013.

Depreciation and amortisation

Depreciation and amortisation expense in FY2014 was RM91.6 million, which was an increase of 14.1% from RM80.3 million in FY2013. The increase was primarily due to the increased depreciation expense in relation to property, plant and equipment, which increased from RM79.7 million in FY2013 to RM90.9 million in FY2014.

Income tax expense

Income tax expense in FY2014 was RM32.7 million, which was a decrease of 17.0% from RM39.4 million in FY2013. The decrease was primarily due to lower profit in FY2014.

1H2016 COMPARED TO 1H2015

Revenue

Revenue in 1H2016 was RM1.49 billion, which was an increase of RM0.35 billion (or an increase of 30.7%) from RM1.14 billion in 1H2015. The increase in revenue from 1H2015 to 1H2016 was mainly due to 1H2016 sales volume (quantity) increasing by 15.5% compared with 1H2015, and the strengthening of the USD against MYR by 25.7% in 1H2016 compared with 1H2015. Majority of our sales were denominated in USD.

Breakdown in sales quantity by various product types for 1H2016 is presented below.

Product Type	As a percentage of our total sales
Latex powdered	40%
Nitrile	32%
Latex powder-free	19%
Vinyl	7%
Surgical	2%

Interest income

Interest income includes interest income derived from both available-for-sale financial assets, loans and receivables. Interest income in 1H2016 was RM17.1 million which was an increase of RM7.2 million (or an increase of 72.7%) from RM9.9 million in 1H2015.

Finance costs

Finance costs in 1H2016 were RM3.2 million, an increase of 33.3% from RM2.4 million in 1H2015.

Depreciation and amortisation

Depreciation and amortisation expense in 1H2016 was RM54.2 million, which was an increase of 14.3% from RM47.4 million in 1H2015.

Income tax expense

Income tax expense in 1H2016 was RM52.9 million, which was an increase of 77.5% from RM29.8 million in 1H2015.

REVIEW OF FINANCIAL POSITION

As at 31 August 2015

A review of our financial position based on the consolidated balance sheet of our Group as at 31 August 2015 is set out below:

Current assets

Our current assets as at 31 August 2015 comprised the following:

(i) cash and cash equivalents of RM286.9 million comprising cash and bank balances of RM146.5 million (which includes deposits pledged with banks of RM1.2 million) and fair value through profit and loss financial assets of RM141.7 million;

(ii) trade and other receivables amounting to RM380.7 million represented by net trade receivables of RM364.1 million, sundry receivables of RM10.3 million and refundable deposits of RM6.3 million;

(iii) inventories of RM252.1 million which consisted of RM245.5 million in inventory carried at cost (which comprised of RM145.9 million in finished goods) and RM6.6 million in inventory carried at net realisable value; and

(iv) other current assets consisting of prepaid operating expenses, goods and service tax refundable, advances to suppliers for raw materials and property, plant and equipment, of RM24.1 million.

Non-current assets

Our non-current assets as at 31 August 2015 comprised the following:

(i) property, plant and equipment of RM1.03 billion comprising land and buildings of RM0.48 billion, plant and equipment of RM0.42 billion, capital work-in-progress of RM70.4 million and other assets of RM49.3 million;

(ii) investment properties of RM0.11 billion comprising freehold land and buildings;

(iii) land use rights of RM40.3 million;

(iv) goodwill of RM22.8 million comprising of RM2.9 million goodwill allocated to TGM (Thailand), RM14.8 million goodwill allocated to BTI (Thailand) and RM5.1 million goodwill allocated to GMSB;

(v) deferred tax assets of RM8.8 million;

(vi) investment in associates of RM5.1 million; and

(vii) non-current investment securities of RM0.1 million.

Current liabilities

Our current liabilities as at 31 August 2015 comprised the following:

(i) loans and borrowings of RM530.3 million comprising bank loans due within the next 12 months. Total unsecured borrowings amounted to RM321.3 million. Secured current borrowings amounted to RM209.0 million;

(ii) trade and other payables of RM326.2 million comprising RM179.8 million in trade payables, RM49.5 million in accrued operating expenses and RM96.9 million in sundry payables;

(iii) other current liabilities of RM29.6 million representing advances received from customers for goods purchased;

(iv) income tax payable of RM25.3 million; and

(v) derivative financial instruments of RM9.2 million consisting of forward currency contracts designated as hedges of expected future sales to customers for which we have firm commitments.

Non-current liabilities

Our non-current liabilities as at 31 August 2015 comprised the following:

(i) loans and borrowings of RM105.7 million comprising bank loans due after the next 12 months. Total unsecured non-current borrowings amounted to RM102.5 million. Secured non-current borrowings amounted to RM3.2 million; and

(ii) deferred tax liabilities of RM47.2 million.

Equity

Total equity attributable to shareholders as at 31 August 2015 was RM1.61 billion, which comprised RM1.06 billion in retained earnings, RM0.31 billion in issued and fully-paid share capital, share premium of RM0.20 billion, other reserves of RM53.7 million, and treasury shares of RM14.7 million.

As at 29 February 2016

A review of our financial position based on the consolidated balance sheet of our Group as at 29 February 2016 is set out below:

Current assets

Our current assets as at 29 February 2016 comprised the following:

(i) cash and cash equivalents of RM439.1 million comprising cash and bank balances of RM130.0 million (which includes deposits pledged with banks of RM2.4 million) and fair value through profit or loss assets of RM311.5 million;

(ii) trade and other receivables amounting to RM356.2 million;

(iii) inventories of RM235.6 million;

(iv) other current assets of RM31.0 million; and

(v) derivative financial instruments of RM2.7 million.

Non-current assets

Our non-current assets as at 29 February 2016 comprised the following:

(i) property, plant and equipment of RM1.07 billion;

(ii) investment properties of RM0.12 billion;

(iii) land use rights of RM40.0 million;

(iv) goodwill of RM22.8 million;

(v) deferred tax assets of RM7.4 million;

(vi) investment in associates of RM5.3 million; and

(vii) non-current investment securities of RM0.1 million.

Current liabilities

Our current liabilities as at 29 February 2016 comprised the following:

(i) loans and borrowings of RM376.2 million comprising bank loans due within the next 12 months. Total unsecured borrowings amounted to RM324.6 million. Secured current borrowings amounted to RM51.6 million;

(ii) trade and other payables of RM321.1 million;

(iii) other current liabilities of RM36.9 million; and

(iv) income tax payable of RM52.6 million.

Non-current liabilities

Our non-current liabilities as at 29 February 2016 comprised the following:

(i) loans and borrowings of RM96.0 million comprising bank loans due after the next 12 months. Total unsecured non-current borrowings amounted to RM92.9 million. Secured non-current borrowings amounted to RM3.1 million; and

(ii) deferred tax liabilities of RM39.3 million.

Equity

Total equity attributable to shareholders as at 29 February 2016 was RM1.78 billion, which comprised of RM1.12 billion in retained earnings, RM0.63 billion in issued and fully-paid share capital, share premium of RM4.2 million, other reserves of RM28.3 million, and treasury shares of RM9.7 million.

LIQUIDITY AND CAPITAL RESOURCES

For the Period Under Review, our growth and operations were funded mainly from cash flows from operations as well as bank borrowings. With regard to such credit facilities to fund our working capital and capital expenditures, we typically utilise the cash flows generated from our operations towards repaying the facilities and therefore reducing the outstanding amounts under these facilities.

As at the Latest Practicable Date, we had cash at hand and in bank of RM150.6 million, short term investment securities of RM638.7 million and unutilised short term borrowing facilities of RM716.1 million. Please refer to the section entitled "*Capitalisation and Indebtedness*" of this Introductory Document for further details of our cash and credit facilities as at the Latest Practicable Date.

A summary of our combined statements of cash flows for the Period Under Review is set out below. The following summary of combined statements of cash flows should be read in conjunction with the full text of this Introductory Document, including the sections entitled "*Independent Auditors' Report on the Audited Consolidated Financial Statements for Financial Years ended 31 August 2015, 2014 and 2013"* and *"Independent Auditors' Report on the Interim Condensed Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015"* as set out in Appendices A and B to this Introductory Document.

	FY2013	FY2014	FY2015	1H2016
	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	247,008	308,520	336,194	333,565
Net cash from (used in)/generated from investing activities	(258,008)	(260,301)	(501,843)	49,932
Net cash (used in)/generated from financing activities	(48,015)	32,158	262,035	(229,848)
Net (decrease)/increase in cash and cash equivalents	(59,015)	80,377	96,386	153,649
Cash and cash equivalents at beginning of the year/period	167,246	104,582	187,664	286,928
Effects of foreign exchange rate changes	(3,649)	2,705	2,878	(1,446)
Cash and cash equivalents at end of the year/period	**104,582**	**187,664**	**286,928**	**439,131**

FY2013

Net cash in operating activities

Net cash generated from operating activities was RM247.0 million which comprised of operating cash flows before working capital changes of RM303.1 million adding net working capital outflow of RM10.8 million, net of income taxes paid of RM44.5 million and interest paid of RM0.7 million. The net working capital outflow was mainly due to year-on-year increase in inventories by RM40.2 million.

Net cash used in investing activities

Net cash used in investing activities of RM258.0 million was mainly for the purchase of property, plant and equipment of RM255.8 million and purchase of investment securities of RM165.2 million. The breakdown of property, plant and equipment purchased for FY2013 is as follows:

Land and buildings	Plant and equipment	Other assets (Furniture, office equipment, motor vehicles etc)	Work in progress (in relation to construction and expansion of production facilities)
RM71.8 million	RM95.1 million	RM11.3 million	RM77.6 million

Net cash from financing activities

Net cash used in financing activities was RM48.0 million, comprised mainly of dividends paid on ordinary shares of RM99.1 million, and partially offset by proceeds from loans and borrowings of RM51.9 million.

Effect of exchange rate fluctuations on cash held

Effect of exchange rate fluctuations on cash held was a decrease of RM3.6 million. It arose mainly from the conversion of cash balances held by our Group in foreign currencies into the MYR equivalent.

As at 31 August 2013, our cash and cash equivalents amounted to RM104.6 million.

FY2014

Net cash used in operating activities

Net cash generated from operating activities was RM308.5 million which comprised of operating cash flows before working capital changes of RM291.9 million adding net working capital inflow of RM59.7 million, net of income taxes paid of RM38.9 million and interest paid of RM4.2 million. The net working capital inflow was mainly due to year-on-year increase in payables by RM45.1 million.

Net cash used in investing activities

Net cash used in investing activities of RM260.3 million was mainly for the purchase of property, plant and equipment of RM192.2 million and purchase of investment securities of RM212.0 million. The breakdown of property, plant and equipment purchased for FY2014 is as follows:

Land and buildings	Plant and equipment	Other assets (Furniture, office equipment, motor vehicles etc)	Work in progress (in relation to construction and expansion of production facilities)
RM51.1 million	RM52.8 million	RM11.8 million	RM76.5 million

Net cash from financing activities

Net cash generated from financing activities was RM32.2 million, comprised mainly of dividends paid on ordinary shares of RM99.3 million, and offset by proceeds from loans and borrowings of RM130.1 million.

Effect of exchange rate fluctuations on cash held

Effect of exchange rate fluctuations on cash held was an increase of RM2.7 million. It arose mainly from the conversion of cash balances held by our Group in foreign currencies into the MYR equivalent.

As at 31 August 2014, our cash and cash equivalents amounted to RM187.7 million.

FY2015

Net cash used in operating activities

Net cash generated from operating activities was RM336.2 million which comprised of operating cash flows before working capital changes of RM462.2 million in addition to net working capital outflow of RM66.3 million, net of income taxes paid of RM55.6 million and interest paid of RM4.2 million. The net working capital outflow was mainly due to year-on-year increase in receivables by RM49.7 million and year-on-year increase in inventories of RM44.7 million.

Net cash used in investing activities

Net cash used in investing activities of RM501.8 million was mainly for the purchase of property, plant and equipment of RM205.7 million and purchase of investment securities of RM424.1 million. The breakdown of property, plant and equipment purchased for FY2015 is as follows:

Land and buildings	Plant and equipment	Other assets (Furniture, office equipment, motor vehicles etc)	Work in progress (in relation to construction and expansion of production facilities)
RM33.8 million	RM64.2 million	RM13.0 million	RM94.7 million

Net cash from financing activities

Net cash generated from financing activities was RM262.0 million, comprised mainly of dividends paid on ordinary shares of RM105.0 million, and offset by proceeds from loans and borrowings of RM364.1 million.

Effect of exchange rate fluctuations on cash held

Effect of exchange rate fluctuations on cash held was an increase of RM2.9 million, arising mainly from the conversion of cash balances held by our Group in foreign currencies into the MYR equivalent.

As at 31 August 2015, our cash and cash equivalents amounted to RM286.9 million.

1H2016

Net cash used in operating activities

Net cash generated from operating activities was RM333.6 million which comprised of operating cash flows before working capital changes of RM351.9 million in addition to net working capital inflow of RM17.0 million, net of income taxes paid of RM32.1 million and interest paid of RM3.2 million. The net working capital inflow was mainly due to year-on-year decrease in receivables by RM34.4 million and decrease in payables of RM27.0 million.

Net cash used in investing activities

Net cash generated from investing activities of RM49.9 million was mainly from proceeds from disposal of investment securities of RM149.3 million and purchase of property, plant and equipment of RM110.8 million.

Net cash from financing activities

Net cash used in financing activities was RM229.8 million, comprised mainly of dividends paid on ordinary shares of RM93.7 million, and by repayment of loans and borrowings of RM174.1 million.

Effect of exchange rate fluctuations on cash held

Effect of exchange rate fluctuations on cash held was a decrease of RM1.4 million. It arose mainly from the conversion of cash balances held by our Group in foreign currencies into the MYR equivalent.

As at 29 February 2016, our cash and cash equivalents amounted to RM439.1 million.

CAPITAL EXPENDITURES AND DIVESTMENTS

Historical Capital Expenditures

Our capital expenditures for the Period Under Review and up to the Latest Practicable Date were mainly funded by cash flows from existing operations and proceeds from bank borrowings.

During the Period Under Review and up to the Latest Practicable Date, our capital expenditures were as follows:

	FY2013	FY2014	FY2015	1H2016	1 March 2016 to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, Plant and Equipment	255,760	192,238	205,739	110,841	39,122
Investment Properties	–	–	6,139	6,581	–
Land Use Rights	23,602	171	50	22	–
Total	279,362	192,409	211,928	117,444	39,122

Planned Capital Expenditures

Our capital expenditures for the Period Under Review and up to the Latest Practicable Date were incurred mainly due to our expansion plans for the following facilities:

- Factory 27 in Lukut, Port Dickson, the expanded portion of which is expected to commence operations in July 2016;
- Factory 6 in Phuket, Thailand, the expanded portion of which is expected to commence operations by the 4th quarter of 2016; and
- Factory 30 in Klang, Selangor, which is expected to commence operations in 2017.

The following table sets forth certain details regarding our planned capital expenditures:

Project	Estimated Amount of Expenditure (RM'000)	Amount Expended as at the Latest Practicable Date (RM'000)	Project Commencement Date	Expected Completion Date
Expansion of Factory 27 in Lukut, Port Dickson	31,100	29,014	July 2015	July 2016
Expansion of Factory 6 in Phuket, Thailand	55,000	19,702	June 2015	4Q 2016
Expansion of Factory 30 in Klang, Selangor	131,700	10,970	August 2015	2017

CAPITAL COMMITMENTS AND INDEBTEDNESS

Capital Commitments

As at the Latest Practicable Date, we are committed to purchase up to RM75.5 million in property, plant and equipment. The plant and equipment is intended to increase our production capacity in anticipation of future demand for our products. We intend to fund our purchase by drawing down on our existing credit facilities and internal cash reserves.

Please refer to the section entitled "*Capitalisation and Indebtedness*" of this Introductory Document for more details.

Description of Material Indebtedness

Our total outstanding debt as at 29 February 2016 was RM472.2 million (as at 31 August 2015: RM636.0 million). The total amount of repayment of loans and borrowings during 1H2016 was RM174.1 million (during FY2015 proceeds from loans and borrowings was RM364.1 million).

The following table sets forth a summary of the material indebtedness of our Company and our subsidiaries as at 31 August 2015 and 29 February 2016:

	Maturity	As at 31 August 2015 RM'000	As at 29 February 2016 RM'000
Unsecured:			
– Import loan at 2.50% p.a. (FY2015: 2.50% p.a.)	2017	211	1,649
– Revolving credit at 1.01% to 1.30% p.a. (FY2015: 0.79 to 1.08% p.a)	2017	170,084	170,670
– Revolving credit at 1.03% p.a. (FY2015: 0.80% p.a.)	2017	44,626	44,780
– Revolving credit at 1.25% p.a. (FY2015: 1.10% p.a.)	2017	4,210	4,225
– Revolving credit at 1.30% p.a. (FY2015: 1.00% p.a.)	2017	46,310	16,898
– Revolving credit at 1.17% p.a.	2017	–	29,572
Bank loans:			
– USD loan at 1.20% to 1.40% p.a. (FY2015: 0.75% to 1.45% p.a.)	2017	10,457	3,320
– Thai Baht loan at 2.19% to 2.30% p.a. (FY2015: 2.15% to 2.19% p.a.)	2017	23,414	32,490
– Term loan at 1.07% p.a. (FY2015: 1.08% p.a.)	2017	21,976	20,946
Sub-Total		**321,288**	**324,550**
Secured bank loans:			
– USD loan at 0.82% to 1.22% p.a. (FY2015: 0.80% p.a. to 1.11% p.a.)	2017	173,927	51,437
– British Pound loan at 1.15% p.a.	2017	12,574	–
– Euro loan at 0.75% to 0.95% p.a.	2017	22,359	–
– Fixed rate USD bank loan at 3.25% p.a.	2017	185	185
Sub-Total		**209,045**	**51,622**
Total Current Borrowings		**530,333**	**376,172**
Unsecured bank loan:			
– Term loan at 1.07% p.a. (FY2015: 1.08% p.a.)	Between 2018 and 2021	102,492	92,925
Secured bank loan:			
– Fixed rate USD bank loan at 3.25% p.a.	Between 2018 and 2030	3,201	3,122
Total Non-current Borrowings		**105,693**	**96,047**
Total Loans and Borrowings		**636,026**	**472,219**

The following table sets forth the maturity profile of the loans and borrowings of our Company and our subsidiaries as at FY2015 and 1H2016:

	As at 31 August 2015 RM'000	As at 29 February 2016 RM'000
On demand or within one year	530,333	376,172
More than 1 year and less than 2 years	22,167	22,237
More than 2 years and less than 5 years	66,329	66,712
5 years or more	17,197	7,098
Total Non-current Borrowings	**636,026**	**472,219**

Our loans and borrowings are generally obtained for (a) working capital purposes, (b) treasury and investment purposes and (c) hedging against foreign exchange risks. As at 29 February 2016, the amount unutilised under our facilities was RM706.0 million (as at 31 August 2015: RM701.7 million) of which RM214.7 million (as at 31 August 2015: RM78.7 million) was under the committed portion and RM491.2 million (as at 31 August 2015: RM623 million) was under the uncommitted portion.

The amounts drawn down under the uncommitted portion of our facilities are subject to variation, reduction or cancellation by the lenders at any time, whereupon such amounts shall become due and payable.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments by our Shareholders.

Our loan agreements impose certain financial covenants and other restrictions on us. These restrictions limit or may limit our ability to incur additional indebtedness, and to change our business.

Pursuant to our loan agreements, we are required to maintain certain financial ratios, being consolidated net borrowings to consolidated tangible net worth, consolidated net borrowings to EBITDA, consolidated net borrowings to consolidated tangible assets, and EBITDA to consolidated interest expenses.

None of the loan agreements entered into by our Company contains covenants which are tied to the shareholding interests of our Directors or Substantial Shareholders and/or conditions which place restrictions on any change of control of our Company.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, our Group does not have any material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

Our reporting currency is in MYR and our operations are mainly in Malaysia, Thailand and the PRC. Our revenues are mainly denominated in USD, while our expenses are mainly denominated in MYR, Thai Baht, AUD and RMB. The entities in our Group regularly transact in currencies other than their respective functional currencies ("**foreign currencies**"). Currency risk arises within entities in our Group when transactions are denominated in foreign currencies such as the USD.

In addition, our Group is exposed to currency translation risk on the net assets in foreign subsidiaries. Currency exposure to the net assets of our Group's foreign subsidiaries domiciled outside of Malaysia is managed primarily through borrowings denominated in the relevant foreign currencies and hedging policies. Our Group's net assets are not hedged as our currency positions are considered to be long-term in nature.

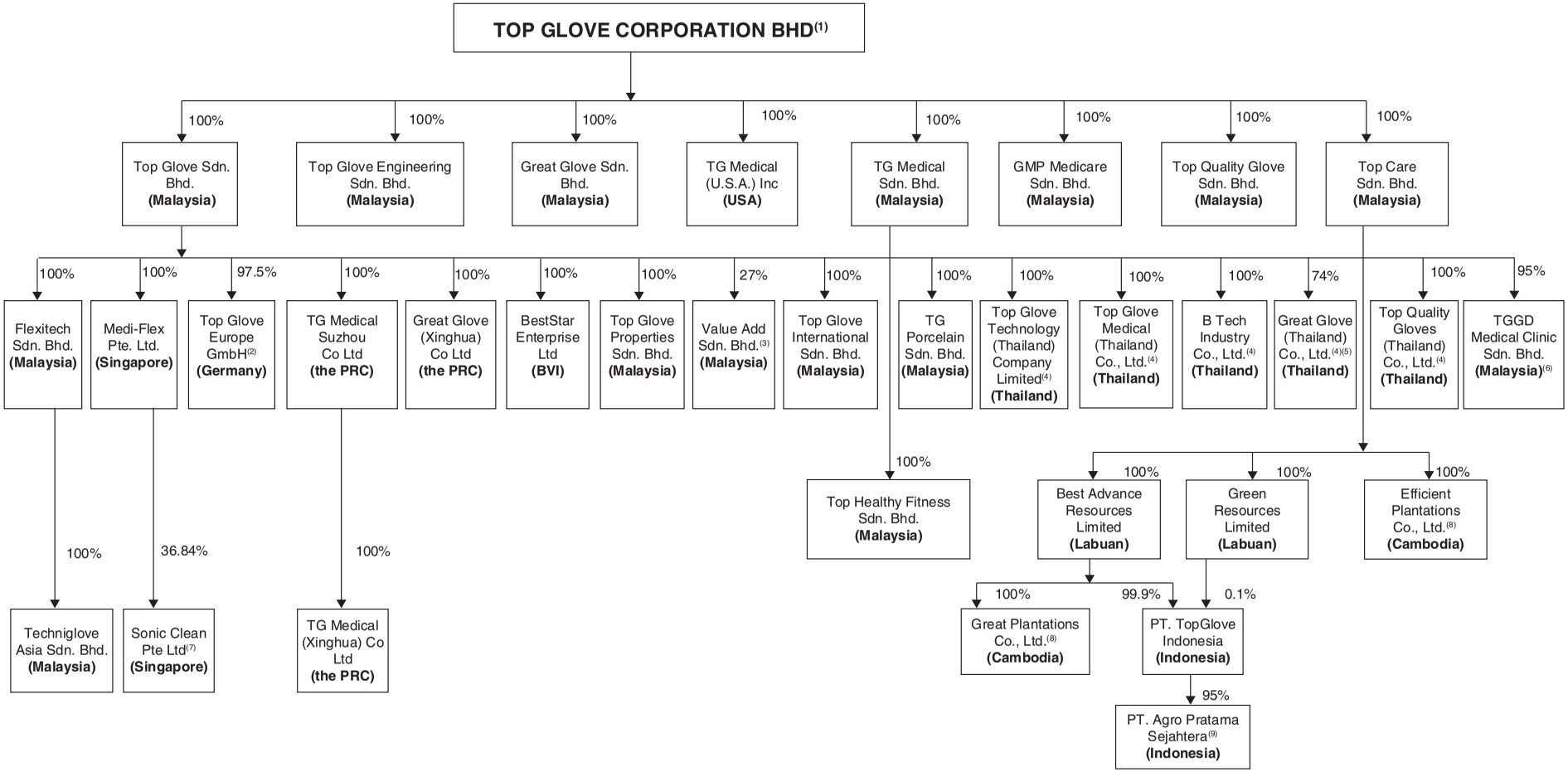
We currently have a formal hedging policy and will enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations. We hedge forward the USD for a period of not more than 2 months, which is in line with our receivable turnover days. We will also put in place, where necessary, procedures to hedge our exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board.

We utilise forward foreign currency contracts to hedge our foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There has been no change in our accounting policies for the last three financial years from FY2013 to FY2015. Please refer to the sections entitled "*Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013*" and the "*Independent Auditors' Report on the Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015*" as set out in Appendices A and B of this Introductory Document respectively for details of our Group's accounting policies.

OUR GROUP STRUCTURE



Notes:

(1) There are 33 companies within our Group.

(2) The remaining equity interest of 2.5% in TG (Germany) is held by Mr. Thomas Petermoller, who is the Managing Director of TG (Germany).

(3) The remaining equity interest in VA is held by (i) Tan Sri Dr Lim Wee Chai (68%) and (ii) Mr. Lim Hooi Sin (5%). The principal activity of VA is the letting of properties. Our Company is not a majority shareholder of VA as our investment in VA is for the purpose of reinvestment of excess cash. As at the Latest Practicable Date, we have no intention to venture into the business of property investments through a majority shareholding in VA.

(4) Under Thai Law, our Thai subsidiaries are required to maintain at least three shareholders. Accordingly, a nominal number of shares in our Thai subsidiaries which approximate less than 0.01% are held by certain directors of the relevant Thai subsidiaries on behalf of TGSB to fulfil the requirements under Thai law. Please see Appendix G – "*Our Subsidiaries and Associated Companies*" for full details of such shareholdings.

(5) The remaining equity interest in GG (Thailand) is held by (i) Von Bundit Co., Ltd (13.99%), (ii) Payungsak Kerdvongbundit (less than 0.01%), (iii) Pongsak Kerdvongbundit (less than 0.01%), (iv) Bundit Kerdvongbundit (less than 0.01%) and (v) Paratex Product Co., Ltd (12.0%). Each of these remaining shareholders are unrelated third parties.

(6) The remaining equity interest in TGGD is held by DHS. On 22 March 2016, our Company announced that TGSB had entered into a joint venture agreement with DHS, pursuant to which TGGD will be jointly-owned by TGSB (75%) and DHS (25%). DHS is an unrelated third party.

(7) The remaining equity interest of 63.16% in SCPL is held by Unisteel Technology Limited, an unrelated third party.

(8) As at the Latest Practicable Date, EPCL and GPCL are in the process of voluntary winding up.

(9) The remaining equity interest of 5% in APS is held by APE Niagata Tjandra, an unrelated third party.

BUSINESS

OVERVIEW

Our Group was established in 1991. Our Company was listed on the Second Board of the Kuala Lumpur Stock Exchange in 2001 and was transferred to the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 16 May 2002. We are the world's largest rubber glove manufacturer and strive for continued success as a leader in the glove manufacturing industry. We are also one of the component stocks of the FBM Mid 70 Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, FTSE Bursa Malaysia Hijrah Shariah Index and FTSE4Good Bursa Malaysia Index.

We are principally engaged in the manufacturing, processing and distribution of gloves globally with our manufacturing operations principally in Malaysia, Thailand and the PRC. The main business of our Group is in the production of rubber gloves, with 27 factories (25 glove manufacturing factories and 2 latex processing plants) and 484 production lines with total annual production capacity of approximately 45 billion pieces of gloves.

Our products are exported to more than 195 countries worldwide, and include countries in North America, Latin America, Europe, Africa, Asia, Middle East and Oceania. To support our extensive distribution network, we have distribution platforms based in Malaysia, USA, Germany, Thailand and the PRC which distribute the products manufactured by us to our customers.

We derive our revenue mainly from the manufacturing and sale of examination gloves such as latex powdered gloves, latex powder-free gloves and nitrile gloves. We also manufacture and sell other ancillary products including surgical, vinyl, cleanroom, household, cast polyethylene, industrial/long length high risk, thermoplastic elastomer, nitrile surgical, double donning surgical and thermoformed film packed surgical gloves.

Our customers come from different industries, including distribution companies and end users such as hospitals and laboratories. We sell our products under our own brand names or under third party labels where we are engaged as OEMs.

We act as a comprehensive one-stop glove sourcing centre, with more than a dozen variations of latex and nitrile gloves. This allows us to capture market share in many countries and offer our customers convenience of sourcing for a variety of gloves without having to approach different suppliers.

We place significant emphasis on quality control and production standards during our production processes. As a testament to our commitment to the production of high quality products, we have quality standard accreditation under the ISO 9001:2008 certification. We also regularly send our gloves to accreditation bodies all over the world and have also been accredited by organisations such as the FDA, the TGA and the TUV Product Service GmbH, Germany. Please refer to the section entitled "*Business – Quality Assurance*" for more information.

OUR HISTORY

Our Company was incorporated in Malaysia on 23 December 1998 under the Malaysian Companies Act as a public company limited by shares, under the name of "Top Glove Corporation Bhd" with registration number 474423-X.

We started out as a local business enterprise in 1991 under the name of Top Glove Sdn Bhd which remains as one of our principal subsidiaries, with a single factory and three (3) production lines. We have since cultivated a positive market reputation under the leadership of our founder and Executive Chairman, Tan Sri Dr Lim Wee Chai, whose stewardship has enabled our growth.

In 1994, we made our first overseas foray and established a marketing arm in the USA. Our business continued to grow and by 1996, we owned and operated a total of three (3) factories in Malaysia. In 2001, the total number of factories in Malaysia owned and operated by us increased to six (6). In the same year, we also commenced operations in Thailand.

Our Company was listed on the Second Board of the Kuala Lumpur Stock Exchange in 2001 and was transferred to the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 16 May 2002. We are one of the component stocks of the FBM Mid 70 Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, FTSE Bursa Malaysia Hijrah Shariah Index and FTSE4Good Bursa Malaysia Index.

In 2002, we continued to expand our operations in Thailand and established a second rubber glove manufacturing factory there. In the same year, we achieved further expansion of our global footprint by commencing operations in the PRC.

We established our first latex concentrate plant in Thailand in 2006. In 2007, we surpassed RM1 billion in sales revenue and, in 2010, we achieved RM2 billion in sales revenue for the first time. Throughout the years, we continued to grow locally whilst expanding our overseas operations. By 2011, we owned and operated a total of 20 factories in Malaysia. We also acquired a marketing arm in Germany in 2011 to extend our sales to Europe.

In 2012, in order to accommodate the increasing number of staff and meet the future corporate office space requirements of the Company, we commenced construction of Top Glove Tower, our corporate headquarters in Setia Alam, Selangor. The construction of Top Glove Tower was completed in April 2015.

In 2013, we established our first dedicated Group R&D Centre to drive innovation as we consider it imperative that we invest in technology and future capabilities which can be translated into new products, processes and services that deliver value to our customers.

By 2015, we owned and operated a total of 27 factories in Malaysia, Thailand and the PRC.

OUR AWARDS

Amongst other awards, we have been recognised by the MREPC as Malaysia's Largest Exporter of Rubber Gloves, Malaysia's Largest Exporter of Rubber Products as well as Malaysia's Top 5 Exporters of Rubber Gloves pursuant to our export performance in the period 2012 to 2014. Most recently, we were also accorded the 2015 Frost & Sullivan Asia Pacific Medical Glove Company of the Year award and the ASEAN Corporate Governance Outstanding Achievement Awards.

The table below sets forth the awards and recognitions obtained by our Group since 2011:

Year	Award	Awarding Body
2015	MSWG – Asean Corporate Governance Award 2015 – Categories: Most Improved, Long Term Value Creation (10 years), Diverse Board, Industry Excellence (Manufacturing)	Minority Shareholder Watchdog Group (MSWG)
	2015 Frost & Sullivan Asia Pacific Medical Glove Company of the Year	Frost & Sullivan
	ASEAN Corporate Governance Outstanding Achievement Awards	ASEAN Corporate Governance
	Malaysia's Largest Exporter of Rubber Gloves 2012 to 2014	MREPC
	Malaysia's Top 5 Exporters of Rubber Gloves 2012 to 2014	MREPC
	Asean Business Awards Malaysia 2015 – AEC Priority Integration Sector Excellence (Rubber-Based Products)	ASEAN Business Advisory Council
	Best Mid-Cap Public Company – Asia's Best Companies 2015	Finance Asia
2014	Malaysia's 100 Leading Graduate Employers 2014	GTI Media
	Asian Icon Award (World Class Entrepreneur) – Top 10 of Asia Award 2014	Finance Asia
	The BrandLaureate Best Brands: *Brand of the Year, Manufacturing – Gloves*	The BrandLaureate
	Outstanding Business Awards – Largest Rubber Glove Manufacturer	The Malaysia Book of Records
2013	Winner: Manufacturing – Chemicals & Heavy Industries – Malaysia's 100 Leading Graduate Employers 2013	GTI Media
	The Largest Rubber Glove Manufacturer	The Malaysia Book of Records
	The BrandLaureate Manufacturer of the Year Award	The BrandLaureate
	The BrandLaureate President's Award (*Category: Glove*)	The BrandLaureate

Year	Award	Awarding Body
2012	ASEAN Business Awards 2012 – "Most Admired ASEAN Enterprise" – *Category: Corporate Social Responsibility (Large Company)*	ASEAN Business Advisory Council
	Special Achievement Organisation Category	Malaysia Achievement Organisation
	MIS ASIA 100 – TOP 100 IT departments in ASIA	MIS Asia
	MOSHPA Occupational Safety & Health Awards 2012	Malaysian Occupational Safety & Health Professionals' Association
	Penghargaan Industri Negeri Perak 2011/2012	Department of Environment (Perak)
2011	Best Under a Billion, The Region's Top 200 Small and Midsize Companies 2011	Forbes Asia
	Special Achievement Organisation Category 2011	Malaysia Achievement Organisation
	Brand Icons Leadership Award 2011	The BrandLaureate

OUR PRODUCTS

We produce high quality gloves at an efficient cost and offer a wide and diverse product range, fulfilling demands in both the healthcare and non-healthcare segments. We also serve a growing network of over 2,000 customers across more than 195 countries.

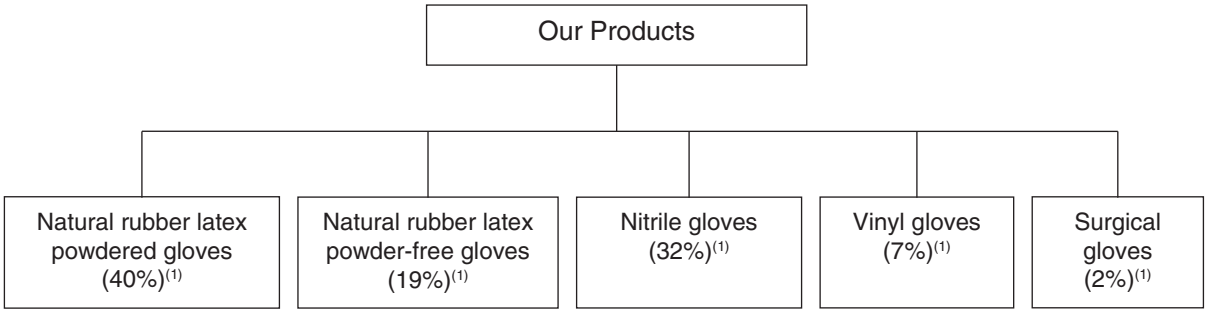
We manufacture various types of gloves which primarily comprises natural rubber latex powdered gloves, natural rubber latex powder-free gloves and nitrile gloves. Depending on the manufacturing process and the raw materials used, we produce latex and nitrile examination gloves of various qualities and comfort levels to meet customer demand over a spectrum of price points. Our extensive product range includes gloves of various materials, colours and scents to appeal to different needs and preferences.

Our gloves are marketed under our "Top Glove" brand name as well as under third party labels where we are engaged as OEMs. The gloves we manufactured and sold under our "Top Glove" brand name constitutes approximately 10% of our total sales, and, the remaining gloves products were manufactured for third party labels.

Certain of our factories are accredited with ISO 9001 and ISO 13485 certifications, and we manufacture our products strictly according to the Good Manufacturing Practices standards. Please refer to the section entitled "*Business – Quality Assurance*" for more information.

Our Product Mix

Our product mix may be broadly categorised as follows:



Note:

(1) Sales quantity by product type for 1H2016.

We align our product mix with global market demands. For example, our natural rubber gloves cater for emerging markets while our nitrile gloves cater to developed markets. The sale of our latex powdered gloves, latex powder-free gloves, nitrile gloves and other glove products as a percentage of our Group's total sales in FY2013, FY2014 and FY2015 is set out below, demonstrating our movement towards a more balanced distribution among our primary products.

	As a percentage of our Group's total sales (%)		
	FY2013	**FY2014**	**FY2015**
Latex powdered gloves	49	48	46
Latex powder-free gloves	22	20	18
Nitrile gloves	20	24	28
Other glove products	9	8	8
Total	**100**	**100**	**100**

Our differentiated products and prevalence in multiple industries

The key features and characteristics of our gloves, and their prevalence among different industries, are categorised as follows:

Types	Characteristics, Functional Benefits and Prevalence in Different Industries
Latex Examination Gloves (Powdered and Powder-Free)	Latex gloves are made from 100% natural rubber latex and are non-sterile, ambidextrous with straight fingers and disposable. Latex gloves are soft and provide superior comfort and natural fit. Latex also outperforms other glove materials in terms of elasticity and tensile strength. The Medical-Grade latex examination gloves provide users with barrier protection in areas of potential risks associated with blood-borne pathogens and other substances or biohazards. Latex powder-free gloves are suitable for users who are sensitive to powder content. Latex gloves are generally affordable and economical in terms of pricing. They are utilised in, amongst others, the beauty, food and beverage, research and laboratory works and medical/healthcare sectors.
Nitrile Examination Gloves (Powdered and Powder-Free)	Nitrile gloves are made from synthetic nitrile latex and are non-sterile, ambidextrous and disposable. As they are produced from synthetic rubber which is non-latex and protein free, they provide an alternative solution for users who are allergic or sensitive to proteins found in natural rubber latex. The soft formulation or low modulus nitrile gloves provide excellent feel, fit, comfort, sensitivity and flexibility to users and reduces hand fatigue. They also have good resistance to oil, grease and a wide range of toxic chemicals and solvents. They are full textured to enhance wet and dry grip, and have superior strength with better puncture resistance. The Medical-Grade nitrile examination gloves provide users with barrier protection in areas of potential risks associated with blood-borne pathogens and other substances or biohazards. Powder-free nitrile gloves are also suitable for users who are sensitive to powder content. Nitrile gloves are generally more costly than natural rubber gloves and are utilised in, amongst others, the automotive, beauty, food and beverage, research and laboratory works and medical/healthcare sectors.

Types	Characteristics, Functional Benefits and Prevalence in Different Industries
Vinyl Gloves (Powdered and Powder-Free)	Vinyl gloves are made from PVC paste resin and are non-sterile. They are suitable for users who are allergic or sensitive to proteins found in natural rubber latex. Vinyl gloves have a good resistance to oil, ozone, grease, acid and bases. They are flexible and lightweight with an intrinsic softness which reduces hand fatigue from long hours of wearing. The Medical-Grade vinyl examination gloves provide users with barrier protection in areas of potential risks associated with blood-borne pathogens and other substances or biohazards. Powder-free vinyl gloves are also suitable for users who are sensitive to powder content. Vinyl gloves are the most economical and cost effective of the range. They also have anti-static properties suitable for cleanroom and critical environment applications. They are utilised in, amongst others the beauty, food and beverage and medical/healthcare sectors.
Surgical Gloves • Powdered and powder-free latex • Powder-free nitrile • Double donning • Thermoformed film packed	Latex surgical gloves are made from 100% natural rubber latex and are sterile, fully anatomically shaped, hand specific and disposable. They are specifically manufactured for special functional processes like surgery operations. These gloves have high strength and elasticity which provides additional protection from surgical debris and the full anatomical design reduces hand fatigue. Latex powder-free surgical gloves are suitable for users who are sensitive to powder content. Powder-free nitrile surgical gloves provide an alternative solution for individuals who are allergic to natural rubber latex, and are also suitable for users who are sensitive to powder content. They are appropriate for medical procedures requiring sterility and have superior strength with better puncture resistance. They have a full anatomic design to reduce hand fatigue.

Types	Characteristics, Functional Benefits and Prevalence in Different Industries
	Double donning surgical gloves are made from 100% natural rubber latex and are sterile, hand specific with curved fingers and disposable. The gloves provide double reduction on risk of patients' blood exposure, double assurance to avoid cross-infection between users and patients and increase awareness to the user on any perforation of glove by colour identification. Thermoformed film packed surgical gloves are individually packaged in thermoformed plastic film to meet the stringent cleanliness requirements in the operating theater. The plastic material is water-proof and provides higher tear resistance. The packed gloves are also less susceptible to oxidation and have a longer shelf life.
Household Gloves • Flocklined and Polymer-coated • Polymer-Chlorinated	Household gloves are made from natural high grade pigmented latex and are non-sterile and hand specific with curved fingers. They have enhanced glove durability, prevent skin allergy and are more hygienic. Polymer chlorinated household gloves are made from natural high grade pigmented latex with the addition of chlorine and are non-sterile. They have an anti-slip diamond grip pattern for good grip in wet and dry conditions, and are hand specific with curved fingers. These gloves are silicon free and cause less hand fatigue. Household gloves generally provide good abrasion, cut and tear resistance and promote grip and dexterity. They are used for industrial, domestic cleaning, food processing and handling purposes.
Cleanroom Gloves	Cleanroom gloves are made from either natural rubber latex or synthetic nitrile latex. They maintain low particulates and extractable ion levels that provide contamination protection from unwanted and dangerous substances. Cleanroom gloves also offer users with barrier protection in areas of potential risks associated with blood-borne pathogens and other substances or biohazards. Cleanroom gloves are utilised in, amongst others, the aerospace, medical/healthcare and semiconductor sectors.

Types	Characteristics, Functional Benefits and Prevalence in Different Industries
Cast Polyethene (CPE) Gloves	CPE gloves are made from polyethylene resin and are non-sterile, ambidextrous, embossed for better grip, water-proof and disposable. These gloves are more durable and are safe for food handling. They are economical and easy to use, and the light and thicker material provides better tactile sensitivity. CPE gloves are utilised in the beauty and food and beverage sectors, as well as for household use.
High Risk Gloves (Industrial/Long Length)	Industrial/Long length high risk gloves are made from 100% natural rubber latex or synthetic nitrile and are non-sterile, ambidextrous and disposable. The extra length provides superior protection from hazardous substances, and the beaded cuff enables easy donning while preventing roll back. These gloves have a textured surface on the palm and fingers to provide a better grip, and their softness provides superior comfort and natural fit. High risk gloves are utilised in the industrial, medical and healthcare sectors.
Thermoplastic Elastomer (TPE) Gloves	TPE gloves are made from elastomer and polyethylene resin and are non-sterile, ambidextrous, smooth, durable and disposable. These gloves are alternatives to vinyl gloves and are odourless and foodsafe, being free from diisononyl phthalate and dioctyl phthalate. TPE gloves are mainly utilised in the food and beverage sector.

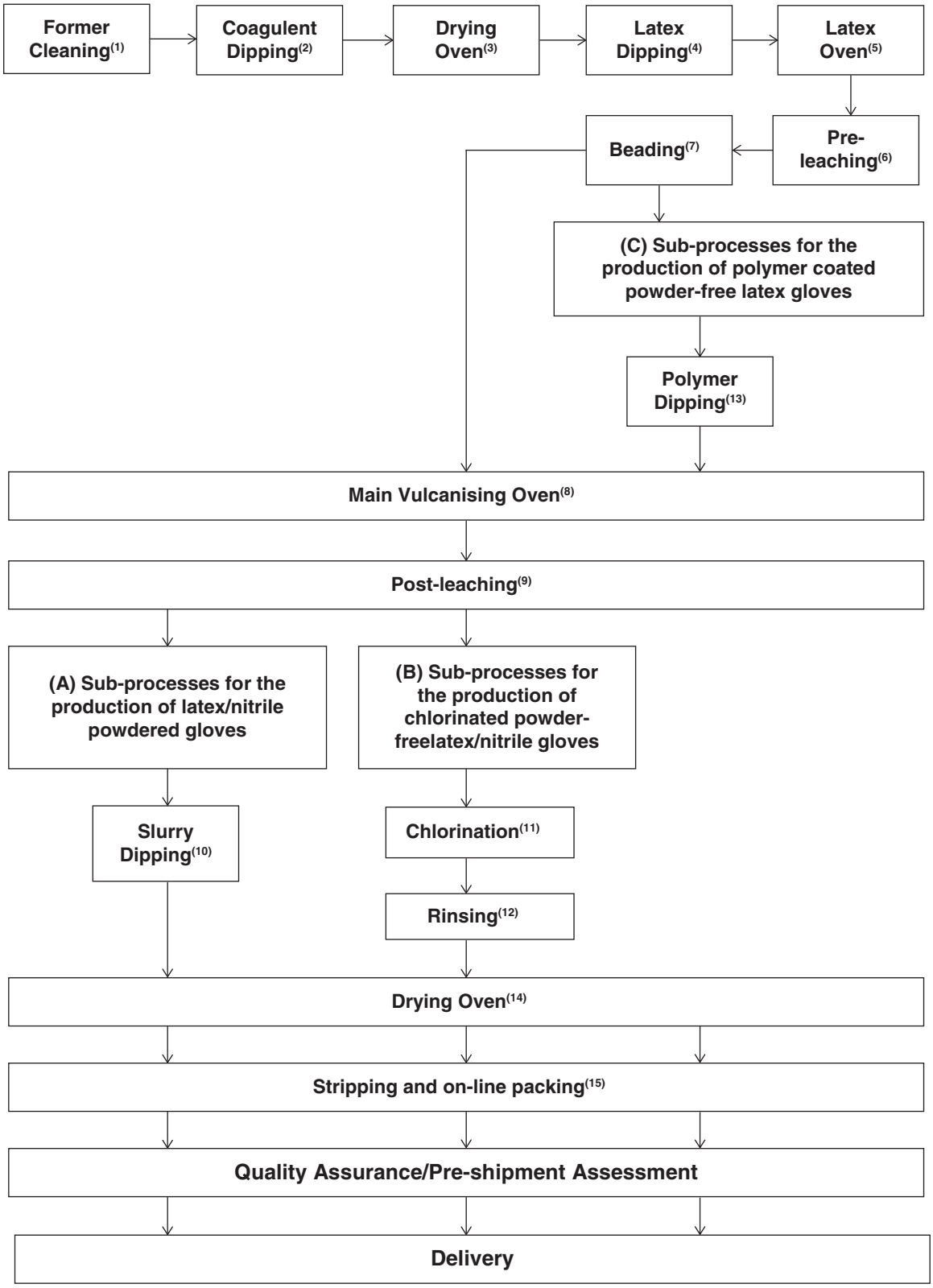
MANUFACTURING PROCESS

We currently operate 27 factories with 484 production lines and an annual production capacity of approximately 45 billion gloves. To be a cost effective glove manufacturer, we have invested in modern and advanced glove manufacturing facilities. We believe in adopting the latest manufacturing techniques for all our production lines and applying continuous engineering processes to produce consistently high quality gloves.

All our factories are fitted with modern machinery, which are manned by competent and experienced personnel and regularly checked and maintained by qualified experts to ensure the smooth running in production and consistency in the quality of our gloves. On-line quality control measures have been instituted throughout the manufacturing processes to ensure the highest quality products.

Typical Manufacturing Process

The following flowchart shows our key manufacturing stages:



Note	Process	Material used/ Equipment and Controls	Function
Main Manufacturing Process			
(1)	Former cleaning		
	(a) Acid tank	Nitric acid	To remove residual calcium carbonate powder, metallic oxides and other inorganic residues deposited on the formers from the previous production cycle
	(b) Alkaline tank	Alkaline cleaning agent	(i) To neutralise the acid brought over by formers from the acid tank (ii) To soften and remove non-rubber residue and other organic materials deposited on the formers from previous production cycle
	(c) Water brush tank	Rotating chemical resistant nylon brushes	To brush away all removeable dirt and other solid residues from the formers left behind from the previous production cycle
(2)	Coagulent Dipping	Consists of calcium nitrate and calcium carbonate	(i) To facilitate the formation of a film of latex onto the formers (ii) To reduce glove surface tact and assist in gloves strip from the formers
(3)	Drying Oven	Temperature controlled air circulation oven	To dry the liquid coagulant and forming an even and uniform deposit of coagulant on formers
(4)	Latex Dipping	Compounded latex	To create a uniform film of latex. The dried coagulent coated on the formers helps to convert the liquid latex into gelled films onto the formers
(5)	Latex Oven	Temperature controlled air circulation oven	To dry the latex layer on the formers and to solidify and strengthen the latex film for the following production processes
(6)	Pre-leaching	Hot water	To remove residual chemicals and proteins to improve physical properties of the gloves, resistance to aging and degradation
(7)	Beading	Rotating nylon beading brush	To roll up the cuff of the glove to form a bead. This helps to strengthen the cuff of the gloves and aid ease of donning
(8)	Main Vulcanising Oven	Temperature controlled air circulation oven	To dry and vulcanise latex film to form a strong rubber film
(9)	Post-leaching	Hot water	To further remove water soluble chemicals and protein residuals

(A) Sub-processes for the production of latex/nitrile powdered gloves			
(10)	Slurry Dipping	Corn starch and water	To provide a layer of powder to act as lubricant to ease gloves stripping from the formers, to prevent the glove surfaces from sticking to each other and to ease donning with comfort
(B) Sub-processes for the production of chlorinated powder-free latex/nitrile gloves			
(11)	Chlorination	Chlorine solution	To provide a slippery effect on the surfaces of the gloves so that donning is made possible without a lubricant and to reduce friction by hardening the surface of the gloves
(12)	Rinsing	Hot water	To remove residual chlorine solution and to further remove water soluble chemical residues and proteins
(C) Sub-processes for the production of polymer coated powder-free latex gloves			
(13)	Polymer dipping	Acrylic polymer	To coat and bind a layer of polymer onto the inner surface of glove to provide a slippery effect for easy donning
Main Manufacturing Process			
(14)	Drying Oven	Temperature controlled air circulation oven	To dry the formed gloves before the stripping process
(15)	Stripping and on-line packing	(i) Robotic arm (ii) Auto stacking and counting machine	The formed gloves are stripped from the formers, and stacked up for packing

Quality Assurance, Pre-Shipment and Delivery

The gloves will be collected on a sampling basis for quality testing. The quality check is important to ensure that gloves produced are in good quality and in compliance with the necessary requirements before delivery to customers. Please see the section entitled "*Our Business – Quality Assurance"* for further details. Upon completion of all the above processes, we then deliver the packed gloves to our customers.

QUALITY ASSURANCE

Our Group's business direction to produce consistently high quality gloves at efficient low cost is testament to our Group's commitment to ensure consistency and reliability of the quality of our products.

The manufacturing of gloves by our Group goes through a stringent quality assurance program ("**QA Program**") which is applied to all significant areas which may affect the quality of the finished products. The entire manufacturing process from sourcing raw materials, product design to the manufacturing and loading of finished products into the container are carefully monitored and controlled. We believe that this helps us meet our customers' requirements, reduce the possibility of contamination to our products and ensure that our products are of a high quality before they are delivered to our customers.

Our Group's QA Program covers all levels of employees to ensure that employees pay particular emphasis towards the quality of the products manufactured. Our Group's employees are encouraged to learn and apply principles of total quality management in the QA Program to enhance productivity and quality of processes in their respective areas of operations.

Our QA Program is essentially classified into 4 critical stages of production, namely:

(a) Raw material control

All in-coming raw materials that are used in our production processes are subject to inspection at the point of receipt. We conduct sample inspections and tests on the raw materials at our laboratories against the supplier's certificate of analysis. Only the accepted raw materials will be used in the production of gloves to ensure consistency of quality. Raw materials that do not meet our requirements are returned to our suppliers for corrective measures or for replacement.

(b) Processing control

During the production process, our production personnel continuously monitor important parameters such as temperature, chemical concentration, chlorination parameters and water quality to ensure consistency in the quality of our products. The total solid content, pH and concentration of various coagulants will also be checked to ensure that these materials comply with specifications based on our internal requirements.

(c) Product quality control

Every batch of gloves produced is subject to stringent quality tests such as air pump or water weights tests to identify defects such as the presence of holes and physical dimension checks to identify defects such as stains and uneven surface of gloves.

(d) Pre-shipment quality control

Prior to the shipment of the finished products, our quality assurance personnel will sample and inspect the finished products according to stringent quality assurance and quality inspection standard operating procedures. Further water weight, physical dimension, tensile strength and protein tests will be carried out on the finished products to ensure that our customers' stringent requirements and standards are fully complied with as well as to ensure that the finished products meet the various standards and requirements of the importing countries.

In line with our business direction of consistently providing quality gloves at an efficient cost, we emphasise on stringent quality control procedures in all our factories. As a testament to our commitment to quality, we have received several accreditations for our main operating facilities in Malaysia, Thailand and the PRC, including the ISO 9001 and ISO 13485 certifications, which demonstrates that we have quality management systems in place and are able to provide products that meet customer requirements and applicable regulatory requirements relating to the production and manufacture of examination and medical gloves.

MANUFACTURING FACILITIES AND UTILISATION RATES

As at the Latest Practicable Date, we have a total of 27 factories comprising 22 glove manufacturing factories in Malaysia, two (2) glove manufacturing factories and two (2) latex plants in Thailand and one (1) glove manufacturing factory in the PRC, with a total of 484 production lines. Our aggregate annual production capacity as at 31 August 2015 allows us to produce up to 44.6 billion gloves.

A majority of our factories are also strategically located less than 10 kilometres from the largest seaport in Malaysia i.e. Port Klang. The port, with its modern facilities and direct call arrangements with major ports around the world is capable of ensuring timely deliveries.

Our Group continues to pursue capacity expansion by building new optimised facilities that feature faster, more efficient and technologically-advanced production lines. We currently have expansion plans for the following facilities:

- Factory 27 in Lukut, Port Dickson, the expanded portion of which is expected to commence operations in July 2016;

- Expansion of Factory 6 in Phuket, Thailand, the expanded portion of which is expected to commence operations by the 4th quarter of 2016; and

- Factory 30 in Klang, Selangor, which is expected to commence operation in 2017.

With the completion of the expansion plans for the factories above, our Group's number of production lines and capacity will increase to 540 production lines and approximately 52.4 billion gloves per annum respectively. The expansion plans are funded by approximately RM200 million set aside by our Company for the purposes of capital expenditure. Please see the section entitled "*Management's Discussion and Analysis of the Financial Condition and Results of Operations – Capital Expenditures and Divestments"* for further information.

MANUFACTURING FACILITIES

None of our manufacturing facilities, on its own, is material to the operations of our Group. As at the Latest Practicable Date, our Group owns the following manufacturing facilities:

	Property	Location	Approximate Land Area (acres)	Use	Tenure
1.	Factory 2	Lot 4968, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
2.	Factory 3 Factory 3 Extension	(a) Lot 5091, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor (b) Lot 5972, Lot 5974 and Lot 5975, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor	(a) 3 (b) 2.5	Factory/Glove manufacturing	Freehold
3.	Factory 4	Lot 5987, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor	2.8	Factory/Glove manufacturing	Freehold
4.	Factory 5 and 5B	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, Ipoh, Perak	7.1	Factory/Glove manufacturing	Leasehold (expiring on: Lot 18 – 30 September 2072, Lot 27 – 28 December 2063, Lot 38 23 December 2069, Lot 57 1 October 2064)
5.	Factory 6	180/3 Moo. 7, T. Sri Sonthon, A. Thalang Phuket 83100 Thailand	4	Factory/Glove manufacturing	Leasehold (expiring on 18 July 2016[(1)])
6.	Factory 7	188 Moo 5, Kanchanawanich Road, T.Samnukkham A. Sadao, Songkhla 90320 Thailand	7.9	Factory/Glove manufacturing	Freehold
7.	Factory 9 and Head Office	Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Office building	Freehold

	Property	Location	Approximate Land Area (acres)	Use	Tenure
8.	Factory 10	Lot 4970, Jalan Teratai, Batu 6, Off Jalan Meru 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
9.	Factory 11	Lot 4967, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
10.	Factory 12	Lot 4960, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
11.	Factory 13	Lot 4947, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
12.	Factory 14	Lot 5104, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
13.	Factory 15	中国江苏省兴化市经济开发区纬五路南侧, 邮编: 225700, South of Wei Wu Road, Economic Developing District, Xinghua City, Jiangsu Province, 225700 P.R. China	27.7	Factory/Glove manufacturing/Office building	Leasehold (expiring on September 2056)
14.	Factory 16L	188, Moo 5, Tambol Pangla, Amphur Sadao, Songkhla 90170, Thailand	39.7	Factory/Latex concentrate plant	Freehold
15.	Factory 17L	268, Moo 5, Tambon Kampangphet, Amphur Rattaphum, Songkhla 90180, Thailand	29.5	Factory/Latex concentrate plant	Freehold
16.	Factory 18B	(a) Lot 124, Jalan 8, Komplex Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor (b) Lot 126, Jalan 8, Komplex Olak Lempt, Mukim Tanjung 12, 42700 Banting, Selangor	(a) 3 (b) 3	Factory/Glove manufacturing	Leasehold (Expiring on 26 Sep 2087)
17.	Factory 19	Lot 4987, 5 Mile Sungai Binjai Road, Mukim Kapar, Klang, Selangor	3	Factory/Glove manufacturing	Freehold
18.	Factory 20	Lot 4988, 5 ½ Mile S. Binjai Road, Klang, Selangor	3	Factory/Glove manufacturing	Freehold

	Property	Location	Approximate Land Area (acres)	Use	Tenure
19.	Factory 21	Lot 4989, Mukim Kapar, Klang, Selangor	3	Factory/Glove manufacturing	Freehold
20.	Factory 22	Lot 4990, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
21.	Factory 23	Lot 12, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak	4.9	Factory/Office building	Leasehold (expiring on 5 April 2066)
22.	Factory 24	Lot 4986, Batu 5, Jalan Sungai Binja, Mukim Kapar, Klang, Selangor	3	Factory/Glove manufacturing	Freehold
23.	Factory 25	PT64593, Jalan Dahlia/KU8, Kawasan Perindustrian Meru Timur, 41050 Klang, Selangor	4.3	Factory/Glove manufacturing	Freehold
24.	Factory 26	Lot 4961, Jalan Teratai/KU8, Kawasan Perindustrian Meru Timur, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold
25.	Factory 27	Lot 2431, Mukim Port Dickson, Sendayan, 71100 Siliau, Port Dickson, Negeri Sembilan	16.7	Factory/Glove Manufacturing	Freehold
26.	Factory 28	Lot 128, Jalan Lapan, Kompleks Olak Lempit, 42700 Banting, Selangor	2.9	Production/Warehouse	Leasehold (Expiring on 26 September 2087)
27.	Factory 29	Lot 4985, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor	3	Factory/Glove manufacturing	Freehold

Capacity and Utilisation Rates

The approximate annual production capacity and utilisation rates of our Group's manufacturing facilities on a consolidated basis for FY2013, FY2014 and FY2015 are set out below.

FY2013		FY2014		FY2015	
Annual production capacity[(1)] (million units)	Utilisation rate[(2)] (%)	Annual production capacity[(1)] (million units)	Utilisation rate[(2)] (%)	Annual production capacity[(1)] (million units)	Utilisation rate[(2)] (%)
41,990	70%	44,300	68%	44,600	74%

Notes:

(1) The annual production capacity of our Group's manufacturing facilities was measured based on the number of production lines, each being operational for 24 hours per day for 365 days per year as at the end of the relevant financial year.

(2) The utilisation rates of our manufacturing facilities for each product type was calculated by dividing the total actual production output as at the end of the relevant financial year by the annual production capacity.

The approximate annual production capacity and utilisation rates of our Group's combined glove manufacturing facilities in terms of (a) product type and (b) geographic location for FY2013, FY2014 and FY2015 are set out below.

(a) Our combined glove manufacturing facilities by product types

	FY2013		FY2014		FY2015	
	Annual production capacity (million units)	Utilisation rate (%)	Annual production capacity (million units)	Utilisation rate (%)	Annual production capacity (million units)	Utilisation rate (%)
Latex powdered gloves	21,540	67%	21,830	67%	22,710	67%
Latex powder-free gloves	8,630	75%	8,550	71%	7,900	75%
Nitrile gloves	6,900	86%	9,000	81%	11,370	81%
Other glove products[(1)]	4,920	54%	4,920	49%	2,620	98%

Note:

(1) The increase in our utilisation rate of manufacturing facilities for other glove products between FY2013 and FY2015 is attributable to our vinyl glove productions in the PRC. In FY2014, we had consolidated our operations in the PRC due to initial under-utilisation.

(b) Our combined glove manufacturing facilities by geography

	FY2013		FY2014		FY2015	
	Annual production capacity (million units)	Utilisation rate (%)	Annual production capacity (million units)	Utilisation rate (%)	Annual production capacity (million units)	Utilisation rate (%)
Malaysia[(1)]	33,690	72%	36,000	70%	38,600	73%
Thailand[(2)]	4,000	74%	4,000	78%	4,000	70%
The PRC[(3)]	4,300	48%	4,300	42%	2,000	98%

Notes:

(1) Our glove manufacturing facilities in Malaysia comprise Factories 2, 3, 4, 5, 9, 10, 11, 12, 13, 14, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29.

(2) Our glove manufacturing facilities in Thailand comprise Factories 6 and 7.

(3) Our glove manufacturing facility in the PRC comprises Factory 15. In FY2014, we had consolidated our operations in the PRC due to initial under-utilisation.

SALES AND MARKETING

Our Group's overall sales and marketing activities are conducted by our sales and marketing team comprising approximately 150 staff globally. Our sales and marketing department is primarily responsible for developing our businesses by acquiring new customers as well as maintaining our existing customer relationships through better service support and the provision of after-sales services to our customers, thereby increasing our domestic and global market share.

We constantly seek to develop and strengthen our customer base. To cultivate potential clients, we set up a committed team of technical, production and quality assurance personnel and may organise site visits to better understand their requirements. We are also able to generate sales leads through referrals from customers, suppliers and business associates. We also maintain our profile by being actively involved in industry-related events and participating in relevant international trade exhibitions, where our sales team showcases our products and conducts directed marketing pitches to existing and prospective customers. This allows us to maintain contact with our existing customers and provide them with updates on our new products, as well as to promote our products to potential buyers who may prefer to examine and test our actual products before placing their orders with us. Through attending these events exhibitions, we continually expand our business contacts, which in turn enables us to grow our business and further entrench our position in the industry.

We seek to seize opportunities by monitoring market trends closely. For example, we have noted robust growth in demand for nitrile gloves from developed countries where demand for our products is consistently high and usage is expanding to the non-medical sectors, while demand for natural rubber gloves from emerging markets continues to rise steadily. Accordingly, we work towards catering for these changing demands in the developed markets and securing a first mover advantage in the developing markets.

Sales and marketing efforts are generally undertaken by our Group's distribution platform and are targeted at both intermediary distributors as well as end-users. We aim to provide value-added services and tailored product offering for our customers by seeking to understand our customers' specific requirement and industry trends, and to provide our customers with updates on the latest developments of our products. We also develop customised products for our existing and potential customers in accordance with their specific requirements.

We also utilise our own website http://www.topglove.com.my for the promotion of our products and services. This provides an avenue for our customers to browse our range of products, peruse our frequently asked questions, download our product-specific brochures for detailed specifications and contact us directly through our online enquiry portals for their needs.

MAJOR CUSTOMERS

We have a geographically diverse customer base of over 2,000 customers globally. Our main customers comprise our distributors across more than 195 countries. Certain of our customers are also end-users (including those in the healthcare sector) who purchase our products from us directly. The business of our Group is not materially dependent on any customer and we believe that we have no concentration risk affecting our business.

Only one (1) of our customers, part of a multi-national healthcare services company based in North America, contributed to more than 5.0% of our Group's annual sales in FY2015 while all the remaining customers individually contributed to less than 5.0% of our Group's annual sales. There was no single customer that contributed to 5.0% or more of our Group's annual sales in FY2013 and FY2014. Our Group's top five (5) customers contributed to 13.5%, 15.1% and 16.0% of our Group's total annual sales in FY2013, FY2014 and FY2015 respectively.

MAJOR SUPPLIERS

We have approximately 3,100 suppliers supplying a variety of products and services to our Group. Our main suppliers are in respect of the raw materials which we require for our business, such as natural rubber latex and nitrile latex.

Our Group is generally not dependent on any one major supplier. We purchase from suppliers who are able to offer us the best terms in terms of pricing, reliability and quality of materials and service. We generally do not enter into long-term or exclusive contracts with our suppliers as this allows us greater flexibility in terms of pricing, quality of materials and service and ensures that we are less susceptible to concentration risks.

Only one (1) of our suppliers, a synthetic latex producer based in Taiwan, contributed to more than 5.0% of our Group's annual purchases in FY2015. Our remaining suppliers individually contributed to less than 5.0% of our Group's annual purchases. There was no single supplier that accounted for more than 5.0% or more of our Group's purchases in FY2013 and FY2014. Our Group's top five (5) suppliers accounted for 18.2%, 19.6% and 23.4% of our Group's total annual purchases in FY2013, FY2014 and FY2015 respectively.

Our Directors believe that our raw materials can be purchased from a number of different suppliers at prices comparable to those paid to our current suppliers. As such, our Directors believe that our business and profitability will not be materially affected by the loss of any single supplier and are currently not dependent on any particular industrial, commercial, or financial contract with any supplier.

CREDIT MANAGEMENT

Credit terms to our customers

Our Group generally extends credit terms of between 30 days and 90 days to our customers. The credit terms extended to our customers may differ on a case-by-case basis as we grant credit terms based on, amongst others, creditworthiness, level of risk involved, size of order, payment history records and length of dealing with the customer. For instance, we may sell to certain customers on cash terms until they have demonstrated a prompt payment track record, following which we may extend the appropriate credit terms. We may also request for upfront payments in cash from some of our customers.

Specific provision is made when the recoverability of an outstanding debt is in doubt. We may also write off an outstanding debt when we are certain that a customer is unable to meet its financial obligations.

Our trade receivables' turnover days during FY2013, FY2014 and FY2015 were as follows:

	FY2013	FY2014	FY2015
Trade receivables' turnover days[1]	45 days	43 days	53 days

Note:

(1) For FY2013, FY2014 and FY2015, the trade receivables' turnover days is computed based on the following formula:

$$\frac{\text{Ending trade receivables balance}}{\text{Revenue}} \times 365 \text{ days}$$

We monitor our Group's collection of payments as well as trade receivables past due on a regular basis. For FY2013, FY2014 and FY2015, the trade receivables written off were not material. No provisions for bad debts were made.

Credit terms from our suppliers

The credit terms our suppliers grant us usually ranges between 30 days and 90 days. The credit terms granted to us differ as the terms depend on, amongst others, the size of our order and the length of dealing with the supplier. In respect of certain suppliers such as our raw latex suppliers, we are required to usually pay cash on delivery or have relatively short credit terms of up to 7 days as these local small suppliers require cash flow.

Our trade payables' turnover days during FY2013, FY2014 and FY2015 were as follows:

	FY2013	FY2014	FY2015
Trade payables' turnover days[1]	37 days	43 days	47 days

Note:

(1) For FY2013, FY2014 and FY2015, the trade payables' turnover days is computed based on the following formula:

$$\frac{\text{Ending trade payables balance}}{\text{Revenue}} \times 365 \text{ days}$$

INVENTORY MANAGEMENT

Our inventories comprise raw materials, consumables and hardware, work-in-progress and finished goods. We conduct a full count of our inventories at the end of each financial year. We also conduct inventory count on selected inventories at least once a month. For the storage of our inventories, we undertake prudent measures to ensure that inventories that are flammable or susceptible to quality deterioration are properly and safely stored.

Generally, we review our inventory levels monthly to ensure that we are able to meet the needs of our customers expeditiously. We may also review our inventory level when large orders are received to manage our stocks of raw materials accordingly. In respect of raw materials, we maintain an inventory level sufficient to meet production requirements, taking into account factors such as the number of orders outstanding.

Our inventory turnover days during FY2013, FY2014 and FY2015 were as follows:

Inventory turnover days	FY2013	FY2014	FY2015
Raw materials[(1)]	7 days	7 days	8 days
Finished goods[(2)]	21 days	17 days	22 days

Notes:

(1) For FY2013, FY2014 and FY2015, inventory turnover days for raw materials are computed based on the following formula:

$$\frac{\text{Ending raw materials inventory balance}}{\text{Revenue}} \times 365 \text{ days}$$

(2) For FY2013, FY2014 and FY2015, inventory turnover days for finished goods are computed based on the following formula:

$$\frac{\text{Ending finished goods inventory balance}}{\text{Revenue}} \times 365 \text{ days}$$

During FY2013, FY2014 and FY2015, we did not experience inventory obsolescence.

RESEARCH AND DEVELOPMENT

We have invested in R&D as we believe that R&D is an integral part of ensuring the success of our Group. Our Group has an R&D centre which functions as a knowledge repository, providing technical know-how and test reports for manufacturing purposes and our customers. In addition, our Group establishes strong R&D partnerships with universities and research institutions to facilitate more R&D initiatives for the glove manufacturing industry.

Our current focus is placed on developing patentable technologies that will improve our manufacturing process, for which yearly key performance indicators have been established. Through the use of such technologies we seek to achieve increased automation throughout the manufacturing process, in order to reduce reliance on manual labour and to improve the consistency, quality and efficiency of our production lines. Accordingly, our R&D personnel research patent-worthy innovations that will help move our manufacturing process forward as we take our business to the next level. In FY2015 alone, our Group has successfully filed eight (8) patents on new inventions and technologies. In addition, our R&D department has developed new and improved glove products to extend our product pipeline. A few notable products launched in recent years to cater for the market's increasingly stringent and specialised requirements include the chemotherapy gloves, accelerator-free nitrile gloves and nitrile surgical gloves.

Our Directors believe that innovation is crucial for our future success of which R&D is a key driver. To bolster our R&D efforts, we have also committed RM3 million to our R&D initiatives for the financial year ending 31 August 2016.

Our R&D expenditures for FY2013, FY2014 and FY2015 were as follows:

	FY2013	FY2014	FY2015
Research and development expenditure (RM'000)	2,812	5,796	4,262
Research and development costs as a percentage of revenue (%)	0.1	0.3	0.2

INTELLECTUAL PROPERTY

We are not materially dependent on any patents, trademarks or intellectual property for our business or profitability. We have not paid or received any royalties for any licence or use of any intellectual property. Where appropriate, we will use patent and copyright laws to protect our intellectual property rights arising from any new technological process developed by us.

We have applied for the registration of the "Top Care" trademark. Our latex examination gloves are marketed under the brand name "Top Glove". We may register this trademark in other jurisdictions as we expand our operations.

EMPLOYEES

As at 31 August 2015, we had 10,027 full-time employees. We do not employ a significant number of contract employees and part-time employees. As at 31 August 2015, we had 231 part-time and contract employees. We do not experience any significant seasonal fluctuations in our number of full-time, contract and part-time employees.

The number of full-time employees of our Group at the end of each of FY2013, FY2014 and FY2015 are as follows:

	As at 31 August		
Job Function	**2013**	**2014**	**2015**
Production	9,553	8,885	9,040
Support (Office and Admin)	893	777	787
Marketing	142	129	153
Senior Management	43	46	47
Total	**10,631**	**9,837**	**10,027**

Geography	As at 31 August		
	2013	2014	2015
Malaysia	8,586	8,141	8,445
Thailand	1,471	1,341	1,229
PRC	544	327	330
USA	28	25	21
Europe	2	3	2
Total	**10,631**	**9,837**	**10,027**

STAFF TRAINING AND DEVELOPMENT

We believe in providing our staff with the necessary training to ensure that they are equipped with the right skill set for proper job performance. We place great emphasis on improving and upgrading our staff's technical knowledge and skills in their respective fields. As such, staff training is conducted in accordance with the varying requirements of each department to ensure and enhance our quality of service.

Our staff involved in the manufacturing and production processes, in particular maintenance and engineering departments, are required to undergo in-house operational training sessions so as to familiarise themselves with our operational procedures, policies and practices. Such training focuses on equipping our staff with knowledge of product quality, the mechanics of the manufacturing processes and safety awareness. In addition to in-house training, we also provide on-the-job training to our production staff. Such training is conducted by our senior staff in accordance with ISO standards. All our new production staff will go through a formal induction process before they commence work. After this formal induction, they will spend some time at their respective workstations, where they will be trained by a supervisor, before they formally begin work.

For staff in other departments such as finance, administration and human resource, we conduct specific training to equip them with the relevant skills. Such training includes in-house training conducted by our senior staff as well as training conducted by external speakers or consultants. Occasionally, we also send our staff to external courses to upgrade technical knowledge and skills in their respective fields.

As part of our efforts to nurture our diverse talent pool to ensure that they reach their full potential, we have implemented the following policies:

(i) **Learning and Development:** We hire well-rounded talents and provide ample opportunities for our employees to flourish and contribute positively within our Group. Our employees receive on-the-job coaching and training, as well as professional classroom development. This is to ensure that they are equipped with competencies needed for their present job as well as future advancement. Besides the conventional learning approach, our training platform includes online management and self-development, book reading, breakfast talks and educational/inspirational movie screenings on Saturdays.

In 2015, we initiated a series of new courses, such as The Sharing is Caring series which caters for young technical employees, enabling them to learn best practices that are key to achieving our business aspirations. Sharing sessions by subject matter experts from other well-managed companies are also regularly organised.

(ii) **Performance Management and Reward:** We adopt a system of meritocracy where key performance indicators are set with a view to promoting ownership and accountability, and performance is well-rewarded. Our compensation structure which incorporates both fixed and variable elements, as well as short and long term components (basic salary, benefits, incentives and an employee share option scheme (the ESOS)) also gives us a competitive edge in the market. The development opportunities available within the company also serve to attract and retain talent.

(iii) **Promoting Diversity:** We recognise that organisational success turns on the ability to embrace and realise the benefits of diversity in the workplace. We are privileged to draw on the talents of a 10,000-strong workforce that is well-represented in terms of age and gender.

We have also taken our commitment to diversity to the Board level, fulfilling the requirement for a one-quarter female representation on our Board.

INSURANCE

We maintain insurance policies in respect of, amongst others, our office and other working premises, our plant and machinery, and our stock-in-trade including our raw materials, semi-finished and finished products. Such insurance policies cover losses due to business interruption, products liability, property damage, as well as public liability. In addition, we have insured our staff in respect of workmen's compensation, hospitalisation and surgery.

MATERIAL LICENCES

MALAYSIA

Our Group's principal business activities are located in Malaysia and we are subject to regulation by various laws, regulations and government agencies, such as MITI. Our subsidiaries located outside of Malaysia are also regulated by the laws and regulations of the respective jurisdictions in which they are conducting their activities. These regulations require us to possess various licences or approvals to carry out our manufacturing and distribution activities.

The following table sets out key details of the material approvals, licences and permits in respect of our businesses in Malaysia as at the Latest Practicable Date:

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
1.	Factory 2	MITI No. A008474 Serial No. A019593 effective from 17 January 2001.	(a) Approval certificate issued pursuant to Regulation 4 of the Environmental Quality (Sewerage and Industrial Effluents) Regulation 1979 ("**Effluents Approval Certificate**") No. SPE/058/2007, effective from 28 September 2007. (b) Approval certificate issued pursuant to Regulation 38 of the Environmental Quality (Clean Air) Regulations 1978 ("**Clean Air Approval Certificate**") No. AKUP/1185/2014 effective from 11 June 2014 to 11 June 2016[3]. (c) Clean Air Approval Certificate No. AKUP/1186/2014 effective from 11 June 2014 to 11 June 2016[3].	Certificate of Completion and Compliance expected to be obtained by December 2017[2].	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
2.	Factory 3 and the extension to Factory 3 ("**Factory 3 Extension**")	(a) MITI Licence No. A009806 Serial No. A030030 for Factory 3 effective from 5 April 1995. (b) MITI Licence No. A011071 Serial No. A016898 for Factory 3 effective from 15 August 1997. (c) MITI Licence for Factory 3 Extension has been/will be applied for.[1a]	(a) Effluents Approval Certificate No. SPE/059/2007, effective from 28 September 2007. (b) Clean Air Approval Certificate No. AKUP/057/2007 effective from 23 February 2007.	(a) Certificate of Fitness for Occupation No. 1447 for Factory 3 issued on 20 March 1999. (b) Certificate of Completion and Compliance for Factory 3 Extension expected to be obtained by June 2018[2].	(a) Business and Advertising Licence for Factory 3 valid from 1 January 2016 to 31 December 2016. (b) Business Premise Licence for Factory 3 Extension subject to obtaining the CCC[2].
3.	Factory 4	MITI Licence No. A012459 Serial No. A019294 effective from 20 June 2000.	(a) Effluents Approval Certificate No. SPE/060/2007, effective from 28 September 2007. (b) Clean Air Approval Certificate No. AKUP/019/2007 effective from 15 January 2007. (c) Clean Air Approval Certificate No. APB/057/2007 effective from 14 February 2007.	Certificate of Fitness for Occupation No. 2000-1508 (4019-2010) issued on 17 June 2010.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
4.	Factory 5 & 5B	MITI Licence No. A012442 Serial No. A019258 effective from 17 March 2000.	(a) Clean Air Approval Certificate No. APU117/2006 effective from 10 November 2006. (b) Effluents Approval Certificate No. KB SPE (56/2009) effective from 5 January 2010. (c) Clean Air Approval Certificate No. APU2 (26/2003) effective from 12 July 2003. (d) Clean Air Approval Certificate No. APU2(98/2004) effective from 17 December 2004. (e) Clean Air Approval Certificate No. AKUP/128/2011 effective from 30 May 2011.	(a) Certificate of Fitness for Occupation No. 2586 (in respect of Lots 27, 38 & 57) issued on 22 April 1992; and (b) Certificate of Fitness for Occupation No. 3882 (in respect of Lot 18) issued on 26 May 1994.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.
5.	Factory 9	MITI Licence No. A015960 Serial No. A024674 effective from 11 May 2006.	(a) Effluents Approval Certificate No. SPE/014/2008, effective from 21 March 2008. (b) Clean Air Approval Certificate No. AKUP/016/2007 effective from 15 January 2007.	Certificate of Fitness for Occupation No. 2000-1503 (3880-2010) issued on 24 December 2009.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
6.	Factory 10	MITI Licence No. A015961 Serial No. A024675 effective from 11 May 2006.	(a) Effluents Approval Certificate No. SPE/022/2004, effective from 25 May 2004. (b) Letter of acknowledgement in respect of the receipt of the written notification from the Company pursuant to the Environmental Quality (Industrial Effluent) Regulations 2009 ("**Effluents Confirmation Notification**"), issued on 8 November 2012[4].	Certificate of Completion and Compliance expected to be obtained by December 2017[2].	Business Premise Licence subject to obtaining the CCC[2].
7.	Factory 11	MITI Licence No. A015959 Serial No. A024673 effective from 11 May 2006.	(a) Clean Air Approval Certificate No. AKUP/1187/2014 effective from 26 June 2014. (b) Clean Air Approval Certificate No. AKUP/1188/2014 effective from 25 June 2014. (c) Clean Air Approval Certificate No. AKUP/1189/2014 effective from 26 June 2014. (d) Clean Air Approval Certificate No. AKUP/1190/2014 effective from 26 June 2014. (e) Clean Air Approval Certificate No. AKUP/1191/2014 effective from 26 June 2014. (f) Effluents Approval Certificate No. SPE/028/2005 effective from 26 July 2005.	Certificate of Fitness for Occupation No. 2000-1946 (4178-2014) issued on 16 January 2014.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
8.	Factory 12	MITI Licence No. A015958 Serial No. A024672 effective from 11 May 2006.	(a) Effluents Approval Certificate No. SPE/061/2007 effective from 28 September 2007. (b) Clean Air Approval Certificate No. AKUP/015/2007 effective from 15 January 2007.	Certificate of Fitness for Occupation No. 2000-1604 (4185-2014) issued on 4 July 2014.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.
9.	Factory 13	MITI Licence No. A015962 Serial No. A024676 effective from 11 May 2006.	(a) Effluents Approval Certificate No. AKUP/080/2012 effective from 17 May 2012. (b) Clean Air Approval Certificate No. AKUP/010/2006 effective from 10 January 2007.	Certificate of Fitness for Occupation No. 2000-1579 (4129-2012) issued on 12 April 2012.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.
10.	Factory 13A (Office and multi-purpose hall)	Not applicable.	Not applicable as there are no air and water emissions.	Certificate of Fitness for Occupation expected to be obtained by December 2017[2].	Business Premise Licence subject to obtaining the CCC[2].
11.	Factory 14	MITI Licence No. A016381 Serial No. A025348 effective from 13 November 2007.	(a) Effluents Approval Certificate No. SPE/013/2007 effective from 22 February 2007. (b) Clean Air Approval Certificate No. AKUP/1212/2014 effective from 26 May 2014.	Certificate of Completion and Compliance expected to be obtained by December 2017[2].	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
12.	Factory 18B	(a) MITI Licence No. A014584 Serial No. A022407 effective from 22 March 2004; and (b) MITI Licence No. A014584 Serial No. A022408 effective from 30 April 2004	(a) Clean Air Approval Certificate No. AK/148/2004 effective from 30 November 2004. (b) Effluents Approval Certificate No. SPE/033/2004 effective from 9 July 2004.	(a) Certificate of Fitness for Occupation No. 0010 (in respect of Lot 124) issued on 9 October 1995; and (b) Certificate of Fitness for Occupation No. 0576 (in respect of Lot 126) issued on 21 June 2006.	Trade Licence/ Business Premise Licence/Advertising Licence valid from 1 January 2016 to 31 December 2016.
13.	Factory 19	MITI Licence No. A016625 Serial No. A025733 effective from 21 February 2008.	(a) Clean Air Approval Certificate No. AKUP/185/2008 effective from 10 December 2008. (b) Clean Air Approval Certificate No. APB/064/2011 effective from 31 March 2011. (c) Effluents Confirmation Notification issued on 24 November 2011[4].	Certificate of Completion and Compliance (Serial No. LJM/S/0374) issued on 11 January 2012.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.
14.	Factory 20	MITI Licence No. A016626 Serial No. A025734 effective from 21 February 2008.	(a) Clean Air Approval Certificate No. APB/266/2011 effective from 28 October 2011. (b) Effluents Confirmation Notification issued on 24 November 2011[4].	Certificate of Completion and Compliance (Serial No. LJM/S/0374) issued on 11 January 2012.	Business and Advertising Licence valid from 1 January 2016 to 31 December 2016.

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
15.	Factory 21	MITI Licence No. A017820 Serial No. A030308 effective from 28 July 2010.	(a) Clean Air Approval Certificate No. AKUP/700/2013 effective from 10 December 2013. (b) Clean Air Approval Certificate No. AKUP/952/2013 effective from 18 December 2013. (c) Clean Air Approval Certificate No. APB/136/2011 effective from 17 June 2011. (d) Letter of confirmation in respect of the receipt of the written declaration from the Company pursuant to Regulation 7(5) and 7(6) of the Environmental Quality (Clean Air) Regulations 2014 ("**Clean Air Confirmation Notification**"), issued on 8 July 2015. (e) Effluents Confirmation Notification issued on 7 January 2011.	Certificate of Completion and Compliance expected to be obtained by December 2016[2].	Business Premise Licence subject to obtaining the CCC[2].
16.	Factory 22	MITI Licence No. A017821 Serial No. A030309 effective from 28 July 2010.	(a) Clean Air Approval Certificate No. AKUP/081/2012 effective from 17 May 2012. (b) Clean Air Approval Certificate No. AKUP/083/2012 effective from 17 May 2012. (c) Clean Air Approval Certificate No. AKUP/084/2012 effective from 17 May 2012.	Certificate of Completion and Compliance expected to be obtained by December 2017[2].	Business Premise Licence subject to obtaining the CCC[2].

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
			(d) Clean Air Approval Certificate No. AKUP/085/2012 effective from 17 May 2012. (e) Clean Air Confirmation Notification issued on 4 February 2015. (f) Effluents Confirmation Notification issued on 7 January 2011.		
17.	Factory 23	MITI Licence No. A018077 Serial No. A030722 effective from 1 March 2011.	(a) Clean Air Approval Certificate No. APU2(090/2012) effective from 20 April 2012. (b) Effluents Confirmation Notification issued on 18 July 2011[4]. (c) Clean Air Approval Certificate No. APU2(299/2010) effective from 24 December 2010.	Certificate of Completion and Compliance (Serial No. LJM/Pk/0197) issued on 4 June 2012.	(a) Business and Advertising Licence valid from 1 January 2016 to 31 December 2016. (b) Composite Licence valid from 1 January 2016 to 31 December 2016.
18.	Factory 24	MITI Licence No. A019397 Serial No. A032926 effective from 16 August 2013.	(a) Clean Air Approval Certificate No. AKUP/320/2013 effective from 13 February 2013; (b) Clean Air Approval Certificate No. AKUP/321/2013 effective from 13 February 2013;	Certificate of Completion and Compliance expected to be obtained by December 2016[2].	Business Premise Licence subject to obtaining the CFO[2].

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
			(c) Clean Air Approval Certificate No. AKUP/322/2013 effective from 13 February 2013; (d) Clean Air Approval Certificate No. AKUP/323/2013 effective from 13 February 2013; (e) Clean Air Confirmation Notification issued on 5 February 2015; and (f) Effluents Confirmation Notification issued on 13 August 2015.		
19.	Factory 25	MITI Licence No. A019366 Serial No. A032735 effective from 16 August 2013.	(a) Clean Air Approval Certificate No. AKUP/1213/2014 issued on 12 June 2014. (b) Clean Air Approval Certificate No. AKUP/1214/2014 issued on 12 June 2014. (c) Clean Air Approval Certificate No. AKUP/1215/2014 issued on 12 June 2014. (d) Clean Air Approval Certificate No. AKUP/1216/2014 issued on 12 June 2014. (e) Clean Air Approval Certificate No. AKUP/1217/2014 issued on 12 June 2014.	Certificate of Completion and Compliance expected to be obtained by June 2017[2].	Business Premise Licence subject to obtaining the CCC[2].
20.	Factory 26	MITI Licence No. A019377 Serial No. A032899 effective from 25 September 2013.	Not applicable as there are no air and water emissions.	Certificate of Completion and Compliance expected to be obtained by December 2016[2].	Business and Advertising Licence subject to obtaining the CCC[2].

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
21.	Factory 27	(a) MITI Licence No. A009422 Serial No. A023705 effective from 3 January 2002; and (b) MITI Licence No. A009422 Serial No. A023704 effective from 13 June 1994	(a) Effluents Approval Certificate (Reference No. ASNS(B)35/599/101/33) issued on 11 January 1999. (b) Clean Air Approval Certificate (Reference No. ASNS(B)35/599/101/33) issued on 14 July 2001. (c) Clean Air Approval Certificate No. APB/039/2013 issued on 30 September 2013. (d) Clean Air Confirmation Notification issued on 26 November 2015.	Certificate of Fitness for Occupation No. 2000-1508 (4019-2010) obtained on 26 April 2002.	Business Licence valid from 1 January 2016 to 31 December 2016.
22.	Factory 28	MITI Licence has been applied for and has been approved. MITI Licence is presently pending issuance.[1b]	(a) Clean Air Approval Certificate No. AKUP/563/2013 effective from 13 June 2013; (b) Clean Air Approval Certificate No. AKUP/564/2013 effective from 13 June 2013; (c) Clean Air Approval Certificate No. AKUP/565/2013 effective from 13 June 2013; and (d) Effluents Confirmation Notification issued on 3 December 2012.	Certificate of Completion and Compliance expected to be obtained by June 2017[2].	Trade Licence/ Business Premise Licence/Advertising Licence subject to obtaining the CCC[2].
23.	Factory 29	MITI Licence No. A019751 Serial No. A033440 effective from 6 June 2014.	(a) Clean Air Confirmation Notification issued on 12 October 2015; and (b) Effluents Confirmation Notification issued on 13 August 2015.	Certificate of Completion and Compliance expected to be obtained by June 2017[2].	Business Premise Licence subject to obtaining the CCC[2].

	Property	Manufacturing Licence[1]	Approval Certificates/ Letters of Acknowledgement by the Department of Environment	Certificate of Fitness for Occupation/Certificate of Completion and Compliance[2]	Business Licences
24.	Klang Hostel	Not applicable.	Not applicable.	Certificate of Completion and Compliance expected to be obtained by June 2018[2].	Not applicable.
25.	Male Hostel	Not applicable.	Not applicable.	Certificate of Completion and Compliance (Serial No. LAM/S/No. 11384) issued on 29 January 2016.	Not applicable.
26.	Banting Hostel	Not applicable.	Not applicable.	Certificate of Completion and Compliance expected to be obtained by June 2018[2].	Not applicable.
27.	Top Glove Tower	Not applicable.	Not applicable.	Certificate of Completion and Compliance (Serial No. LAM/S/No. 15667) issued on 24 June 2015.	Temporary Business & Advertising Licence issued valid from 21 March 2016 to 14 April 2017.

Notes:

(1) Under the ICA, if a company engages in any manufacturing activity without a manufacturing licence issued by MITI ("**MITI Licence**") in respect of such manufacturing activity, it shall be guilty of an offence and shall be liable on conviction to, amongst others, a fine not exceeding RM2,000.00 and to a further fine not exceeding RM1,000.00 for every day during which such default continues.

(a) Factory 3 Extension (which is built on Lots 5972, 5974 and 5975 Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor) does not have MITI Licences. Our application for a MITI Licence for Lot 5972 has been approved and is currently pending issuance of the same after submission of the relevant documents required by MITI. We will submit the relevant applications for Lot 5974 and Lot 5975 upon issuance of a MITI Licence for Lot 5972.

(b) Our application for a MITI Licence for Factory 28 has been approved and is currently pending issuance of the same after submission of the relevant documents required by MITI.

(2) Please refer to the sections entitled "*Risk Factors – Risks relating to our Industry and Business – We are not in compliance with building laws and regulations and have not obtained building approvals, occupancy certificates and/or operational licences for continued operations of some of our properties*", "*Business – Material Licences – Outstanding Approvals*" and "*Regulations – Permits, Licences, Approvals, Certifications and Government Regulations – Malaysia*".

(3) We have applied for an extension of time for the submission of its renewal application in respect of the Clean Air Approval Certificates for Factory 2. The renewal application is in the ordinary course of business and we do not foresee any obstacle to renewing the Clean Air Approval Certificates for Factory 2.

(4) Pursuant to the Environmental Quality (Industrial Effluent) Regulations 2009, we are required to notify the relevant regulatory authority prior to us carrying out any of the works specified therein which may result in a new source of discharge of industrial effluent. Once the notifications have been received by the relevant regulatory authority, the Effluents Confirmation Notification will be issued by the said authority acknowledging such receipt, and no further approvals from the relevant regulatory authority are required in connection therewith.

Outstanding Approvals

As at the Latest Practicable Date, our Group has yet to obtain the following approvals:

Summary of issues	No. of properties	Affected Properties[2]	Expected timeframe to obtain[1]
Factories:			
• Pending letters of support being obtained from the relevant technical departments and/or application for Temporary Buildings Licence Permit prior to obtaining the CF/CCC	3	Factories 21, 24 and 26	December 2016
• Pending approval of building plan and application for the letters of support for the CF/CCC thereafter	2	Factories 25 and 30	June 2017 (Factory 25)/ December 2017 (Factory 30)
• Pending submission of building plan/revised building plan for approval and application for the letters of support for the CF/CCC thereafter	2	Factories 28 and 29	June 2017
• Pending renewal and fulfilment of conditions set out in building plan approval and application for the letters of support for the CF/CCC thereafter	1	Factory 2	December 2017
• Pending re-application for planning permission and approval for building plan prior to obtaining the CF/CCC	3	Factories 10, 14 and 22	December 2017
• Pending application for planning permission for extension of factory and approval for building plan prior to obtaining the CF/CCC	1	Factory 3 Extension	June 2018

Summary of issues	No. of properties	Affected Properties[2]	Expected timeframe to obtain[1]
Office and multi-purpose hall:			
• Pending application for planning permission	1	Factory 13A	December 2017
Hostels:			
• Pending relocation of employees to new premises to be constructed	1	Klang Hostel	June 2019
• Pending application for planning permission[3]	1	Banting Hostel	June 2018/June 2019[3]
Total	**15**		

Notes:

(1) The expected time frames for obtaining the various approvals are based on our Group's discussion with its external consultants as well as its past experience with the relevant local authorities. Appropriate announcements to shareholders will be released in the event that the Group expects a material deviation from the expected time frames set out above.

(2) Applications for business licences in respect of Factory 3 Extension, Factories 10, 21, 22, 24, 25, 26, 28, 29 and 13A can only be submitted to the regulatory authorities after our Group has obtained the CF/CCC (as applicable). In addition, the Group had in March 2016 submitted applications for an updated MITI Licence in respect of Factory 3 Extension (for Lot 5972) and Factory 28 (which are extensions of existing factories). The application for a MITI Licence for Factory 3 Extension (for Lot 5972) and Factory 28 has been approved and is currently pending issuance of the same after submission of the relevant documents required by MITI. The application for a MITI Licence for Factory 3 Extension to include Lot 5974 and Lot 5975 will be made upon issuance of a MITI Licence for Lot 5972.

(3) The expected timeframe to obtain the CCC for the Banting Hostel is June 2018. However, the land on which the Banting Hostel is constructed is industrial land with the express condition that it is to be used for the purposes of a furniture factory. If the express condition of the land cannot be changed, the workers' lodgings must be moved to another newly constructed building. In such event, the expected timeframe to obtain the CCC is June 2019.

Please see the section entitled "*Regulations – Permits, Licences, Approvals, Certifications and Government Regulations – Malaysia*" for possible consequences of the non-compliance.

As at the Latest Practicable Date, our Group has not experienced any business interruptions in respect of the Affected Properties. Notwithstanding the foregoing, our Group has commenced rectification measures and has also prepared a contingency plan in the event there are any interruptions in respect of the Affected Properties. We will make an immediate announcement on the occurrence of a material event of an adverse nature that would lead to any of the outstanding approvals in respect of the Affected Properties not being granted.

Rectification Measures and Ongoing Monitoring

Our Group has taken steps, which include, amongst others, actively engaging the relevant authorities (including the MPK and technical departments) as well as external consultants. We have implemented a detailed plan of action to expedite the process with a view to obtain the outstanding approvals within the expected timeframe set out above. In addition, our Company had also applied under the whitewash program initiated by the Selangor government to obtain the CF and CCC (whichever applicable) for Factories 2, 10 and 14.

The Legal Adviser to our Company as to Malaysian Law, Christopher & Lee Ong has informed us that in the Malaysian context, a town planner is the person primarily responsible for co-ordinating applications with the regulatory authorities in respect of the planning permission and the professional architect is the person primarily responsible for co-ordinating applications with the regulatory authorities in respect of the building plan and CF/CCC. Our Group's detailed plan of action (in respect of land and building approval related matters) has been reviewed by our town planner and professional architect (collectively the "**Advisors**"). Based on the report of the Advisors (in respect of land and building approval related matters), Christopher & Lee Ong, is satisfied that, as at the Latest Practicable Date:

(a) the steps set out in our detailed plan of action are appropriate and reasonable in the current circumstances towards obtaining the outstanding approvals, and not inconsistent with the laws and regulations of Malaysia; and

(b) nothing has come to their attention that would cause them to believe that the outstanding approvals will not be obtained.

However, Christopher & Lee Ong has also advised us that such steps required to be taken are not entirely procedural in nature, and may be subject to certain conditions and/or requirements that the relevant authorities may impose on our Group. In addition, the relevant authorities maintain a level of discretion in deciding whether to issue the requisite approvals in respect of the outstanding approvals. In relation to the foregoing, we will use our reasonable endeavours to comply with any conditions and/or requirements that the relevant authorities may impose on our Group.

We have also set up an internal committee to monitor on a weekly basis the progress and status of obtaining the outstanding approvals. The internal committee reports on a quarterly basis to the Risk Management Committee of the Company on the progress and status of the rectification. In addition, we have put in place procedures to monitor the required approvals and licences on an ongoing basis and in respect of future expansions and new factories. In particular, we have appointed a compliance officer to monitor and oversee all future licence applications in relation to the Group's operations (together with our external consultant(s), where applicable). In addition to being updated on the outstanding approvals described above, the Risk Management Committee will also be updated quarterly on the new licences required and applied for in respect of any future expansion and development plans. We will update Shareholders of progress on the rectification measures in respect of the outstanding approvals in our annual reports.

Our Board, having considered the foregoing, is satisfied that (i) the steps to be taken in our Group's detailed plan of action, (ii) the additional measures adopted towards rectification and monitoring progress and compliance, are appropriate and reasonable measures to obtain the outstanding approvals and (iii) nothing has come to their attention that would cause them to believe that the outstanding approvals will not be obtained.

Contingency Plan

We have also put in place a contingency plan such that if any of the Affected Factories are ordered to cease production, the shortfall in production may be partially absorbed by other factories of the Group as certain factories of our Group operate with spare capacity. In addition, we are continuously expanding our production capacity through the construction of new factories, extension of its existing factories as well as expansion of existing production lines, which may partially absorb any shortfall in production from the Affected Factories, if required, in the near term. In connection therewith, the expansion of Factory 6 is expected to be completed and be fully operational by the 4th quarter of 2016.

In respect of the office and multi-purpose hall, our Group has sufficient additional space at our newly constructed Top Glove Tower for use, if required. The Top Glove Tower is a short distance from Factory 13A.

In respect of the two hostels, our Group is able to source accommodation from nearby houses, if required. Such additional re-location costs will not be material to our Group.

THAILAND

The following table sets out key details of the material approvals, licences and permits in respect of our businesses in Thailand as at the Latest Practicable Date:

	Property	Licence Name	Validity period of Licence	Issuing Authority	Purpose
1.	Factory 6	Factory Licence	26 September 2001 – 1 January 2019	Department of Industrial Works, Ministry of Industry	Licence for manufacturing of rubber gloves at the factory located at no. 180/3 Moo 7, Srisoonthorn Sub-District, Thalang District, Phuket Province.
2.	Factory 6	Licence to Operate Business Detrimental to Health	11 April 2016 – 10 April 2017	Srisoonthorn Subdistrict Municipality	Permission to operate business detrimental to health, in the category of invention of objects by rubber or similar material at the address No. 180/3 Moo 7, Srisoonthorn Sub-District, Thalang District, Phuket Province.
3.	Factory 6	Rubber Trading Licence	15 March 2016 – 14 March 2017	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to trade rubber.
4.	Factory 6	(a) BOI Certificate no. 1413(1)/2546 (b) BOI Certificate no. 2266(1)/2557	(a) Effective from 30 November 2001 (b) Effective from 26 February 2013	The Board of Investment	Provision of privileges for engaging in the promoted business of manufacturing (i) natural rubber gloves in respect of (a) and (ii) examination gloves in respect of (b), e.g., permission to own land, exemption from import duty on machinery, raw materials and supplies, and exemption from corporate income tax, under the satisfaction of the conditions set forth in the BOI Certificates.
5.	Factory 7	Factory Licence	9 September 2002 – 1 January 2017	Department of Industrial Works, Ministry of Industry	Licence for manufacturing of rubber gloves at the factory located at No. 188 Moo 5, Karnchanawanich Road, Samnakkham Sub-District, Sadao District, Songkhla Province

	Property	Licence Name	Validity period of Licence	Issuing Authority	Purpose
6.	Factory 7	Licence to Operate Business Detrimental to Health	6 January 2016 – 4 February 2017	Samnakkham Subdistrict Municipality	Permission to operate business detrimental to health, in the category of invention of objects by rubber or similar material, at the address No. 188 Moo 5, Karnchanawanich Road, Samnakkham Sub-District, Sadao District, Songkhla Province.
7.	Factory 7	Rubber Trading Licence	10 November 2015 – 9 November 2016	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to trade rubber.
8.	Factory 7	(a) BOI Certificate No. 1061(1)/2545 (b) BOI Certificate No. 1318(2)/2548 (c) BOI Certificate No. 1697(2)/2553	(a) Effective from 31 October 2001 (b) Effective from 19 January 2005 (c) Effective from 27 April 2010	The Board of Investment	Provision of privileges for engaging in the promoted business of manufacturing (i) natural rubber gloves in respect of (a) and (b) and (ii) natural rubber gloves and synthetic rubber gloves in respect of (c), e.g., permission to own land, exemption from import duty on machinery, raw materials and supplies, and exemption from corporate income tax, under the satisfaction of the conditions set forth in the BOI Certificates.
9.	Factory 16L (Latex Concentrate)	Factory Licence	10 April 2007 – 1 January 2017	Department of Industrial Works, Ministry of Industry	Licence for manufacturing of concentrated latex, skim block rubber and skim crepe rubber at the factory located at Moo 5, Khlong Ngae-Natawee Road, Pangla Sub-District, Sadao District, Songkhla Province.
10.	Factory 16L (Latex Concentrate)	Licence to Operate Business Detrimental to Health	19 January 2016 – 31 December 2016	Pangla Subdistrict Administration Organization	Permission to operate business detrimental to health, in the of washing, fumigation and storage of raw rubber at the address No. 188 Moo 5, Khlong Ngae-Natawee Road, Pangla Sub-District, Sadao District, Songkhla Province.

	Property	Licence Name	Validity period of Licence	Issuing Authority	Purpose
11.	Factory 16L (Latex Concentrate)	Rubber Trading Licence	25 March 2016 – 24 March 2017	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to trade rubber.
12.	Factory 16L (Latex Concentrate)	Rubber Export Licence	25 March 2016 – 24 March 2017	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to export rubber to other countries.
13.	Factory 16L (Latex Concentrate)	Licence to Set Up Rubber Factory	25 March 2016 – 24 March 2017	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to set up a place to transform rubber.
14.	Factory 16L (Latex Concentrate)	(a) BOI Certificate No. 2221(2)/2548 (b) BOI Certificate No. 1806(2)/2558	(a) Effective from 28 September 2005 (b) Effective from 2 February 2015	The Board of Investment	(a) Provision of privileges which the company would gain for the promoted business of producing concentrated latex and skim block rubber or skim crepe rubber, e.g., permission to own land, exemption from import duty on machinery, raw materials and supplies, and exemption from income tax, under the satisfaction of the conditions set forth in the BOI Certificate. (b) Provision of privileges which the company would gain for the promoted business of producing concentrated latex, e.g., permission to own land, exemption from import duty on machinery, and exemption from income tax, under the satisfaction of the conditions set forth in the BOI Certificate.
15.	Factory 17L (Latex Concentrate)	Factory Licence	3 October 2002 – 1 January 2018	Department of Industrial Works, Ministry of Industry	Licence for manufacturing of concentrated latex, skim block rubber and skim crepe rubber at the factory located at No. 268 Moo 5, Kampangphet Sub-District, Rattaphum District, Songkhla Province.

	Property	Licence Name	Validity period of Licence	Issuing Authority	Purpose
16.	Factory 17L (Latex Concentrate)	Licence to Operate Business Detrimental to Health	11 December 2015 – 10 December 2016	Kampangphet Subdistrict Municipality	Permission to operate business detrimental to health, in the category of washing, smoking, fumigation and storage of raw rubber at the address No. 268 Moo 5, Kampangphet Sub-District, Rattaphum District, Songkhla Province.
17.	Factory 17L (Latex Concentrate)	Rubber Trading Licence	21 October 2015 – 20 October 2016	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to trade rubber.
18.	Factory 17L (Latex Concentrate)	Rubber Export Licence	22 October 2015 – 21 October 2016	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to export rubber to other countries.
19.	Factory 17L (Latex Concentrate)	Licence to Set Up Rubber Factory	22 October 2015 – 21 October 2016	Department of Agriculture, Ministry of Agriculture and Cooperatives	Permission to set up a place to transform rubber.
20.	Factory 17L (Latex Concentrate)	(a) BOI Certificate No. 1546(2)/2545 (b) BOI Certificate No. 1643(2)/2547 (c) BOI Certificate No. 1006(2)/2554 (d) BOI Certificate No. 1264(2)/2556	(a) Effective from 20 March 2002 (b) Effective from 22 January 2003 (c) Effective from 1 November 2010 (d) Effective from 11 December 2012	The Board of Investment	Provision of privileges for engaging in the promoted business of manufacturing (i) concentrated latex, skim crepe and/or skim block in respect of (a), (b) and (c) and (ii) concentrated latex in respect of (d), e.g., permission to own land, exemption from import duty on machinery, and exemption from corporate income tax, under the satisfaction of the conditions set forth in the BOI Certificates.

THE PRC

The following table sets out key details of the material approvals, licences and permits in respect of our businesses in the PRC as at the Latest Practicable Date:

	Property	Licence Name	Validity period of Licence	Issuing Authority	Purpose
1.	Factory 15	Business Licence	19 August 2005 – 19 August 2055	泰洲市工商行政管理局 (Regulatory counterpart of the Ministry of Commerce, People's Republic of China)	Licence for manufacturing and sale of PVC, PE and other glove products, in accordance with applicable rules and regulations as may be prescribed by the relevant local authorities

Save as disclosed in this Introductory Document, as at the Latest Practicable Date, our Group has obtained all material permits and licences for our business operations. Please refer to the sections entitled "*Risk Factors – Risks relating to Our Industry and Business – We are subject to applicable governmental regulations, including licensing requirements*" and "*Regulations*" of this Introductory Document for the implication of the non-renewal of the permits and business licences.

In addition, we have not experienced any adverse effect on our business in complying with applicable government regulations and we have obtained all the necessary material licences and permits which would materially affect our business operations. Save as disclosed, no specific licences are required for our Group's operations.

COMPETITION

We operate in a competitive and export-oriented industry. Competition is based on factors such as pricing, product quality, brand recognition, distribution reach and operating history. Whilst we firmly believe ourselves to be the market leader in our business, we face competition from other manufacturers in Malaysia. In addition, we also face competition from manufacturers in countries such as Thailand and Indonesia. We believe we are able to compete against other manufacturers due to our established reputation as a reliable manufacturer, the characteristics and consistent quality of our products, our competitive pricing and our relationships with existing customers.

To the best of our knowledge, our competitors (in alphabetical order) include:

- Hartalega Holdings Berhad
- Kossan Rubber Industries Berhad
- Supermax Corporation Berhad

To the best of our Directors' knowledge, none of our Directors, Controlling Shareholders or any of their respective associates (as defined in the SGX-ST Listing Manual) has any interest, direct or indirect, in any of our competitors.

Please refer to the section entitled "*Risk Factors – Risks relating to Our Industry and Business – We face significant competition in the business segments in which we operate*" of this Introductory Document for further details on the competitive risks we face in our business.

MATERIAL FIXED ASSETS

As at the Latest Practicable Date, our Group owns the following material fixed asset:

Property	Location	Approximate Land Area	Use	Tenure	Encumbrances
Top Glove Tower	Top Glove Tower, No. 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170, Shah Alam, Selangor	4,851 sq m	Corporate Office	Freehold	Nil

To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that materially affect our utilisation of the above material fixed asset, save as disclosed under the section entitled "*Regulations*" of this Introductory Document.

SEASONALITY

We do not experience any seasonality in the course of our business.

ENVIRONMENTAL POLICY

Our Group places a strong emphasis on environmental conservation and is committed to operating in a manner that minimises our potential impact on the environment. We recognise that the conduct of our business activities can impact communities and are mindful of our duty to uphold environmentally responsible practices. We have an environmental policy which articulates our commitment to and measures taken for the preservation of our environment, such as:

(i) **Environmental Management System:** Several of our factories are in the process of being ISO 14001 certified to ensure that a robust environmental management system is implemented. Factories 5, 12 and 23 have already been ISO 14001 certified to ensure that a robust environmental management system is implemented.

(ii) **Alternative Fuel, Energy and Resources:** In order to reduce the depletion of non-renewable resources, approximately 20% of our factories are powered by biomass, a renewable source of energy, and heat exchangers are employed to reuse heat energy consumption. More advanced, energy efficient systems are implemented at our new factories, with energy efficient improvement projects being continually effected. A majority of our gloves produced are natural rubber gloves, the main component of which is a renewable, naturally biodegradeable and environmentally-friendly source.

(iii) **Transportation:** As transportation is a major contributor to climate change, all of our 17 Klang factories are strategically located within approximately one (1) kilometre from each other and a short drive from our corporate headquarters, substantially minimising fuel consumption and enabling more efficient inter-factory transportation. Video-conferencing facilities are also available for all multi-location meetings thereby reducing the need to commute for staff located outstation.

(iv) **Water Efficiency:** Since water is essential to the glove production process, we have taken steps to minimise water consumption by adopting the 3R (Reduce, Reuse, Recycle) system, while on-site detention tanks and rain harvesting tanks are also employed. In addition, we are exploring more underground and surface water from clean water sources, which can be channelled to the factory.

(v) **Waste Segregation and Recycling:** All solid waste is segregated into scrap metal, paper, plastic, wood pallets, containers and other recyclables for recycling and reuse, with minimum solid wastes disposed to landfills.

(vi) **Environmental Facilities and Improvements:** We have expended RM2 million per factory of our working capital for the development and upkeep of environmental facilities. We will also continue to upgrade our wastewater treatment facility through the introduction of the latest technologies that will minimise final waste/sludge discharge to the environment.

(vii) **Other Environmental Initiatives:** Our newly constructed corporate office, Top Glove Tower is a Grade A and Green Building Index certified Gold office building, featuring high performance glazing, rainwater harvesting, an efficient chiller plant system design and light-emitting diode ("**LED**") lights for optimum energy and water efficiency.

In addition, we are gradually replacing all old air conditioners and refrigerators with 5-Star Energy Rated machines to enhance energy efficiency. Retrofit fluorescent lamps are also being substituted with LED lamps, while inverters for energy saving and newer energy-efficient pumps are also being installed.

HEALTH AND SAFETY

We place significant emphasis on the health and safety of our employees. We also champion a healthy lifestyle and are committed to creating a culture of good health among employees. For example, we have implemented healthy staff programmes pursuant to which we review our health and safety standards on an ongoing basis and our employees undergo periodic health check-ups. A total of 10 health talks by our resident nutritionists and external healthcare specialists were conducted in 2014 on topics such as the prevention of coronary heart disease and diabetes, as well as the importance of a healthy diet. In 2015, we introduced programmes aimed at enhancing employee health and well-being, such as our Biggest Weight Loser which offered employees cash rewards for healthy weight loss.

Our efforts to ensure a healthy workforce also include quarterly measurement of employees' Body Mass Index (BMI) and twice-weekly free yoga classes conducted on Company premises. We have also set up THF (Top Healthy Fitness Sdn Bhd) on 22 January 2016 in Top Glove Tower, which provides our employees with convenient and complimentary access to fitness facilities. Health counselling is also available to all employees.

We have recently, in March 2016 entered into a joint venture with DHS, to develop the business of providing clinical and specialist medical services within the states of Malaysia. The joint venture would provide medical facilities to serve the large number of our Group's employees and the surrounding community. Please refer to the section entitled "*Business – Business Strategies and Future Plans*" for more information on the joint venture.

TREND INFORMATION

Our revenues and profitability will continue to be dependent on quality, efficiency, automation, computerisation and R&D improvement initiatives which have been pursued aggressively and are beginning to bear fruit.

In the wake of rising healthcare awareness and standards all over the world, gloves remain an indispensable item to the healthcare sector. Global demand is estimated to be at 180 billion pieces per annum for 2015 and is expected to continue to increase by 8% to 10% per annum[1]. We also noted robust demand growth in nitrile gloves from developed countries, while demand for natural rubber gloves from emerging markets continued to rise steadily. Sales of nitrile gloves made up 28% of our total sales in FY2015 and in the fourth quarter of FY2015 alone, accounted for 32%. Over a 6-year period (from FY2010 to FY2015), our volume of sales of nitrile gloves rose by 646%. Meanwhile, natural rubber glove sales continued to rise steadily. Notwithstanding our focus on nitrile gloves which is strategically aligned with market trends, we believe in maintaining a diversified product range by marketing other types of gloves such as household and industrial gloves. This will reduce our dependency on any one type of glove and mitigate the impact of an increase in raw material prices, while also position us to leverage the demand in both developed and emerging markets.

---

[1] Source: MARGMA. MARGMA has not provided its consent for the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. Our Company has included the above information in its proper form and context in this Introductory Document and has not verified the accuracy of the above information.

Our Group continues to place emphasis and efforts on internal quality and cost efficiency improvements, and in particular, concerted efforts in automation and reengineering. Upgrading initiatives resulting in newer and more efficient production lines, as well as glove quality enhancements also contributed to good margins. To this end, we will continue to expand our operations and build new optimised facilities with faster, more efficient and technologically-advanced production lines towards better profitability. Underway are expansion plans for Factory 6 in Thailand, as well as the construction of a new facility, Factory 30. Together, this will bring the total number of production lines to 540 and total production capacity to 52.4 billion gloves per annum.

We also envisage a challenging economic environment ahead as competition remains intense in the nitrile glove segment, as major industry players continued to expand their capacity to leverage on ever-growing demand.

The Malaysian government had recently announced a revised hike in foreign workers levy with effect from 18 March 2016. For the manufacturing sector, foreign workers levy was raised by RM600 from the current RM1,250 to RM1,850. Further, the Malaysian government has stipulated that with effect from 1 July 2016, the minimum wage for foreign workers will be increased from RM900 to RM1,000 per month. Given the relatively large workforce under the employment of our Group, earnings may be affected unless the effects of the revised hike can be mitigated by improved automation, computerisation and R&D improvement initiatives.

There is no assurance that our financial performance for FY2016 and future years will match or exceed our historical financial performance as disclosed in the sections entitled "*Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013*" and the "*Independent Auditors' Report on the Interim Condensed Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015*" as set out in Appendices A and B of this Introductory Document respectively.

Save as disclosed above, in the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of the Financial Condition and Results of Operations*", "*Business – Sales and Marketing*", and "*Business – Business Strategies and Future Plans*" of this Introductory Document and barring any unforeseen circumstances, our Directors are not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our revenue, profitability, liquidity or capital resources. Please also refer to the section entitled "*Cautionary Note Regarding Forward-Looking Statements*" of this Introductory Document.

COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths include the following:

We have an established track record and a geographically diverse customer base

We are a strong player in the rubber glove manufacturing industry with a strong track record and market position. We have grown to become a well-known and trusted brand due to our focus on high quality control and production standards. Coupled with the high economies of scale we enjoy, we have been able to deliver positive results and robust volume growth in spite of the increasingly competitive environment.

Through our extensive distribution network comprising key distribution platforms in Malaysia, Thailand, the PRC, Germany and USA, we have established a strong global presence and are able to capture market share in many countries. As a comprehensive one-stop glove sourcing centre with more than a dozen variations of glove products, we are also able to offer our customers convenience of sourcing for a variety of gloves without having to approach different suppliers.

We have strong research and development capabilities and technical expertise

We are committed to carrying out continuous internal quality and cost efficiency improvements and have embarked on, in particular, concerted efforts in automation, R&D and re-engineering. Our R&D efforts have enabled us to engage in cost-optimisation practices and process improvements via continuous automation, which ensures our ability to maintain cost-efficiency, as well as to keep abreast with the technological developments and extend our product pipeline in line with increasingly stringent market requirements.

With our focus on quality, innovation, automation, cost discipline and efficiency across all aspects of our operations, we are well-positioned to capitalise on the industry's robust growth momentum and maintain our strong performance.

We have an experienced and committed key management team

Our key management has extensive industry knowledge, experience and operational expertise, with at least over a decade of experience in the rubber glove industry. Certain of our Executive Directors are also members of multiple rubber-related organisations and committees such as the MARGMA, MRB, MREPC and the ASEAN Rubber Glove Manufacturers Association, and contribute to the development of the Malaysian and regional rubber glove industry through their active participation in these organisations.

Our founder, Tan Sri Dr Lim Wee Chai, is also the recipient of several awards and accolades in recognition of, amongst others, his stewardship of our Group and leadership in developing Top Glove as a world class manufacturer. Additionally, Mr. Lim Hooi Sin, our Executive Director and the founder of TGM (USA) (a wholly-owned subsidiary of our Company), has more than 15 years of experience in the USA glove market. His particular expertise in this region provides valuable support towards our expansion plans in the USA.

We are able to meet the changing demands and evolving requirements of our customers in different markets

We are adaptable and responsive to changing demands between the developed and developing markets. As such, we have implemented immediate capacity expansion plans to cater to the rising demand of nitrile gloves and non-medical gloves in the developed countries, and are actively pursuing first-mover advantage in the emerging markets.

With the support of our sales and marketing arm, we are also able to provide value-added services and tailored product offerings for our customers, in accordance with our customers' specific requirements and the prevailing industry requirements.

BUSINESS STRATEGIES AND FUTURE PLANS

Over time, we will develop and implement a series of steps and initiatives so as to maintain our position as the world's largest rubber glove manufacturer. Currently, our key business strategies and immediate future plans are:

We intend to expand our presence in various markets

We aim to widen our market reach and to increase recognition of the Top Glove brand in the various global markets. To this end, we will continue to leverage on our established operating presence in Malaysia, Thailand and the PRC, and build upon these foundations to increase our business portfolio. We are looking to continue expanding our presence in developed markets such as North America and Europe, as well as to capture growth in demand from emerging markets such as India and the PRC.

We have enjoyed an incremental growth in our nitrile glove sales of 646% over a 6-year period (from FY2010 to FY2015), and continue to deploy resources to keep up with such growing demand, especially in the USA and Europe. Going forward, we will continue to increase our nitrile glove production capacity accordingly to cope with the rapidly rising demands. Sales of gloves to North America and Europe make up 31% and 28% of our revenue (for FY2015) respectively and we seek to increase sales to these regions by increasing sales of our nitrile gloves in these markets from our new nitrile glove facilities. Additionally, we will continue our efforts to venture into developing countries such as India and the PRC by expanding our distribution network in these countries.

To further enhance our market presence in these developed and developing markets, we intend to leverage on existing independent intermediaries, and may appoint new independent intermediaries to undertake marketing and distribution of our products. In addition, we will continue to actively participate in international trade exhibitions and other similar marketing opportunities.

We intend to acquire new facilities and optimise our current facilities

To ensure that our Group is well-positioned to meet the increasing demand for rubber gloves, we will also continue to expand our operations and build new optimised facilities with faster, more efficient and technologically-advanced production lines with a view to increasing profitability. In this regard, we expect to commence operations at the expanded portion of our Factory 27 in Lukut, Port Dickson, Malaysia in July 2016, and at the expanded portion of our Factory 30 in Klang, Malaysia in 2017, both of which are nitrile facilities which are expected to contribute a total of approximately 44 more production lines to our manufacturing capacity. We also expect to commence operations at the extension to Factory 6 in Phuket, Thailand by the 4th quarter of 2016, which will contribute approximately 12 additional lines to our natural rubber facilities and will accordingly enhance our sales in the developing markets. With the completion of the expansion plans for the factories above, our Group's number of production lines and capacity will increase to 540 production lines and 52.4 billion gloves per annum respectively.

Our R&D department is dedicated to developing innovations that will help to move our manufacturing process forward as we take our business to the next level. Through R&D, we seek to achieve increased automation throughout the manufacturing process, in order to reduce reliance on manual labour and to improve the consistency, quality and efficiency of our production lines. In connection with the shift towards further automated processes, our total number of employees had been temporarily reduced by approximately 7.5%, from 10,631 to 9,837 between FY2013 and FY2014. Due to extensive internal improvements focused on automation, R&D and engineering, our efforts have resulted in enhanced quality output and substantially reduced downtime, which has increased our levels of efficiency throughout the manufacturing process.

We intend to undertake mergers and acquisitions if the right opportunity arises

We are keenly pursuing opportunities to acquire or merge businesses that synergise with our current business, in similar or related industries.

Whilst there is no assurance that any such mergers and acquisitions will necessarily result in successful integration into our Group, we believe that suitable mergers and acquisitions, joint ventures and strategic partnerships will give us access to new markets and customers, as well as enhance and/or complement our existing business performance.

PROSPECTS

Over the past 10 years, global demand for rubber gloves has grown from 100 billion pieces to approximately 180 billion pieces, at a CAGR of approximately 7% per annum. The MARGMA estimates that global demand for gloves will continue to increase by 8-10% per annum. This demand would be supported by, amongst others, increasing healthcare spending and the affordable prices of gloves. There is huge disparity between the population of a country and the use of gloves, according to the MRB. Usage of gloves is dominated by the USA, the European Union (the "**EU**"), and Japan, which account for 68% of global glove consumption despite accounting for only 13% of the world's population. On the other hand, other regions – including the two most populous countries, China and India – account for only 32% of glove consumption, despite accounting for 87-88% of the world's population. In India and China, per capita usage of gloves is low at 4% and 5% respectively, versus the global average of 26% and the USA average of 166%. This very low market penetration of rubber gloves outside of the USA and the EU suggests there remains high growth potential in these large addressable but still relatively untapped markets.

Malaysia remains the dominant player in the global glove market, making up 63% of global supply for gloves. The Company, together with other similar industry leaders, dominate the market through their economies of scale, wide distribution networks, and efficiency led by cost optimisation and product innovation.

The Company regards the following as key industry drivers:

(a) Increasing per capita healthcare spending

The average global per capita healthcare expenditure increased from USD493.6 in 2000 to USD1,041.9 in 2013 at a CAGR of 5.9%[1], despite the world population increasing from 6.1 billion in 2000 to 7.2 billion in 2013[2]. Increasing global healthcare expenditures are expected to drive demand for gloves within the medical industry.

(b) Growing aging population

The number of individuals aged 65 and older is projected to grow from an estimated 524 million in 2010 (representing 8% of the world population) to nearly 1.5 billion in 2050 (representing 16% of the world population), primarily driven by aging population in developing countries[2]. In developed countries, utilisation of medical care services by adults increases with age, and per capita

---

[1] Source: World Development Indicators, the World Bank. The World Bank has not provided its consent for the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. Our Company has included the above information in its proper form and context in this Introductory Document and has not verified the accuracy of the above information.

[2] Source: "Global Aging and Health", National Institute of Aging. The National Institute of Aging has not provided its consent for the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. Our Company has included the above information in its proper form and context in this Introductory Document and has not verified the accuracy of the above information.

expenditure on health care are relatively higher among older age groups, which in turn drives an increasing requirement for gloves. Demand for gloves in developing countries is expected to increase significantly due to the aging population in developing countries where glove utilisation is relatively low.

(c) Healthcare reforms and stringent health regulations

Guidelines exist in both developed and developing countries (e.g. Occupational Safety and Health (US-OSHA) in the USA, European Union Occupational Safety and Health (EU-OSHA) in Europe and Serviço Social da Indústria (SESI) in Brazil) requiring healthcare workers to wear gloves when handling patients, reducing the risk of exposure to infectious agents and the risk of germ dissemination. Healthcare reforms and tightening regulations in countries, such the PRC, India, etc., aim to provide people with better access to quality healthcare services, and are expected to increase consumption of medical disposals such as gloves.

(d) Emergence of new health threats

While the outbreaks of infectious diseases, e.g. SARS in 2003, H1N1 in 2009, MERS in 2012, Ebola outbreak in 2014 and Zika virus in 2015, provided short-term boost to glove demand, concerns over various potential infectious diseases would drive continual usage of protective gloves, which is believed to help contain such threats.

ORDER BOOK

We have established a diversified pool of more than 2,000 customers globally. Customers in our industry do not typically commit to definite and/or long-term purchase orders for gloves and other medical disposables. Accordingly, due to the nature of our business, the concept of an order book is not meaningful to us.

CORPORATE SOCIAL RESPONSIBILITY

Our Group's approach to corporate social responsibility is centred on the preservation of natural resources, protecting the environment and building communities in which we serve. In the spirit of continuous improvement, we are constantly reviewing our approach to corporate social responsibility and challenging ourselves to contribute more, to ensure that we are able to meet needs as they arise.

Ethics

We believe companies which operate by a set of good values are well-positioned to thrive, inspiring the trust of their stakeholders and business associates, whilst attracting quality employees.

In 2009, the Top Glove Prevention and Anti-Corruption Committee was established to ensure the conduct of ethical business interactions with business partners and the government. The committee also aims to advocate an anti-corruption mindset amongst all our employees. It also provides an avenue for our employees and the public to lodge complaints of any corrupt practices within the company.

We were also among the first to sign the Corporate Integrity Pledge and Anti-Corruption Principles for Corporations, an initiative by the Malaysian government in March 2011.

Internally, we organised a Top Glove Anti-Corruption Day during which all senior management signed the Top Glove Corporate Integrity Pledge. All our employees are required to sign a pledge every year to vouch that they will not condone or be involved in any corrupt practices. We also operate whistleblowing channels for the reporting of any information about fraudulent actions and breaches of ethics directly and anonymously to our company. All information provided by whistleblowers is taken seriously and treated confidentially in accordance with the law.

Community

We are involved in a broad-ranging community engagement program. Since its inception, the Top Glove Foundation has contributed a total of RM9.3 million in the form of scholarships and donations to charitable organisations, healthcare-related groups, religious associations, schools and universities as part of our Company's commitment to give back to the community.

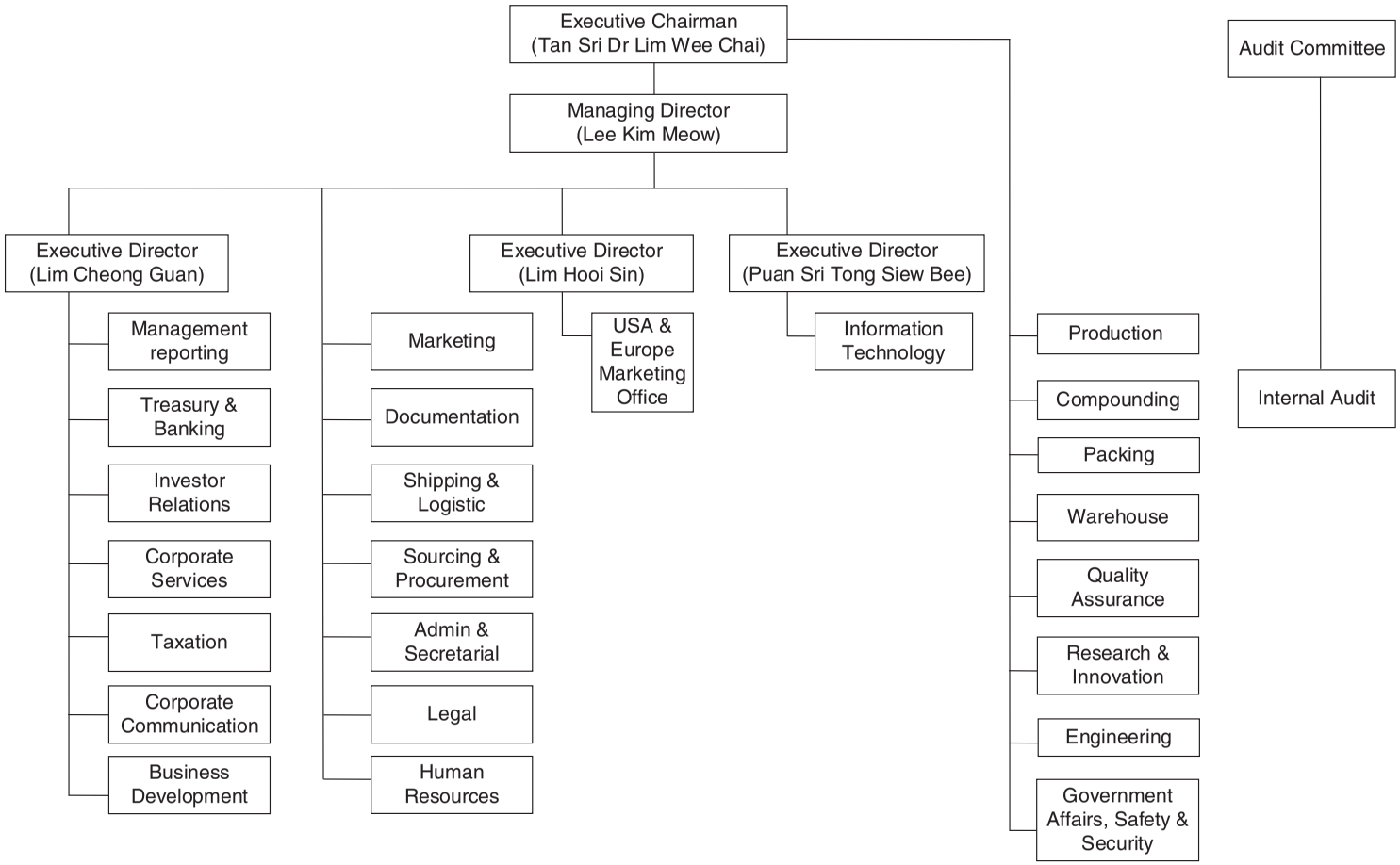
In 2015, Top Glove Foundation contributed a total of RM1.3 million in the form of scholarships and donations to charitable organisations, healthcare-related groups, religious associations, schools and universities. Top Glove Foundation has to date, offered 22 scholarships to students for the pursuit of law, engineering, medicine, accounting and economics degrees at local public universities. Since 2011, we have also been in collaboration with the MREPC to co-sponsor students pursuing tertiary education in local public universities.

Annual visits to various homes in Klang during festive seasons are also organised, whereby donations both in cash and kind are given out to the less privileged. An annual blood donation campaign is also a staple event on our calendar, aimed at collecting blood from healthy blood donors to save lives. In September 2014, we also led a Government initiative to help stem the spread of Ebola, which amassed a donation of 20.9 million gloves for affected West African nations.

As part of our on-going service to the community, we also undertake road and drainage repairs as well as street lighting maintenance within the vicinity of our facilities. In FY2015 alone, a total of RM680,000 was invested in improving various facilities for the community. Additionally, Top Glove's strong 24-hour auxiliary police (Polis Bantuan) presence also enhances security for residents within the area.

MANAGEMENT REPORTING STRUCTURE

The management and reporting structure reflecting the reporting lines and functional responsibilities of our Executive Directors and Executive Officers is set out in the chart below:



DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group, with our day-to-day operations being entrusted to our Executive Directors. Further, each of our key executives, being Tan Sri Dr Lim Wee Chai, Mr. Lee Kim Meow, Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin and Mr. Lim Cheong Guan, are all Executive Directors. The particulars of our Directors are set out below:

Name	Age	Address	Position
Tan Sri Dr Lim Wee Chai	58	33 Jalan TR 8/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor, Malaysia	Executive Chairman
Tan Sri Dato' Seri Utama Arshad Bin Ayub	87	No. 25, Jalan Permata 7/1 40000 Shah Alam Selangor, Malaysia	Independent Non-Executive Director
Tan Sri Mohd Sidek Bin Haji Hassan	64	No. 49 Jalan P11A 6/6 Presint 11 62300 Putrajaya Wilayah Persekutuan (Putrajaya) Malaysia	Senior Independent Non-Executive Director
Tan Sri Rainer Althoff	70	28-1-10 4th Floor Cascadium North Block Jalan Penaga Bukit Bandaraya 59100 Kuala Lumpur Malaysia	Independent Non-Executive Director
Lee Kim Meow	57	16 Lorong PJU 1/46A Aman Suria Damansara 47301 Petaling Jaya Selangor, Malaysia	Managing Director
Puan Sri Tong Siew Bee	57	33 Jalan TR 8/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor, Malaysia	Executive Director
Lim Hooi Sin	54	33 Jalan TR 8/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor, Malaysia	Executive Director
Lim Cheong Guan	51	29 Jalan Anggerik Vanilla 31/98J Canal Gardens, Kota Kemuning 40460 Shah Alam Selangor, Malaysia	Executive Director
Dato' Lim Han Boon	58	No. 2 Lorong Batu Nilam 9H Bandar Bukit Tinggi 41200 Klang Selangor, Malaysia	Independent Non-Executive Director

Name	Age	Address	Position
Datuk Noripah Binti Kamso	59	90 Jalan TR 8/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor, Malaysia	Independent Non-Executive Director
Sharmila Sekarajasekaran	47	No. 3 Jalan 12/9 46200 Petaling Jaya Selangor, Malaysia	Independent Non-Executive Director
Simon Tay Seong Chee	55	60A Orchard Road #04-03 The Atrium@Orchard Tower 1 Singapore 238890	Independent Non-Executive Director

Experience of our Board

Information on the areas of responsibility, the business and working experience of each of our Directors is set out below:

Tan Sri Dr Lim Wee Chai was first appointed to our Board on 4 September 2000 and is our Executive Chairman and founder of our Group. He graduated with a Bachelor of Science Degree with Honours in Physics in 1982 from University Malaya, a Master of Business Administration in 1985 from the Sul Ross State University in Texas, USA and a Doctor of Philosophy in Management from the University of Selangor, Malaysia in 2015. He has more than 30 years of experience in the rubber and latex manufacturing business.

Tan Sri Dr Lim is currently the Chairman of the ESOS Option Committee, the Chairman of the Investment Committee, a member of the Remuneration Committee and a Trustee of Top Glove Foundation. He is also currently the Vice President of the Federation of Malaysian Manufacturers, a Board Member/Director of University of Malaya and the Employees Provident Fund since 2015 and a Council Member of the East Asia Business Council (EABC), appointed by the Minister of International Trade and Industry Malaysia since 2011. Tan Sri Dr Lim is also an Honorary Advisor of the Klang Chinese Chamber of Commerce since 2011, an Honorary Advisor of the Lim Association of Malaysia since 2011 and an Honorary President of the Malaysia-China Chamber of Commerce since 2012. Tan Sri Dr Lim has served as the Chairman of Medi-Flex Limited (now known as Medi-Flex Pte. Ltd.), a company listed on the SGX-ST prior to its privatisation in 2014, since March 2007.

Tan Sri Dr Lim has been actively involved in many glove industry related associations and organisations in Malaysia. He served as the President of the MARGMA from 1997-1999. Prior to that, he served as the Vice-President, Honorary Secretary and Treasurer of MARGMA for the past 7 years. In addition, he was also the Director of the Association of Malaysia Medical Industries (AMMI) and Board Member of the MRB in 1998 and 1999.

On 4 December 2004, he was named and awarded the highly prestigious accolade, Master and Country Entrepreneur of Malaysia for the Year 2004, by Messrs Ernst and Young. With this award, he represented Malaysia in Monte Carlo, Monaco for the World Entrepreneur of The Year contest on 28 May 2005. On 2 June 2007, he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) award which carries the title "Tan Sri". On 30 November 2007, he was awarded the SME Platinum Award 2007, an award that was accorded to him in view of his achievement and success in developing a small glove manufacturer into a World Class Manufacturer. On 23 July 2008, he was awarded the prestigious accolade Entrepreneur of the Year 2008 of the Asia Pacific Entrepreneurship Awards 2008 by Enterprise Asia which recognises successful entrepreneurship

in the Asia Pacific region. Tan Sri Dr Lim was also awarded several The BrandLaureate Brand Icons Awards in 2011 to 2013, the Manufacturer Man of the Year 2013 by the Asia Pacific Brands Foundation and, the Asian Icon Award (World Class Entrepreneur) in 2014.

Tan Sri Dato' Seri Utama Arshad Bin Ayub was first appointed to our Board on 4 September 2000 and is an Independent Non-Executive Director of our Company. He obtained a Diploma in Agriculture from College of Agriculture, Serdang, Selangor in 1954 and a Bachelor of Science (Hons) Economics and Statistics from University College of Wales, Aberystwyth, United Kingdom in 1958. In 1964, he obtained a postgraduate Diploma in Business Administration from Management Development Institute (IMEDE) (now IMD), Lausanne, Switzerland.

Tan Sri Arshad is currently the Chairman of the Audit Committee, the Chairman of the Nomination Committee and a member of the Investment Committee. He is also currently the Chairman of Malayan Flour Mills Bhd, Chairman of Tomypak Holdings Berhad, Chairman of Karex Berhad and a Director of Kulim (Malaysia) Berhad, all of which are listed on Bursa Securities. He is also the Chairman and/or Director of several other companies including Nakagawa Rubber Industries Sdn Bhd, Zalaraz Sdn Bhd (a family company), Bistari Johor Berhad, and PFM Capital Holdings Sdn Bhd. Tan Sri Arshad is presently appointed as Chairman of the board of Directors of University of Malaya, a Pro Chancellor of University Teknologi Mara (UiTM), a Chancellor of KPJ International University College of Nursing & Health Sciences, Chancellor of INTI International University and Governor of Tuanku Ja'afar College.

Tan Sri Arshad joined the Malaysian civil service upon his graduation and had held various senior positions in various Ministries in the Malaysian Government from 1958 to 1983, including serving as Deputy Governor of BNM from 1975 to 1977, Deputy Director General in the Economics Planning Unit of the Prime Minister's Department from 1977 to 1978 and as Secretary General in the Ministry of Primary Industries in 1978, Ministry of Agriculture from 1979 to 1981 and the Ministry of Land and Regional Development from 1981 to 1983. Tan Sri Arshad was a Member of Justice Harun's Salaries Commission for statutory bodies and local government. He was also the Chairman of Amanahraya Investment Management Sdn Bhd. In the past, Tan Sri Arshad had also held the position of President of the Malaysian Rubber Products Manufacturers Association, Chairman of the MREPC and was a member of the MRB.

Tan Sri Arshad is also the recipient of many awards and accolades such as the 'Anugerah Mutiara Budi' from the Kementerian Kewangan Malaysia (Ministry of Finance) for his great contribution to the Malaysian government and was awarded the prestigious ACCA Achievement Award 2007 for his outstanding contribution for the development of professional accountancy in Malaysia.

Tan Sri Mohd Sidek Bin Haji Hassan was first appointed to our Board on 14 March 2013 and is an Independent Non-Executive Director of our Company, and was re-designated as the Senior Independent Non-Executive Director on 14 October 2014. He obtained a Bachelor of Economics (Honours) Degree in Public Administration from the University of Malaya in 1974 and a Master of Business Administration from New Hampshire College, USA in 1984.

Tan Sri Sidek is currently the Chairman of the Risk Management Committee and a member of the Nomination Committee. He is the Chairman of Petroliam Nasional Berhad (PETRONAS) since July 2012 and the Chairman of Malaysia Digital Economy Corporation Sdn Bhd (MDEC) since May 2016. He is also an Independent Non-Executive Director of Malayan Flour Mills Berhad since August 2012, which is listed on the Main Market of Bursa Securities.

Tan Sri Sidek began his career in the Administrative and Diplomatic Service on 15 April 1974 as an Assistant Director at the International Trade Division of MITI. He was later appointed as Assistant Trade Commissioner for the Malaysian Embassy in Tokyo, Japan from May 1977 to July 1980. From August 1980 until 1985, he served in the Implementation Coordination Unit of the

Prime Minister's Department, initially as a Principal Assistant Director, then later promoted to Deputy Director, Project Analysis Sector and subsequently as the Deputy Director of Research in the same department.

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

Tan Sri Rainer Althoff was first appointed to our Board on 14 March 2013 and is an Independent Non-Executive Director of our Company. He obtained a Master Degree (Diploma) in Electronics and Electrical Engineering from Bergische University of Wuppertal, Germany in 1969.

Tan Sri Rainer is presently a member of the Risk Management Committee. He is also a member of the Rotary Club of Kuala Lumpur DiRaja, a Trustee of the Jeffrey Cheah Foundation, a member of International Advisory Panel to the Board of Directors of CIMB Bank, a Managing Director of ALC International and an Executive Director of Lauda Interactive AG Darmstadt, Germany.

Tan Sri Rainer has experience in the field of electrical engineering which spans for more than 40 years. He was the President and Chief Executive Officer of Siemens Malaysia Sdn Bhd and also the spokesperson for Siemens for all Siemens operations and affiliate companies in Malaysia for almost 11 years. He was also a Chairman of Corian Malaysia Sdn. Bhd. and Nokia Siemens Networks Sdn. Bhd.

He was also conferred the prestigious Federal Service Cross ("Bundesverdienstkreuz") from the President of the Federal Republic of Germany in 2003.

Lee Kim Meow was first appointed to our Board on 15 October 2003 and is the Managing Director of our Company. He obtained a Bachelor of Commerce Degree from University of New South Wales, Australia majoring in Accounting, Finance and Information Systems in 1983 and a Bachelor of Law Degree from University of London, UK in 1991.

Mr. Lee is currently a member of the Risk Management Committee and ESOS Committee. He is also a Trustee of Top Glove Foundation, a Chairman of the ASEAN Rubber Glove Manufacturers Association and a board member of the MREPC.

Mr. Lee has more than 15 years of experience in financial services, trading and manufacturing business having worked in established financial institutions and with a well-known conglomerate with diversified interest in the ASEAN region. In the past 14 years, Mr. Lee has been actively contributing to the development of the rubber glove industry in Malaysia as well as the ASEAN region. He was a board member of the MRB and the Tun Abdul Razak Research Centre from 2010 to 2011, and a past President of MARGMA. Mr. Lee has also served as the Executive Director of Medi-Flex Limited (now known as Medi-Flex Pte. Ltd.), a company listed on the SGX-ST prior to its privatisation in 2014, since March 2007.

Puan Sri Tong Siew Bee was first appointed to our Board on 4 September 2000 and is the co-founder of our Group and Executive Director of our Company. She is responsible for the computer and information systems, human resource and general administration of the Group. She graduated with a Bachelor of Science Degree with Honours in Computer Science in 1983 from University Sains Malaya and a Master of Business Administration in 1985 from the Sul Ross State University in Texas, USA.

Puan Sri Tong previously worked in the banking industry in the information technology field for more than 10 years. She was formerly attached to United Overseas Bank Berhad and Utama Bank Berhad.

Lim Hooi Sin was first appointed to our Board on 4 September 2000 and is an Executive Director of our Company. He obtained a Bachelor of Science Degree in Management Science from Oklahoma State University, USA in 1985, a Master Degree in Business Administration (Minor in Applied Statistics) from Arizona State University, USA in 1986 and a Charter Financial Consultant Diploma from American College, PA, USA in 1990.

Mr. Lim spent 14 years of his career with MetLife Financial Services, one of the largest insurance and financial services companies in the USA. Prior to this appointment, he was a Management Trainee, Associate Branch Manager, Regional Marketing Specialist, Agency Director and a Director of Asian Market. His experience includes product development, marketing, recruiting, training and supervision of a large highly productive sales force. He was previously a Director of Arizona Asian American Association from 1996 to 1997. Mr. Lim served as Executive Director of Medi-Flex Limited (now known as Medi-Flex Pte. Ltd.), a company which was previously listed on the SGX-ST, from 15 March 2007 to 8 May 2007. He also has more than 15 years of experience in the USA glove market, having been the founder of TGM (USA), Inc. (a wholly-owned subsidiary of our Company) in 1994, and served as its Executive Vice President from 2001 to 2005 and President since 2005. He also sits on the board of several private companies.

Lim Cheong Guan was first appointed to our Board on 31 August 2006 and is an Executive Director of our Company. He joined the Company as the Group Financial Controller in 2005 and is responsible for the accounting, treasury, corporate finance and investor relations of the Group. He obtained a Bachelor Degree in Accounting from the University of Malaya in 1990. He is a member of the Malaysian Institute of Accountants and a member of the Malaysian Association of Certified Public Accountants.

Mr. Lim is currently a member of the Risk Management Committee, Investment Committee and ESOS Committee. He is also currently a Director of the Malaysian Investor Relations Association Berhad and advisor to the Management Committee of Top Glove Foundation since 2008.

Mr. Lim began his career with Price Waterhouse in 1990 and subsequently held various key positions in a number of public listed companies in Malaysia whose business activities spanned manufacturing, plantation, trading and property development. Since March 2007, Mr. Lim has also served an Executive Director of Medi-Flex Limited (now known as Medi-Flex Pte. Ltd.), a company listed on the SGX-ST prior to its privatisation in 2014.

Mr. Lim won the Best CFO for Investor Relations for a medium-cap company (Top Glove Corporation Bhd) at the inaugural Malaysia Investor Relations Awards in 2011 and 2013.

Dato' Lim Han Boon was appointed to our Board on 21 February 2011 and is an Independent Non-Executive Director of our Company. He is currently the Chief Executive Officer of Envo BPO Services Sdn Bhd, an outsourcing company he founded in 2009.

Dato' Lim is a Chartered Accountant of the Malaysian Institute of Accountants. He also holds a Master of Business Administration Degree from the University of South Australia and attended the Harvard Business School Senior Management Development Program in 2002. He is a member of the Chartered Management Institute, United Kingdom and a fellow of the Association of Chartered Certified Accountants, United Kingdom.

Dato' Lim is currently the Chairman of the Remuneration Committee, a member of the Audit Committee, a member of the Nomination Committee, a member of the Investment Committee and a member of the Risk Management Committee. He is also presently a Treasurer of Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association.

Dato' Lim has more than 20 years of experience in areas of transport and maritime logistics industry having worked for Kontena Nasional Bhd, for Kannaltec Berhad as its Group Chief Executive Officer, for Northport (Malaysia) Bhd as its General Manager, Corporate Services and for NCB Holdings Bhd as the Group Financial Controller and Company Secretary.

Datuk Noripah Binti Kamso was appointed to our Board on 18 March 2015 as an Independent Non-Executive Director. She obtained a Diploma in Business Studies from the Institute Technology Mara, Malaysia in 1978, a Bachelor of Science from the Northern Illinois University, Dekalb, Illinois, USA in 1980 and a Master in Business Administration from Marshall University, Huntington, West Virginia, USA in 1981.

Datuk Noripah is currently a member of the Audit Committee and a member of the Investment Committee. She is currently the Chairman of the Islamic Finance Council, Malaysia US Chamber of Commerce, Washington DC, a Director of Malaysia Debt Ventures Berhad and BIMB Investment Management Berhad and a Public Interest Director of Federation of Investment Managers of Malaysia (FIMM). She is also an adjunct professor of Universiti Utara Malaysia.

Datuk Noripah began her career as Development Officer, Project Division with Urban Development Authority from 1980 to 1983 and joined Bank of Commerce (M) Berhad as Senior Corporate Banker from 1983 to 1986. She joined the CIMB group from 1993 to 2014 and held various key positions in the CIMB group. She was the Chief Executive Officer of CIMB Futures Sdn Bhd from 1996 to 2012, the Chief Executive Officer of CIMB-Principal Asset Management Berhad from 2005 to 2013 and the founding Chief Executive Officer of CIMB Principal Islamic Asset Management Sdn Bhd from 2008 to 2012. Since 2008, she has successfully established a global platform for the firm to extend its reach to UK, Europe, GCC, Asia, USA and Australia. She was also a former advisor of CIMB Islamic from 2013 to 2014. She was also the Past President of the Malaysian Futures Brokers Association. She was formerly a Global Practitioner in Residence in Principal Financial Group Centre for Global Citizenship, USA.

Datuk Noripah received the "Marketing Personality of the Year" awards in 2005 and 2006 by Asia Asset Management for the Asia Pacific region, CEO of The Year for Malaysia (2007) and a Personal Achievement award for her contribution to Islamic asset management by International Takaful Summit, London in 2012. In 2013, she was awarded a membership of the Honor Society for International Scholars, PHI BETA DELTA-Zeta Gamma Chapter, Northern Illinois University and in the same year, she was listed in the Top 10 Women in Islamic Finance in the October issue of a Dubai-based publication on Islamic Business and Finance. In 2014, Universiti Utara Malaysia honoured her as an Adjunct Professor under the School of Economic, Finance and Banking.

Her second book "Investing in Islamic Funds. A Practitioner's Perspective" published by Wiley and Sons New York in 2013 targeted for international readers has also obtained global praise and readership.

Sharmila Sekarajasekaran was appointed to our Board on 18 March 2015 as an Independent Non-Executive Director. She obtained a B.A. Law and Economics (Hons.) from Keele University, UK in 1993 and is an advocate and solicitor of the High Court of Malaya and a Barrister-At-Law, Middle Temple.

Ms Sharmila is currently a member of the Remuneration Committee and the Audit Committee. She is also currently a consultant in the Recording Industry Association of Malaysia and its subsidiaries (the "**RIM Group**") for legal, operations and industry development departments, and a partner of Jerald Gomez and Associates.

Ms Sharmila began her career as a legal assistant with Messrs Chooi & Co. and joined Messrs Tay & Partners in 2000. She joined the RIM Group in 2005 and held various positions in the RIM Group. She is also a director of several companies such as Alpha Omega Precision Moulding Sdn Bhd.

Professor Simon Tay Seong Chee is a Singapore-resident Independent Non-Executive Director of our Company. He graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 1986 and obtained a Masters in Law from Harvard Law School in 1994. He is an advocate and solicitor of the Supreme Court of Singapore.

Professor Tay is Chairman of the Singapore Institute of International Affairs and is concurrently a tenured Associate Professor, teaching international law at the National University of Singapore Faculty of Law.

Professor Tay is also Senior Consultant at WongPartnership, a law firm in Singapore. He serves as independent director on the boards of Mitsubishi United Financial Group of Japan (global advisory board), LGT Bank (Singapore) Ltd, Eurex Clearing Asia Pte. Ltd. (a subsidiary of the Deutsche Bourse), Far East Organization and Hyflux Ltd.

His previous appointments include being on the Global Advisory Board of Toyota Motor Corporation from 2010 to 2015, acting as a Corporate Advisor to Temasek Holdings from 2006 to 2009, serving as Chairman of the National Environment Agency from 2002 to 2008 and being an independent Member of Parliament in Singapore from 1997 to 2001.

In 2006, Professor Tay received the Public Service Medal (Pingat Bakti Masyarakat, PBM).

Experience of the Board of Directors

As our Company is listed on Bursa Securities, all of our Directors have experience as a director of a public listed company. In addition, three (3) of our Executive Directors, namely Tan Sri Dr Lim Wee Chai (Executive Chairman), Mr. Lee Kim Meow (Managing Director) and Mr. Lim Cheong Guan (Executive Director), had served as members of the board of Medi-Flex Limited (a company listed on the SGX-ST from November 2004 to March 2014, and now known as Medi-Flex Pte. Ltd.) prior to its privatisation in 2014. Professor Simon Tay Seong Chee, our Independent Director, is currently also an independent director of Hyflux Ltd, a company listed on the SGX-ST. Accordingly, these individuals have experience as a director of a company listed on the SGX-ST.

In accordance with the requirements under the SGX-ST Listing Rules, we have briefed all of our Directors on the roles and responsibilities of a director of a public listed company in Singapore.

Other Principal Directorships of our Directors

The list of present and past directorships held by our Directors in the last five (5) years preceding the Latest Practicable Date, excluding those held in our Company, is set out in Appendix H – "*List of Past and Present Principal Directorships*".

Significant Changes in Percentage of Ownership

Save as disclosed in the section entitled "*General and Statutory Information – Share Capital",* there have not been any changes in the percentage of ownership of our Directors in our Company in the last three (3) years up to the Latest Practicable Date.

Terms of Office

Our Directors do not currently have a fixed term of office. Each Director is required to retire from office once every 3 years. At each annual general meeting, one-third of the Directors then in office (or, if their number is not a multiple of 3, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election. Our Directors to retire every year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment.

Following our listing on the SGX-ST, we will make announcements on SGXNET and Bursa LINK on any appointment or cessation of service of a Director.

FAMILY RELATIONSHIPS

Save as disclosed below, there are no family relationships between any of our Directors or Executive Officers or any of our Substantial Shareholders.

Tan Sri Dr Lim Wee Chai is the husband of Puan Sri Tong Siew Bee and brother of Mr. Lim Hooi Sin, both of whom are Executive Directors of our Company.

CORPORATE GOVERNANCE

We recognise the importance of corporate governance and the maintenance of high standards of accountability to our Shareholders.

We have five (5) board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Management Committee and the Investment Committee.

Audit Committee

Our Audit Committee comprises Tan Sri Dato' Seri Utama Arshad Bin Ayub, Dato' Lim Han Boon, Datuk Noripah Binti Kamso and Sharmila Sekarajasekaran. The Chairman of the Audit Committee is Tan Sri Dato' Seri Utama Arshad Bin Ayub.

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

(a) evaluate the quality of the audits performed by the internal and external auditors;

(b) provide assurance that the financial information presented by management is relevant, reliable and timely;

(c) oversee compliance with laws and regulations and observance of a proper code of conduct; and

(d) determine the quality, adequacy and effectiveness of the Group's control environment.

The duties and responsibilities of the Audit Committee include the following:

(a) to consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

(b) to discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(c) to review with the external auditor his evaluation of the system of internal controls, and his audit plan, audit report and assistance given by the employees of the Company to the external auditor;

(d) to review the quarterly and year-end financial statements of the Board, focusing particularly on:

  (i) any change in or implementation of accounting policies and practices;

  (ii) significant and unusual events;

  (iii) significant adjustments arising from the audit;

  (iv) the going concern assumption;

  (v) compliance with accounting standards and other legal requirements;

  (vi) significant matters highlighted in the financial statements; and

  (vii) significant judgements made by management;

(e) to discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

(f) to review the external auditor's management letter and management's response;

(g) to review the system of internal controls including financial, operational, compliance, information technology controls and risk management processes;

(h) to do the following, in relation to the internal audit function:

  (i) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

  (ii) review the internal audit programme, processes and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

  (iii) review any appraisal or assessment of the performance of members of the internal audit function;

  (iv) approve any appointment or termination of senior staff members of the internal audit function; and

  (v) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;

(i) to consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(j) to report its findings on the financial and management performance, and other material matters to the Board;

(k) to consider the major findings of internal investigations and management's response;

(l) to verify the allocation of the ESOS in compliance with the criteria as stipulated in the by-laws of the ESOS of the Company, if any;

(m) to verify the allocation of the ESGP in compliance with the criteria as stipulated in the by-laws of the ESGP of the Company, if any;

(n) to determine the remit of the internal audit function;

(o) to review and provide its views on all hedging policies and instruments to be implemented by the Company;

(p) to review and approve the procedures for the entry into of any hedging transactions (which include foreign exchange and interest rate hedging transactions) and to monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy for entering into hedging transactions;

(q) to oversee the implementation of the whistleblowing policy and procedures of the Group;

(r) to consider other topics as defined by the Board;

(s) to consider and examine such other matters as the Audit Committee considers appropriate; and

(t) to review the Annual Statement on Risk Management and Internal Control to be published in the annual report.

The Audit Committee shall, in accordance with a procedure to be determined by the Board:

(a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee;

(b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;

(c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary;

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any); and

(e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Opinion of the Board and Audit Committee Pursuant to Rule 610(5) of the Listing Manual

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, our Board of Directors and our Audit Committee, after making all reasonable enquiries and to the best of their knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group are adequate to address the financial, operational and compliance risks of the Group.

Opinion of the Audit Committee in Relation to the Chief Financial Officer

Our Audit Committee has engaged with Mr. Lim Cheong Guan on a consistent basis since his appointment to the Board. He is responsible for presenting the financial results of our Company to our Audit Committee on a quarterly basis, and additionally updates the Board on finance-related matters on a regular basis. As our Company is already listed on Bursa Securities, Mr. Lim Cheong Guan is primarily responsible for overseeing the financial-related matters of our Company (including its financial reporting, capital management and treasury functions). Based on his experience and their dealing with him, the Audit Committee is of the view that Mr. Lim Cheong Guan has the competence, character and integrity required to fulfil his functions.

Our Audit Committee confirms that, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to their attention to cause them to believe that Mr. Lim Cheong Guan does not have the competence, character and integrity expected of a chief financial officer of a listed issuer.

Nomination Committee

Our Nomination Committee comprises Tan Sri Dato' Seri Utama Arshad Bin Ayub, Tan Sri Mohd Sidek Bin Haji Hassan and Dato' Lim Han Boon. The Chairman of our Nomination Committee is Tan Sri Dato' Seri Utama Arshad Bin Ayub.

The principal objectives of the Nomination Committee are to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the performance of the Directors of the Company on an on-going basis.

The duties and responsibilities of the Nomination Committee are as follows:

(a) to recommend to the Board of Directors, candidates for all directorships to be filled by the Shareholders or the Board of Directors. In making its recommendations, the Nomination Committee would consider the following attributes of candidates:

    (i) skills, knowledge, expertise and experience;

    (ii) professionalism;

    (iii) integrity; and

    (iv) in the case of the candidates for the position of independent non-executive directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors;

(b) to consider, in making its recommendations, candidates for directorships proposed by the Chairman and, within the bounds of practicability, by any other senior executive or any Director or Shareholder;

(c) to recommend to the Board the nominees to fill the seats on the committees of the Board;

(d) to assess the effectiveness of the Board as a whole and each individual Director/committee of the Board, including the Chairman. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions would be properly documented;

(e) to act in line with the directions of the Board;

(f) to consider and examine such other matters as the Nomination Committee considers appropriate;

(g) to ensure that orientation and education programmes are provided for new members of the Board and to review the directors' continuing education programmes for existing members of the Board;

(h) to establish a policy formalising the approach to boardroom diversity;

(i) to formulate a succession policy; and

(j) to review on an annual basis, the terms of office and the performance of the Audit Committee and its members to ensure duties are fulfilled according to their terms of reference.

The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors:

(a) annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive Directors should have;

(b) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director;

(c) assess on an annual basis, the independence of the Independent Directors of the Board and to ensure non-compromise to familiarity or close relationship with other board members;

(d) assess on an annual basis, the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. To retain independent directors, the board must justify and seek shareholders' approval for a person who has served in that capacity for more than nine (9) years; and

(e) be entitled to the services of a Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Bursa Listing Requirements or other regulatory requirements.

Opinion of the Nomination Committee in Relation to the long-serving Independent Director of the Company

We have not established term limits for the Independent Non-Executive Directors ("**INEDs**") as the Board believes that term limits do not in any way interfere with their exercise of independent judgement and ability to act in the best interest of our Company. Moreover, term limits have the disadvantage of causing our Company to lose the contributions of INEDs.

The Board is mindful of the recommendation of the Malaysian Code of Corporate Governance 2012 on limiting the tenure of INED to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the Nomination Committee on an annual basis, retain an INED who has served a consecutive or cumulative term of nine (9) years to continue to serve as INED subject to Shareholders' approval.

Currently, our Company has one (1) long-serving INED, Tan Sri Dato' Seri Utama Arshad Bin Ayub, whose tenure is more than nine (9) years. The Nomination Committee (save for Tan Sri Dato' Seri Utama Arshad Bin Arub) has rigorously reviewed and recommended to the Board for Tan Sri Dato' Seri Utama Arshad Bin Ayub who has been contributing and providing invaluable insight into our Company's business, to continue to act as INED of our Company, thereby increasing his contribution to our Company.

The Nomination Committee is of the view that Tan Sri Dato' Seri Utama Arshad Bin Ayub has carried out his responsibilities in good faith in the best interest of our Company and has safeguarded the interests of the minority Shareholders of our Company. There are significant advantages to be gained from Tan Sri Dato' Seri Utama Arshad Bin Ayub who possesses in-depth insight and knowledge of our Company's affairs.

The Board, having rigorously reviewed Tan Sri Dato Seri Utama Arshad Bin Ayub's service to our Company and the proposed re-appointment, and having considered the recommendation of the Nominating Committee, agreed with the Nomination Committee. Accordingly a resolution was put forward to the Shareholders for the re-appointment of Tan Sri Dato' Seri Utama Arshad Bin Ayub at our Company's annual general meeting on 6 January 2016. The resolution was duly passed by Shareholders at our Company's annual general meeting. Shareholders' approval for the retention of Tan Sri Dato' Seri Utama Arshad Bin Ayub is required to be sought on an annual basis in accordance with the Malaysian Code of Corporate Governance 2012.

Remuneration Committee

Our Remuneration Committee comprises Dato' Lim Han Boon, Tan Sri Dr Lim Wee Chai and Sharmila Sekarajasekaran. The Chairman of our Remuneration Committee is Dato' Lim Han Boon. Our Remuneration Committee's main responsibility is to assist our Board in their responsibilities in assessing the remuneration packages of the Executive Directors by reviewing, assessing and recommending to our Board the remuneration packages in all forms of the Directors.

The duties and responsibilities of the Remuneration Committee are as follows:

(a) to review and assess the remuneration packages of the executive directors in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities;

(b) to ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully;

(c) to structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time;

(d) to review recommend to the Board the remuneration packages of the Executive Directors;

(e) to review and recommend the remuneration of non-executive Directors to the Board;

(f) to review and approve remuneration packages of related employees (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;

(g) to act in line with the directions of the Board; and

(h) to consider and examine such other matters as the Remuneration Committee considers appropriate.

The Remuneration Committee shall, in accordance with a formal and transparent procedure or process or policy on executive directors' remuneration packages to be determined and established by the Board:

(a) review, assess and recommend to the Board the remuneration packages of the executive directors in all forms, with other independent professional advice or outside advice as necessary; and

(b) be entitled to the services of a company secretary who must ensure that all decisions made on the remuneration packages of the executive directors be properly recorded in the minutes book.

Risk Management Committee

Our Risk Management Committee comprises Tan Sri Mohd Sidek Bin Haji Hassan, Tan Sri Rainer Althoff, Dato' Lim Han Boon, Mr. Lee Kim Meow and Mr. Lim Cheong Guan. The Chairman of our Risk Management Committee is Tan Sri Mohd Sidek Bin Haji Hassan. Our Risk Management Committee's primary responsibility and purpose is to assist our Board in fulfilling its responsibility to review and monitor our Group's risk management framework and activities.

Our Risk Management Committee's duties and responsibilities includes reporting to our Board regarding our Group's risk exposure and review and discuss with our top management and internal audit department of our Group every quarterly on matters such as key guidelines and policies governing our Group's significant processes for risk assessment and risk management. In carrying out its duties, our Risk Management Committee shall at the expense of our Company, have authority to make decisions on whether our Company has acted in good faith in relation to its contracts and make recommendations to our Board in an advisory capacity.

Risk Management Framework

Our Board regards risk management as an integral part of business operations and has through our Risk Management Committee established a risk management framework to identify and address principal risks faced by our Group, and continuously evaluate the systems in place to manage these risks.

The primary responsibility and purpose of the Risk Management Committee is to assist the Board in fulfilling its responsibility with respect to:

(a) reviewing and monitoring our Group's risk management framework and activities;

(b) reviewing and monitoring our Group's regulatory and compliance risks (including to receive progress and status reports on a quarterly basis in relation to outstanding approvals for our material licences);

(c) reporting to the Board regarding the Group's risk exposures, including review of the risk assessment model used to monitor the risk exposures and views on the acceptable and appropriate level of risks faced by Group's Business Unit; and

(d) reviewing and discussing with the management and the internal audit department on a quarterly basis:

    (i) the key guidelines and policies governing the Group's significant processes for risk assessment and risk management;

    (ii) the validity of the identified risks and ensuring that appropriate actions are taken to mitigate the risks;

    (iii) the adequacy of infrastructure, resources and system for risk management, the staff responsible for implementing risk management system perform those duties efficiently and effectively; and

    (iv) the periodical risk rating report and risk management activities.

The risk management process comprises of four (4) steps, being identification, assessment, treatment and monitoring and review. The key elements of our Group's risk management framework include the following practices:

(a) establishment of a risk management structure to oversee our Group's risk management framework and activities. A number of key management staff will form the Risk Working Committee, which is responsible for assessing risk contained at the respective business unit level;

(b) identifying principal risks, both present and potential based on events that might, prevent, degrade or delay the achievement of objectives of our Group. These risks have been categorised into ten (10) types, being business risk, information risk, production risk, plantation risk, credit risk, financial risk, operational risk, system risk, human resource risk and property investment risk. For each principal risk, the assessment process considers the potential impact and likelihood of occurrence to determine the risk rating;

(c) determining the risk treatment of the principal risks which covers a process of selection and implementation of measures to treat risks and managing the risks by having in place three (3) controls namely, preventive control, detective control and corrective control; and

(d) continuous monitoring and follow-up of the risks to ensure appropriate actions are taken in response to the changes in risk and control effectiveness.

Our Group's internal audit department which carries out our Group's internal audit function is an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk control and governance framework of our Company. The purpose, authority and responsibility of our Group's internal audit department as well as the nature of assurance and consultancy activities provided by the department are articulated in our internal audit charter.

Our internal audit department, which is independent of the activities it audits, maintains its impartiality, proficiency and due professional care by having its plans and reports directly under the purview of our Audit Committee which reviews and approves our internal audit department's annual audit plan, financial budget and human resource requirements to ensure that the department is adequately staffed with competent and proficient internal auditors.

A risk-based approach is adopted by our internal audit department in preparing its audit strategy and plan based on the risk profiles of major business units. Accordingly, activities carried out include risk assessment with internal audit reviews addressing both financial and operational aspects. The resulting independent assessment is reported to our Risk Management Committee on a quarterly basis, and the relevant matters are resolved by the Risk Management Committee accordingly.

Investment Committee

Our Investment Committee comprises Tan Sri Dr Lim Wee Chai, Tan Sri Dato' Seri Utama Arshad Bin Ayub, Mr. Lim Cheong Guan, Dato' Lim Han Boon and Datuk Noripah Binti Kamso. The Chairman of our Investment Committee is Tan Sri Dr Lim Wee Chai. The Investment Committee is established to provide guidance on fund investment decisions on behalf of the Board. The main objectives and responsibilities of the Investment Committee are to, amongst others, review cash investments in accordance with Board-approved investment strategies, monitor and update the Board on the performance of the relevant funds, and ensuring that appropriate steps are taken in relation to existing or prospective investments in the best interests of our Shareholders.

ARRANGEMENTS OR UNDERSTANDINGS

None of our Directors or Executive Officers has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers or other persons, pursuant to which he or she was appointed as a Director or as an Executive Officer, as the case may be.

REMUNERATION

The compensation paid by our Company and our subsidiaries to each of our Directors and each of our Executive Officers for services rendered by them in all capacities to our Company and our related corporations for FY2014 and FY2015 and expected to be payable by our Company and our subsidiaries to each of these Directors and Executive Officers for services rendered by them in all capacities to our Company and our related corporations for FY2016, in remuneration bands[1], are as follows:

Directors	**FY2014[2]**	**FY2015[2]**	**FY2016 (estimated)[3]**
Tan Sri Dr Lim Wee Chai[4]	C	C	C
Tan Sri Dato' Seri Utama Arshad Bin Ayub	A	A	A
Tan Sri Mohd Sidek Bin Haji Hassan	A	A	A
Tan Sri Rainer Althoff	A	A	A
Lee Kim Meow[4]	A	B	B
Puan Sri Tong Siew Bee[4]	A	A	A
Lim Hooi Sin[4]	A	A	A
Lim Cheong Guan[4]	A	A	A
Dato' Lim Han Boon	A	A	A
Datuk Noripah Binti Kamso	N.A[5]	A	A
Sharmila Sekarajasekaran	N.A[5]	A	A
Simon Tay Seong Chee	N.A[5]	N.A[5]	A

Notes:

(1) Remuneration bands:

- Band A means remuneration below the equivalent of S$250,000.
- Band B means remuneration between the equivalent of S$250,001 and S$500,000.
- Band C means remuneration between the equivalent of S$500,001 and S$750,000.

(2) Remuneration bands for FY2014 and FY2015 are based on the average exchange rate for FY2014 and FY2015, respectively, while the remuneration band for FY2016 was calculated based on the exchange rate as at the Latest Practicable Date.

(3) The estimated amount of remuneration excludes any bonus or profit-sharing plan or any other profit-linked agreement or arrangement payable for the financial year ending 31 August 2016 as such bonuses are discretionary in nature.

(4) On 1 August 2014, Tan Sri Dr Lim Wee Chai was granted 84,000 options over ordinary Shares of RM0.50 each ("**ESOS Options**"), Puan Sri Tong Siew Bee was granted 24,000 ESOS Options, Mr. Lee Lim Meow was granted 50,400 ESOS Options, Mr. Lim Hooi Sin was granted 33,600 ESOS Options, and Mr. Lim Cheong Guan was granted 33,600 ESOS Options, each at the exercise price of RM4.64. All of the ESOS Options granted to the Directors on 1 August 2014 have been exercised.

(5) Not appointed during this period.

Past compensation figures include benefits-in-kind and any deferred compensation accrued for the financial year in question and payable at a later date. The estimated amount of compensation payable in the current financial year excludes any bonus or profit-sharing plan or any other profit-linked agreement or arrangement as such bonuses are discretionary in nature and are determined by our Board at the end of each financial year, taking into account our Company's performance for that financial year.

Save as disclosed in the sections entitled "*Shareholders and Share-Based Incentives – Top Glove Employee Share Option Scheme*" and "*Shareholders and Share-Based Incentives – Top Glove Employees' Share Grant Plan*" in this Introductory Document, we do not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees and bonus is expected to be paid on a discretionary basis.

Collective Agreement with Employees

Our employees are not covered by any collective agreements and are not unionised. The relationship and cooperation between the management and staff have been good and are expected to continue to remain so in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

Pensions and Retirement Plans

We have implemented a private retirement scheme (the "**Private Retirement Scheme**") for the long-term benefit of our employees and to help our employees build up their retirement savings. The percentage contribution to the Private Retirement Scheme is dependent on two (2) factors – (i) the business performance of our Company and (ii) each employee's annual performance review. Vesting occurs over certain periods of time, but contributions are fully vested when the employee reaches the age of 60 years. We set aside RM2 million every year to provide for the Private Retirement Scheme for our employees.

Other than amounts set aside and as disclosed in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Factors affecting our Results of Operation – Administrative and General Expenses*" of this Introductory Document, no amounts have been set aside or accrued by our Company or our subsidiaries to provide for pension, retirement or similar benefits for our employees, Directors and key executives save as disclosed above.

SERVICE AGREEMENTS

Our Company has entered into separate service arrangements (each, a "**Service Agreement**") with our Executive Directors, none of which contains any fixed terms or provides for benefits upon termination of employment.

Further, none of our Directors has entered, or proposes to enter, into any service agreement with our Company or any subsidiary or subsidiary entity of our Company which provides for benefits upon termination of employment.

DESCRIPTION OF SHARE CAPITAL

Our corporate affairs are governed by our Articles of Association, the Malaysian Companies Act and the CMSA. The following is a summary of the material provisions of our Articles of Association insofar as they relate to the material terms of our share capital. The Malaysian Companies Act differs from laws applicable to Singapore companies and their shareholders. A comparison of certain aspects of the Malaysian Companies Act applicable to us and the Singapore Companies Act applicable to Singapore companies is set forth at Appendix E of this Introductory Document. The summary below does not purport to be complete and is qualified in its entirety by reference to our Articles of Association and the applicable provisions of the Malaysian Companies Act and the CMSA.

OUR SHARE CAPITAL

As at the date of this Introductory Document, our authorised share capital is RM800,000,000 comprising 1,600,000,000 Shares and our issued and paid-up share capital is RM626,278,782 comprising 1,252,557,564 Shares (excluding 2,164,400 Shares held as treasury shares). We have only one class of shares. All of our Shares are in registered form.

The rights and privileges attached to our Shares are stated in the Memorandum and Articles of Association of our Company. There are no founder, management or deferred shares. None of our Substantial Shareholders and Directors have interests which carry different voting rights from our Shares.

TRANSFER OF SHARES

Our Articles of Association provide that all transfers of securities deposited with the Bursa Depository shall be effected in accordance with the Malaysian Companies Act, the Central Depositories Act and the Rules of Bursa Depository as defined in Section 2 of the Central Depositories Act.

The transfer of any securities or class of securities of our Company which have been deposited with the Bursa Depository shall be by way of book entry by the Bursa Depository in accordance with the Rules of Bursa Depository. The Bursa Depository may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules of Bursa Depository.

The transfer of the beneficial ownership of any securities or class of securities of our Company held by CDP's EAN which does not result in a transfer of the securities or class of securities of our Company to or from the foreign omnibus account which CDP maintains with its EAN in Malaysia shall be in accordance with the rules and regulations of SGX-ST.

In addition, our Company may require the Bursa Depository or CDP to suspend the registration of transfer at such times and for such periods as the Directors may from time to time determine, not exceeding 30 days in any calendar year. In this respect, our Company shall request the Bursa Depository or CDP, in accordance with the Rules of Bursa Depository or the terms and conditions of CDP, as the case may be, to prepare the appropriate record of depositors.

LIMITATION ON FOREIGN OWNERSHIP OF SHARES

There are limits to foreign ownership of shares in a public company in Malaysia as provided under the Foreign Share Ownership Regulation. The Foreign Share Ownership Regulation enables an issuer to establish written procedures to govern the determination of entitlement to rights and obligations in respect of or arising from the restricted shares which are shares with a quota,

restriction or limit on the ownership of Shares by a foreigner imposed on a company by its memorandum and articles of association or any other constituent documents ("**Restricted Shares**").

In accordance with the provisions of any written law, our Directors may refuse to register the transfer of any Share where the registration of the transfer would result in a contravention of or failure to observe the provisions of any rules and regulations by any relevant authority for the time being in force. Our Shares are, however, not Restricted Shares and unless and until our Shares are designated as "Restricted Shares", our Shares are not subject to the Foreign Share Ownership Regulation. We currently have no intention of designating our shares as "Restricted Shares".

ISSUANCE OF NEW SHARES

In accordance with the Bursa Listing Requirements, our Company must not issue any Shares or convertible securities if the nominal value of those Shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10.0% of the nominal value of the issued and paid-up capital (excluding treasury shares) of our Company except where the Shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

Our Company must also ensure that the Shares are not priced at more than a 10.0% discount to the weighted average market price of the Shares for the five (5) market days immediately before the price-fixing date and such Shares are not placed to an interested director, interested major shareholder, interested chief executive or interested person connected with a Director, major Shareholder or chief executive and nominee corporations, unless the names of the ultimate beneficiaries are disclosed except where the Shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue. An announcement is to be made to Bursa Securities relating to a proposed new issue of securities by our Company. Such announcement will be released simultaneously on the SGXNET.

Rights Offerings

In the event of a rights offering by our Company in Malaysia, our Company (in its absolute discretion) may, to the extent compliant with Malaysian law and where reasonably practicable to do so under Malaysian securities market practice, make arrangements for the share options allotted to CDP (through CDP's EAN) to be sold to Top Glove CDP Depositors as soon as reasonably practicable after dealings in such share options commence. The net proceeds from such sale, after deduction of all expenses therefrom, will be pooled and thereafter paid to CDP for distribution by CDP among Top Glove CDP Depositors in proportion to the respective number of Shares standing to the credit of their respective Securities Account with CDP as at the record date for the determination of allotment of such share options in a rights offering by our Company.

Where such share options are sold, they will be sold at such price or prices as our Company may, in its absolute discretion, decide, and no Top Glove CDP Depositor shall have any claim whatsoever against our Company or CDP in respect of such sale or proceeds thereof, the share options or the Shares represented by such share options. Shareholders should note that the special arrangements described above would apply only to allotments to CDP (through CDP's EAN). However, our Company reserves the right to make similar arrangements for share options which would otherwise have been allotted to certain other Shareholders as soon as practicable after dealings in the share options commence, where the holders of such share options are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Malaysian rights offering.

PRE-EMPTIVE RIGHTS

Our Articles of Association provide that, subject to the contrary that may be given by our Company in general meeting, any new Shares or other convertible securities shall before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from our Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing Shares or securities to which they are entitled. For the avoidance of doubt, such pre-emptive rights in relation to issuances of new Shares are not prescribed under the Malaysian Companies Act.

Such offer shall be made by notice specifying the number of Shares or securities offered and limiting a time within which the offer, if not accepted will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or securities offered, our Directors may dispose of the same in such manner as they think most beneficial to our Company. Our Directors may likewise dispose of any such new Shares or securities as aforesaid which, by reason of the ratio which the new Shares or securities bear to Shares or securities held by the persons entitled to an offer of new Shares or securities, cannot in the opinion of our Directors be conveniently offered in the manner provided above.

SUBSTANTIAL SHAREHOLDING DISCLOSURE – SINGAPORE

We are not a "corporation" as defined in Section 130 of the SFA. Accordingly, our Company and Top Glove CDP Depositors will not be subject to the provisions of Division 1 of Part VII of the SFA regulating substantial shareholding reporting obligations.

SUBSTANTIAL SHAREHOLDINGS AND DISCLOSURE NOTIFICATIONS – MALAYSIA

Every Substantial Shareholder (which includes all natural persons whether resident in Malaysia or not and all bodies corporate whether incorporated as carrying on business in Malaysia or not) is required to give, within seven (7) days after becoming a Substantial Shareholder, a notice in prescribed form to our Company and the Securities Commission. The notice must be given even if he has ceased to be a Substantial Shareholder before the expiration of the said seven (7) days.

Any changes in interest in the substantial shareholding (including any acquisition or disposal of Shares in our Company) must also be notified to our Company and the Securities Commission in a prescribed form within seven (7) days after the date of change in the interest.

Likewise, every Shareholder who ceases to be a Substantial Shareholder must notify our Company and the Securities Commission within seven days after he ceases to be a Substantial Shareholder.

Section 69J of the Malaysian Companies Act provides that a person who holds voting shares in a company, being voting shares in which a non-resident has an interest, is required to give notice to the non-resident in a prescribed form notifying the non-resident of the above disclosure requirement within 14 days of it/him/her becoming the registered holder of the Shares as nominee of the non-resident. In addition, if such nominee who holds voting shares in our Company knows or has reasonable grounds for believing that the interest of the non-resident in the Shares is an interest that the non-resident holds for another person, the person who holds voting shares in our Company is required to direct the non-resident to give the prescribed notice to that person. A "non-resident" means a person who is not resident in Malaysia or a body corporate that is not incorporated in Malaysia. Our Shares that are traded on the SGX-ST will be scripless shares held by CDP's EAN for and on behalf of persons who maintain, either directly or through CDP depository agents the Securities Accounts. CDP or its nominees, is a bare trustee of such Shares and will as such, not be giving such notices.

The Substantial Shareholder may apply to the Companies Commission of Malaysia and the Securities Commission for an extension of the time period of seven (7) days to give notice of his substantial shareholding or changes thereto.

The penalty for non-compliance of the above reporting requirement under the Malaysian Companies Act is a fine of up to a total of RM1.0 million with a default penalty of RM50,000.00.

In addition, a Malaysian court may on the application of the Companies Commission of Malaysia make the following order with respect to Substantial Shareholders who breach the above reporting requirements:

(a) restrain the Substantial Shareholder from disposing any of the relevant interest;

(b) restrain a person who is entitled to be registered as the holder of the relevant Shares from disposing of those Shares;

(c) restrain the exercise of any voting rights attached to the Shares in which the Substantial Shareholder has an interest;

(d) direct our Company not to make payment on any sum due in respect of any Share in which the Substantial Shareholder has an interest;

(e) direct the sale of all or any of the Shares in which the Substantial Shareholder has an interest;

(f) direct our Company not to register the transfer or transmission of certain Shares;

(g) order that any exercise of voting rights attached to specified Shares in which the Substantial Shareholder has an interest be disregarded; or

(h) direct our Company or any other person to refrain from doing a specified act.

DIVIDENDS

Our Articles of Association provide that subject to the preferential or other special rights as to dividends for the time being attached to any preference shares or any other special class of shares in the capital of our Company, the profits of our Company available for dividends shall be applied towards payment of dividends on the Shares in proportion to the amounts paid up or credited as paid up but no amount paid on a share in advance of calls shall be treated as paid-up on the share.

Our Directors may with the sanction of a general meeting from time to time declare dividends, but no such dividends shall be payable except out of profits of our Company, provided that our Directors may, if they think fit from time to time pay to the members such interim dividends as appear to them to be justified by the profits of our Company. No higher dividend shall be paid than is recommended by our Directors.

Our Directors may, before recommending any dividend, set aside out of the profits of our Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of our Company may be properly applied. Our Directors may also without placing the same to reserve, carry forward any profits which they may think prudent not to divide.

No unpaid dividend shall bear interest as against our Company. Our Directors may retain the dividends payable upon Shares in respect of which any person is entitled to become a member, or which any person is entitled to transfer, until such person shall become a member in respect of such Share or shall transfer the same.

Our Company must immediately announce on Bursa LINK and SGXNET any recommendation or declaration of a dividend, specifying the amount per Share and date of payment which is within one (1) month from the books closing date and whether the dividend is taxable. Where there is a variation in an interim or a final dividend or distribution for the corresponding period in the previous year, our Directors must state the reasons for the variation at the time of the recommendation or declaration. In instances where dividends are not declared, the recommendation or decision of our Company is also to be announced to Bursa Securities.

GENERAL MEETINGS OF THE SHAREHOLDERS

Under our Articles of Association, an annual general meeting shall be held once in every year and not more than fifteen months shall be allowed to elapse between any two (2) such general meetings, at such time and place as may be determined by our Directors, save as otherwise provided in the Malaysian Companies Act.

The abovementioned general meetings shall be called "Annual General Meetings". All other meetings shall be called "Extraordinary General Meetings".

Our Directors may, by resolution whenever they think fit, and shall, on requisition in accordance with the Malaysian Companies Act, convene an Extraordinary General Meeting.

The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all members at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an Annual General Meeting.

Notice of every general meeting shall, subject to the provisions of the Foreign Share Ownership Regulation, be given to depositors whose names appear on the record of depositors maintained by Bursa Depository or CDP (except Bursa Depository or CDP or their nominees in their capacity as bare trustee). Any general meeting to be held must be announced to the Bursa Securities as required under the Bursa Listing Requirements.

All documents issued by the Company to its Shareholders will also be despatched by the Company to persons who are Top Glove CDP Depositors, subject to compliance with all applicable rules and regulations.

VOTING RIGHTS

Our Articles of Association provide that a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote unless he is treated as if he was a member pursuant to Section 35 of the Central Depositories Act but excludes the Bursa Depository or its nominees in its capacity as a bare trustee.

No business shall be transacted at any general meeting unless a quorum is present. Two (2) members present in person or by proxy or representative in accordance with the Malaysian Companies Act shall constitute a quorum at any general meeting.

Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. No poll shall be demanded on the election of a chairman of a general meeting or on any question of adjournment which shall be carried out by a show of hands.

In the case of an equality of votes, the chairman of the general meeting shall be entitled to a second or casting vote.

Subject to our Articles of Association and any right or restriction for the time being attached to any classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney or other duly authorised representative, and on a show of hands every person who is a member or proxy of a member shall have one (1) vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share he holds which all calls due to our Company have been paid.

A proxy need not be a member of our Company and if not a member, he need not be a qualified legal practitioner, or approved Company auditor or a person approved by the Companies Commission of Malaysia. No member shall be entitled to vote or be recognised in a quorum in respect of any Shares upon which any call or other sum so due and payable shall be unpaid. Where a member of our Company is an EAN which holds Shares for multiple beneficial owners in one securities account, there is no limit to the number of proxies which the EAN may appoint in respect of each such securities account it holds. Pursuant to the Malaysian Companies Act and our Articles of Association, all Shareholders are entitled to appoint more than two (2) proxies to attend the same meeting.

PREFERRED SHARES

Under our Articles of Association, our Company shall have power to issue preference shares on such terms and conditions and carrying such rights or restrictions. Our Company may issue further preference shares ranking equally with preference shares already issued but may not, unless with the consent of existing preference shareholders at a class meeting, issue preference shares ranking in priority to the issued preference shares.

Preference shareholders shall have the same rights as Shareholders with regards to receiving notices, reports and audited accounts and attending general meetings of our Company. Preference shareholders shall also have the right to vote at any general meeting of our Company convened:

(a) when the dividend or part of the dividend on the preference share is in arrears for more than six (6) months;

(b) on a proposal to reduce our Company's share capital;

(c) on a proposal for the disposal of the whole of our Company's property, business and undertaking;

(d) on a proposal that affects rights attached to the preference share;

(e) on a proposal to wind up our Company; and

(f) during the winding up of our Company.

FINANCIAL STATEMENTS

Under our Articles of Association, our Directors shall keep proper books of accounting and other records which shall sufficiently explain the financial position or operations of our Company and subsidiaries.

Our Directors shall from time to time, in accordance with the Malaysian Companies Act, cause to be prepared and to be laid before our Company in general meeting such profit and loss accounts, balance sheets and reports as are required under the Malaysian Companies Act. Such profit and loss accounts and balance sheets together with the Auditors' report and Directors' report shall not more than four (4) months after the close of the financial year and not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, and trustee for every debenture holder of, our Company and to every other person who is entitled to receive notices from our Company.

The annual audited financial statements must be prepared by our Company on a consolidated basis. Our Company must immediately announce on Bursa LINK and SGXNET any change in our financial year end.

LIQUIDATION RIGHTS

Under our Articles of Association, if our Company shall be wound up, the liquidator may, with the sanction of a special resolution of our Company, divide among the members in kind the whole or any part of the assets of our Company and may for that purpose set such value as he deems fair upon any property to be divided and may determine how the division shall be carried out as between the members or different classes of members. The liquidator, may, with such sanction vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but so that no member shall be compelled to accept any Shares in respect of which there is a liability.

ACQUISITION BY US OF OUR SHARES

Under our Articles of Association and subject to the provisions of the Malaysian Companies Act, the Central Depositories Act, the Rules of the Depository (as defined in the Central Depositories Act) and the Bursa Listing Requirements and/or the regulations and guidelines for the time being in force, our Company may, with the sanction of our members in a general meeting, purchase our own Shares upon and subject to such terms and conditions as our Directors may in their absolute discretion deem fit, provided that the said purchase does not result in the total aggregate number of Shares purchased or held exceeding 10.0% of the issued and paid-up share capital of our Company for the time being and the prior approval of Bursa Securities has been obtained.

The Bursa Listing Requirements also provides that our Company must not purchase our own Shares unless our Shareholders have given an authorisation to our Directors to make such purchase(s) by way of ordinary resolution which has been passed at a general meeting and subject to Section 67A of the Malaysia Companies Act and Part IIIA of the Companies Regulations 1966. Further, our Company must not purchase our own Shares on Bursa Securities if that purchase will result in it breaching the public shareholding spread requirement.

An announcement must be made to Bursa Securities of any decision by our Directors to submit to Shareholders a proposal for our Company to be authorised to purchase our own Shares and the outcome of the general meeting, immediately following such meeting.

Any purchase of our own Shares, or resale of our treasury shares is effected only on the market of Bursa Securities. Our Company must not purchase our own Shares or hold any of our own Shares as treasury shares if this results in the aggregate of our Shares purchased or held exceeding 10.0% of our issued and paid-up capital. The purchase price of our own Shares must not be more than 15.0% above the weighted average market price for our Shares for the five (5) market days immediately before the purchase.

The source of funds must be wholly out of retained profits or the share premium account or both of our Company and for the purpose of calculating the total amount of retained profits or share premium available for effecting a share buy-back, our Company must not use the amount of retained profits and share premium available on a group basis.

We must announce to Bursa Securities not later than 6.30 p.m. on the day the purchase is made. As an alternative to a share buy-back, our Company may wish to reduce our capital by undertaking a reduction of capital as allowed under Section 64 of the Malaysian Companies Act. The capital reduction has to be authorised by our Articles of Association, approved by a special resolution by our Shareholders and confirmed by the Malaysian High Court.

TAKE-OVERS

As our Company is incorporated outside Singapore and does not maintain a primary listing in Singapore, we are not subject to the provisions of the Singapore Take-over Code. However, our Company is subject to take-over provisions under Malaysian law and the Malaysian Take-over Code.

The Malaysian Take-over Code, together with the practice notes issued thereunder is a piece of subsidiary legislation containing the principles and rules governing the conduct of all persons or parties involved in a take-over offer, merger or compulsory acquisition that may delay, deter or prevent a future take-over or change in control of our Company. An acquirer who has obtained control in our Company or held more than 33.0% but not more than 50.0% of the voting shares or voting rights of our Company and such acquirer acquires in any period of six (6) months more than 2.0% of the voting Shares or voting rights of our Company is required to make a mandatory general offer for the remaining Shares in accordance with the Malaysian Take-over Code.

An "acquirer" is defined in the CMSA as:

(a) a person who acquires or proposes to acquire control in a company whether the acquisition is effected by the person or by an agent; or

(b) two (2) or more persons who, acting in concert with one another, acquire or propose to acquire control in a company, whether the acquisition is effected by the persons or by an agent.

"Control" is defined in the CMSA as the acquisition or holding of, or entitlement to exercise or control the exercise of, voting shares or voting rights of more than 33% in a company. "Persons acting in concert" is defined in the CMSA as a reference to persons who, pursuant to an agreement, arrangement or understanding, co-operate to:

(a) acquire jointly, or severally voting shares of a company for the purpose of obtaining control of that company; or

(b) act jointly or severally for the purpose of exercising control over a company.

In determining whether a person is acting in concert, the Securities Commission will take into consideration the following circumstances:

(a) shareholders voting together on a resolution in one general meeting or more;

(b) shareholders acquiring Shares or rights without each other's knowledge but subsequently coming together to co-operate as a group; or

(c) shareholders making a requisition or attempting to make a requisition for board control-seeking proposal in a general meeting.

The CMSA presumes certain persons to be acting in concert unless the contrary is established. The list of persons presumed to be acting in concert in the CMSA extends to:

(i) a corporation and its related and associate corporations;

(ii) a corporation and any of its directors, or the close relative of any of its directors, or the spouse of any such director or any such relative, or any related trusts;

(iii) a corporation and any pension fund established by it;

(iv) a person and any investment company, unit trust or other fund whose investments such person manages on a discretionary basis;

(v) a financial adviser and its client which is a corporation, where the financial adviser manages on a discretionary basis the corporation's funds and has ten per centum or more of the voting shares in that corporation;

(vi) a person who owns or controls twenty per centum or more of the voting shares of a corporation falling within paragraph (i) and any close relative of such person, or the spouse of such person or any such relative, or any related trusts together with one (1) or more persons falling within paragraph (i);

(vii) partners of a partnership;

(viii) an individual and any person who is accustomed to act in accordance with the instructions of the individual, and the close relative of, companies controlled by, or related trusts of, the individual; and

(ix) a person, other than a licensed bank or a prescribed institution, who, directly or indirectly, provides finance or financial assistance in connection with an acquisition of voting shares or voting rights, with a person who receives such finance or financial assistance.

For the takeover offer obligation, CDP's EAN or its nominee will be exempted from making the above mandatory general offer on the premise that it is a mere bare trustee and is holding Shares for the beneficial owners. Thus, if you acquire Shares in our Company and reach the aforesaid thresholds, the mandatory general obligation may be triggered upon you.

SHAREHOLDERS AND SHARE-BASED INCENTIVES

OWNERSHIP STRUCTURE

The table below sets out the shareholdings of each Director who has an interest in our Shares, and each Substantial Shareholder, being a shareholder who is known by us to beneficially own 5.0% or more of our issued Shares, as at the Latest Practicable Date.

Name	Shares owned as at the Latest Practicable Date[1]					
	Direct Interest		Deemed Interest		Total	
	No. of Shares	%[2]	No. of Shares	%[2]	No. of Shares	%[2]
Directors						
Tan Sri Dr Lim Wee Chai[3]	368,785,276	29.44	64,307,588	5.13	433,092,864	34.58
Tan Sri Dato' Seri Utama Arshad Bin Ayub	800,000	0.06	–	–	800,000	0.06
Tan Sri Mohd Sidek Bin Haji Hassan	–	–	–	–	–	–
Tan Sri Rainer Althoff	–	–	–	–	–	–
Lee Kim Meow[4]	571,000	0.05	–	–	571,000	0.05
Puan Sri Tong Siew Bee[5]	18,805,096	1.50	–	–	18,805,096	1.50
Lim Hooi Sin[6]	20,199,524	1.61	–	–	20,199,524	1.61
Lim Cheong Guan	–	–	–	–	–	–
Dato' Lim Han Boon	–	–	–	–	–	–
Datuk Noripah Binti Kamso	–	–	–	–	–	–
Sharmila Sekarajasekaran	–	–	–	–	–	–
Simon Tay Seong Chee	–	–	–	–	–	–
Substantial Shareholders (who are not Directors)						
Firstway United Corp[1][7]	64,307,588	5.13	–	–	64,307,588	5.13
Employees Provident Fund Board	87,746,046	7.01	–	–	87,746,046	7.01
Others						
Public[8] (including employees)	691,334,434	55.19	–	–	–	–
Total	1,252,548,964	100	–	–	–	–

Notes:

(1) No new shares will be issued pursuant to our secondary listing on the Main Board of the SGX-ST by way of Introduction. However, Tan Sri Dr Lim Wee Chai or his associates (including Firstway United Corp) will dispose of not less than S$20 million in value of Shares within 12 months from the date of our admission to the Official List of the SGX-ST. Please refer to the section entitled "*Shareholders and Share-Based Incentives – Undertaking to the SGX-ST*" for further information.

(2) Calculated based on 1,252,548,964 Shares (excluding 2,164,400 Shares held as treasury shares) as at the Latest Practicable Date. Following the Latest Practicable Date, 8,600 Shares were issued on 21 June 2016 pursuant to the exercise of options under the ESOS.

(3) Based on the changes in director's interest notifications filed on Bursa Securities, Tan Sri Dr Lim Wee Chai is deemed interested in the Shares held by his spouse, Puan Sri Tong Siew Bee, his sibling, Mr. Lim Hooi Sin, Firstway United Corp and his son, Mr. Lim Jin Feng. However, based on Section 4 of the SFA, Tan Sri Dr Lim Wee Chai is deemed interested only in the Shares held by Firstway United Corp. The disclosure of interest provisions under Section 6A of the Malaysian Companies Act and Section 4 of the Securities and Futures Act do not materially differ. Please refer to "*Appendix E – Comparison of Malaysian Corporate Law and Singapore Corporate Law*" for further information.

(4) Based on the changes in director's interest notifications filed on Bursa Securities, Mr. Lee Kim Meow is deemed interested in the shares held by his wife, Madam Chung Lee Moy. However, based on Section 4 of the SFA, Mr. Lee Kim Meow is not deemed interested in any Shares. The disclosure of interest provisions under Section 6A of the Malaysian Companies Act and Section 4 of the Securities and Futures Act do not materially differ. Please refer to "*Appendix E – Comparison of Malaysian Corporate Law and Singapore Corporate Law*" for further information.

(5) Puan Sri Tong Siew Bee is the spouse of Tan Sri Dr Lim Wee Chai.

(6) Mr. Lim Hooi Sin is the sibling of Tan Sri Dr Lim Wee Chai.

(7) Firstway United Corp is 99.0% held by Tan Sri Dr Lim Wee Chai and 1.0% held by Puan Sri Tong Siew Bee.

(8) "Public" has the meaning ascribed to it in the Listing Manual.

UNDERTAKING TO THE SGX-ST

In connection with the Introduction and for the purpose of facilitating trading liquidity of our Shares on the SGX-ST, Tan Sri Dr Lim Wee Chai, our Executive Chairman, has undertaken to the SGX-ST that he will, or will procure that his associates (including our Substantial Shareholder, Firstway United Corp) will, dispose of not less than S$20 million in value of Shares held directly or indirectly by him or them, within 12 months from the date of our admission to the Official List of the SGX-ST.

CONTROL OF OUR COMPANY

To the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled whether severally or jointly, by any other person or government and there is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

To the best of our knowledge, there are no trust arrangements among our Directors, Substantial Shareholders, or with any other third-party as at the date of this Introductory Document.

To the best of our knowledge, save as disclosed above, there are no Directors or employees holding 5.0% or more of our Shares. There are no Shares in our Company that are held by or on behalf of our Company or by our subsidiaries.

The Shares held by our Directors and Substantial Shareholders described above do not have any interests or carry any different voting rights from the Shares of our Company held by the public.

Our Company is not aware of any contractual undertaking provided by any party to observe a moratorium on the transfer or disposal of any Shares in our Company.

TOP GLOVE EMPLOYEE SHARE OPTION SCHEME

On 1 August 2008, our Company implemented the ESOS which will expire on 1 August 2018. The by-laws governing the ESOS are set out in Appendix J of this Introductory Document. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in Appendix J of this Introductory Document, which contains the by-laws of our ESOS.

Rationale for the ESOS

The rationale for the ESOS are as follows:

(a) reward and retain valuable staff of our Group and minimise the turnover of staff which are vital to our operations, continuous growth and future expansion; and

(b) to minimise the speculation of the Shares by the Eligible Persons.

Summary of ESOS

A summary of the by-laws of the ESOS is set out as follows:

(1) Eligibility

Persons eligible for participation in the ESOS are full time employees and directors of our Group (excluding dormant subsidiaries) who have attained the age of at least 18 years old and have been confirmed in the employment of our Group. The eligibility for participation in the ESOS shall be determined at the absolute discretion of the ESOS Committee.

(2) Administration

The ESOS shall be administered by the ESOS Committee comprising not less than three (3) persons as appointed by the Board from time to time. The members of the ESOS Committee are Tan Sri Dr Lim Wee Chai, Mr. Lee Kim Meow, Mr. Lim Cheong Guan, Dato' Lim Han Boon, Mr. Hue Kon Fah and Ms. Ngian Yoke Fung.

(3) Size of ESOS

The number of new Shares that may be offered under the ESOS shall not in aggregate exceed 15% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the issued and paid-up share capital of our Company at any point in time during the duration of the Scheme.

(4) Basis of allotment and maximum entitlement

The maximum number of new Shares that may be offered to any one (1) of the Eligible Person under the ESOS shall be decided at the discretion of the ESOS Committee after taking into consideration, amongst others, the performance, seniority, number of years of service, potential contribution of the Eligible Person and/or such factors as the ESOS Committee deems fit but shall in no event exceed the following:

(a) not more than 50% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the total Shares made available under the ESOS are to be allocated in aggregate to the Directors and senior management of our Group; and

(b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the total Shares made available under the ESOS are to be allocated to any Director or employee of the Group who either singly or collectively through persons connected with him or her, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) or more of the issued and paid-up capital of our Company.

(5) Grant of Options

The ESOS Committee shall have the discretion during the duration of the ESOS to make an Offer to an Eligible Person, and may make more than one (1) Offer to an Eligible Person provided that the total number of new Shares so offered to such Eligible Person (inclusive of new Shares comprised in the Options granted to such Eligible Person and in the Offers made to such Eligible Person which remain capable of acceptance, if any) shall not be less than 100 Shares and shall always be in multiples of 100 Shares.

No Offer shall be made to a Director or a person connected to such a Director unless such Offer and the consequent allotment of new Shares (if any) to such a Director or connected person have first been approved by the shareholders of the Company in general meeting.

An Option shall be personal to the Grantee and shall be incapable of being assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever.

(6) Acceptance of Option

An Offer made by the ESOS Committee to an Eligible Person under the ESOS shall be open for acceptance by such Eligible Person for at least 30 days from the Date of Offer or such other period as may be determined by the ESOS Committee on a case-to-case basis, at its discretion.

Offers of options made to grantees, if not accepted by a notice in writing addressed to the ESOS Committee in such form as prescribed by the ESOS Committee, will lapse. Upon acceptance of the offer, the grantee must pay our Company a non-refundable sum of RM1.00 only as consideration for the acceptance of such Offer.

(7) Exercise of Option and Option Price

The Option Price of each Share comprised in any Option shall be based on:

(a) the five (5)-day weighted average market price of the Shares at the time the Options are offered, and at the ESOS Committee's discretion with either a premium or discount of not more than 10% (or such other pricing mechanisms as may be permitted by the relevant authorities); or

(b) the par value of the Shares of RM0.50 each;

whichever is higher.

The Option can only be exercised by the Grantee no earlier than two (2) years after Offer Date or such other period as may be determined by the ESOS Committee, provided however that the ESOS Committee may at its discretion or upon the request in writing by the Grantee allow the Option to be exercised at any earlier or other period.

Within eight (8) market days (or such period as prescribed or permitted by legislation or regulation) upon the exercise of the Option or part thereof and remittance for the full amount of the Option Price for the number of new Shares in respect of which the Notice of Exercise is given, our Company shall allot and issue the relevant number of new Shares, despatch or cause to be despatched the notice of allotment to the Grantee and make an application for the quotation of such new Shares subject to the provision of the Articles of Association of our Company and the Bursa Listing Requirements. The Company shall deposit the new Shares directly into the Grantee's CDS account accordingly but subject to the provisions of the Company's Articles of Association. No physical share certificate will be issued.

(8) Termination of Option

Special provisions in the by-laws of the ESOS dealing with the lapse of Options apply in circumstances which include the cessation of employment, the liquidation or winding-up of our Company and bankruptcy of the Grantee.

(9) Rights attached to Shares

The new Shares to be allotted upon an exercise of an Option shall rank *pari passu* in all respects with the then existing Shares in issue except that these new Shares will not be entitled to any dividends, rights, allotment and/or other distributions declared, made or paid prior to the date of allotment of the new Shares.

(10) Duration of the ESOS

The ESOS shall continue in force for a period of 10 years from the date of full compliance with all relevant requirements governing the ESOS, unless terminated by our Company with the approval of all its shareholders in a general meeting and the written consent of all Grantees who have yet to exercise their Options, whether in part or in whole.

In such event, no further Offers will be made by the ESOS Committee from the Termination Date and all outstanding Offers unexercised or partially exercised Options shall automatically lapse on the Termination Date.

(11) Adjustments and Alterations under the ESOS

Adjustment Events

In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, reduction of capital, subdivision or consolidation of Shares, or otherwise howsoever arising, corresponding adjustments (if any) shall be made either in the number of new Shares comprised in the Option so far as unexercised and/or the Option Price in such manner as the ESOS Committee may decide, provided that:

(a) the adjustment other than arising from a bonus issue must be confirmed in writing by the external auditors or the adviser of the Company, which must be an investment bank or any Participating Organisation (as defined in the Bursa Listing Requirements) that may act as a principal adviser under the Securities Commission's Policies and Guidelines on Issue/Offer for Securities, for the time being of the Company to be in their opinion (acting as experts and not as arbitrators) fair and reasonable; and

(b) no adjustment to the Option Price shall be made which would result in the new Shares being issued at a discount to the par value of the Shares and if such an adjustment would but for this provision have so resulted, the Option Price payable for such new Shares shall be the par value of the Shares;

The adjustments shall be made in accordance with the formulas as set out in First Schedule to these By-Laws in Appendix J of this Introductory Document, and shall be effective on the day immediately following the books closure date for the event giving rise to the adjustment.

Alterations and/or Modifications to the ESOS

The ESOS Committee may in its discretion at any time and from time to time recommend to the Board any addition, amendment to and/or modification of any of the provisions of these By-Laws of the ESOS as it deems fit. The Board has the power by resolution to add, amend and/or modify any of the provisions of the By-Laws upon such recommendation.

The approval of the shareholders of the Company in general meeting in respect of additions or amendments to or deletions of the By-Laws are not required, provided that no such addition, amendment or deletion to the By-Laws (including matters relating to items (1) to (8) of Appendix 6F of the Bursa Listing Requirements or such other matters as may be determined by Bursa Securities from time to time), if made, would render the rights of any Grantee or group of Grantees more favourable.

TOP GLOVE EMPLOYEES' SHARE GRANT PLAN

On 12 January 2016, our Company implemented an employees' share grant plan which will expire on 12 January 2026. The by-laws governing the ESGP are set out in Appendix K of this Introductory Document. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in Appendix K of this Introductory Document, which contains the by-laws of our ESGP.

Rationale for the ESGP

The rationale of the ESGP are as follows:

(a) provide our Company with flexibility to determine the most appropriate instrument to be granted to the Eligible Employees as part of our Company's efforts to motivate, reward and retain the Eligible Employees who have contributed to the growth and performance of our Group and whose services are vital to the continued growth and profitability of our Group;

(b) instil in the Eligible Employees a greater sense of ownership and belonging so as to motivate them towards strategic business objectives;

(c) increase the level of commitment, dedication and loyalty of the Eligible Employees by rewarding them with an equity stake in our Company; and

(d) make the total remuneration package more competitive in order to attract prospective high calibre employees.

Summary of ESGP

A summary of the by-laws of the ESGP is set out as follows:

(1) Eligibility

Any employee or executive director of our Group (excluding dormant subsidiaries) shall be eligible to be considered as an Eligible Employee and to participate in the ESGP if that person, as at the Award Date, has:

(i) attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) entered into a full-time or fixed-term contract with, and is on the payroll of, our Group and has not served a notice of resignation or received a notice of termination;

(iii) received confirmation of his/her service or employment in writing;

(iv) been in employment with our Group for a period of at least 12 consecutive months prior to and up to the Award Date; and

(v) fulfilled any other eligibility criteria and/or falls within such category as may be set by the ESGP Committee at any time and from time to time at its discretion.

The ESGP Committee may, at any time and from time to time at its absolute discretion, waive any of the eligibility criteria as set out above for the purpose of selecting an Eligible Employee.

Notwithstanding anything set out in the ESGP By-Laws and subject to the Bursa Listing Requirements, no Award may be granted to any person who is a director, a major shareholder[1] or the chief executive of our Company, or a Person Connected with such director, major shareholder or chief executive of our Company, unless the specific grant of that Award, and the related allotment and/or transfer of Shares pursuant to that Award, to that person shall have been approved by our shareholders in a general meeting.

(2) Administration

The ESGP shall be administered by the ESGP Committee, in its absolute discretion with such powers and duties as are conferred on it by the Board. Any decision or determination of the ESGP Committee made pursuant to any provision of the ESGP other than a matter to be confirmed by the Auditors shall be final, binding and conclusive. The members of the ESGP Committee are Tan Sri Dr Lim Wee Chai, Mr. Lee Kim Meow, Mr. Lim Cheong Guan, Dato' Lim Han Boon, Mr. Hue Kon Fah and Ms. Ngian Yoke Fung.

(3) Size of the ESGP

At any one time during the existence of the ESGP and any other schemes involving issuance of new Shares to employees which may be implemented from time to time by our Company, the aggregate number of Shares which may be awarded under the ESGP and any other schemes involving issuance of new Shares to employees which are still subsisting shall not exceed 10% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) ("**Plan Size**").

In the event the aggregate number of Shares which may be awarded under the ESGP and any other schemes involving issuance of Shares to employees which are still subsisting exceeds the Plan Size at any point in time as a result of our Company purchasing or cancelling Shares in accordance with the provisions of Section 67A of the Malaysian Companies Act and/or undertaking any corporate proposal resulting in the reduction of our Company's issued and paid-up share capital, no further Awards shall be granted by the ESGP Committee until such aggregate number of Shares awarded falls below the Plan Size.

---

[1] As defined in the Bursa Listing Requirements, a "major shareholder" means a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation.

(4) Basis of allocation and maximum allowable allocation

The number of Shares comprised in each Award shall be determined at the discretion of the ESGP Committee after taking into consideration, amongst others, the performance and seniority, years of service and potential for future development of the Eligible Employee and his/her contribution to the success and development of our Group as well as such other criteria as the ESGP Committee may deem relevant.

Subject to any adjustments to the Awards which may be made in accordance with By-Law 11, the aggregate number of Shares that may be allocated to any one (1) Participant who, either singly or collectively through persons connected with the Participant, holds 20% or more of the issued and paid-up share capital of our Company (excluding treasury shares), 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 to employees which may be implemented from time to time by our Company.

The aggregate maximum allocation to the directors and senior management of our Group (excluding dormant subsidiaries) shall not be more than 75% of the Shares to be awarded under the ESGP. The Bursa Listing Requirements do not prescribe any limit on the aggregate maximum allocation to directors and senior management under the ESGP. The aggregate maximum allocation of 75% was arrived at after taking into consideration the number of directors and senior management of our Group who are eligible to participate in the ESGP, their contribution to the growth and performance of our Group as well as our Group's intention to reward and retain such directors and senior management who are key to the strategic direction and the management of operations of our Group.

For the avoidance of doubt, the ESGP Committee shall have discretion to determine whether the Shares available for vesting under the ESGP are to be awarded to the Eligible Employees via:

(a) one (1) single Award; or

(b) several Awards,

at such times determined by the ESGP Committee, and whether the vesting of Shares comprised in the Awards are staggered in several tranches at such times and on terms determined by the Committee at its discretion. Each Award shall be separate and independent from the others.

No Eligible Employees shall participate in any deliberation or discussion on their own respective allocations and/or allocations to persons connected with them under the ESGP.

(5) Timing of Awards

The ESGP Committee may, within the Plan Period, grant Awards to any Eligible Employee, whom the ESGP Committee may in its sole and absolute discretion decide.

(6) Details and Grant of Awards

The ESGP Committee shall decide in relation to an Award, such terms and conditions including but not limited to (a) the number of Shares which are the subject of the Award, (b) the Vesting Date(s), if any, (c) the Vesting Conditions, if any, and (d) any other condition which the ESGP Committee may determine from time to time in relation to that Award.

As soon as reasonably practicable after making an Award, the ESGP Committee shall send to each Participant an Award Letter for acceptance and specifying the terms and conditions of the Award.

An Award or Vested Award shall be personal to the Participant to whom it is granted and, prior to the transfer to the Participant of the Shares to which the Vested Award relates, shall not be transferred (other than to a Participant's personal representative on the death of the Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the ESGP Committee.

(7) Acceptance of Award

The Award shall be valid for acceptance for a period of 30 days from the Award Date or such longer period as may be determined or extended by the ESGP Committee on a case-by-case basis at its discretion.

The Award, if not accepted by a notice in writing in the form prescribed by the ESGP Committee, will be deemed rejected by such Eligible Employee and will be null and void. Upon acceptance of an Award, the Eligible Employee must pay our Company a non-refundable sum of RM1.00 only or such other amount and/or in such other currency as the ESGP may determine as consideration for the Award.

Participants are not required to pay for the Shares they are entitled to receive upon vesting of the Shares comprised in the Awards.

(8) Vesting of Awards

The Shares to be issued, allotted or transferred to a Participant under an Award shall vest to the Participant in accordance with the terms of the Award and the By-Laws during his employment with the Group and in any number of times within the Plan Period for that Award as the ESGP Committee may decide in its discretion from time to time, during the normal business hours of the Company on such days and/or during such periods as the ESGP Committee may decide for the purposes of vesting of the Shares, provided that no Shares under an Award shall vest beyond the expiry of the Plan Period. The Shares comprised in an Award shall vest in multiples of and no less than 100 Shares.

The ESGP Committee shall on or before the relevant Vesting Date but not later than eight (8) Market Days after the relevant Vesting Date (or such period as may be prescribed or allowed by Bursa Securities) procure the following:

(a) crediting of the relevant number of Shares into the Participant's CDS Account as notified by the Participant in writing to the Company;

(b) despatch of a notice of allotment and/or transfer of such Shares to the Participant; and

(c) making of an application for the listing of and quotation for such relevant number of Shares (where applicable).

No physical certificates will be delivered to the Participant.

The ESGP Committee may in its discretion determine, taking into consideration, amongst others, factors such as the prevailing market price of the Shares, funding considerations and dilutive effects on our Company's capital base, future returns and cash requirements of our Group, to satisfy a vesting of Shares comprised in an Award, wholly or partly, in the form of cash rather than Shares which would otherwise have been vested to the Participant on the

relevant Vesting Date, in which event our Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Share on such Vesting Date.

(9) Termination of Awards and Unvested Shares

Special provisions in the by-laws of the ESGP dealing with the lapse or termination of awards and unvested shares apply in circumstances which include the cessation of the participant's employment, the bankruptcy of the participant and the termination of the ESGP pursuant to By-Law 15.3.

(10) Rights of Attaching to Shares

The new Shares to be allotted and issued under the ESGP shall be subject to all the provisions of our Memorandum and Articles of Association and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save and except that they will not be entitled 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.

Notwithstanding any provisions in the ESGP By-Laws, the Participants shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to our shareholders, for which the entitlement date is prior to the date on which the Shares are credited into the central depository system accounts of the respective Participants under the ESGP. The ESGP Committee may however, in its discretion, award to the Participants any dividends, rights, allotments and/or any other distributions which may be declared, made or paid on the existing Shares and held by the Trustee as Trust assets and such award is in compliance with our Memorandum and Articles of Association and the ESGP By-Laws.

(11) Duration of the ESGP

The ESGP shall continue in force for a period of 10 years commencing from the effective date of implementation of the ESGP, which shall be a date on which the last of the approvals specified in by-law 15.1 of the By-Laws of the ESGP and/or conditions have been obtained and/or complied with. On the expiry of the ESGP, any Awards with Unvested Shares (whether fully or partially) shall be deemed cancelled and be null and void.

Notwithstanding anything set out in the ESGP By-Laws and subject to compliance with applicable rules or regulations, our Company may terminate the ESGP at any time prior to the expiry of its duration. With effect from such termination date, all Awards with Unvested Shares (whether fully or partially) shall be deemed to have been terminated and be null and void and no further Awards shall be granted by the ESGP Committee under the ESGP.

(12) Adjustments and Alterations under the ESGP

Adjustment Events

In the event of any variation in the ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, bonus issue, reduction, subdivision or consolidation of Shares, reduction in share capital or any other variation) or if the Company makes a capital distribution or a declaration of a special dividend (whether in cash or in specie), the ESGP Committee may, in its sole discretion, determine whether the number of Shares which are the subject of the Award to the extent not yet vested, shall be adjusted, and if so, the manner in which such adjustments should be made.

Unless the ESGP Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition pursuant to a special issue or a private placement of securities, or upon the conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on Bursa Securities during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Notwithstanding the above, any adjustment decided to be made by the ESGP Committee (except in relation to a bonus issue) must be confirmed in writing by the Auditors or the Advisers (acting only as experts and not as arbitrators) as being in their opinion fair and reasonable and such confirmation shall be final and binding in all respects.

Alterations and/or Modifications to the ESGP

Subject to compliance with the Bursa Listing Requirements and to the approval of any regulatory authority (if required), the ESGP Committee may, in its discretion at any time and from time to time recommend to the Board any addition, amendment and/or modification to and/or deletions of all or any part of the By-Laws of the ESGP as it thinks fit and the Board has the power by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation provided that:

(a) no such addition, amendment, modification and/or deletion may be made which would adversely affect the rights attaching to any Award granted prior to such addition, amendment, modification and/or deletion except with the approval of the Participant to whom that Award is made; and

(b) no such addition, amendment, modification and/or deletion may be made to the advantage of the Participants without the prior approval of the shareholders of the Company at a general meeting.

The opinion of the Board as to whether any modification or alteration would adversely affect the rights then accrued to any Participant shall be final, binding and conclusive.

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

For purposes of this section, the following definitions will apply:

"our Group" means:

(a) our Company;

(b) a subsidiary of our Company that is not listed on the SGX-ST or any approved exchange; or

(c) an associated company of our Company that is not listed on the SGX-ST or any approved exchange and which our Group and our interested person(s) have control.

"approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual.

"interested person" means:

(a) a director, chief executive officer, or controlling shareholder of our Company; or

(b) an associate of any such director, chief executive officer, or controlling shareholder.

Certain terms such as "associate", "control", "controlling shareholder", and "interested person" used in this section have the meanings as provided in the Listing Manual and in the SFR, unless the context specifically requires the application of the definitions in one or the other as the case may be.

In general, transactions between our Group and any of our interested persons would constitute interested person transactions for the purposes of Chapter 9 of the Listing Manual. Details of the present and ongoing transactions as well as past transactions between our Group and our interested persons which are material in the context of the Introduction are set out below. Save as disclosed in this section, there are no interested person transactions that are material in the context of the Introduction for FY2013, FY2014, FY2015 and for the period from 1 September 2015 up to the Latest Practicable Date.

A transaction which value is less than S$100,000 is not considered material and is not taken into account for the purposes of aggregation in this section.

PAST INTERESTED PERSON TRANSACTIONS

Details of the past transactions between our Group and interested persons which are material, for FY2013, FY2014, FY2015 and for the period from 1 September 2015 up to the Latest Practicable Date are as follows:

(a) **Subscription by TGSB of 27% Equity in Value Add Sdn. Bhd.**

On 21 March 2013, TGSB, our Company's wholly-owned subsidiary, completed a subscription of 2,700,000 ordinary shares of RM 1.00 each and 9,504,000 redeemable preference shares of RM1.00 each in VA, representing 27% of the total equity of VA for a total consideration of RM12,204,000 (the "**Subscription**"). At the time of the Subscription and as at the Latest Practicable Date, our Directors, Tan Sri Dr Lim Wee Chai and Mr. Lim Hooi Sin, had a 68% and 5% shareholding interest respectively in VA.

The Subscription was subscribed at par value of the capital of VA and entered into and carried out on an arm's length basis on normal commercial terms and was not prejudicial to the interests of our Company or our minority Shareholders.

(b) **Tenancy agreement between TGSB and Cheerful Effect Sdn Bhd**

On 1 May 2010, TGSB, our Company's wholly-owned subsidiary, entered into a tenancy agreement with Cheerful Effect Sdn Bhd ("**Cheerful Effect**") in which TGSB agreed to lease part of No. A-11-01, Tower 1, Empire Tower, Jalan SS16/1, SS16, 47500 Subang Jaya from Cheerful Effect (the "**Tenancy Agreement**"). The lease period was from 1 May 2010 to 30 April 2013 (with an option to renew for a further term of three (3) years with an increased rental of RM30,900 per month). TGSB has since terminated the Tenancy Agreement and the lease has expired. At the time of entry into the Tenancy Agreement, our Director, Tan Sri Dr Lim Wee Chai, had a 99.99% shareholding interest in Cheerful Effect.

The total amount of rent paid by TGSB to Cheerful Effect pursuant to the Tenancy Agreement in the last three (3) financial years is as follows:

	FY2013	FY2014	FY2015[(1)]
Rent paid (RM)	321,344.00	370,800.00	339,900.00

Note:

(1) The final payment of rent was on July 2015.

The Tenancy Agreement was entered into and carried out on an arm's length basis and on normal commercial terms with reference to prevailing market prices and was not prejudicial to the interests of our Company or our minority Shareholders.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

Details of the present and ongoing transactions between our Group and interested persons which are material in the context of the Introduction, for FY2013, FY2014 and FY2015 and for the period from 1 September 2015 up to the Latest Practicable Date (the "**Relevant Period**") are as follows:

Purchase of Latex

Our Group purchases latex from Hadsyn Latex Co., Ltd ("**Hadsyn**") and Thaima Rubber Co., Ltd ("**Thaima**"). Hadsyn and Thaima are controlled by Dato' Lim Kwee Fatt, who is the eldest brother of Tan Sri Dr Lim Wee Chai, our Executive Chairman and Substantial Shareholder, and Mr. Lim Hooi Sin, our Executive Director. The aggregate value of the contracts with Hadsyn and Thaima for FY2013, FY2014, FY2015 and for the Relevant Period, are as follows:

	FY2013	FY2014	FY2015	Relevant Period
Aggregate value of contracts with Hadsyn (RM'000)	25,545	14,296	11,117	8,153
Aggregate value of contracts with Thaima (RM'000)	10,575	6,508	4,579	7,303

These purchases from Hadsyn and Thaima were conducted by our Group's procurement department through annual contracts and spot purchases with reference to the market prices of the MRB. Each of Hadsyn and Thaima are one of many suppliers of latex to our Group and we only acquire latex from Hadsyn and Thaima at prices which we deem to be competitive in the marketplace. As such, the purchases of latex from Hadsyn and Thaima were on an arm's length basis and on normal commercial terms and not prejudicial to the interests of our Company or our minority Shareholders.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

As the listing of our Shares on the SGX-ST is a secondary listing, with a primary listing on Bursa Securities, we are subject to limited regulatory oversight by the SGX-ST. As such, any interested person transactions involving our Group would not be subject to the SGX-ST's requirements for disclosure or shareholder approval. Instead, any related party transactions (as defined under the Bursa Listing Requirements) involving our Group may be subject to the Bursa Listing Requirements and the Malaysian Companies Act.

Our Audit Committee reviews any related party transactions that may arise within our Group. Our Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders, and in accordance with the Bursa Listing Requirements. All reviews by our Audit Committee are reported to our Board for its further action.

POTENTIAL CONFLICTS OF INTEREST

Save as disclosed below, none of our Directors nor our Controlling Shareholders or any of their associates has any interest, direct or indirect:

(a) in any transactions to which our Company or any of our Subsidiaries was or is a party;

(b) in any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group, save for any interests in quoted or listed securities which do not exceed 5.0% of the total amount of issued securities in that class; and

(c) in any company that is our customer or supplier of goods or services, save for any interests in quoted or listed securities which do not exceed 5.0% of the total amount of issued securities in that class.

LKF Group

Dato' Lim Kwee Fatt, the eldest brother of Tan Sri Dr Lim Wee Chai and Mr. Lim Hooi Sin, and his direct immediate family[1] (excluding Tan Sri Dr Lim Wee Chai and Mr. Lim Hooi Sin) ("**Dato' Lim Kwee Fatt Group**") have controlling interests in certain entities, including without limitation, Rubbercom Sdn. Bhd., A1 Holding Berhad, A1 Glove Sdn. Bhd., A1 Glove Manufacturing Sdn. Bhd., A1 Rubber Sdn. Bhd., Titi Latex Sdn. Bhd., Titi Glove Sdn. Bhd., Hadsyn Latex Co., Ltd., Hadsyn Rubber Co., Ltd, and Thaima Rubber Co., Ltd, (collectively, the "**LKF Group**"). Based on searches conducted on the entities, as at the Latest Practicable Date, the LKF Group primarily

---

[1] "direct immediate family" for the purposes of this Introductory Document, is taken to mean the spouse of Dato' Lim Kwee Fatt and his children (including his son, Mr. Lim Chin Chong) and their respective spouses.

engages in the production of latex concentrate and other rubber products for sale to third parties both in Malaysia and overseas, and the production of latex concentrate and latex examination gloves under customer brands for sale to third parties in both Malaysia and overseas.

The Independent Directors are of the view that no conflict of interest exists between our Group and the LKF Group as Tan Sri Dr Lim Wee Chai and Mr. Lim Hooi Sin are financially independent of the Dato' Lim Kwee Fatt Group and the LKF Group, and business interests and family relationships are kept separate and managed independently. In addition, Tan Sri Dr Lim Wee Chai and Mr. Lim Hooi Sin are not involved in any capacity (whether in approving the transactions between our Group and the LKF Group or otherwise), and none of Tan Sri Dr Lim Wee Chai, Mr. Lim Hooi Sin and their respective associates (excluding the members of the Dato' Lim Kwee Fatt Group and their respective associates) have any shareholdings in the LKF Group. Furthermore, the businesses of the LKF Group and our Group are distinguishable and of different scales. To the best of our knowledge and based on searches conducted on the aforementioned entities, these entities primarily produce latex concentrate and other products for the LKF Group's own use and also sells to third party purchasers, whereas our Group's production of latex concentrate is solely for use in our own factories. In addition, we believe that we cater to a different profile of customers as our Company is listed and has a leading market position.

INTERESTS OF EXPERTS

None of the experts named in this Introductory Document:

(a) is employed on a contingent basis by our Company or any of our subsidiaries;

(b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or

(c) has a material economic interest, whether direct or indirect, in our Company.

INTERESTS OF THE JOINT MANAGERS TO THE INTRODUCTION AND THE JOINT MALAYSIAN PRINCIPAL ADVISERS TO OUR COMPANY

The Joint Managers, Joint Malaysian Principal Advisers and their affiliates engage in transactions with, and perform services for our Group in the ordinary course of business and have engaged, and may in the future engage, in commercial banking and investment banking transactions, private banking, securities trading, asset and funds management, research, insurance and/or advisory services, with our Group, for which they have received, and may in the future receive, customary compensation. Save as disclosed herein, in the reasonable opinion of our Directors, the Joint Managers and Joint Malaysian Principal Advisers do not have a material relationship with our Company.

In the ordinary course of their various business activities, the Joint Managers, Joint Malaysian Principal Advisers and their respective affiliates (or any of them) may make, issue or hold a broad array of investments and enter into secondary market transactions or actively trade debt and equity securities (including but not limited to equity derivatives, warrants and other structured instruments) and financial instruments (including bank loans) for their own account and for the account of their customers and such investment and securities activities may involve securities (including but not limited to Shares) and/or instruments of our Company. Such transactions would be carried out as bilateral trades with selected counterparties separately from any sale or issue of the Shares to which this Intoductory Document relates. The Joint Managers, Joint Malaysian Principal Advisers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGULATIONS

We operate in a highly regulated industry. The following description is a summary of material laws and regulations applicable to our business. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. Prospective investors should consult their own advisers regarding the implication of these regulations on our business, and consequently their investment in our Company.

Permits, Licences, Approvals, Certifications and Government Regulations

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. Our Directors believe that, as at the Latest Practicable Date, we have obtained all requisite approvals and are in compliance with all approvals, licences, permits, laws and regulations that would materially affect our business operations, save as disclosed in this Introductory Document. The following sets out the relevant laws and regulations which are generally applicable to our business:

MALAYSIA

Please refer to the section entitled "*Business – Material Licences*" for information on the licences and permits material to our operations in Malaysia.

Certificate of Fitness for Occupation (CF)/Certificate of Completion and Compliance (CCC)

The Street, Drainage and Building (Amendment) Act 2007 ("**Act A1286**") provides that without prejudice to any penalty that may be imposed, the erection of a building without any approved plans and specifications by the local authority under Act A1286 immediately before the date of coming into operation of Act A1286 shall be subject to the provisions of the Street, Drainage and Building Act 1974 ("**Act 133**") (as if Act 133 has not been amended by Act A1286) provided that (a) an application for the approval of the plans and specifications of the building is made to the local authority on or after the date of coming into operation of Act A1286; and (b) the application referred to in paragraph (a) is approved.

In respect of factories erected prior to 12 April 2007:

Under the relevant By-Laws, no person shall occupy or permit to be occupied any building or any part thereof, unless a CF for such building has been issued. Failure to comply with such a requirement under the By-Laws amounts to an offence under Act 133 which carries a fine not exceeding RM10,000.00 and a further fine of RM250.00 for every day during which the offence is continued.

Factories erected without building plans

Act 133 prior to Act A1286 provides that no person shall commence the erection of a building unless such work is commenced within twelve (12) months from the date on which the plans and specifications of such building were approved by the local authority. Any person who commences erection of a building in contravention of this requirement shall be liable on conviction to a fine not exceeding RM10,000.00 and shall also be liable to a further fine of RM250.00 for every day during which the offence is continued after conviction.

Factories erected without planning permission

The Town and Country Act 1976 provides that a person who, whether at his own instance or at the instance of another person commences, undertakes, or carries out, or permits to be commenced, undertaken, or carried out, any development without a valid planning permission commits an offence and is liable, on conviction, to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine which may extend to RM5,000.00 for each day during which the offence continues after the first conviction for the offence.

In respect of factories erected on or after 12 April 2007:

Pursuant to Act 133 (duly incorporating the amendments in Act A1286), any person who occupies or permits to be occupied any building or any part thereof without a CCC shall be liable to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding ten years or to both.

Factories erected without building plans

Act 133 provides that no person shall commence the erection of a building unless such work is commenced within twelve (12) months from the date on which the plans and specifications of such building were approved by the local authority. Any person who commences erection of a building in contravention of this requirement shall be liable on conviction to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding three (3) years or to both and shall also be liable to a further fine of RM1,000.00 for every day during which the offence is continued after conviction.

Factories erected without planning permission

The Town and Country Act 1976 provides that a person who, whether at his own instance or at the instance of another person commences, undertakes, or carries out, or permits to be commenced, undertaken, or carried out, any development without a valid planning permission commits an offence and is liable, on conviction, to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine which may extend to RM5,000.00 for each day during which the offence continues after the first conviction for the offence.

Business Licences

The business licences are issued by the respective local municipals in accordance with their own by-laws. These by-laws are issued pursuant to the Local Government Act 1976 ("**LGA**") which provides that a local authority may, by by-law, rule or regulations prescribe for the breach of any by-law, rule or regulation a fine not exceeding RM2,000.00 or a term of imprisonment not exceeding one (1) year or to both and in the case of a continuing offence a sum not exceeding RM200.00 for each day during which such offence is continued after conviction. Section 119 of the LGA further provides that every person who is guilty of any offence against the LGA or any by-law, rule or regulation for which no penalty is expressly provided shall on conviction be liable to a fine not exceeding RM2,000.00 or to a term of imprisonment not exceeding one (1) year or to both.

Industrial Co-Ordination Act 1975

Pursuant to section 3(1) of the ICA, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity by MITI. The Industrial Co-Ordination (Exemption) Order 1976 provides that the Minister of International Trade and Industry exempts from all provisions of the ICA, manufacturing activities with shareholders' funds of less than RM2.5 million and with less than 75 employees.

The ICA defines "manufacturing activity" as "the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

Malaysian Rubber Board (Licensing and Permit) Regulations 2014

The MRBR regulates the planting, transporting, buying and selling of rubber, licensing of such activities, packing, shipping and export of rubber, rubber plants, and rubber planting materials.

Regulation 3(1) of the MRBR prohibits a person from:

(a) buying, storing, selling, processing or packing, or exporting rubber;

(b) buying and storing rubber for the manufacturing of rubber products;

(c) exporting rubber gloves; or

(d) buying, storing or selling, or germinating, growing, planting or transplanting rubber planting materials for commercial purposes,

unless the person holds a valid licence issued pursuant to an application made under Regulation 4 to carry on such activity. Regulation 3(2) provides that a person who contravenes Regulation 3(1) shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM100,000 or imprisonment for a term not exceeding three (3) years or to both.

Goods and Services Tax Act 2014

Section 9 of the GST Act provides, amongst others, that a tax shall be charged and levied on any supply of goods or services made in Malaysia, including anything treated as a supply under the GST Act.

All supplies of goods exported from Malaysia are zero rated. However, goods supplied by the Group in Malaysia are subject to GST at standard-rates.

Environmental Quality Act 1974

The Environmental Quality Act 1974 ("**EQA**") and the regulations and orders made thereunder are legislation related to the prevention, abatement, control of pollution and enhancement of the environment in Malaysia. The EQA states, amongst others, that the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or waste, or the emission of noise into any area, segment or element of the environment may be specified by regulations. The Director General of Environment has been appointed to administer the EQA and any regulations and orders made thereunder through the DOE.

Our Group is subject to the Clean Air Regulations, Environmental Quality (Sewage) Regulations 2009 and Environmental Quality (Industrial Effluent) Regulations 2009 made under the EQA. Pursuant to the Clean Air Regulations, our Group has obtained the approval of the Department of Environment Selangor and Negeri Sembilan to use manufacturing equipment which may emit pollutant gas and other infrastructure controlled by the air pollution scrubber system. Pursuant to the Environmental Quality (Sewage) Regulations 2009, our Group has also obtained the approval of Department of Environment Selangor and Negeri Sembilan to construct waste water treatment plants.

The Minister charged with the responsibility of environmental protection may also issue a prohibition order to the owner or occupier of any industrial plant or process to prevent its continued operation and the release of environmentally hazardous substances, pollutants or wastes either absolutely or conditionally or for such period as he may direct or until requirements to make remedy as directed by him have been complied with.

Factories and Machinery Act 1967

The FMA relates to the control of factories with respect to matters regarding safety, health and welfare of persons therein, registration and inspection of machinery currently under operation. Under the FMA, various regulations such as the Factories and Machinery (Safety, Health and Welfare) Regulations, 1970 (Revised-1983) and the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 have been passed.

Section 34(2)(a) of the FMA provides that, "No person shall except with the written permission of the Inspector begin to use any premises as a factory until one month after he has served on the Inspector a written notice in the prescribed form."

Further, Section 36(1) of the FMA provides that,

"No person shall install or caused to be installed –

(a) any machinery in any factory; or

(b) any machinery in respect of which a certificate of fitness is prescribed,

except with the written approval of the Inspector."

Other regulations made under the FMA include the following:

(a) Factories and Machinery (Noise Exposure) Regulations 1989. These regulations cover matters such as the permissible exposure limit, exposure monitoring, methods of compliance, hearing protection devices and audiometric testing programme; and

(b) Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970. These regulations provide, amongst others, for the notification of the operation of factory and use of machinery, the types of machinery which require certificates of fitness, and the procedures for the inspection of factories and machineries by Inspectors who are appointed pursuant to section 4 of the FMA.

Under the FMA, any person who contravenes the provisions of the FMA or any regulation made under the FMA shall on conviction of an offence be liable to a fine or imprisonment or to both.

Our Group is required to obtain certificates of fitness in respect of its steam boilers, unfired pressure vessels and air receivers for so long as the machines are in service. Our Group has obtained the necessary certificates and approvals for its operations under the FMA material to our business.

Occupational Safety and Health Act 1994

OSHA contains provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, to establish the National Council for Occupational Safety and Health, and for matters connected therewith. Under the OSHA, various regulations such as the Occupational Safety And

Health (Safety and Health Committee) Regulations 1996 and the Occupational Safety And Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 have been passed.

The OSHA applies to various industries which includes manufacturing and wholesale and retail trades and sets out, amongst others, the general duties of employers and self-employed persons to their employees, general duties of designers, manufacturers and suppliers, general duties of employees and prohibition against use of plant or substance. Under Section 16 of the OSHA, it is provided that "except in such cases as may be prescribed, it shall be the duty of every employer and every self-employed person to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all his employees."

Breaches of the OSHA are punishable by fines, imprisonment or both.

Our Group is subject to the requirements to establish an occupational safety and health committee and to employ a safety and health officer at the place of work as it currently employs more than 40 employees. The occupational safety and health committee was set up since the start of our operations and a safety and health officer had also been appointed since then.

THAILAND

Please refer to the section entitled "*Business – Material Licences*" for information on the licences and permits material to our operations in Thailand.

Factory Act. B.E.2535 (1992) ("Factory Act")

Factory construction, operation, expansion, and safety conditions are governed by the Factory Act, which is administered by the Department of Industrial Works, the Ministry of Industry. A 'factory' is defined as any premise or vehicle that uses machinery of five (5) Horse Power or more or that employs seven (7) or more workers for manufacturing, producing, assembling, packing, repairing, maintaining, testing, improving, processing, supplying, storing or destroying anything included in the 107 classes or types of factories currently listed in the Ministerial Regulations.

The Factory Act divides factories into three (3) groups. TGM (Thailand), TG (Thailand), BTI (Thailand) and GG (Thailand) have factories in Group 3, namely, a factory of class, type and size of establishment that must first obtain a licence (the "**Factory Licence**") and before the operation thereof can be commenced, the operator must inform the authority 15 days in advance. The Factory Act does not apply to factories owned and operated by government agencies for the purpose of national security or safety, but, in its operation, the said factories shall operate in accordance with the criteria and procedures relating to the operation under this Factory Act.

An application for a Factory Licence in Group 3 must be filed with drawings and particulars of the proposed factory, its machinery and effluent treatment system. Information and documents that are required for the application include the amount of investment in factory construction and operation, the number and grades of factory workers, the detail of production and length of time projected for start-up together with maps and plans showing the nature of machinery and the location thereof. Only factories which fall within the scope specified in the Announcement of the Ministry of Natural Resources and Environment must also file an environment report made in the form of an Environment Impact Assessment Report, Environmental Health Impact Assessment Report, Environmental and Safety Assessment Report, or Initial Environmental Examination Report (as the case may be) to be approved by the Office of Natural Resources and Environmental Policy and Planning. The Factory Licence will be issued when the environment report has been approved.

The Factory Licence is valid until the last day of the fifth calendar year as from the year of commencement of the engagement in the factory business. An application for renewal of a Factory Licence must be done prior to its expiration. Annual fees are required to be paid in accordance with the criteria, procedures and rates as provided for in the ministerial rules throughout the period of engagement in the factory business. Failure to pay the fees within the specified period shall result in the payment of additional money at five percent of the annual fees per month and the relevant authority has the power to order the company in default to stop the engagement in the factory business if such failure to pay fees is without reasonable ground.

Public Health Act B.E.2535 (1992) ("Public Health Act")

The production of rubber gloves and rubber finger pouches may cause danger to the health of the public. The operation of any businesses or performance of any act being detrimental to health is governed by the Public Health Act. The Ministry of Public Health has power to promulgate and prescribe in the Royal Government Gazette any business that is detrimental to health. It is forbidden to operate a business in the categories specified unless a licence ("**Licence to Operate Business Detrimental to Health**") is obtained from the local official under local provisions prescribing rules, procedures and conditions for application for a licence or such matter. All licences issued under this Public Health Act, including the Licence to Operate Business Detrimental to Health, are valid for one (1) year from the date of issuance. An application for renewal of a Public Health Act Licence must be submitted before it expires. Upon submission of application and payment of the prescribed fee, business operations may continue until local official issues an order not to renew the relevant licence.

Rubber Control Act B.E. 2542 (1999) ("Rubber Control Act")

Buying, selling, exporting and transforming rubber which is not a finished product made from rubber is restricted under the Rubber Control Act. A licence is required from the Director-General of Department of Agriculture, Ministry of Agriculture and Cooperatives or a designated person in order for a business operator, who does not operate business of rubber plantation, to perform such activities. The mentioned licence are valid for one year from the date of issuance and the application to renew the licence must be submitted to the relevant authority before it expires. Upon submission of the renewal application, the applicant may continue to operate its business as usual until there is an order not to renew the relevant licence.

Investment Promotion Act B.E. 2520 (1977) ("Investment Promotion Act")

The Board of Investment (**"BOI"**) was set up under the Investment Promotion Act for the purposes of encouraging investment in Thailand. Under the Investment Promotion Act, foreigners who undertake to make major investments and transfer technology to Thailand are granted full foreign ownership rights. BOI privileges are generally granted for manufacturing products as well as certain non-manufacturing activities. To qualify for BOI privileges or promotion, foreign nationals are usually obliged to transfer a specific amount of capital, technology and equipment technology into Thailand within the period and under the conditions stipulated by the BOI.

Generally, the BOI offers two kinds of benefits: tax-based incentives, such as corporate tax exemptions and tariff exemptions on imports, and non-tax privileges, such as permission for foreign nationals to take 100% ownership of the business, to own land, and beneficial visa and work permit policies. The non-tax privileges are available to all BOI-promoted projects, regardless of location or type of industry. Tax-based incentives, on the other hand, will depend on various factors associated with the activity to be promoted for enhancing the nation's competitiveness.

Labour Protection Act B.E. 2541 (1998) ("Labour Law")

Section 108 of the Labour Law provides that any employer with ten (10) or more employees shall arrange and have the work rules in Thai language posted at the office premise, and such rules shall, at least, have the following particulars:

(a) working days, regular working hours, and rest period;

(b) holidays and rules governing holidays and work stoppage;

(c) rules on overtime work and holiday work;

(d) date and place of payment of wage, overtime pay, holiday work pay, and overtime on holiday pay;

(e) leave of absence and rules on leave of absence;

(f) discipline and disciplinary measures;

(g) grievance; and

(h) termination of employment, severance pay and special severance pay.

The benefits of employees are established by their respective employment contracts, work rules and regulations under Labour Law.

Thai Revenue Code and Customs Law

Thailand's principle taxes are prescribed in the Thai Revenue Code. The Thai Revenue Code prescribes three (3) classes of taxation on income and consumption. The first tax class is the corporate income tax that is applicable to companies. The second tax class is the personal income tax that is applicable to individuals. The third tax class are the value added tax and the specific business tax.

TAXATION

The following discussion is limited to a general description of certain tax consequences in the jurisdictions described below with respect to the ownership of the Shares. It does not purport to be comprehensive nor exhaustive and is not intended to be and does not constitute legal or tax advice. This summary is based on current tax laws in Malaysia and Singapore and is subject to changes in such laws, or in the interpretation thereof. Such changes may be retrospective. While the comments are considered to be a correct interpretation of existing laws in force as at the Latest Practicable Date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur.

The discussion below is not intended to constitute a complete analysis of all the tax consequences relating to the acquisition, ownership and disposal of the Shares by any person. Each prospective investor in the Shares should therefore consult its own tax advisers concerning the tax consequences of an investment in the Shares.

MALAYSIA TAXATION

Tax Residence

Under Malaysian tax law, a company is regarded as a resident if the management and control of its affairs is exercised in Malaysia. There is a considerable body of case law which shows that management and control will vest in the place where the directors meet and make major decisions. In practice, the Malaysian Inland Revenue Board will generally consider the location of the board of directors' meetings and the nature of decisions made at the directors' meeting when ascertaining a company's tax residence status. Resident companies are generally subject to Malaysian income tax at the prevailing corporate tax rate of 25% for the Years of Assessment ("**YA**") 2009 to 2015, and will be reduced to 24% with effect from the YA 2016 except for resident companies with a paid up capital in ordinary shares of RM2.5 million or less and is not related to a company with a paid up capital in ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA, which are entitled to a preferential tax rate of 20% (reduced to 19% with effect from YA 2016) on the first RM500,000 of their chargeable income. Non-resident companies are subject to a flat corporate tax rate of 25% of their chargeable income, and will be reduced to 24% with effect from the YA2016 except for interest (other than interest income which are exempted from tax under Schedule 6 of the Income Tax Act 1967) and royalty income, which are taxed at 15% and 10% respectively. These rates of 15% and 10% may be reduced under the double taxation agreement between Malaysia and the country of residence of the recipients of the interest and royalty income.

The rules for determining the tax residence of individuals in Malaysia are complex, but are generally based on the physical presence of the individuals in Malaysia. In YA2015, a resident individual is subject to tax at rates ranging from 0% to 25% (increased to 28% with effect from YA2016) and entitled to certain personal reliefs and tax rebates. A non-resident individual is subject to tax at a flat rate of 25% (increased to 28% with effect from YA2016) and is not entitled to any personal relief or tax rebates.

Income Tax

As the Shares will be listed on the Main Market of Bursa Securities, any proceeds arising from the sale, assignment, transfer or other disposition of the Shares that constitute income to the holder of the Shares are likely to be derived from Malaysia. Its taxability depends on whether the holder of the Shares has a permanent establishment or place of business in Malaysia. If so, the proceeds will be regarded as business income (instead of capital gains) and subject to Malaysian income tax where the holder is in the business of trading or dealing in the Shares.

Stamp Duty

Stamp duty will not apply to any instrument of transfer of securities in companies listed on Bursa Securities where the transaction is undertaken through the existing scripless book entry system maintained by the Bursa Depository. However, these shares are transacted by way of contract notes, which will be subject to a stamp duty at the rate of 0.1% of the purchase price of the Shares so transacted; but this is currently capped at RM200 on transactions for the account of foreign investors.

Tax on Dividends

Prior to 2008, Malaysia adopted an imputation system of taxation for resident companies. The Finance Act 2007 introduced a shift to a single-tier system which has completely phased out the imputation system with effect from 1 January 2014.

The single-tier system has removed the dividend franking requirements for Malaysian resident companies, i.e. they will no longer be required to deduct tax on dividends paid to shareholders. The tax paid by a Malaysian resident company constitutes a final tax and dividends paid by the company are tax exempt in the hands of the shareholders.

Tax exempt dividends can also be distributed from the exempt income account without deduction of tax by Malaysian companies enjoying certain tax incentives or receiving tax exempt dividends or foreign-source income or had chargeable income for YA 2000 (preceding year basis) on which tax payable was waived. Our Company has several exempt income accounts from which tax-exempt dividends may be distributed. Malaysian law generally provides for a two-tier exemption, i.e. the Malaysian company may distribute tax exempt dividends to its shareholders, which may, if it is a Malaysian resident company, in turn distribute tax-exempt dividends to its shareholders. Thereafter, any dividends paid out by the last mentioned shareholder (being a company) would no longer be tax-exempt.

No Malaysian withholding taxes are imposed on dividends paid from Malaysian corporations to non-resident shareholders.

Capital Gains Tax/Real Property Gains Tax

Currently, there is no Malaysian tax on capital gains arising from the disposal of securities (including shares, bonds and loan stock) of companies which are not Real Property Companies ("**RPC**"). At this juncture, our Company is not a RPC.

Gains on the disposal of shares in a RPC are subject to real property gains tax. Under the Real Property Gains Tax Act 1976, in the case where a company is the disposer, gains on disposal within three (3) years after the date of acquisition is taxed at 30%, gains on disposal in the fourth year after the date of acquisition is taxed at 20%, gains on disposal in the fifth year after the date of acquisition is taxed at 15% and gains on disposal in the sixth and subsequent years after the date of acquisition is taxed at 5%.

Relief from Taxation

Recipients of dividends or other Malaysian income who are residents in countries having tax treaties with Malaysia are advised to consult their own tax advisers on whether they may claim double taxation relief in accordance with such treaties (or under domestic legislation) if such income is taxed in their respective countries.

Holders of Shares are advised to consult their own tax advisers concerning the Malaysian tax implications of holding, exchanging, selling, assigning, transferring or otherwise disposing of the Shares.

SINGAPORE TAXATION

Singapore Income Tax

Individual Taxpayers

An individual is regarded as a tax resident in Singapore in a Singapore Year of Assessment ("**YA**") if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, unless the income is specifically exempt from tax in Singapore. All foreign-sourced income received or deemed received (except for income received through a partnership in Singapore) in Singapore on or after 1 January 2004 by a Singapore tax resident individual is generally exempted from Singapore income tax if the Inland Revenue Authority of Singapore ("**IRAS**") is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is subject to tax at progressive rates, ranging from 0% to 20.0% (22.0% with effect from YA2017).

Non-Singapore resident individuals are also subject to Singapore income tax on income accruing in or derived from Singapore, unless the income is specifically exempt from tax in Singapore. Non-Singapore resident individuals are not taxed on foreign-sourced income received in Singapore.

Non-Singapore resident individuals receiving Singapore employment income are taxed at a flat rate of 15.0% or resident rates whichever gives rise to a higher tax payable. Any other Singapore-sourced income is taxed at a flat rate of 20.0%.

Corporate Taxpayers

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore or received in Singapore from outside Singapore, unless the income is specifically exempt from tax in Singapore. Foreign-sourced income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by Singapore tax resident companies are exempt from tax if certain prescribed conditions are met.

The first S$300,000 of normal chargeable income is exempt from tax as follows:

(a) 75.0% of up to the first S$10,000; and

(b) 50.0% of up to the next S$290,000.

The remaining chargeable income (after deducting the applicable tax exemption of the first S$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently at 17.0%.

For YA2016 and YA2017, companies will be granted a 30% corporate tax rebate capped at S$20,000 for each YA.

Dividend Distributions

Dividends payable by our Company on our Shares will be declared in Ringgit Malaysia and paid to Top Glove CDP Depositors in Singapore Dollars. Singapore does not impose withholding tax on dividend payment.

As our Company is incorporated in Malaysia and will not be tax resident in Singapore, dividends paid by our Company would be considered as foreign-sourced income.

Dividends paid by our Company will be exempt from Singapore income tax when received by an individual investor regardless of whether the individual investor is resident or non-resident of Singapore (except for such income received through a partnership in Singapore by resident individual investors).

Dividends paid by our Company and received in Singapore by a Singapore tax resident corporate investor will be subject to Singapore income tax unless an exemption applies to the foreign sourced dividend income received in Singapore.

Dividends paid by our Company and received in Singapore by a non-Singapore tax resident corporate investor will be subject to Singapore income tax, unless the investor can be regarded as a foreign business which is not operating in or from Singapore.

Shareholders/investors are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement that their country of residence may have with other jurisdictions.

Capital Gains Tax

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterisation of capital gains. Hence, gains arising from the disposal of shares are not taxable in Singapore unless IRAS regards the seller as carrying on a trade of buying and selling shares, in which case, the profits on disposal will be construed to be of an income nature and taxable.

Gains derived by a divesting company from the disposal of ordinary shares in an investee company are exempt from tax if immediately prior to the date of share disposal, the divesting company had legally and beneficially held at least 20.0% of the ordinary shares in the investee company for a continuous period of 24 months. This tax exemption is applicable to disposals made during the period from 1 June 2012 to 31 May 2022 (both dates inclusive).

In addition, shareholders who have adopted or are required to adopt Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**") for financial reporting purposes may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on our shares, irrespective of the disposal. If so, the gains or losses recognised may be taxed or allowed as a deduction even though they are unrealised. Shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their ownership and disposal of our Shares arising from the adoption of FRS 39.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of shares at the rate of 0.2% of the consideration for or market value of the Shares, whichever is higher. The purchaser is liable for stamp duty unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. If the instrument of transfer is executed outside Singapore, stamp duty is payable if such instrument is subsequently is received in Singapore.

The above stamp duty is not applicable to scripless transfer of shares through the CDP system.

Goods and Services Tax ("GST")

GST is a tax on domestic consumption of goods and services and on the importation of goods into Singapore. The standard rate of GST is currently at 7.0%.

The sale of shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply for GST purposes. Any GST incurred by a GST-registered investor in the making of such an exempt supply is generally not recoverable from the Comptroller of GST.

Where the shares are sold by a GST-registered investor in the course of business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale would generally be regarded as a taxable supply subject to GST at 0% if certain conditions are satisfied. Any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of the shares will be subject to GST at the prevailing rate of 7.0%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate Duty

Singapore estate duty has been abolished with effect from 15 February 2008.

CLEARANCE AND SETTLEMENT

A letter of eligibility has been obtained from the SGX-ST for the listing of our Shares. Upon admission to the Official List of the SGX-ST, we will be listed on both the SGX-ST and Bursa Securities, with Bursa Securities being the primary exchange and the SGX-ST being the secondary exchange on which are Shares may be traded. Our Shares are quoted in Ringgit Malaysia on Bursa Securities, and will be quoted in Singapore Dollars on the SGX-ST. For the purpose of trading on the SGX-ST, a board lot for our Shares will comprise 100 Shares.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

TRADING, SETTLEMENT AND REGISTRATION OF SHARES

Investors who, prior to the commencement of trading of our Shares on the SGX-ST, transfer Shares from Bursa Securities to the SGX-ST, should note that they will not be able to trade those Shares on the SGX-ST until the commencement of trading of our Shares on the SGX-ST. The principal register of our Shareholders will be maintained in Malaysia. There will not be a branch register in Singapore.

The transfers of our Shares between the SGX-ST and Bursa Securities will be carried out on a scripless basis. The procedures for the transfer of our Shares between Bursa Securities and the SGX-ST and for the deposition and withdrawal of our shares in the CDP system to facilitate trading on Bursa Securities and the SGX-ST are set out in the following paragraphs.

CLEARANCE AND SETTLEMENT ON THE SGX-ST

Upon listing and quotation on the SGX-ST, Shares that are traded on the SGX-ST will be cleared and settled under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP and the terms and conditions for CDP to act as depository for foreign securities, as amended from time to time.

The Shares that are traded on the SGX-ST will be scripless shares held by CDP's EAN in Malaysia for and on behalf of persons who maintain, either directly or through CDP depository agents, Securities Accounts with CDP. Under Malaysian law, CDP's EAN in Malaysia will be regarded as our Shareholder in respect of the Shares registered in their name. See the section entitled "*Attendance and Voting at General Meetings – Voting Instructions*" for more information about how investors who hold Shares through CDP are treated under Malaysian law. For the avoidance of doubt, CDP or its nominees, as bare trustees, will not be regarded as having an interest in our Shares in respect of the Shares registered in their respective names.

Transactions on the SGX-ST in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired and no transfer stamp duty is currently payable for the transfer of Shares that are settled on a book-entry basis.

CLEARING FEES

A clearing fee for the trading of Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instruments of transfer deposit fees and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealings in our Shares will be carried out in Singapore Dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date and payment for the securities is generally settled on the following day. CDP holds securities on behalf of Top Glove CDP Depositors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

DEALING OF SHARES ON THE SGX-ST

Dealing of Shares on the SGX-ST should be conducted with member companies of the SGX-ST by investors who hold direct Securities Accounts with CDP or a sub-account with a CDP depository agent. Investors whose Shares are not held through CDP and who wish to trade their Shares on the SGX-ST must first arrange to transfer their Shares into their own Singapore Securities Account with CDP. Such a Singapore Securities Account can be held by the investor either directly with CDP or indirectly through CDP depository agents in Singapore.

Dealings in, and transactions of, Shares on the SGX-ST will be due for settlement on the third Market Day following the date of transaction (T+3 or the "**Settlement Date**"). Top Glove CDP Depositors should ensure that there are sufficient Shares in their direct Securities Account with CDP or their sub-account with a CDP depository agent on the Settlement Date. Settlement of dealings through the CDP direct Securities Account or sub-account with a CDP depository agent shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP", and the "Terms and Conditions for CDP to Act as Depository for Foreign Securities", as amended from time to time.

MECHANISM FOR TRANSMISSION OF SHARES FROM CDP IN SINGAPORE TO BURSA DEPOSITORY IN MALAYSIA

Please note that in all cases of transmissions referred to in this section, there should not be any change or difference, or purported change or difference, in the beneficial owner of the Shares before and after transmission.

Please note that the transmission process and/or fees payable are subject to change. For further information or copies of the relevant transmission forms, please contact CDP (or your CDP depository agent in Singapore, as the case may be) and the Malaysian ADA/ADM (as defined in the Rules of Bursa Depository) with which you have opened a CDS account. For the avoidance of doubt, all fees and taxes (including stamp duties) incurred during the transmission process shall be borne by the relevant Top Glove CDP Depositor.

Transfer of Shares for trading from the SGX-ST to the Main Market of Bursa Securities will be carried out on a scripless basis. Additionally, if you wish to trade your Shares on the Main Market of Bursa Securities, please follow the procedures set out below:

(i) Please ensure that you have opened a CDS account with a Malaysian ADA/ADM before you (or your CDP depository agent in Singapore, as the case may be) submit a transfer request to CDP.

(ii) You (whether directly or through your CDP depository agent in Singapore, as the case may be) must notify the Malaysian ADA/ADM with which you have a CDS account to receive the transfer of your Shares from the foreign omnibus account which CDP maintains with its EAN in Malaysia. You should check with your relevant Malaysian ADA/ADM on the documents (if any) that you are required to submit to them.

(iii) Concurrently, you must do the following:

(a) if your Shares are held through a direct Securities Account with CDP, then you must submit the following to CDP:

(1) CDP prescribed cross border transaction form; and

(2) the applicable fees and expenses.

(b) if your Shares are held through a securities sub-account with a CDP depository agent, then you must instruct your CDP depository agent to submit the following to CDP:

(1) CDP prescribed cross border transaction form; and

(2) the applicable fees and expenses.

CDP will verify the documents submitted and in the event of any discrepancy, CDP is entitled to return the relevant documents to you (or your CDP depository agent in Singapore, as the case may be). CDP will instruct its EAN in Malaysia through Society for Worldwide Interbank Financial Telecommunication (SWIFT) messages to transfer the Shares, and CDP's EAN shall take all actions necessary to effect the transfer of Shares from the foreign omnibus account which CDP maintains with its EAN in Malaysia to your CDS account. After the transfer has been effected, a Notice of Debiting will be issued by CDP to you (or your CDP depository agent in Singapore, as the case may be). You will also receive a confirmation on the transfer of Shares into your CDS account either from Bursa Depository or your authorised nominee (the "**Authorised Nominee**") who maintains your CDS account. You should note that the process to transfer your Shares from CDP will take at least one (1) Market Day to complete. Shareholders are advised to ensure that such transfers are completed before they trade in our Shares.

MECHANISM FOR TRANSMISSION OF SHARES FROM BURSA DEPOSITORY IN MALAYSIA TO CDP IN SINGAPORE

Please note that in all cases of transmissions referred to in this section, there should not be any change or difference, or purported change or difference, in the beneficial owner of the Shares before and after transmission.

Please note that the transmission process and/or fees payable are subject to change. For further information or copies of the relevant transmission forms, please contact CDP (or your CDP depository agent in Singapore, as the case may be) and the Malaysian ADA/ADM with which you have opened a CDS account. For the avoidance of doubt, all fees and taxes (including stamp duties) incurred during the transmission process shall be borne by the relevant shareholder.

If you wish to trade your Shares on the SGX-ST, please follow the procedures set out below:

(i) Please ensure that you have opened a Securities Account with CDP or a sub-account with a CDP depository agent in Singapore before a transfer request is submitted.

(ii) You (whether directly or through your CDP depository agent, as the case may be) must provide instructions to the Malaysian ADA/ADM with which you have a CDS account to transfer your Shares from your CDS account to the foreign omnibus account which CDP maintains with its EAN in Malaysia. You should check with your relevant Malaysian ADA/ADM on the documents and fees that you are required to submit to them.

(iii) Concurrently, whether your Shares are held in your CDS account or are held by an Authorised Nominee in an authorised nominee or exempt authorised nominee CDS account, you (or your CDP depository agent in Singapore, as the case may be) must submit the following to the CDP:

(a) CDP prescribed cross border transaction form; and

(b) the applicable fees and expenses.

In the event your Authorised Nominee is maintaining an omnibus CDS account with Bursa Depository, a confirmation is required from the Authorised Nominee stating that you are the beneficial owner of the Shares in that particular CDS account.

CDP will verify the documents submitted and in the event of any discrepancy, CDP is entitled to return the relevant documents to you (or your CDP depository agent in Singapore, as the case may be). If the transfer request forms and the relevant documents are in order, the Malaysian ADA/ADM with which you have opened a CDS account shall take all actions necessary to effect the transfer of Shares from your CDS account to the foreign omnibus account which CDP maintains with its EAN in Malaysia. After the transfer has been effected, a Notice of Crediting will be issued by CDP to you (or your CDP depository agent, as the case may be). You will also receive a confirmation on the transfer of Shares out of your CDS account either from Bursa Depository or the Authorised Nominee with whom you maintain your CDS account.

CDP holds all of its Shares in a foreign omnibus account through CDP's EAN in Malaysia. Hence, the transfer of Shares from an investor's CDS account to CDP's foreign omnibus account maintained by its EAN in Malaysia is regarded as an investment in foreign currency assets that would require shareholders to also comply with the Foreign Exchange Administration Rules issued by BNM. Shareholders who are residents of Malaysia for the purposes of the Foreign Exchange Administration Rules and subject to the prevailing Foreign Exchange Administration Rules in relation to the permitted thresholds for investment abroad may be required to seek the prior approval of BNM should they wish to transfer their Shares from Bursa Securities for trading on the SGX-ST. There is no restriction for a non-resident of Malaysia (for the purpose of the Foreign Exchange Administration Rules) to subscribe for or purchase securities in Malaysia. Please refer to Appendix I – "*Summary of Relevant BNM Rules on Investment in Foreign Currency Assets*" for a brief description of the applicable foreign exchange rules issued by BNM. You are advised to seek further clarification from your own adviser.

You should note that transfer of Shares to CDP will take at least one (1) Market Day to complete.

Shareholders are advised to ensure that such transfers are completed before they trade in our Shares.

If you do not have a direct CDP account or a sub-account with any CDP depository agent, you should:

(a) contact CDP if you would like to open a direct CDP account; or

(b) contact a CDP depository agent if you would like to open a sub-account with a CDP depository agent.

Please refer to CDP's website at http://www.cdp.com.sg should you require CDP's contact details.

LEGAL MATTERS

Certain legal matters in connection with this Introduction will be passed upon for us by Rajah & Tann Singapore LLP with respect to matters of Singapore law, Christopher & Lee Ong with respect to matters of Malaysia law and Rajah & Tann (Thailand) Limited with respect to matters of Thai Law.

Each of Rajah & Tann Singapore LLP and Rajah & Tann (Thailand) Limited does not make, or purport to make, any statement in this Introductory Document and is not aware of any statement in this Introductory Document which purports to be based on a statement made by it and each of them makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Introductory Document.

Save as disclosed in the section entitled "*Business – Material Licences – Malaysia*", Christopher & Lee Ong does not make, or purport to make, any statement in this Introductory Document and is not aware of any statement in this Introductory Document which purports to be based on a statement made by it, and it makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Introductory Document.

INDEPENDENT AUDITORS

Ernst & Young, the Independent Auditors, has given and has not withdrawn its written consent to the issue of this Introductory Document with the inclusion herein of, and all references to (i) its name, (ii) the Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013 set out in Appendix A of this Introductory Document, (iii) the Independent Auditors' Report on the Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 29 February 2016 and 28 February 2015 set out in Appendix B of this Introductory Document and (iii) the Unaudited Pro Forma Consolidated Financial Information for the financial year ended 31 August 2015 and the six-month financial period ended 29 February 2016 set out in Appendix C of this Introductory Document, in the form and context in which they appear in this Introductory Document and to act in such capacity in relation to this Introductory Document.

The above reports were prepared for the purpose of inclusion in this Introductory Document.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND CONTROLLING SHAREHOLDERS

1. As at the date of this Introductory Document, none of our Directors, Executive Officers or Controlling Shareholders has:

   (a) at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;

   (b) at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

   (c) any unsatisfied judgment against him;

   (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

   (e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

   (f) at any time during the last ten (10) years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

   (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

   (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere;

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

LITIGATION

2. From time to time our group companies may be party to or the subject of litigation, arbitration or administrative proceedings. As at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or have had in the 12 months before the date of this Introductory Document, a material effect on the financial position or the profitability, of our Group.

SUBSIDIARIES AND ASSOCIATED COMPANIES

3. The details of our subsidiaries and associated companies are set out in Appendix G – "*Our Subsidiaries and Associated Companies*" of this Introductory Document.

4. None of our Independent Directors sits on the board of our principal subsidiaries based in jurisdictions other than Singapore.

SHARE CAPITAL

5. As at the date of this Introductory Document, there is only one (1) class of Shares in the capital of our Company. All of our Shares are in registered form. The rights and privileges attached to our Shares are stated in the Memorandum and Articles of Association of our Company. There are no founder, management or deferred shares. Substantial Shareholders of our Company are not entitled to any different voting rights from the other Shareholders.

6. Except as disclosed below, there were no changes in the issued and paid-up capital of our Company and each entity in the Group within the three (3) years preceding the Latest Practicable Date.

Top Glove[(1)]				
Date of Issue	**Number of Shares Issued**	**Issue Price per Share (RM)**	**Resultant issued and paid-up Share Capital (RM)**	**Purpose of Issue**
21 June 2013	11,400	3.52	310,026,831	Exercise of the ESOS
	89,400	4.15		
	3,000	4.60		
	2,500	5.04		
	35,500	5.51		
	10,600	5.79		
23 July 2013	7,800	3.52	310,069,631	Exercise of the ESOS
	2,000	3.58		
	54,000	4.15		
	7,600	5.51		
	14,200	5.79		
22 August 2013	18,200	3.52	310,109,981	Exercise of the ESOS
	16,400	4.15		
	1,000	4.60		
	28,400	5.51		
	16,700	5.79		
23 September 2013	2,600	2.26	310,212,331	Exercise of the ESOS
	2,000	2.95		
	21,000	3.52		
	60,300	4.15		
	4,000	4.60		
	3,000	5.04		
	23,800	5.51		
	88,000	5.79		
22 October 2013	12,000	3.52	310,247,681	Exercise of the ESOS
	400	3.58		
	32,600	4.15		
	11,100	5.51		
	14,600	5.79		
21 November 2013	4,000	4.12	310,255,081	Exercise of the ESOS
	10,800	4.15		

Top Glove[1]				
Date of Issue	Number of Shares Issued	Issue Price per Share (RM)	Resultant issued and paid-up Share Capital (RM)	Purpose of Issue
23 December 2013	3,000	2.01	310,266,131	Exercise of the ESOS
	3,000	2.26		
	3,700	3.52		
	9,150	4.15		
	3,250	5.51		
21 January 2014	9,500	3.52	310,271,781	Exercise of the ESOS
	1,800	4.15		
21 February 2014	5,100	3.52	310,286,031	Exercise of the ESOS
	1,000	4.12		
	18,400	4.15		
	4,000	5.51		
21 March 2014	10,400	2.01	310,306,531	Exercise of the ESOS
	13,800	3.52		
	16,800	4.15		
22 April 2014	1,000	2.26	310,314,531	Exercise of the ESOS
	8,400	3.52		
	6,600	4.15		
21 May 2014	4,000	4.15	310,316,531	Exercise of the ESOS
22 July 2014	5,000	3.52	310,326,881	Exercise of the ESOS
	15,700	4.15		
21 August 2014	5,800	3.52	310,332,031	Exercise of the ESOS
	4,500	4.15		
23 September 2014	8,400	2.26	310,337,931	Exercise of the ESOS
	3,400	4.15		
21 October 2014	8,000	3.52	310,341,931	Exercise of the ESOS
21 November 2014	11,000	3.52	310,347,431	Exercise of the ESOS
23 December 2014	4,000	2.01	310,356,781	Exercise of the ESOS
	4,000	2.26		
	8,400	3.52		
	2,300	4.15		
21 January 2015	5,700	4.15	310,359,631	Exercise of the ESOS
24 February 2015	4,400	4.15	310,361,831	Exercise of the ESOS

Top Glove[1]				
Date of Issue	**Number of Shares Issued**	**Issue Price per Share (RM)**	**Resultant issued and paid-up Share Capital (RM)**	**Purpose of Issue**
23 March 2015	14,200	3.52	310,371,031	Exercise of the ESOS
	4,200	4.15		
22 April 2015	1,000	2.01	310,387,881	Exercise of the ESOS
	1,200	2.26		
	14,200	3.52		
	17,300	4.15		
21 May 2015	9,000	3.52	310,396,181	Exercise of the ESOS
	7,600	4.15		
22 June 2015	12,000	2.26	310,528,131	Exercise of the ESOS
	159,400	3.52		
	69,200	4.15		
	19,900	5.51		
	3,400	5.79		
22 July 2015	4,400	2.26	310,946,906	Exercise of the ESOS
	26,800	3.52		
	3,500	4.12		
	110,400	4.15		
	6,000	4.60		
	11,400	5.04		
	368,950	5.51		
	23,000	5.64		
	248,900	5.79		
	28,600	6.12		
	2,000	6.16		
	3,600	6.51		

Top Glove[1]				
Date of Issue	**Number of Shares Issued**	**Issue Price per Share (RM)**	**Resultant issued and paid-up Share Capital (RM)**	**Purpose of Issue**
26 August 2015	5,800	2.01	312,092,081	Exercise of the ESOS
	5,000	2.26		
	80,300	3.52		
	9,900	4.12		
	109,400	4.15		
	923,700	4.64		
	9,000	5.04		
	380,850	5.51		
	800	5.64		
	705,100	5.79		
	37,400	6.12		
	3,400	6.16		
	5,700	6.51		
	10,400	6.85		
	3,600	6.97		
23 September 2015	800	1.99	312,497,331	Exercise of the ESOS
	1,000	2.26		
	800	2.45		
	6,600	3.52		
	800	3.60		
	1,800	4.12		
	40,200	4.15		
	225,100	4.64		
	140,600	5.51		
	10,000	5.64		
	344,300	5.79		
	6,600	6.12		
	3,600	6.16		
	8,500	6.51		
	13,200	6.85		
	6,600	6.97		

Top Glove[1]				
Date of Issue	**Number of Shares Issued**	**Issue Price per Share (RM)**	**Resultant issued and paid-up Share Capital (RM)**	**Purpose of Issue**
22 October 2015	10,400	3.52	312,786,781	Exercise of the ESOS
	600	4.12		
	73,800	4.15		
	700	4.60		
	146,500	4.64		
	3,000	5.04		
	121,500	5.51		
	18,400	5.64		
	178,400	5.79		
	6,000	6.12		
	14,600	6.16		
	5,000	6.51		
24 November 2015	15,800	3.52	313,454,281	Exercise of the ESOS
	143,100	4.15		
	1,300	4.60		
	212,000	4.64		
	195,200	5.51		
	2,000	5.64		
	647,600	5.79		
	25,200	6.12		
	13,000	6.16		
	11,000	6.51		
	48,800	6.85		
	20,000	6.97		
23 December 2015	3,800	2.01	313,938,981	Exercise of the ESOS
	3,800	2.26		
	106,200	3.52		
	63,600	4.15		
	273,600	4.64		
	171,200	5.51		
	307,900	5.79		
	6,000	6.12		
	6,600	6.16		
	8,700	6.51		
	8,000	6.85		
	10,000	6.97		

Top Glove[1]				
Date of Issue	**Number of Shares Issued**	**Issue Price per Share (RM)**	**Resultant issued and paid-up Share Capital (RM)**	**Purpose of Issue**
26 January 2016	625,713,562	0.50	626,795,762	1-for-1 Bonus Issue
27 January 2016	5,600	1.76	627,029,162	Exercise of the ESOS
	18,000	2.08		
	118,000	2.32		
	94,600	2.76		
	221,600	2.90		
	4,000	3.06		
	5,000	3.26		
23 February 2016	32,000	1.76	627,230,782	Exercise of the ESOS
	11,400	2.08		
	68,000	2.32		
	59,800	2.76		
	144,040	2.90		
	16,000	3.08		
	72,000	3.49		
22 March 2016	7,400	2.08	627,301,232	Exercise of the ESOS
	20,100	2.32		
	26,400	2.76		
	60,600	2.90		
	26,400	3.06		
21 April 2016	22,000	1.76	626,258,432	Exercise of the ESOS
	12,200	2.32		
	33,600	2.76		
	11,000	2.90		
23 May 2016	11,100	2.32	627,356,682	Exercise of the ESOS
	11,400	2.76		
	9,600	2.90		

Note:

Following the Latest Practicable Date, 8,600 Shares were issued on 21 June 2016 pursuant to the exercise of options under the ESOS.

TGGD Medical Clinic Sdn. Bhd.				
Date of Issue	**Number of shares Issued**	**Issue Price per Share (RM)**	**Resultant Issued Share Capital (RM)**	**Purpose of Issue**
24 June 2015	2	1.00	2	Allotment on Incorporation
22 March 2016	98	1.00	100	Allotment of shares

TG Medical (Xinghua) Co Ltd			
Date of Issue	**Increase in Registered Capital (RMB)**	**Resultant Registered Capital (RMB)**	**Purpose of Issue**
24 June 2015	1,000,000	1,000,000	Registered capital on Incorporation

TG Porcelain Sdn Bhd				
Date of Issue	**Number of shares Issued**	**Issue Price per Share (RM)**	**Resultant Issued Share Capital (RM)**	**Purpose of Issue**
10 June 2015	2	1.00	2	Allotment of shares

7. Except as disclosed below and in the section entitled "*Management and Corporate Governance – Remuneration*", no option to subscribe for any Shares in, or debentures of, our Company or our subsidiaries has been granted to, or was exercised by any Director or Executive Officer within the two (2) financial years preceding the date of this Introductory Document.

   The following options have been granted to Directors of our Company under the ESOS, but have not been exercised as at the Latest Practicable Date.

Director	**Date of grant of options**	**Exercise Price (RM)**	**Number of shares comprised in the options**	**Expiry Date**
Mr. Lee Kim Meow	5 March 2010	2.90	504,000	1 August 2018
Mr. Lim Cheong Guan	5 March 2010	2.90	234,000	1 August 2018
Mr. Lee Kim Meow	3 April 2013	2.76	100,800	1 August 2018
Total			**838,800**	

   The following options have been granted to employees of our Company under the ESOS, but have not been exercised as at the Latest Practicable Date.

Date of grant of options	**Exercise Price (RM)**	**Number of shares comprised in the options**	**Expiry Date**
5 September 2008	1.01	2,400	1 August 2018

Date of grant of options	Exercise Price (RM)	Number of shares comprised in the options	Expiry Date
5 March 2009	1.13	7,200	1 August 2018
5 September 2009	1.76	91,800	1 August 2018
5 November 2009	2.06	28,000	1 August 2018
5 February 2010	2.82	12,000	1 August 2018
5 March 2010	2.90	2,187,760	1 August 2018
5 April 2010	3.49	27,200	1 August 2018
5 May 2010	3.08	139,200	1 August 2018
5 June 2010	3.06	97,200	1 August 2018
5 July 2010	3.43	32,000	1 August 2018
5 August 2010	3.26	20,000	1 August 2018
5 October 2011	2.08	104,000	1 August 2018
3 April 2013	2.76	540,000	1 August 2018
1 August 2014	2.32	836,400	1 August 2018
Total		**4,125,160**	

Please also refer to the section entitled "*Shareholders and Share-Based Incentives – Top Glove Employee Share Option Scheme*" for further information.

WORKING CAPITAL

8. Our Directors are of the opinion that, as at the date of this Introductory Document, after taking into consideration the expected cash flows to be generated from operations, our present cash and cash equivalents and the loan facilities currently available to our Group, we have sufficient working capital to meet our present requirements.

MATERIAL CONTRACTS

9. The dates of, parties to and general nature of the material contracts (not being contracts entered into in the ordinary course of business) entered into by our Company or our subsidiaries, during the two (2) years preceding the date of this Introductory Document, and the amount of any consideration passing to or from our Company or any of our subsidiaries, as the case may be, under such contracts are as follows:

   (a) the preliminary agreement dated 6 January 2016 entered into between TGSB and Blondal Resources Sdn Bhd ("**Blondal Resources**") in relation to the installation, commissioning and operation of the water purification system at Lot 5094, Jalan Teratai, 5th Miles off Jalan Meru, 41050 Klang for a consideration of RM6,467,116. Under the agreement, TGSB is also to pay Blondal Resources a prescribed tariff rate for the treated water that Blondal Resources supplies to its group of companies during the subsistence of the agreement;

   (b) the supply agreement dated 18 February 2016 entered into between TGSB and Lum Brothers Engineering Sdn Bhd in relation to the supply of machinery, equipment and ancillary services (for the production of handformers capacity for 30,000 pieces per week, at the production cost of not more than RM8.70 per piece);

(c) the sale and purchase agreement dated 30 December 2015 entered into between TGSB, as the purchaser, and Eng Beng Development Sdn Bhd, as the vendor, in relation to the acquisition of a parcel of land located at Geran Mukim 9890, Lot No. 4965, Mukim of Kapar, District of Klang and State of Selangor Darul Ehsan, for a consideration of RM8,232,840 on a willing-buyer willing-seller basis;

(d) the sale and purchase agreement dated 29 September 2015 entered into between TGSB, as the purchaser, and Crestronics (M) Sdn Bhd, as the vendor, in relation to the acquisition of a parcel of land located at Geran Mukim 10245, Lot No. 23552, Mukim of Kapar, District of Klang and State of Selangor Darul Ehsan, for a consideration of RM9,878,660 on a willing-buyer willing-seller basis; and

(e) the sale and purchase agreement dated 18 June 2014 entered into between TGSB, as the purchaser, and MFPL, as the vendor, in relation to the acquisition of entire interest in FSB, for a consideration of RM20,575,184 on a willing-buyer willing-seller basis.

MISCELLANEOUS

10. Save as disclosed in this Introductory Document, there is no known arrangement, the operation of which may, at a subsequent date, result in a change of control of the Company.

11. There has not been any public take-over offer, by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust, which has occurred during FY2015 and up to the Latest Practicable Date.

12. No expert is employed on a contingent basis by our Company or any of our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Introduction.

13. Save as disclosed in this Introductory Document, our Company does not have any material relationship with the Joint Managers, the Joint Malaysian Principal Advisers, or any other financial adviser in relation to the Introduction.

14. Save as disclosed in this Introductory Document, our Directors are not aware of any event which has occurred since 29 February 2016 and up to the Latest Practicable Date, which may have a material effect on the financial position and results of our Group.

15. Our business and/or profitability is not materially dependent on any patent, licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

16. The names, addresses and professional qualifications (including any membership in a professional body) of the auditors of our Company are set out below:

Name, Membership and Address	Professional Body	Partner-in-charge/ Professional Qualification
Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur, Malaysia	Malaysian Institute of Accountants	Ong Chee Wai/Chartered Accountant of Malaysia

CONSENTS

17. CIMB Bank Berhad, Singapore Branch and HL Bank, the Joint Managers to the Introduction, have given and have not withdrawn their written consent to the issue of this Introductory Document with the inclusion herein of their names and references thereto, in the form and context which it appears in this Introductory Document and to act in such capacity in relation to this Introductory Document.

18. Hong Leong Investment Bank Berhad and CIMB Investment Bank Berhad, the Joint Malaysian Principal Advisers to our Company, have given and have not withdrawn their written consent to the issue of this Introductory Document with the inclusion herein of their names and references thereto, in the form and context which it appears in this Introductory Document and to act in such capacity in relation to this Introductory Document.

19. Christopher & Lee Ong, the Legal Adviser to our Company as to Malaysian Law, has given and has not withdrawn its written consent to the issue of this Introductory Document with the inclusion herein of, and all references to (i) its name and (ii), the statements attributed to it in the section entitled "*Business – Material Licences – Malaysia*" which was prepared for the purpose of incorporation in this Introductory Document, in the form and context in which they appear in this Introductory Document and to act in such capacity in relation to this Introductory Document.

WAIVER FROM THE SGX-ST

20. We have obtained from the SGX-ST a waiver from full compliance with SGX-ST Listing Rule 221, which states that a foreign issuer must have at least two independent directors resident in Singapore, subject to the appointment of at least one (1) Singapore-resident independent director to our Board. We have appointed Professor Simon Tay Seong Chee as our Independent and Non-Executive Director resident in Singapore.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

21. The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Introductory Document constitutes full and true disclosure of all material facts about the Introduction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statements in this Introductory Document misleading. Where information in this Introductory Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Introductory Document in its proper form and context.

RESPONSIBILITY STATEMENTS BY THE JOINT MANAGERS TO THE INTRODUCTION

22. To the best of the knowledge and belief of CIMB Bank Berhad, Singapore Branch, this Introductory Document constitutes full and true disclosure of all material facts about the Introduction, the Company and its subsidiaries, and CIMB Bank Berhad, Singapore Branch is not aware of any facts the omission of which would make any statements in this Introductory Document misleading.

23. To the best of the knowledge and belief of HL Bank, this Introductory Document constitutes full and true disclosure of all material facts about the Introduction, the Company and its subsidiaries, and HL Bank is not aware of any facts the omission of which would make any statements in this Introductory Document misleading.

DOCUMENTS AVAILABLE FOR INSPECTION

24. Copies of the following documents may be inspected at 9 Battery Road #25-01, Straits Trading Building, Singapore 049910 during normal business hours for a period of six (6) months from the date of this Introductory Document:

    (a) our Articles;

    (b) the letters of consent referred to in "*General and Statutory Information – Consents*";

    (c) the "*Independent Auditors' Report on the Audited Consolidated Financial Statements for the Financial Years ended 31 August 2015, 2014 and 2013", "Independent Auditors' Report on the Interim Condensed Consolidated Financial Statements for the Six-Month Period Ended 29 February 2016 and 28 February 2015*" and "*Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 August 2015 and the Six-Month Financial Period ended 29 February 2016*" as set out in Appendices A, B and C of this Introductory Document respectively;

    (d) the Service Agreements entered into between each of our Executive Directors and our Company referred to in the section entitled "*Management and Corporate Governance – Service Agreements*"; and

    (e) the material contracts referred to in paragraph 9 above.

This page has been intentionally left blank.

Top Glove Corporation Bhd.

(474423-X)
(Incorporated in Malaysia)

Audited Consolidated Financial Statements
For the financial years ended 31 August 2015, 2014 and 2013

INDEPENDENT AUDITORS' REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TOP GLOVE CORPORATION BHD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 AUGUST 2015, 2014 AND 2013

Contents **Pages**

Independent auditors' report A-3

Consolidated income statements A-5

Consolidated statements of comprehensive income A-6

Consolidated statements of financial position A-7

Consolidated statements of changes in equity A-9

Consolidated statements of cash flows A-12

Notes to the consolidated financial statements A-14

Independent auditors' report to the Board of Directors of
Top Glove Corporation Bhd.
(Incorporated in Malaysia)

The Board of Directors
Top Glove Corporation Bhd.
Level 21, Top Glove Tower
16, Persiaran Setia Dagang, Setia Alam
Seksyen U13, 40170 Shah Alam
Selangor Darul Ehsan, Malaysia

Report on the consolidated financial statements

We have audited the consolidated financial statements of Top Glove Corporation Bhd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position as at 31 August 2015, 2014 and 2013, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the financial years ended 31 August 2015, 2014 and 2013, and a summary of significant accounting policies and other explanatory information, as set up on pages A-5 to A-110.

Directors' responsibility for the consolidated financial statements

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

Auditors' responsibility

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

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

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

Independent auditors' report to the Board of Directors of Top Glove Corporation Bhd. (Incorporated in Malaysia) (continued)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 August 2015, 2014 and 2013 and of its financial performance and cash flows for each of the financial years then ended 31 August 2015, 2014 and 2013 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Restrictions on distributions and use

This report is made solely to you as a body and for the inclusion in the Introductory Document to be issued in connection with the listing of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited by way of an introduction.

Ernst & Young
AF: 0039
Chartered Accountants

Ong Chee Wai
2857/07/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
15 June 2016

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated income statements
For the financial years ended 31 August 2015, 2014 and 2013

	Note	2015	2014	2013
		RM'000	RM'000	RM'000
Revenue	8	2,510,510	2,275,366	2,313,234
Cost of sales		(1,955,610)	(1,891,915)	(1,950,016)
Gross profit		554,900	383,451	363,218
Other items of income				
Interest income	9	23,920	10,307	12,664
Other income	10	18,697	32,464	36,251
Other items of expense				
Distribution and selling costs		(82,127)	(70,158)	(67,001)
Administrative and general expenses		(135,973)	(138,794)	(99,723)
Finance costs		(4,170)	(4,226)	(733)
Share of results of associates		(11,709)	3,266	(2,472)
Profit before tax	11	363,538	216,310	242,204
Income tax expense	14	(82,346)	(32,745)	(39,375)
Profit net of tax		281,192	183,565	202,829
Profit attributable to:				
Owners of the parent		279,781	180,523	196,500
Non-controlling interest		1,411	3,042	6,329
		281,192	183,565	202,829
Earnings per share attributable to owners of the parent (sen):				
Basic	15	45.22	29.09	31.72
Diluted	15	45.17	29.05	31.68

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated statements of comprehensive income
For the financial years ended 31 August 2015, 2014 and 2013

	2015	2014	2013
	RM'000	**RM'000**	**RM'000**
Profit net of tax	281,192	183,565	202,829
Other comprehensive income/(loss):			
Net movement on available-for-sale financial assets	(1,132)	(584)	(2,543)
Net movement on cash flow hedge (Note 35)	–	31,393	(31,393)
Foreign currency translation	36,664	(4,461)	5,859
Other comprehensive income/(loss) for the year, net of tax	35,532	26,348	(28,077)
Total comprehensive income for the year	316,724	209,913	174,752
Total comprehensive income attributable to:			
Owners of the parent	314,456	206,759	168,262
Non-controlling interest	2,268	3,154	6,490
	316,724	209,913	174,752

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated statements of financial position
As at 31 August 2015, 2014 and 2013

	Note	2015	2014	2013
		RM'000	RM'000	RM'000
Assets				
Non-current assets				
Property, plant and equipment	16	1,026,490	995,242	928,802
Land use rights	17	40,315	42,068	45,647
Investment properties	18	111,178	–	–
Investment in associates	20	5,140	20,058	17,022
Deferred tax assets	21	8,762	12,825	19,165
Investment securities	22	145	145	145
Goodwill	23	22,805	22,805	25,183
		1,214,835	1,093,143	1,035,964
Current assets				
Inventories	24	252,115	207,377	219,685
Trade and other receivables	25	380,700	288,863	295,141
Other current assets	26	24,148	2,770	3,853
Investment securities	22	669,672	154,322	93,669
Derivative financial instruments	27	–	2,662	–
Cash and bank balances	28	146,460	184,030	123,111
		1,473,095	840,024	735,459
Total assets		2,687,930	1,933,167	1,771,423
Equity and liabilities				
Current liabilities				
Loans and borrowings	29	530,333	178,179	55,581
Trade and other payables	30	326,174	267,006	234,074
Other current liabilities	31	29,625	38,112	28,504
Income tax payable		25,348	2,530	6,013
Derivative financial instruments	27	9,211	–	40,852
		920,691	485,827	365,024
Net current assets		552,404	354,197	370,435

Consolidated statements of financial position
As at 31 August 2015, 2014 and 2013 (continued)

	Note	2015	2014	2013
		RM'000	RM'000	RM'000
Non-current liabilities				
Loans and borrowings	29	105,693	2,540	2,809
Deferred tax liabilities	21	47,153	47,250	45,749
		152,846	49,790	48,558
Total liabilities		1,073,537	535,617	413,582
Net assets		1,614,393	1,397,550	1,357,841
Equity attributable to owners of the parent				
Share capital	32	312,092	310,332	310,110
Share premium	33	200,302	180,673	180,174
Treasury shares	34	(14,722)	–	–
Other reserves	35	53,709	21,520	(3,209)
Retained earnings	36	1,056,583	880,864	844,777
		1,607,964	1,393,389	1,331,852
Non-controlling interest		6,429	4,161	25,989
Total equity		1,614,393	1,397,550	1,357,841
Total equity and liabilities		2,687,930	1,933,167	1,771,423

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated statements of changes in equity
For the financial years ended 31 August 2015, 2014 and 2013

		Attributable to owners of the parent										
			Non-distributable								Distributable	
2015	Equity, total	Equity attributable to owners of the parent total	Share capital	Share premium	Treasury shares	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 September 2014	1,397,550	1,393,389	310,332	180,673	–	6,485	3,781	10,200	1,054	–	880,864	4,161
Total comprehensive income/(loss)	316,724	314,456	–	–	–	35,807	–	–	(1,132)	–	279,781	2,268
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	17,637	17,637	1,760	15,877	–	–	–	–	–	–	–	–
Share options granted under ESOS	2,188	2,188	–	–	–	–	–	2,188	–	–	–	–
Transfer from share option reserve	–	–	–	3,752	–	–	–	(3,752)	–	–	–	–
Transfer to retained earnings	–	–	–	–	–	–	–	(922)	–	–	922	–
Purchase of treasury shares	(14,722)	(14,722)	–	–	(14,722)	–	–	–	–	–	–	–
Dividends on ordinary shares (Note 44)	(104,984)	(104,984)	–	–	–	–	–	–	–	–	(104,984)	–
Total transactions with owners	(99,881)	(99,881)	1,760	19,629	(14,722)	–	–	(2,486)	–	–	(104,062)	–
Closing balance at 31 August 2015	1,614,393	1,607,964	312,092	200,302	(14,722)	42,292	3,781	7,714	(78)	–	1,056,583	6,429

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated statements of changes in equity
For the financial years ended 31 August 2015, 2014 and 2013 (continued)

		Attributable to owners of the parent										
			Non-distributable								Distributable	
	Equity, total	Equity attributable to owners of the parent total	Share capital	Share premium	Treasury shares	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest
2014	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening balance at 1 September 2013	1,357,841	1,331,852	310,110	180,174	–	11,058	4,434	11,054	1,638	(31,393)	844,777	25,989
Total comprehensive income/(loss)	209,913	206,759	–	–	–	(4,573)	–	–	(584)	31,393	180,523	3,154
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	1,977	1,977	222	1,755	–	–	–	–	–	–	–	–
Share options granted under ESOS	873	873	–	–	–	–	–	873	–	–	–	–
Transfer from share option reserve	2,981	2,981	–	474	–	–	–	(474)	–	–	2,981	–
Accretion of interest in a subsidiary	(73,181)	(48,778)	–	–	–	–	–	–	–	–	(48,778)	(24,403)
Share issue expenses	(2)	(2)	–	(2)	–	–	–	–	–	–	–	–
Transfer to retained earnings	(2,981)	(2,981)	–	(1,728)	–	–	(653)	(1,253)	–	–	653	–
Dividends paid to non-controlling interest	(579)	–	–	–	–	–	–	–	–	–	–	(579)
Dividends on ordinary shares (Note 44)	(99,292)	(99,292)	–	–	–	–	–	–	–	–	(99,292)	–
Total transactions with owners	(170,204)	(145,222)	222	499	–	–	(653)	(854)	–	–	(144,436)	(24,982)
Closing balance at 31 August 2014	1,397,550	1,393,389	310,332	180,673	–	6,485	3,781	10,200	1,054	–	880,864	4,161

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated statements of changes in equity
For the financial years ended 31 August 2015, 2014 and 2013 (continued)

		Attributable to owners of the parent									
			Non-distributable							Distributable	
	Equity, total	Equity attributable to owners of the parent total	Share capital	Share premium	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest
2013	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening balance at 1 September 2012	1,279,853	1,255,354	309,440	174,197	5,360	4,434	10,331	4,181	–	747,411	24,499
Total comprehensive income/(loss)	174,752	168,262	–	–	5,698	–	–	(2,543)	(31,393)	196,500	6,490
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	5,507	5,507	670	4,837	–	–	–	–	–	–	–
Share options granted under ESOS	1,867	1,867	–	–	–	–	1,867	–	–	–	–
Transfer from share option reserve	–	–	–	1,144	–	–	(1,144)	–	–	–	–
Share issue expenses	(4)	(4)	–	(4)	–	–	–	–	–	–	–
Acquisition of a subsidiary	1,228	–	–	–	–	–	–	–	–	–	1,228
Dividends paid to non-controlling interest	(6,228)	–	–	–	–	–	–	–	–	–	(6,228)
Dividends on ordinary shares (Note 44)	(99,134)	(99,134)	–	–	–	–	–	–	–	(99,134)	–
Total transactions with owners	(96,764)	(91,764)	670	5,977	–	–	723	–	–	(99,134)	(5,000)
Closing balance at 31 August 2013	1,357,841	1,331,852	310,110	180,174	11,058	4,434	11,054	1,638	(31,393)	844,777	25,989

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Consolidated statements of cash flows
For the financial years ended 31 August 2015, 2014 and 2013

	2015	2014	2013
	RM'000	RM'000	RM'000
Operating activities			
Profit before tax	363,538	216,310	242,204
Adjustments for:			
Depreciation and amortisation			
– Property, plant and equipment	96,616	90,863	79,695
– Land use rights	695	708	650
– Investment properties	1,469	–	–
Loss on disposal of property, plant and equipment	48	12,677	150
Bad debts written off	2,052	–	–
Gain on disposal of investment securities	(911)	(6,962)	(9,062)
Property, plant and equipment written off	1,872	2,009	1,649
Share options granted under ESOS	2,188	873	1,867
Unrealised foreign exchange gain	(8,360)	(1,856)	(3,753)
Gain on disposal of a subsidiary	–	(10,537)	–
Gain on disposal of land use rights	(811)	(494)	–
Share of results of associates	11,709	(3,266)	2,472
Net fair value loss/(gain) on derivative	11,873	(2,394)	(886)
Finance costs	4,170	4,226	733
Interest income	(23,920)	(10,307)	(12,664)
Total adjustments	98,690	75,540	60,851
Operating cash flows before changes in working capital	462,228	291,850	303,055
Changes in working capital			
(Increase)/decrease in inventories	(44,738)	12,308	(40,213)
(Increase)/decrease in receivables	(49,700)	1,289	8,434
(Increase)/decrease in other current assets	(21,475)	1,086	22,086
Increase/(decrease) in payables	49,611	45,065	(1,091)
Total changes in working capital	(66,302)	59,748	(10,784)
Cash flows from operations	395,926	351,598	292,271
Interest paid	(4,170)	(4,226)	(733)
Income taxes paid	(55,562)	(38,852)	(44,530)
Net cash flows generated from operating activities	336,194	308,520	247,008

Consolidated statements of cash flows
For the financial years ended 31 August 2015, 2014 and 2013 (continued)

	2015	2014	2013
	RM'000	RM'000	RM'000
Investing activities			
Purchase of property, plant and equipment	(205,642)	(192,238)	(255,760)
Purchase of land use rights	(50)	(171)	(23,602)
Purchase of investment properties	(6,139)	–	–
Purchase of investment securities	(424,114)	(212,027)	(165,184)
Proceeds from disposal of investment securities	47,018	216,256	223,075
Proceeds from disposal of land use rights	2,428	1,675	–
Decrease/(increase) in bank balances pledged with banks	53,038	(35,757)	(18,529)
Interest received	23,920	10,307	9,881
Dividend from associate	3,983	–	–
Proceeds from disposal of property, plant and equipment	3,715	3,815	7,699
Additional investment in a subsidiary	–	(73,181)	–
Additional investment in an associate	–	–	(12,204)
Net cash inflow on disposal of a subsidiary	–	21,020	–
Net cash outflow on acquisition of a subsidiary	–	–	(23,384)
Net cash flows used in investing activities	(501,843)	(260,301)	(258,008)
Financing activities			
Proceeds from issuance of ordinary shares	17,637	1,977	5,507
Purchase of treasury shares	(14,722)	–	–
Share issue expenses	–	(2)	(4)
Dividends paid on ordinary shares	(104,984)	(99,292)	(99,134)
Dividends paid to non-controlling shareholders	–	(579)	(6,228)
Repayment of obligations under finance leases	(18)	(75)	(57)
Proceeds from loans and borrowings	364,122	130,129	51,901
Net cash flows generated from/(used in) financing activities	262,035	32,158	(48,015)
Net increase/(decrease) in cash and cash equivalents	96,386	80,377	(59,015)
Effects of foreign exchange rate changes	2,878	2,705	(3,649)
Cash and cash equivalents at 1 September 2014/2013/2012	187,664	104,582	167,246
Cash and cash equivalents at 31 August 2015/2014/2013 (Note 28)	286,928	187,664	104,582

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

1. Corporate information

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

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 19. There have been no significant changes in the nature of the principal activities during the financial year.

2. Basis of preparation

The consolidated financial statements of the Group has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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

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

3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at 31 August 2015, 2014 and 2013. 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.

3. Basis of consolidation (continued)

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 and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

4. Summary of significant accounting policies (continued)

4.1 Business combinations and goodwill (continued)

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, the previously held equity interest is re-measured at its acquisition date fair value and any resultant gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

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 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 (continued)

4.1 Business combinations and goodwill (continued)

Business combinations involving entities under common control are accounted for by applying the pooling on interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The consolidated 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 Current versus non-current classification

Assets and liabilities in the consolidated statements of financial position are presented based on 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. Summary of significant accounting policies (continued)

4.3 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.

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 consolidated 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 consolidated 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.

4. Summary of significant accounting policies (continued)

4.3 Fair value measurement (continued)

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.

4.4 Transactions with non-controlling interest

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

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

4. Summary of significant accounting policies (continued)

4.5 Foreign currencies

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in Ringgit Malaysia 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's 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.

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 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).

(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 income statements 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.

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.

4. Summary of significant accounting policies (continued)

4.6 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 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 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 Group's right to receive payment is established.

(c) Interest income

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

(d) 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. Summary of significant accounting policies (continued)

4.7 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

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

(c) Employee share option plans

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

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

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

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

4. Summary of significant accounting policies (continued)

4.8 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 the consolidated income statements. 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 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

4. Summary of significant accounting policies (continued)

4.8 Taxes (continued)

(b) Deferred tax (continued)

(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 OCI 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.

4.9 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.

4.10 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.

4. Summary of significant accounting policies (continued)

4.10 Property, plant and equipment (continued)

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.

4.11 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The depreciation policy for investment properties are in accordance with that for property, plant and equipment as described in Note 4.10.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in 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 4.10 up to the date of change in use.

4. Summary of significant accounting policies (continued)

4.12 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 as follows:

Leasehold lands	50 to 100 years

(b) Group as lessor

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

4. Summary of significant accounting policies (continued)

4.13 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 investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

4.14 Investment in associates

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

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the 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 and is not tested for impairment separately. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

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

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

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

4. Summary of significant accounting policies (continued)

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. These costs are assigned on a weighted average basis.

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

Prior to 1 September 2013, the cost of raw materials, packing materials, consumables, work-in-progress and finished goods was determined on first in, first out basis. The change to the weighted average basis was due to the change in the accounting system of the Group. This change in accounting policy has not been accounted for retrospectively as the effects of the change is not significant to the consolidated financial statements of the Group.

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.

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.

4. Summary of significant accounting policies (continued)

4.16 Impairment of non-financial assets (continued)

Impairment calculation are 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. Summary of significant accounting policies (continued)

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 commits to purchase or sell the asset.

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

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

4. Summary of significant accounting policies (continued)

4.18 Financial assets (continued)

(b) Subsequent measurement (continued)

(i) Financial assets at fair value through profit or loss (continued)

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 fair value through profit or loss.

The Group has 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 EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in 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 comprise trade and other receivables (other than prepaid operating expenses and tax recoverable) and cash and bank balances.

4. Summary of significant accounting policies (continued)

4.18 Financial assets (continued)

(b) Subsequent measurement (continued)

(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 has 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 does not have any held-to-maturity investments during the years ended 31 August 2015, 2014 and 2013.

(iv) Available-for-sale (AFS) financial investments

AFS financial investments 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 investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS 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 AFS reserve to profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group 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.

4. Summary of significant accounting policies (continued)

4.18 Financial assets (continued)

(b) Subsequent measurement (continued)

(iv) Available-for-sale (AFS) financial investments (continued)

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 debts securities and golf club membership of the Group are designated as AFS financial investments.

(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 consolidated statements of financial position) when:

– The rights to receive cash flows from the asset have expired; or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues 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 has retained.

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

4. Summary of significant accounting policies (continued)

4.18 Financial assets (continued)

(d) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. 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 debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

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

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 EIR.

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. 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.

4. Summary of significant accounting policies (continued)

4.18 Financial assets (continued)

(d) Impairment of financial assets (continued)

AFS financial investments

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

In the case of equity investments classified as 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 OCI and recognised in the consolidated income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

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 (continued)

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, payables, or as derivatives designated as hedging instruments in an effective hedge, 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 financial liabilities include trade and other payables, loans and borrowings, derivative liabilities and financial guarantee contracts.

(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 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 has designated derivatives that do not qualify for hedge accounting as at fair value through profit or loss.

4. Summary of significant accounting policies (continued)

4.19 Financial liabilities (continued)

(b) Subsequent measurement (continued)

(ii) Other financial liabilities

The Group'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 EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR method 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 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.

(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.

4. Summary of significant accounting policies (continued)

4.19 Financial liabilities (continued)

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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

(a) Initial recognition and subsequent measurement

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

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

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

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

4. Summary of significant accounting policies (continued)

4.20 Derivative financial instruments (continued)

(a) Initial recognition and subsequent measurement (continued)

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

Cash flow hedges

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

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

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

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. Refer to Note 27 for more details.

4.21 Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Money market funds are investments in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted within one day into known amounts of cash.

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

4. Summary of significant accounting policies (continued)

4.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of their liabilities. Ordinary shares are equity instruments and are recorded at the proceeds received, net of directly attributable incremental transaction costs.

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

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 consolidated income statement 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 Contingencies

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

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

4. Summary of significant accounting policies (continued)

4.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

5. New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 September 2014, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 September 2014:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

Adoption of the above standards and interpretation did not have any effect on the financial performance or position of the Group.

6. New and amended standards 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 consolidated financial statements are discussed below. The Group intends to adopt these standards if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

6. New and amended standards issued but not yet effective (continued)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the consolidated financial statements in the period of initial application except as disclosed below:

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, i.e. 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 Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard 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. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

6. New and amended standards issued but not yet effective (continued)

MFRS 16 Leases

MFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Either a full or modified retrospective transition approach is required for annual periods beginning on or after 1 January 2019. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies MFRS 15. The Group is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

7. Significant accounting judgments, estimates and assumptions

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

7. Significant accounting judgments, estimates and assumptions (continued)

7.1 Judgments made in applying accounting policies

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

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgment 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. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment 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 consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This required an estimation of the value in use of the CGU 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.

7. Significant accounting judgments, estimates and assumptions (continued)

7.2 Estimates and assumptions (continued)

(b) Impairment of loans and receivables

The impairment loss on trade receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history on each receivables. If the financial conditions of the receivables of the Group were to deteriorate, additional provision may be required.

(c) Useful lives of plant and equipment

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

(d) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group and its respective subsidiaries' domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unutilised tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The amount of deferred tax assets recognised in respect of unutilised tax losses, capital allowances, export allowances and reinvestment allowances and the amounts of such losses and allowances for which deferred tax assets were not recognised are disclosed in Note 21.

8. Revenue

	2015	2014	2013
	RM'000	RM'000	RM'000
Sales of goods	2,510,510	2,275,366	2,313,234

9. Interest income

	2015	2014	2013
	RM'000	RM'000	RM'000
Interest income from:			
Available-for-sale financial assets	20,064	8,382	8,423
Loans and receivables	3,856	1,811	1,458
Others	–	114	2,783
	23,920	10,307	12,664

10. Other income

	2015	2014	2013
	RM'000	RM'000	RM'000
Gain on foreign exchange			
– realised	–	–	12,814
– unrealised	8,360	1,856	3,753
Net gain on fair value changes of derivatives	–	2,394	886
Fair value gain on financial asset at fair value through profit or loss	1,263	–	–
Rental income	772	114	73
Gain on disposal of investment securities	911	6,962	9,062
Gain on disposal of land use rights	811	494	–
Gain on disposal of subsidiary (Note 19(b))	–	10,537	–
Sundry income	6,580	10,107	9,663
	18,697	32,464	36,251

11. Profit before tax

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

	2015	2014	2013
	RM'000	RM'000	RM'000
Auditors' remuneration:			
– Statutory audit			
Company's auditors			
– Current year	221	233	336
– Underprovision in prior year	1	1	–
Other auditors			
– Current year	288	258	242
– Underprovision in prior year	8	–	–
Depreciation and amortisation:			
– Property, plant and equipment	96,616	90,863	79,695
– Land use rights	695	708	650
– Investment properties	1,469	–	–
Bad debts written off	2,052	–	–
Direct operating expenses arising from investment properties			
– Rental generating properties	161	–	–
Net loss on foreign exchange			
– realised	7,097	18,520	–
Net loss on fair value changes of derivatives	11,873	–	–
Employee benefits expense (Note 12)	288,256	272,137	275,060
Non-executive directors' remuneration (Note 13)	396	567	543
Operating lease – Minimum lease payment for building and machinery	1,010	771	1,000
Loss on disposal of property, plant and equipment	48	12,677	150
Property, plant and equipment written off	1,872	2,009	1,649

12. Employee benefits expense

	2015	2014	2013
	RM'000	RM'000	RM'000
Wages and salaries	264,774	252,116	252,344
Social security costs	2,585	1,601	2,624
Pension costs – defined contribution plan	10,243	10,476	9,368
Share options granted under ESOS	2,188	873	1,867
Other staff related expenses	7,574	6,215	7,986
Directors' fees	892	856	871
	288,256	272,137	275,060

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM7,754,000 (2014: RM7,435,000; 2013: RM7,546,000) as further disclosed in Note 13.

13. Directors' remuneration

	2015	2014	2013
	RM'000	RM'000	RM'000
Directors of the Company			
Executive:			
Salaries and other emoluments	3,614	3,209	3,228
Pension costs – defined contribution plan	359	333	318
Social security contributions	1	1	1
Share options granted under ESOS	190	17	230
Fees	865	826	837
Benefits-in-kind	98	74	97
	5,127	4,460	4,711
Non-executive:			
Fees	395	353	263

13. Directors' remuneration (continued)

	2015	2014	2013
	RM'000	RM'000	RM'000
Other directors			
Executive:			
Salaries and other emoluments	2,433	2,766	2,607
Pension costs – defined contribution plan	184	238	203
Social security contributions	7	7	7
Share options granted under ESOS	74	8	81
Fees	27	30	34
Benefits-in-kind	58	43	28
	2,783	3,092	2,960
Non-executive:			
Fees	1	214	280
Analysis excluding benefits-in-kind:			
Total executive directors' remuneration (Note 12)	7,754	7,435	7,546
Total non-executive directors' remuneration (Note 11)	396	567	543
Total directors' remuneration	8,150	8,002	8,089

14. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 August 2015, 2014 and 2013 are:

	2015	2014	2013
	RM'000	RM'000	RM'000
Current income tax:			
– Malaysian income tax	68,484	35,929	44,495
– Foreign tax	7,129	2,777	1,882
– Real property gain tax	80	115	2
– Under/(over)provision in respect of previous years	2,687	(3,452)	(4,884)
	78,380	35,369	41,495
Deferred income tax (Note 21):			
– Relating to origination and reversal of temporary differences	7,708	(3,776)	(87)
– Relating to reduction in Malaysia income tax rate	(837)	–	–
– (Over)/underprovision in respect of previous years	(2,905)	1,152	(2,033)
	3,966	(2,624)	(2,120)
Income tax expense recognised in profit or loss	82,346	32,745	39,375

14. Income tax expense (continued)

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 2015, 2014 and 2013 are as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Profit before tax	363,538	216,310	242,204
Tax at Malaysian statutory tax rate of 25% (2014: 25%; 2013: 25%)	90,885	54,078	60,551
Adjustments:			
Different tax rates in other countries	(1,396)	(1,327)	(214)
Effects of tax incentives claimed by foreign subsidiaries	(661)	(1,979)	(3,805)
Income not subject to tax	(6,673)	(8,244)	(4,957)
Effect of change in tax rate	(1,069)	(230)	–
Non-deductible expenses	10,828	842	3,709
Effect of income subject to real property gain tax	80	115	2
Deferred tax assets not recognised in respect of current year's tax losses, and unabsorbed capital allowance	545	5,669	1,300
Deferred tax assets recognised in respect of previously unabsorbed capital allowance and reinvestment allowance	(9,922)	(9,307)	(10,244)
Deferred tax assets recognised in respect of current year's unabsorbed export allowance	(227)	(3,756)	–
Share of results of associates	2,927	(816)	(50)
Utilisation of unabsorbed loss and capital allowance	(2,753)	–	–
(Over)/underprovision of deferred tax in respect of previous years	(2,905)	1,152	(2,033)
Under/(over)provision of income tax in respect of previous years	2,687	(3,452)	(4,884)
Income tax expense recognised in profit or loss	82,346	32,745	39,375

14. Income tax expense (continued)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%; 2013: 25%) of the estimated assessable profit for the year. The Malaysian statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 31 August 2015 has reflected these changes.

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

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 August 2015, 2014 and 2013:

	2015	2014	2013
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM'000)	279,781	180,523	196,500
Weighted average number of ordinary shares for basic earnings per share computation ('000)	618,644	620,475	619,493
Effects of dilution – share options ('000)	800	1,028	794
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	619,444	621,503	620,287
Basic earnings per share (sen)	45.22	29.09	31.72
Diluted earnings per share (sen)	45.17	29.05	31.68

16. Property, plant and equipment

	*Land and buildings	Plant and equipment	**Other assets	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
At 1 September 2012	359,515	697,192	58,739	38,165	1,153,611
Acquisition of a subsidiary	33,657	3,102	250	–	37,009
Additions	71,790	95,107	11,304	77,559	255,760
Reclassification	5,691	29,650	126	(35,467)	–
Disposals	(6,904)	(2,961)	(1,223)	(21)	(11,109)
Written off	(143)	(7,319)	(1,501)	–	(8,963)
Exchange differences	3,826	7,541	593	91	12,051
At 31 August 2013 and 1 September 2013	467,432	822,312	68,288	80,327	1,438,359
Additions	51,098	52,839	11,775	76,526	192,238
Reclassification	(8,558)	54,233	13,489	(59,164)	–
Disposals	(3,381)	(40,464)	(1,760)	(256)	(45,861)
Written off	(46)	(4,233)	(633)	–	(4,912)
Disposal of a subsidiary	(13,780)	–	(237)	–	(14,017)
Exchange differences	(3,239)	(5,856)	(232)	(170)	(9,497)
At 31 August 2014 and 1 September 2014	489,526	878,831	90,690	97,263	1,556,310
Additions	33,816	64,220	13,014	94,689	205,739
Transfer to investment properties (Note 18)	(14,002)	–	–	(92,506)	(106,508)
Reclassification	13,605	15,100	117	(28,822)	–
Disposals	(1,127)	(12,950)	(618)	(801)	(15,496)
Written off	–	(5,058)	(725)	(1)	(5,784)
Exchange differences	21,045	42,811	2,890	614	67,360
At 31 August 2015	542,863	982,954	105,368	70,436	1,701,621

16. Property, plant and equipment (continued)

	*Land and buildings	Plant and equipment	**Other assets	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation					
At 1 September 2012	30,446	361,507	27,272	–	419,225
Acquisition of a subsidiary	15,157	741	165	–	16,063
Depreciation charge for the year	5,910	65,075	8,710	–	79,695
Disposals	–	(2,171)	(1,089)	–	(3,260)
Written off	(19)	(5,942)	(1,353)	–	(7,314)
Reclassification	–	(12)	12	–	–
Exchange differences	515	5,714	(1,081)	–	5,148
At 31 August 2013 and 1 September 2013	52,009	424,912	32,636	–	509,557
Depreciation charge for the year	5,938	74,304	10,621	–	90,863
Disposals	(4)	(27,912)	(1,453)	–	(29,369)
Written off	(2)	(2,370)	(531)	–	(2,903)
Reclassification	(4,737)	2,450	2,287	–	–
Disposal of a subsidiary	(2,925)	–	(160)	–	(3,085)
Exchange differences	(276)	(3,368)	(351)	–	(3,995)
At 31 August 2014 and 1 September 2014	50,003	468,016	43,049	–	561,068
Depreciation charge for the year	6,235	78,140	12,241	–	96,616
Disposals	(129)	(11,036)	(568)	–	(11,733)
Written off	–	(3,288)	(624)	–	(3,912)
Exchange differences	2,633	28,452	2,007	–	33,092
At 31 August 2015	58,742	560,284	56,105	–	675,131
Net carrying amount					
At 31 August 2013	415,423	397,400	35,652	80,327	928,802
At 31 August 2014	439,523	410,815	47,641	97,263	995,242
At 31 August 2015	484,121	422,670	49,263	70,436	1,026,490

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

16. Property, plant and equipment (continued)

*** Land and buildings**

	Freehold land	Buildings	Total
	RM'000	RM'000	RM'000
Cost			
At 1 September 2012	127,471	232,044	359,515
Acquisition of a subsidiary	6,800	26,857	33,657
Additions	37,225	34,565	71,790
Reclassification	–	5,691	5,691
Disposals	(6,904)	–	(6,904)
Written off	–	(143)	(143)
Exchange differences	405	3,421	3,826
At 31 August 2013 and 1 September 2013	164,997	302,435	467,432
Additions	44,905	6,193	51,098
Reclassification	1,788	(10,346)	(8,558)
Disposals	(3,242)	(139)	(3,381)
Written off	–	(46)	(46)
Disposal of a subsidiary	–	(13,780)	(13,780)
Exchange differences	(448)	(2,791)	(3,239)
At 31 August 2014 and 1 September 2014	208,000	281,526	489,526
Additions	32,893	923	33,816
Transfer to investment properties	(14,002)	–	(14,002)
Reclassification	3,497	10,108	13,605
Disposals	–	(1,127)	(1,127)
Exchange differences	3,566	17,479	21,045
At 31 August 2015	233,954	308,909	542,863
Accumulated depreciation			
At 1 September 2012	–	30,446	30,446
Acquisition of a subsidiary	–	15,157	15,157
Depreciation charge for the year	–	5,910	5,910
Written off	–	(19)	(19)
Exchange differences	–	515	515

16. Property, plant and equipment (continued)

*** Land and buildings (continued)**

	Freehold land	Buildings	Total
	RM'000	RM'000	RM'000
At 31 August 2013 and 1 September 2013	–	52,009	52,009
Depreciation charge for the year	–	5,938	5,938
Disposals	–	(4)	(4)
Written off	–	(2)	(2)
Disposal of a subsidiary	–	(2,925)	(2,925)
Reclassification	–	(4,737)	(4,737)
Exchange differences	–	(276)	(276)
At 31 August 2014 and 1 September 2014	–	50,003	50,003
Depreciation charge for the year	–	6,235	6,235
Disposals	–	(129)	(129)
Exchange differences	–	2,633	2,633
At 31 August 2015	–	58,742	58,742
Net carrying amount			
At 31 August 2013	164,997	250,426	415,423
At 31 August 2014	208,000	231,523	439,523
At 31 August 2015	233,954	250,167	484,121

(a) Property, plant and equipment of the Group with the following net carrying amounts are pledged to banks for banking facilities granted to the Group as referred to in Note 29.

	2015	2014	2013
	RM'000	RM'000	RM'000
Land and buildings	22,257	16,988	18,030

(b) The net carrying amounts of motor vehicles held under finance lease arrangements amounted to RM Nil (2014: RM138,000, 2013: RM205,000) as disclosed in Note 29.

17. Land use rights

	2015	2014	2013
	RM'000	RM'000	RM'000
Cost			
At 1 September 2014/2013/2012	44,655	48,032	24,129
Additions	50	171	23,602
Disposals	(1,810)	(1,185)	–
Disposal of a subsidiary	–	(2,085)	–
Exchange differences	588	(278)	301
At 31 August	43,483	44,655	48,032
Accumulated amortisation			
At 1 September 2014/2013/2012	2,587	2,385	1,688
Amortisation for the year	695	708	650
Disposals	(193)	(4)	–
Disposal of a subsidiary	–	(452)	–
Exchange differences	79	(50)	47
At 31 August	3,168	2,587	2,385
Net carrying amount	40,315	42,068	45,647
Amount to be amortised:			
– Not later than one year	727	648	655
– Later than one year but not later than five years	2,908	2,593	2,622
– Later than five years	36,680	38,827	42,370
	40,315	42,068	45,647

18. Investment properties

	2015	2014	2013
	RM'000	RM'000	RM'000
Freehold land and building			
Cost			
At 1 September 2014/2013/2012	–	–	–
Transfer from property, plant and equipment (Note 16)	106,508	–	–
Additions	6,139	–	–
At 31 August	112,647	–	–
Accumulated depreciation			
At 1 September 2014/2013/2012	–	–	–
Depreciation charge for the year (Note 11)	1,469	–	–
At 31 August	1,469	–	–
Net carrying amount	111,178	–	–
Fair value of investment properties (Note 40)	124,184	–	–

19. Subsidiaries

Details of the subsidiaries are as follows:

Name	Country of incorporation	Proportion of ownership interest (%) 2015	2014	2013	Principal activities
Held by the Company:					
Top Glove Sdn. Bhd. ("TGSB")*	Malaysia	100	100	100	Manufacturing and trading of gloves
TG Medical Sdn. Bhd. ("TGMSB")#	Malaysia	100	100	100	Manufacturing and trading of gloves
Great Glove Sdn. Bhd.#	Malaysia	100	100	100	Provision of Management services
Top Glove Engineering Sdn. Bhd.#	Malaysia	100	100	100	Property investment
TG Medical (U.S.A.) Inc.#	United States of America	100	100	100	Trading of gloves

19. Subsidiaries (continued)

Name	Country of incorporation	Proportion of ownership interest (%) 2015	2014	2013	Principal activities
Top Quality Glove Sdn. Bhd.*	Malaysia	100	100	100	Manufacturing and trading of gloves
Top Care Sdn. Bhd.*	Malaysia	100	100	100	Investment holding
GMP Medicare Sdn. Bhd.*	Malaysia	100	100	100	Manufacturing and trading of gloves
Held through TGSB:					
Great Glove (Thailand) Co. Ltd.#	Thailand	74	74	74	Manufacturing and trading of gloves
Top Glove Medical (Thailand) Co. Ltd.#	Thailand	100	100	100	Manufacturing and trading of gloves
Top Glove Technology (Thailand) Co. Ltd.#	Thailand	100	100	100	Producing and selling concentrate latex
B Tech Industry Co. Ltd.#	Thailand	100	100	100	Producing and selling concentrate latex
Top Quality Gloves (Thailand) Co Ltd.#	Thailand	100	100	100	Dormant
Top Glove Europe GmbH#	Germany	98	98	98	Trading of gloves
Great Glove (Xinghua) Co. Ltd.#	The People's Republic of China	100	100	100	Manufacturing and trading of gloves
TG Medical (Zhangjiagang) Incorporated#	The People's Republic of China	100	100	100	Trading of gloves
Top Glove International Sdn. Bhd.#	Malaysia	100	100	100	Dormant
Top Glove Properties Sdn. Bhd.#	Malaysia	100	100	100	Property investment
Medi-Flex Limited ("Medi-Flex")**	Singapore	100	100	80	Investment holding
BestStar Enterprise Ltd.*	The British Virgin Islands	100	100	100	Investment holding
Flexitech Sdn. Bhd. ("Flexitech")*	Malaysia	100	100	–	Manufacturing and trading of gloves
Top Glove (Zhangjiagang) Co. Ltd.#	The People's Republic of China	–	–	100	Manufacturing of gloves

19. Subsidiaries (continued)

Name	Country of incorporation	Proportion of ownership interest (%) 2015	2014	2013	Principal activities
Held through TGMSB:					
Top Glove Agro Sdn. Bhd.#	Malaysia	100	100	100	Dormant
Held through Flexitech:					
Techniglove Asia Sdn. Bhd.*	Malaysia	100	100	80	Temporarily ceased operations
Held through Top Care Sdn. Bhd.:					
Best Advance Resources Limited ("Best Advance")*	Malaysia	100	100	100	Investment holding
Green Resources Limited ("Green Resources")*	Malaysia	100	100	100	Investment holding
Efficient Plantations Co., Ltd.*	Cambodia	100	100	100	Dormant
Held through Medi-Flex:					
Flexitech Sdn. Bhd. ("Flexitech")*	Malaysia	–	–	80	Manufacturing of gloves
Held through Best Advance:					
Great Plantations Co., Ltd.*	Cambodia	100	100	100	Dormant
PT. Topglove Indonesia ("PT Top Glove")#^	Indonesia	100	100	100	Investment holding
Held through PT Top Glove:					
PT. Agro Pratama Sejahtera#	Indonesia	95	95	95	Plantation of rubber trees

* Audited by Ernst & Young, Malaysia

** Audited by member firms of Ernst & Young Global in the respective countries

\# Audited by firms other than Ernst & Young

^ The total equity interests held by the Group is 100% and it is held by the following subsidiaries:

		2015	2014	2013
(i)	Best Advance Resources Limited	99.90%	99.90%	99.90%
(ii)	Green Resources Limited	0.10%	0.10%	0.10%

19. Subsidiaries (continued)

(a) Acquisition of a Subsidiary in 2013

On 17 December 2012, the Company acquired 24,000,000 ordinary shares representing 100% of the equity interest in GMP Medicare Sdn. Bhd. ("GMP"), a company incorporated in Malaysia for a cash consideration of RM23,471,000, resulting in the Company became the holding company of GMP.

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

	2013
	RM'000
Revenue	11,574
Loss for the year	(1,580)

If the acquisition had occurred on 1 September 2012, the Group's revenue and profit for the year ended 31 August 2013 would have been RM2,320,102,000 and RM201,520,000 respectively.

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

	Fair value	Carrying amount
	RM'000	RM'000
Property, plant and equipment	20,946	13,279
Trade and other receivables	268	268
Inventories	32	32
Tax recoverable	7	7
Cash and bank balances	87	87
	21,340	13,673
Trade and other payables	1,022	1,022
Loans and borrowings	76	76
Deferred tax liabilities	1,841	–
	2,939	1,098
Net identifiable assets	18,401	12,575

19. Subsidiaries (continued)

(a) Acquisition of a Subsidiary in 2013 (continued)

	Fair value	Carrying amount
	RM'000	RM'000
Group's interest in the fair value of net identifiable assets	18,401	
Goodwill on acquisition (Note 23)	5,070	
Total cost of acquisition	23,471	

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

	RM'000
Consideration settled in cash	23,471
Cash and cash equivalents of subsidiary acquired	(87)
Net cash outflow on the acquisition	23,384

(b) Disposal of a subsidiary in 2014

On 13 June 2014, the Group disposed of its 100% equity interest in Top Glove (Zhangjiagang) Co. Ltd. for a total consideration of RM21,510,000.

The disposal had the following effects on the financial position of the Group as at 31 August 2014:

	2014
	RM'000
Property, plant and equipment	10,932
Land use rights	1,633
Cash and bank balances	490
Trade and other payables	(2,107)
Net assets disposed	10,948
Attributable goodwill (Note 23)	2,378
Transfer from foreign exchange reserve	(2,353)
	10,973

19. Subsidiaries (continued)

(b) Disposal of a subsidiary in 2014 (continued)

	2014
	RM'000
Total disposal proceeds	21,510
Gain on disposal to the Group	10,537
Disposal proceeds settled by:	
Cash	21,510
Cash inflow arising from disposal:	
Cash consideration	21,510
Cash and bank balances of the subsidiary disposed	(490)
Net cash inflow to the Group	21,020

(c) As at reporting date, the Group did not have any material non-controlling interests.

20. Investment in associates

	2015	2014	2013
	RM'000	RM'000	RM'000
Unquoted shares at cost	21,217	21,217	21,217
Share of post-acquisition reserves	(10,699)	1,011	(2,255)
Dividend received from associate	(3,983)	–	–
Foreign currency translation	1,451	676	906
	7,986	22,904	19,868
Less: Accumulated impairment losses	(2,846)	(2,846)	(2,846)
	5,140	20,058	17,022

20. Investment in associates (continued)

Details of the associates are as follows:

Name	Country of incorporation	Proportion of ownership interest (%) 2015	2014	2013	Principal activities
Held through Medi-Flex:					
Sonic Clean Pte. Ltd. ("Sonic Clean")	Singapore	37	37	29	Provide all kinds of aqueous cleaning services, consumable cleaning and sub-assembly work in clean room environment and investment holding
Held through TGSB:					
Value Add Sdn. Bhd. ("Value Add")	Malaysia	27	27	27	Investment holding

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

	2015	2014	2013
	RM'000	RM'000	RM'000
Assets and liabilities			
Total assets	241,406	253,387	258,406
Total liabilities	(233,791)	(186,306)	(202,865)
Net assets	7,615	67,081	55,541
Results			
Revenue	28,050	28,588	22,427
(Loss)/profit for the year	(50,540)	12,163	(9,448)

20. Investment in associates (continued)

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

	2015	2014	2013
	RM'000	RM'000	RM'000
Net assets of associates as at 1 September 2014/2013/2012	67,081	55,541	18,265
Additional investment in an associate	–	–	45,201
(Loss)/profit for the year	(50,540)	12,163	(9,448)
Dividend paid	(12,630)	–	–
Other comprehensive income/(loss)	3,704	(623)	1,523
Net assets of associates as at 31 August	7,615	67,081	55,541
Group's share of net assets	7,986	22,904	19,868

21. Deferred tax (assets)/liabilities

Deferred income tax as at 31 August 2015, 2014 and 2013 relates to the following:

	Deferred tax liabilities		Deferred tax assets		
	Property, plant and equipment	Provisions	Unabsorbed export allowance, business losses, capital allowances and reinvestment allowances	Cash flow hedges	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 September 2012	49,062	(1,362)	(10,372)	–	37,328
Recognised in profit or loss	(5,200)	3,080	–	–	(2,120)
Recognised in other comprehensive income	–	–	–	(10,465)	(10,465)
Acquisition of a subsidiary	–	1,841	–	–	1,841
At 31 August 2013	43,862	3,559	(10,372)	(10,465)	26,584
Recognised in profit or loss	10,239	1,442	(14,305)	–	(2,624)
Recognised in other comprehensive income	–	–	–	10,465	10,465
At 31 August 2014	54,101	5,001	(24,677)	–	34,425
Recognised in profit or loss	528	5,468	(2,030)	–	3,966
At 31 August 2015	54,629	10,469	(26,707)	–	38,391

21. Deferred tax (assets)/liabilities (continued)

Presented after appropriate offsetting as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Deferred tax assets	(8,762)	(12,825)	(19,165)
Deferred tax liabilities	47,153	47,250	45,749
	38,391	34,425	26,584

Deferred tax assets have not been recognised in respect of the following items:

	2015	2014	2013
	RM'000	RM'000	RM'000
Unutilised tax losses	53,217	93,581	104,675
Unabsorbed capital allowances	–	8,165	40,165
Unabsorbed increase in export allowances	27,841	–	–
Unabsorbed reinvestment allowances	20,569	20,568	16,840
	101,627	122,314	161,680

22. Investment securities

	2015	2014	2013
	RM'000	RM'000	RM'000
Current			
Available-for-sale financial assets			
– Debt securities (quoted outside Malaysia)	527,956	96,402	93,669
Fair value through profit or loss financial assets			
– Money market funds (quoted in Malaysia) (Note 28)	141,716	57,920	–
Total current investment securities	669,672	154,322	93,669
Non-current			
Unquoted investments – golf club membership	145	145	145
	669,817	154,467	93,814

22. Investment securities (continued)

Investment securities of the Group amounting to RM208,859,000 (2014: RM71,400,000; 2013: RM89,850,000) are pledged to bank for credit facility granted to the Group as disclosed in Note 29.

23. Goodwill

Goodwill has been allocated to the Group's CGUs identified according to the subsidiaries, as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Top Glove Medical (Thailand) Co. Ltd.	2,946	2,946	2,946
B Tech Industry Co. Ltd.	14,789	14,789	14,789
GMP Medicare Sdn. Bhd.	5,070	5,070	5,070
Top Glove (Zhangjiagang) Co. Ltd.	–	–	2,378
	22,805	22,805	25,183
Movement in goodwill:			
As at 1 September 2014/2013/2012	22,805	25,183	20,113
Acquisition of a subsidiary (Note 19(a))	–	–	5,070
Disposal of a subsidiary (Note 19(b))	–	(2,378)	–
As at 31 August	22,805	22,805	25,183

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value-in-use calculations are as follows:

	Gross Margin			Discount Rate		
	2015	2014	2013	2015	2014	2013
Top Glove Medical (Thailand) Co. Ltd.	10%	10%	10%	5%	8%	10%
B Tech Industry Co. Ltd.	7%	7%	7%	5%	8%	10%
GMP Medicare Sdn. Bhd.	16%	20%	14%	5%	8%	10%
Top Glove (Zhangjiagang) Co. Ltd.	–	–	6%	–	–	10%

23. Goodwill (continued)

Key assumptions used in value-in-use calculations (continued)

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

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Discount rate

The discount rates used are post-tax and reflect specific risks relating to the relevant segments.

The Group believes that any reasonably possible change in the above key assumptions applied are not likely to materially cause recoverable amount to be lower than its carrying amount.

24. Inventories

	2015	2014	2013
	RM'000	RM'000	RM'000
Cost			
Raw materials	52,956	41,219	45,792
Consumables and hardware	20,148	22,159	21,263
Work-in-progress	26,465	36,021	19,403
Finished goods	145,903	105,708	131,580
	245,472	205,107	218,038
Net realisable value			
Work-in-progress	1,790	–	–
Finished goods	4,853	2,270	1,647
	252,115	207,377	219,685

During the year, the amount of inventories recognised as an expense of the Group amounted to RM1,955,610,000 (2014: RM1,891,915,000; 2013: RM1,950,016,000).

25. Trade and other receivables

	2015	2014	2013
	RM'000	RM'000	RM'000
Trade receivables			
Third parties	365,117	268,842	283,826
Less: Allowance for impairment	(975)	(975)	(975)
Trade receivables, net	364,142	267,867	282,851
Other receivables			
Sundry receivables	10,254	12,258	9,528
Refundable deposits	6,304	8,738	2,762
	16,558	20,996	12,290
Total trade and other receivables	380,700	288,863	295,141
Total trade and other receivables	380,700	288,863	295,141
Add: Cash and bank balances (Note 28)	146,460	184,030	123,111
Total loans and receivables	527,160	472,893	418,252

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2014: 30 to 90 days; 2013: 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:

	2015	2014	2013
	RM'000	RM'000	RM'000
Neither past due nor impaired	314,700	224,455	256,119
1 to 30 days past due not impaired	41,806	25,905	12,113
31 to 60 days past due not impaired	5,579	899	4,215
61 to 90 days past due not impaired	–	562	4,398
91 to 120 days past due not impaired	1	2,039	2,065
More than 121 days past due not impaired	2,056	14,007	3,941
	49,442	43,412	26,732
Impaired	975	975	975
	365,117	268,842	283,826

25. Trade and other receivables (continued)

(a) Trade receivables (continued)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM49,442,000 (2014: RM43,412,000; 2013: RM26,732,000) 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:

	2015	2014	2013
	RM'000	RM'000	RM'000
Trade receivables-nominal amounts . .	975	2,802	2,802
Less: Allowance for impairment loss . .	(975)	(975)	(975)
	–	1,827	1,827

Movements in the allowance accounts:

	2015	2014	2013
	RM'000	RM'000	RM'000
1 September 2014/2013/2012; 31 August 2015/2014/2013	975	975	975

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

26. Other current assets

	2015	2014	2013
	RM'000	RM'000	RM'000
Prepaid operating expenses	8,189	2,625	3,853
Goods and service tax refundable	13,302	–	–
Advances to suppliers for raw materials	2,609	–	–
Advances to suppliers for property, plant and equipment	48	145	–
	24,148	2,770	3,853

27. Derivative financial instruments and hedging activities

	2015 RM'000		2014 RM'000		2013 RM'000	
	Contract/ Notional amount	Fair value liabilities	Contract/ Notional amount	Fair value assets	Contract/ Notional amount	Fair value liabilities
Forward currency contracts	211,888	(9,211)	275,334	2,662	819,798	(40,852)

At 31 August 2015, the Group held forward currency contracts designated as hedges of expected future sales to customers for which the Group has firm commitments. Forward currency contracts are used to hedge the Company's sales denominated in USD and EURO for which firm commitments existed at the reporting date, extending to January 2016 (2014: December 2014; 2013: July 2014).

The cash flow hedges of the expected future sales were assessed to be highly effective and a net unrealised gain of RM Nil (2014: gain of RM219,000; 2013: loss of RM41,858,000), with deferred tax liability of RM Nil (2014: deferred tax liability of RM55,000; 2013: deferred tax asset of RM10,465,000) relating to the hedging instruments is included in OCI.

During the financial year, the Group recognised a loss of RM11,873,000 (2014: gain of RM2,394,000; 2013: gain of RM886,000) in the profit or loss arising from ineffectiveness recognised in the profit or loss.

28. Cash and bank balances

	2015	2014	2013
	RM'000	RM'000	RM'000
Cash on hand and at banks	144,876	176,058	91,254
Deposits with licensed banks and other financial institutions	1,584	7,972	26,822
Money market funds	–	–	5,035
Cash and bank balances	146,460	184,030	123,111
Add: Cash and cash equivalents included in fair value through profit or loss financial assets (Note 22)	141,716	57,920	–
Less: Deposits pledged with banks	(1,248)	(54,286)	(18,529)
Cash and cash equivalents	286,928	187,664	104,582

Cash at banks and deposits with licensed banks and other financial institutions of the Group amounting to RM1,248,000 (2014: RM54,286,000; 2013: RM18,529,000) are pledged to banks for credit facilities granted to the Group as disclosed in Note 29.

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

	2015	2014	2013
Weighted average effective interest rates (%)	1.79	1.50	2.51
Average maturities (days)	8	7	195

29. Loans and borrowings

	2015	2014	2013
	RM'000	RM'000	RM'000
Current			
Unsecured:			
Import loan at 2.50% p.a.	211	–	–
Revolving credit at 0.79% to 1.08% p.a. (2014: 0.84% to 1.32% p.a.)	170,084	142,132	–
Revolving credit at 0.80% p.a.	44,626	–	–
Revolving credit at 1.10% p.a.	4,210	–	–
Revolving credit at 1.00% p.a.	46,310	–	–
Bank loans:			
– USD loan at 0.75% to 1.45% p.a.	10,457	–	–
– Thai Baht loan at 2.15% to 2.19% p.a.	23,414	–	–
– Term loan at 1.08% p.a.	21,976	–	–
Trust receipt at 3.38%	–	–	9,135
	321,288	142,132	9,135
Secured:			
Bank loans:			
– USD loan at 0.80% to 1.11% p.a. (2014: 0.65% to 0.94% p.a., 2013: 0.68% to 0.96% p.a.)	173,927	35,895	46,236
– British Pound loan at 1.15% p.a.	12,574	–	–
– Euro loan at 0.75% to 0.95% p.a.	22,359	–	–
– Fixed rate USD bank loan at 3.25% p.a.	185	134	135
Obligations under finance leases (Note 39(c))	–	18	75
	209,045	36,047	46,446
	530,333	178,179	55,581

29. Loans and borrowings (continued)

	Maturity	2015	2014	2013
		RM'000	RM'000	RM'000
Non-current				
Unsecured:				
– Term loan at 1.08% p.a.	2017 – 2021	102,492	–	–
Secured:				
Bank loan:				
– 3.25% p.a. fixed rate USD bank loan	2017 – 2030	3,201	2,540	2,791
Obligations under finance leases (Note 39(c))	2015	–	–	18
		105,693	2,540	2,809
Total loans and borrowings (Note 30)		636,026	180,719	58,390

The remaining maturities of the loans and borrowings as at 31 August 2015, 2014 and 2013 are as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
On demand or within one year.	530,333	178,179	55,581
More than 1 year and less than 2 years	22,167	138	159
More than 2 years and less than 5 years . . .	66,329	291	448
5 years or more	17,197	2,111	2,202
	636,026	180,719	58,390

Obligations under finance leases

This obligation was secured by a charge over the leased asset as disclosed in Note 16. The prior year average discount rate implicit in the leases was 3.45% (2014: 3.45%; 2013: 3.90%) per annum.

29. Loans and borrowings (continued)

3.25% p.a. fixed rate USD bank loan

The loan is secured by way of fixed charges over certain property, plant and equipment as disclosed in Note 16.

Other secured bank loans

The loans are secured by way of charges over investment securities and cash at banks of the Group as disclosed in Note 22 and 28.

30. Trade and other payables

	2015	2014	2013
	RM'000	RM'000	RM'000
Trade payables	179,782	131,233	117,619
Other payables			
Accrued operating expenses	49,525	61,400	37,616
Sundry payables	96,867	74,373	78,839
	146,392	135,773	116,455
Total trade and other payables	326,174	267,006	234,074
Add: Loans and borrowings (Note 29)	636,026	180,719	58,390
Total financial liabilities carried at amortised cost	962,200	447,725	292,464

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit term granted to the Group ranges from 30 to 90 days (2014: 30 to 90 days; 2013: 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 (2014: 30 to 90 days; 2013: 30 to 90 days).

31. Other current liabilities

These amounts represent advances received from customers for goods purchased.

32. Share capital

	Number of ordinary shares of RM0.50 each			Amount		
	2015	2014	2013	2015	2014	2013
	'000	'000	'000	RM'000	RM'000	RM'000
Authorised						
At 31 August	800,000	800,000	800,000	400,000	400,000	400,000
Issued and fully paid						
At 1 September 2014/2013/2012	620,664	620,220	618,880	310,332	310,110	309,440
Exercise of ESOS	3,520	444	1,340	1,760	222	670
At 31 August	624,184	620,664	620,220	312,092	310,332	310,110

The new ordinary shares 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:

	2015	2014	2013
	RM'000	RM'000	RM'000
At 1 September 2014/2013/2012	180,673	180,174	174,197
Issuance of ordinary shares pursuant to ESOS	15,877	1,755	4,837
Transfer from share option reserve	3,752	474	1,144
Transfer to retained earnings	–	(1,728)	–
Share issue expenses	–	(2)	(4)
At 31 August	200,302	180,673	180,174

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 8 January 2015, 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 ended 31 August 2015, the Company repurchased 3,324,000 of its issued ordinary shares from the open market at the average price of RM4.43 per share. The total consideration paid for the repurchase including transaction costs was RM14,722,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 624,184,000 issued and fully paid ordinary shares as at 31 August 2015, 3,324,000 are held as treasury shares by the Company. As at 31 August 2015, the number of outstanding ordinary shares in issue and fully paid is therefore 620,860,000 ordinary shares of RM0.50 each.

35. Other reserves

	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 September 2012	5,360	4,434	10,331	4,181	–	24,306
Loss on fair value changes	–	–	–	(2,543)	(31,393)	(33,936)
Foreign currency translation	5,698	–	–	–	–	5,698
Share options granted under ESOS	–	–	1,867	–	–	1,867
Transfer to share premium	–	–	(1,144)	–	–	(1,144)
At 31 August 2013 and 1 September 2013	11,058	4,434	11,054	1,638	(31,393)	(3,209)
Reclassification during the year to profit or loss	–	–	–	(1,630)	31,393	29,763
Gain on fair value changes	–	–	–	1,046	–	1,046
Net gain during the year of not-yet matured contract	–	–	–	–	(219)	(219)
Reclassification adjustment	–	–	–	–	219	219
Foreign currency translation	(2,220)	–	–	–	–	(2,220)
Gain reclassified to profit or loss on disposal of foreign operation	(2,353)	–	–	–	–	(2,353)
Share options granted under ESOS	–	–	873	–	–	873
Transfer to retained earnings	–	(653)	(1,253)	–	–	(1,906)
Transfer to share premium	–	–	(474)	–	–	(474)

35. Other reserves (continued)

	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 August 2014 and 1 September 2014	6,485	3,781	10,200	1,054	–	21,520
Foreign currency translation	35,807	–	–	–	–	35,807
Loss on fair value changes	–	–	–	(1,132)	–	(1,132)
Share options granted under ESOS	–	–	2,188	–	–	2,188
Transfer to retained earnings	–	–	(922)	–	–	(922)
Transfer to share premium	–	–	(3,752)	–	–	(3,752)
At 31 August 2015	42,292	3,781	7,714	(78)	–	53,709

(a) Foreign exchange reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Legal reserve

This represents a general reserve provided for in respect of subsidiaries incorporated in the People's Republic of China and Thailand.

Under the Wholly Foreign Owned Enterprise ("WFOE") Law in the People's Republic of China, at least 10% of the net profit after taxation in each financial year must be credited to this reserve, until it reaches 50% of the registered paid up capital of the subsidiary.

Under the Civil and Commercial Code in Thailand, a company is required to set aside a statutory reserve equal to at least 5% of its net profit each time when the company pays out a dividend, until it reaches 10% of the registered share capital of the company.

(c) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

35. Other reserves (continued)

(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 cumulative portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative deferred gain or loss arising on changes in the fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

36. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 August 2015, 2014 and 2013 under the single tier system.

37. Employee Share Options Scheme (ESOS)

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

The main features of the ESOS are as follows:

(a) The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.

(b) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.

(c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid up share capital of the Company at any point of time during the tenure of the ESOS.

(d) The option price for each share shall be the 5-days weighted average market price of the underlying shares at the time the ESOS Options are granted, with either a premium or a discount of not more than ten percent (10%), or the par value of the ordinary shares of the Company of RM0.50, whichever is higher.

(e) No option shall be granted for less than 100 shares to any eligible employee.

37. Employee Share Options Scheme (ESOS) (continued)

(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 1 August 2018.

(g) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respect with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

(h) No eligible person shall participate at any time in more than one share option scheme implemented by any company within the Group unless otherwise approved by the Options Committee.

(i) The options shall not carry any right to vote at a general meeting of the Company.

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

2015

			Number of share options over the ordinary shares of RM0.50 each				
Grant Date	**Expiry Date**	**Exercise Price**	**At beginning of year**	**Granted**	**Exercised**	**Lapsed**	**At end of year**
		RM	**'000**	**'000**	**'000**	**'000**	**'000**
5.9.2008	1.8.2018	2.01	16.8	–	(10.8)	(1.0)	5.0
5.10.2008. . . .	1.8.2018	1.99	0.8	–	–	–	0.8
5.3.2009	1.8.2018	2.26	43.4	–	(35.0)	–	8.4
6.4.2009	1.8.2018	2.45	0.8	–	–	–	0.8
5.9.2009	1.8.2018	3.52	546.0	–	(331.3)	–	214.7
5.10.2009. . . .	1.8.2018	3.60	0.8	–	–	–	0.8
5.11.2009. . . .	1.8.2018	4.12	29.8	–	(13.4)	–	16.4
4.12.2009. . . .	1.8.2018	4.60	24.6	–	(6.0)	(16.6)	2.0
5.1.2010	1.8.2018	5.04	35.6	–	(20.4)	(7.2)	8.0
5.2.2010	1.8.2018	5.64	65.2	–	(23.8)	(5.0)	36.4
5.3.2010	1.8.2018	5.79	4,076.7	–	(957.4)	(222.0)	2,897.3
5.4.2010	1.8.2018	6.97	114.8	–	(3.6)	(22.0)	89.2
6.5.2010	1.8.2018	6.16	142.8	–	(5.4)	(12.6)	124.8
5.6.2010	1.8.2018	6.12	231.4	–	(66.0)	(57.8)	107.6
5.7.2010	1.8.2018	6.85	118.0	–	(10.4)	(15.6)	92.0
6.8.2010	1.8.2018	6.51	65.3	–	(9.3)	(10.3)	45.7
5.10.2011. . . .	1.8.2018	4.15	748.7	–	(333.9)	(21.6)	393.2
3.4.2013	1.8.2018	5.51	2,053.6	–	(769.7)	(240.4)	1,043.5
2.8.2014	1.8.2018	4.64	2,734.4	–	(923.7)	(383.8)	1,426.9
			11,049.5	–	(3,520.1)	(1,015.9)	6,513.5

37. Employee Share Options Scheme (ESOS) (continued)

2014

			Number of share options over the ordinary shares of RM0.50 each				
Grant Date	Expiry Date	Exercise Price	At beginning of year	Granted	Exercised	Lapsed	At end of year
	RM	'000	'000	'000	'000	'000	
5.9.2008	1.8.2018	2.01	30.2	–	(13.4)	–	16.8
5.10.2008	1.8.2018	1.99	0.8	–	–	–	0.8
5.3.2009	1.8.2018	2.26	50.2	–	(6.6)	(0.2)	43.4
6.4.2009	1.8.2018	2.45	0.8	–	–	–	0.8
5.6.2009	1.8.2018	2.95	2.0	–	(2.0)	–	–
5.8.2009	1.8.2018	3.58	0.4	–	(0.4)	–	–
5.9.2009	1.8.2018	3.52	676.2	–	(84.3)	(45.9)	546.0
5.10.2009	1.8.2018	3.60	0.8	–	–	–	0.8
5.11.2009	1.8.2018	4.12	34.8	–	(5.0)	–	29.8
4.12.2009	1.8.2018	4.60	31.6	–	(4.0)	(3.0)	24.6
5.1.2010	1.8.2018	5.04	43.6	–	(3.0)	(5.0)	35.6
5.2.2010	1.8.2018	5.64	83.8	–	–	(18.6)	65.2
5.3.2010	1.8.2018	5.79	4,690.9	–	(102.6)	(511.6)	4,076.7
5.4.2010	1.8.2018	6.97	128.4	–	–	(13.6)	114.8
6.5.2010	1.8.2018	6.16	171.6	–	–	(28.8)	142.8
5.6.2010	1.8.2018	6.12	267.4	–	–	(36.0)	231.4
5.7.2010	1.8.2018	6.85	149.0	–	–	(31.0)	118.0
6.8.2010	1.8.2018	6.51	76.1	–	–	(10.8)	65.3
5.10.2011	1.8.2018	4.15	975.4	–	(180.7)	(46.0)	748.7
3.4.2013	1.8.2018	5.51	2,441.4	–	(42.1)	(345.7)	2,053.6
2.8.2014	1.8.2018	4.64	–	2,734.4	–	–	2,734.4
			9,855.4	2,734.4	(444.1)	(1,096.2)	11,049.5

37. Employee Share Options Scheme (ESOS) (continued)

2013

			Number of share options over the ordinary shares of RM0.50 each				
Grant Date	Expiry Date	Exercise Price	At beginning of year	Granted	Exercised	Lapsed	At end of year
		RM	'000	'000	'000	'000	'000
5.9.2008	1.8.2018	2.01	77.2	–	(14.6)	(32.4)	30.2
5.10.2008	1.8.2018	1.99	0.8	–	–	–	0.8
5.3.2009	1.8.2018	2.26	158.2	–	(49.2)	(58.8)	50.2
6.4.2009	1.8.2018	2.45	0.8	–	–	–	0.8
5.6.2009	1.8.2018	2.95	2.0	–	–	–	2.0
5.8.2009	1.8.2018	3.58	2.4	–	(2.0)	–	0.4
5.9.2009	1.8.2018	3.52	1,116.2	–	(395.0)	(45.0)	676.2
5.10.2009	1.8.2018	3.60	0.8	–	–	–	0.8
5.11.2009	1.8.2018	4.12	41.4	–	(6.6)	–	34.8
4.12.2009	1.8.2018	4.60	62.0	–	(30.4)	–	31.6
5.1.2010	1.8.2018	5.04	60.7	–	(15.1)	(2.0)	43.6
5.2.2010	1.8.2018	5.64	88.0	–	(0.8)	(3.4)	83.8
5.3.2010	1.8.2018	5.79	4,947.0	–	(108.7)	(147.4)	4,690.9
5.4.2010	1.8.2018	6.97	130.8	–	–	(2.4)	128.4
6.5.2010	1.8.2018	6.16	202.0	–	–	(30.4)	171.6
5.6.2010	1.8.2018	6.12	303.6	–	–	(36.2)	267.4
5.7.2010	1.8.2018	6.85	180.2	–	–	(31.2)	149.0
6.8.2010	1.8.2018	6.51	83.2	–	–	(7.1)	76.1
5.10.2011	1.8.2018	4.15	1,645.1	–	(634.8)	(34.9)	975.4
3.4.2013	1.8.2018	5.51	–	2,546.8	(83.0)	(22.4)	2,441.4
			9,102.4	2,546.8	(1,340.2)	(453.6)	9,855.4

37. Employee Share Options Scheme (ESOS) (continued)

Details of share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

Exercise Date	Exercise price	Fair value of ordinary shares	Number of share options	Considerations received
	RM	RM	'000	RM'000
2015				
September 2014 – August 2015. . . .	2.01	4.26 – 8.50	10.8	21.7
September 2014 – August 2015. . . .	2.26	4.26 – 8.50	35.0	79.1
September 2014 – August 2015. . . .	3.52	4.26 – 8.50	331.3	1,166.2
September 2014 – August 2015. . . .	4.12	4.26 – 8.50	13.4	55.2
September 2014 – August 2015. . . .	4.60	4.26 – 8.50	6.0	27.6
September 2014 – August 2015. . . .	5.04	4.26 – 8.50	20.4	102.8
September 2014 – August 2015. . . .	5.64	4.26 – 8.50	23.8	134.2
September 2014 – August 2015. . . .	5.79	4.26 – 8.50	957.4	5,543.3
September 2014 – August 2015. . . .	6.97	4.26 – 8.50	3.6	25.1
September 2014 – August 2015. . . .	6.16	4.26 – 8.50	5.4	33.2
September 2014 – August 2015. . . .	6.12	4.26 – 8.50	66.0	403.9
September 2014 – August 2015. . . .	6.85	4.26 – 8.50	10.4	71.2
September 2014 – August 2015. . . .	6.51	4.26 – 8.50	9.3	60.5
September 2014 – August 2015. . . .	4.15	4.26 – 8.50	333.9	1,385.7
September 2014 – August 2015. . . .	5.51	4.26 – 8.50	769.7	4,241.0
September 2014 – August 2015. . . .	4.64	4.26 – 8.50	923.7	4,286.0
			3,520.1	17,637
Less: Par value of ordinary shares .				(1,760)
Share premium				15,877

37. Employee Share Options Scheme (ESOS) (continued)

Exercise Date	Exercise price	Fair value of ordinary shares	Number of share options	Considerations received
	RM	RM	'000	RM'000
2014				
September 2013 – August 2014. . . .	2.01	4.50 – 4.88	13.4	26.9
September 2013 – August 2014. . . .	2.26	4.50 – 4.88	6.6	14.9
September 2013 – August 2014. . . .	2.95	4.50 – 4.88	2.0	5.9
September 2013 – August 2014. . . .	3.58	4.50 – 4.88	0.4	1.4
September 2013 – August 2014. . . .	3.52	4.50 – 4.88	84.3	296.7
September 2013 – August 2014. . . .	4.12	4.50 – 4.88	5.0	20.6
September 2013 – August 2014. . . .	4.60	4.50 – 4.88	4.0	18.4
September 2013 – August 2014. . . .	5.04	4.50 – 4.88	3.0	15.1
September 2013 – August 2014. . . .	5.79	4.50 – 4.88	102.6	594.1
September 2013 – August 2014. . . .	4.15	4.50 – 4.88	180.7	749.9
September 2013 – August 2014. . . .	5.51	4.50 – 4.88	42.1	232.6
			444.1	1,977
Less: Par value of ordinary shares .				(222)
Share premium				1,755

37. Employee Share Options Scheme (ESOS) (continued)

Exercise Date	Exercise price	Fair value of ordinary shares	Number of share options	Considerations received
	RM	RM	'000	RM'000
2013				
September 2012 – August 2013. . . .	2.01	4.84 – 6.60	14.6	29.3
September 2012 – August 2013. . . .	2.26	4.84 – 6.60	49.2	111.2
September 2012 – August 2013. . . .	3.58	4.84 – 6.60	2.0	7.2
September 2012 – August 2013. . . .	3.52	4.84 – 6.60	395.0	1,390.4
September 2012 – August 2013. . . .	4.12	4.84 – 6.60	6.6	27.2
September 2012 – August 2013. . . .	4.60	4.84 – 6.60	30.4	139.8
September 2012 – August 2013. . . .	5.04	4.84 – 6.60	15.1	76.1
September 2012 – August 2013. . . .	5.64	4.84 – 6.60	0.8	4.5
September 2012 – August 2013. . . .	5.79	4.84 – 6.60	108.7	629.4
September 2012 – August 2013. . . .	4.15	4.84 – 6.60	634.8	2,634.4
September 2012 – August 2013. . . .	5.51	4.84 – 6.60	83.0	457.3
			1,340.2	5,507
Less: Par value of ordinary shares .				(670)
Share premium				4,837

37. Employee Share Options Scheme (ESOS) (continued)

Fair value of share options granted during the years ended 31 August 2014 and 2013

The fair value of share options granted during the years ended 31 August 2014 and 2013 were estimated by using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2015	2014	2013
Fair value of share options at the following grant dates (RM)			
3 April 2013	–	–	0.90, 1.01, 1.02, 1.03, 1.10, 1,11, 1.15 & 1.16
2 August 2014	–	0.85, 0.88, 0.89, 0.91 & 0.92	–
Weighted average share price (RM)	–	5.70	5.83
Weighted average exercise price (RM)	–	4.40	4.11
Expected volatility (%)	–	25.41	28.59
Expected life (years)	–	4.00	5.33
Risk free rate (%)	–	3.54	3.22
Expected dividend yield (%)	–	3.35	3.32

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option were incorporated into the measurement of fair value.

38. Related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial years ended 31 August 2015, 2014 and 2013:

(a) Purchase of raw materials

	2015	2014	2013
	RM'000	RM'000	RM'000
Purchase of raw materials from companies related to certain directors of the Company	15,696	20,804	36,120

(b) Compensation of key management personnel

There are no other key management personnel other than the executive directors. The remuneration of executive directors during the year were as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Salaries and other emoluments	6,047	5,975	5,835
Pension costs – defined contribution plan	543	571	521
Social security contributions	8	8	8
Share options granted under ESOS	264	25	311
Fees	892	856	871
	7,754	7,435	7,546

39. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Property, plant and equipment:			
Approved and contracted for	90,026	107,154	129,483

(b) Operating lease arrangements

In addition to the land use rights disclosed in Note 17, the Group has entered into commercial leases on certain office equipment. These leases have an average tenure of between one and five years.

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Future minimum rentals payments:			
Not later than 1 year	862	851	855
Later than 1 year and not later than 2 years	203	665	774
Later than 2 years and not later than 5 years	157	219	782
	1,222	1,735	2,411

39. Commitments (continued)

(c) Finance lease commitments

The Group has finance leases for certain items of property, plant and equipment as disclosed in Note 16. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2015	2014	2013
	RM'000	RM'000	RM'000
Minimum lease payments:			
Not later than 1 year	–	19	83
Later than 1 year and not later than 2 years	–	–	19
Total minimum lease payments	–	19	102
Less: Amount representing finance charges	–	(1)	(9)
Present value of minimum lease payables	–	18	93
Present value of payments:			
Not later than 1 year	–	18	75
Later than 1 year and not later than 2 years	–	–	18
Present value of minimum lease payments	–	18	93
Less: Amount due within 12 months (Note 29)	–	(18)	(75)
Amount due after 12 months (Note 29)	–	–	18

40. Fair value of financial instruments

Determination of fair value

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.

Quoted debt securities

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

Investment properties

For investment properties, the Group used the fair value which has been determined based on prior transaction and third party pricing information.

40. Fair value of financial instruments (continued)

Fair value hierarchy

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

Group	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 31 August 2015				
Current				
Assets measured at fair value				
Available-for-sale financial assets	527,956	–	–	527,956
Fair value through profit or loss financial assets	141,716	–	–	141,716
Liabilities measured at fair value				
Derivative liabilities	–	(9,211)	–	(9,211)
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145
Assets for which fair values are disclosed:				
Investment properties	–	–	124,184	124,184

40. Fair value of financial instruments (continued)

Group	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 31 August 2014				
Current				
Assets measured at fair value				
Available-for-sale financial assets	96,402	–	–	96,402
Fair value through profit or loss financial assets	57,920	–	–	57,920
Derivative asset	–	2,662	–	2,662
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145
As at 31 August 2013				
Current				
Assets measured at fair value				
Available-for-sale financial assets	93,669	–	–	93,669
Liabilities measured at fair value				
Derivative liabilities	–	40,852	–	40,852
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145

During the reporting years ended 31 August 2015, 2014 and 2013, there were no transfers between Level 1 and Level 2 fair value measurements.

41. Financial risk management objectives and policies

Financial liabilities comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support their operations. Financial assets include trade and other receivables, debts securities and cash and short-term deposits that derive directly from their operations.

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:

(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 comprises interest rate risk, foreign exchange currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include trade and other receivables, trade and other payables, loans and borrowings, deposits, available-for-sales 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 exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group minimises 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.

41. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated statements of financial position, including derivatives with positive fair values.

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. 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.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

41. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2015			
	On demand or within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Trade and other payables excluding bank guarantees*	326,174	–	–	326,174
Loans and borrowings	530,333	91,555	17,465	639,353
Total undiscounted financial liabilities	856,507	91,555	17,465	965,527

	2014			
	On demand or within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Trade and other payables, excluding bank guarantees*	267,006	–	–	267,006
Loans and borrowings	178,179	724	2,469	181,372
Total undiscounted financial liabilities	445,185	724	2,469	448,378

41. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

	2013			
	On demand or within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Trade and other payables, excluding bank guarantees*	234,074	–	–	234,074
Loans and borrowings	55,581	934	2,646	59,161
Total undiscounted financial liabilities	289,655	934	2,646	293,235

* At the reporting date, the counterparties to the bank guarantees do not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of MFRS 139 are not included in the above maturity profile analysis.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis point lower/higher, will all other variables held constant, the Group's profit before tax would have been RM633,000 (2014: RM178,000; 2013: RM91,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

41. Financial risk management objectives and policies (continued)

(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 Company manages the market price risk through diversification and by placing limits on individual and total debt instruments. Reports on the investment portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

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:

		2015	2014	2013
		RM'000	RM'000	RM'000
Debt investments	– strengthened 5%	26,398	4,820	4,683
	– weakened 5%	(26,398)	(4,820)	(4,683)

(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, primarily 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") and Euro.

41. Financial risk management objectives and policies (continued)

(f) Foreign currency risk (continued)

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net financial assets/(liabilities) held in non-functional currencies			
	USD	Euro	AUD	Total
	RM'000	RM'000	RM'000	RM'000
Functional currency of Group companies				
At 31 August 2015:				
Ringgit Malaysia	(296,846)	(946)	–	(297,792)
Thailand Baht	7,417	(451)	–	6,966
Chinese Renminbi	18,176	–	–	18,176
Australian Dollars	169,060	622	–	169,682
	(102,193)	(775)	–	(102,968)
At 31 August 2014:				
Ringgit Malaysia	(96,256)	895	–	(95,361)
Thailand Baht	11,918	–	–	11,918
Chinese Renminbi	12,254	–	–	12,254
Australian Dollars	(12,470)	–	–	(12,470)
	(84,554)	895	–	(83,659)
At 31 August 2013:				
Ringgit Malaysia	51,704	–	5,761	57,465
Thailand Baht	29,123	–	–	29,123
Chinese Renminbi	14,334	–	–	14,334
Australian Dollars	(43,644)	–	–	(43,644)
	51,517	–	5,761	57,278

41. Financial risk management objectives and policies (continued)

(f) Foreign currency risk (continued)

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.

		2015	2014	2013
		RM'000	RM'000	RM'000
USD/RM	– strengthened 5%	(14,842)	(4,813)	2,585
	– weakened 5%	14,842	4,813	(2,585)
USD/Baht	– strengthened 5%	371	596	1,456
	– weakened 5%	(371)	(596)	(1,456)
USD/RMB	– strengthened 5%	909	613	717
	– weakened 5%	(909)	(613)	(717)
USD/AUD	– strengthened 5%	8,453	(624)	(2,182)
	– weakened 5%	(8,453)	624	2,182
EURO/RM	– strengthened 5%	(47)	45	–
	– weakened 5%	47	(45)	–
RMB/RM	– strengthened 5%	–	(82)	–
	– weakened 5%	–	82	–
AUD/RM	– strengthened 5%	–	–	288
	– weakened 5%	–	–	(288)
EURO/Baht	– strengthened 5%	(23)	–	–
	– weakened 5%	23	–	–
EURO/AUD	– strengthened 5%	31	–	–
	– weakened 5%	(31)	–	–

42. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2015, 2014 and 2013.

42. Capital management (continued)

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 2015, 2014 and 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve and the above-mentioned restricted statutory reserve fund.

	Note	2015	2014	2013
		RM'000	RM'000	RM'000
Loans and borrowings	29	636,026	180,719	58,390
Trade and other payables	30	326,174	267,006	234,074
Other current liabilities	31	29,625	38,112	28,504
Less: Cash and cash equivalents	28	(286,928)	(187,664)	(104,582)
Net debt		704,897	298,173	216,386
Equity attributable to the owners of the parent		1,607,964	1,393,389	1,331,852
Add/(less):				
– Fair value adjustment reserve	35	78	(1,054)	(1,638)
– Cash flow hedge reserve	35	–	–	31,393
– Statutory reserve fund	35	(3,781)	(3,781)	(4,434)
Total capital		1,604,261	1,388,554	1,357,173
Capital and net debt		2,309,158	1,686,727	1,573,559
Gearing ratio		30.53%	17.68%	13.75%

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 in the normal course of business and have been established on negotiated and mutually agreed terms.

43. Segment information (continued)

31 August 2015

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Notes	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue								
External sales	2,072,889	186,437	95,589	–	155,595	–		2,510,510
Inter-segment sales	67,317	272,589	2,404	–	–	(342,310)	A	–
Total revenue	2,140,206	459,026	97,993	–	155,595	(342,310)		2,510,510
Results								
Interest income	7,801	74	9	20,111	–	(4,075)		23,920
Depreciation and amortisation	78,876	15,200	3,798	–	906	–		98,780
Segment profit	329,400	23,548	6,145	15,366	4,958	(15,879)	B	363,538
Assets								
Additions to non-current assets	197,613	12,814	1,050	–	451	–	C	211,928
Segment assets	1,718,000	229,427	72,205	538,205	93,386	36,707	D	2,687,930
Liabilities								
Segment liabilities	706,132	55,383	10,967	208,877	19,677	72,501	E	1,073,537
Other segment information								
Capital commitments	62,878	27,148	–	–	–	–		90,026

43. Segment information (continued)

31 August 2014

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Notes	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue								
External sales	1,842,211	213,163	101,961	–	118,031	–		2,275,366
Inter-segment sales	40,762	326,207	3,222	–	–	(370,191)	A	–
Total revenue	1,882,973	539,370	105,183	–	118,031	(370,191)		2,275,366
Results								
Interest income	7,403	87	114	7,479	–	(4,776)		10,307
Depreciation and amortisation	72,441	14,758	3,493	–	879	–		91,571
Segment profit/(loss)	196,858	23,463	(18,499)	15,150	298	(960)	B	216,310
Assets								
Additions to non-current assets	186,158	5,678	92	–	481	–	C	192,409
Segment assets	1,380,871	202,787	59,334	160,896	73,591	55,688	D	1,933,167
Liabilities								
Segment liabilities	396,226	31,452	9,043	35,905	13,211	49,780	E	535,617
Other segment information								
Capital commitments	103,796	3,358	–	–	–	–		107,154

43. Segment information (continued)

31 August 2013

	Malaysia	Thailand	The People's Republic of China	Others	Eliminations	Notes	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Revenue							
External sales	1,841,221	215,571	135,211	121,231	–		2,313,234
Inter-segment sales	43,834	346,415	22,297	–	(412,546)	A	–
Total revenue	1,885,055	561,986	157,508	121,231	(412,546)		2,313,234
Results							
Interest income	14,164	167	11	2,766	(4,444)		12,664
Depreciation and amortisation	58,667	14,777	6,282	619	–		80,345
Segment profit/(loss)	215,779	25,476	562	3,592	(3,205)	B	242,204
Assets							
Additions to non-current assets	228,367	14,425	2,399	34,171	–	C	279,362
Segment assets	1,179,622	206,457	128,358	195,616	61,370	D	1,771,423
Liabilities							
Segment liabilities	247,491	26,975	26,902	60,452	51,762	E	413,582
Other segment information							
Capital commitments	128,152	1,142	–	189	–		129,483

43. Segment information (continued)

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the consolidated statement of comprehensive income.

	2015	2014	2013
	RM'000	RM'000	RM'000
Share of results of associates	(11,709)	3,266	(2,472)
Finance costs	(4,170)	(4,226)	(733)
	(15,879)	(960)	(3,205)

C Additions to non-current assets consist of:

	2015	2014	2013
	RM'000	RM'000	RM'000
Property, plant and equipment	205,739	192,238	255,760
Land used rights	50	171	23,602
Investment properties	6,139	–	–
	211,928	192,409	279,362

D The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015	2014	2013
	RM'000	RM'000	RM'000
Deferred tax assets	8,762	12,825	19,165
Investments in associates	5,140	20,058	17,022
Goodwill	22,805	22,805	25,183
	36,707	55,688	61,370

E The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2015	2014	2013
	RM'000	RM'000	RM'000
Income tax payable	25,348	2,530	6,013
Deferred tax liabilities	47,153	47,250	45,749
	72,501	49,780	51,762

44. Dividends

	2015	2014	2013
	RM'000	RM'000	RM'000
Recognised during the financial year:			
Dividends on ordinary shares:			
– Final single tier dividend for 2014: 9.00 sen per share	55,565	–	–
– First interim single tier dividend for 2015: 8.00 sen per share	49,419	–	–
– Final single tier dividend for 2013: 9.00 sen per share	–	55,848	–
– First interim single tier dividend for 2014: 7.00 sen per share	–	43,444	–
– Final single tier dividend for 2012: 9.00 sen per share	–	–	55,730
– First interim single tier dividend for 2013: 7.00 sen per share	–	–	43,404
	104,984	99,292	99,134

At the forthcoming Annual General Meeting, a single tier final dividend of 24% on 620,859,762 ordinary shares amounting to RM74,503,171 (12.00 sen per share) in respect of the financial year ended 31 August 2015 would be proposed for shareholders' approval. The consolidated financial statements for the financial year ended 31 August 2015 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 2016.

45. Contingent liabilities

Certain subsidiaries of the Company, namely Top Glove Sdn. Bhd., TG Medical Sdn. Bhd. And Flexitech Sdn. Bhd. were served a writ of summons on 18 January 2013 by Sentinel Engineering Sdn. Bhd. and Hartalega Sdn. Bhd., claiming damages (unspecified) on the alleged infringement of the arrangement of assembling former holders, claimed in features of Patent No. MY 140770-A. The writ of summons was also served on 3 other third party glove manufacturing companies and 2 suppliers of glove machinery parts or components.

During the financial year ended 31 August 2014, the legal suit pertaining to the alleged patent infringement had been amicably resolved wherein all claims and counterclaims had been withdrawn.

46. Subsequent events

(a) On 15 October 2015, the Company proposed to undertake the following corporate exercises:

(i) a bonus issue of up to 630,697,962 new ordinary shares of RM0.50 each in the Company on the basis of one new ordinary share of RM0.50 each for every one existing ordinary share held;

(ii) the establishment of an employees' share grant plan of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and executive directors of the Company and its subsidiaries;

(iii) an increase in the authorised share capital of the Company from RM400,000,000 to RM800,000,000 through the creation of 800,000,000 shares of RM0.50 each; and

(iv) amendments to the Memorandum and Articles of Association of the Company to facilitate the implementation of the proposed increase in authorised share capital.

The above proposals are subject to the approvals by the relevant authorities and the shareholders of the Company in general meeting.

(b) On 28 October 2015, the Company through its wholly-owned subsidiary, Top Glove Sdn. Bhd. had acquired the entire issued and paid up share capital of TG Porcelain Sdn. Bhd. ("TGPSB"), a company duly incorporated in Malaysia, comprising of 2 ordinary shares of RM1.00 each fully paid up in the capital of TGPSB for a total cash consideration of RM2.00 ("the Acquisition"). TGPSB is set up for manufacturing of glove dipping formers ("moulds") for production of gloves; the moulds produced are for internal usage by Top Glove factories. Resulting from the Acquisition, TGPSB became a wholly-owned subsidiary of Top Glove.

(c) On 14 March 2016, the Company announced its proposed plan to undertake secondary listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the Singapore Exchange Securities Trading Limited by way of introduction ("Proposed Secondary Listing").

(d) On 14 March 2016, the Company announced its proposed plan to undertake the amendments to the Articles of Association to facilitate the Proposed Secondary Listing.

(e) On 22 March 2016, the Company, through its wholly-owned subsidiary, Top Glove Sdn. Bhd. ("TGSB") had acquired the entire issued and paid-up share capital of TG GD Medical Clinic Sdn. Bhd. ("TG GD"), a company duly incorporated in Malaysia, comprising of 2 ordinary shares of RM1.00 each fully paid-up in the capital of TG GD for a total cash consideration of RM2.00.

46. Subsequent events (continued)

(f) On 22 March 2016, TGSB entered into a Joint Venture Agreement with DHS Emergency Asia Sdn. Bhd. to jointly own TG GD, to carry on the business to provide clinical and specialist medical services within the states of Malaysia.

(g) The Company announced on 6 April 2016 that it has submitted an application to the Securities Commission Malaysia to seek its approval for the Proposed Secondary Listing. Concurrently, Section A of the Listings Admission Pack has also been submitted to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 6 April 2016.

(h) The Company announced on 9 May 2016 that SGX-ST has informed CIMB Bank Berhad, Singapore Branch and HL Bank that they may proceed with the submission of Section B of the Listing Admissions Pack for the review of the SGX-ST.

(i) On 16 May 2016, the Company announced that certain of its subsidiaries have entered into Recurrent Related Party Transactions (RRPTs) with companies connected with certain directors/major shareholders of the Company for the purchase of natural rubber concentrate latex. The value of these transactions for the financial years ended 31 August 2015, 31 August 2014 and 31 August 2013 were RM15,696,000, RM20,804,000 and RM36,120,000 respectively.

(j) The Company, through its wholly-owned sub-subsidiary, Great Glove (Xinghua) Co Ltd had on 16 May 2016, incorporated a private limited Company in China, known as TG Medical (Xinghua) Co Ltd, wholly-owned by Great Glove (Xinghua) Co Ltd, with registered capital of RMB1,000,000.00. The principal activity of TG Medical (Xinghua) Co Ltd is trading of all types of gloves, medical-related products and devices.

(k) On 17 May 2016, the Company announced that the Securities Commission Malaysia had approved the Proposed Secondary Listing subject to the secondary listing of and quotation for the entire issued and paid-up share capital of Top Glove on the Main Board of the SGX-ST being fully fungible.

(l) On 19 May 2016, the Company announced that Section B of the Listing Admissions Pack has been submitted by CIMB Bank Berhad, Singapore Branch and HL Bank, on behalf of the Company, to the SGX-ST.

(m) The Company had, on 2 June 2016, issued circular to shareholders in relation to the proposed amendments to the Articles of Association of the Company and the Proposed Secondary Listing of the Company on the Main Board of the SGX-ST by way of introduction.

(n) The Company had, on 9 June 2016 received a letter of conditional eligibility-to-list ("ETL") on the Main Board of SGX-ST from the SGX-ST in connection to the Proposed Secondary Listing. The ETL is not an indication of the merits of the Proposed Secondary Listing, the Company, its subsidiaries and associated companies and/or its

46. Subsequent events (continued)

shares. An introductory document containing details of the Proposed Secondary Listing will be issued in Singapore prior to the secondary listing of and quotation for all the existing shares of the Company on the Main Board of the SGX-ST.

(o) On 15 June 2016, the Company announced that the Board has resolved to reduce the size of Employee Share Grant Plan from up to 15% to 10% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and executive directors of Top Glove and its subsidiaries.

(p) On 15 June 2016, the Company declared first single tier interim dividend of RM0.06 per ordinary share in respect of the financial year ended 31 August 2016 for every shares held as at 5.00 p.m. on 1 July 2016.

47. Authorisation of consolidated financial statements for issue

The consolidated financial statements for the year ended 31 August 2015, 2014 and 2013 were authorised for issue in accordance with a resolution of the directors on 15 June 2016.

Top Glove Corporation Bhd.

(474423-X)
(Incorporated in Malaysia)

Interim Condensed Consolidated Financial Statements
For the Six-Month Period ended 29 February 2016

INDEPENDENT AUDITORS' REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Contents **Pages**

Independent auditors' report B1-3

Interim Condensed Consolidated Income Statements B1-4

Interim Condensed Consolidated Statements of Comprehensive Income B1-5

Interim Condensed Consolidated Statements of Financial Position. B1-6

Interim Condensed Consolidated Statements of Changes in Equity B1-8

Interim Condensed Consolidated Statements of Cash Flows B1-9

Notes to the financial statements. B1-11

Report on review of interim condensed financial statements to the Board of Directors of Top Glove Corporation Berhad for the six-month period ended 29 February 2016

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Top Glove Corporation Berhad as at 29 February 2016, which comprise the interim condensed consolidated statement of financial position and the related interim condensed consolidated income statement, comprehensive income, changes in equity and cash flows for the six-month period then ended 29 February 2016 and the explanatory notes. Directors are responsible for the preparation and presentation of these interim condensed financial statements in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") as issued by the Malaysian Accounting Standards Board and International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with Malaysian Approved Standard on Review Engagements, ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Approved Standards on Auditing in Malaysia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with MFRS 134 and IAS 34.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Introductory Document to be issued in connection with the listing of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited by way of an introduction.

Ernst & Young
AF: 0039
Chartered Accountants

Ong Chee Wai
2857/07/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 15 June 2016

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Income Statements
For the six-month period ended 29 February 2016

	Note	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
		RM'000	RM'000
Revenue	3	1,494,131	1,139,875
Cost of sales		(1,121,881)	(923,582)
Gross profit		372,250	216,293
Other items of income			
Interest income		17,055	9,876
Other income		34,588	8,205
Other items of expense			
Distribution and selling costs		(39,826)	(36,354)
Administrative and general expenses		(87,997)	(61,608)
Finance costs		(3,172)	(2,365)
Share of results of associates		133	(5,410)
Profit before tax		293,031	128,637
Income tax expense	4	(52,891)	(29,763)
Profit net of tax		240,140	98,874
Profit attributable to:			
Owners of the parent		238,945	98,319
Non-controlling interest		1,195	555
		240,140	98,874
Earnings per share attributable to owners of the parent (sen):			
Basic	5	19.13	7.94
Diluted	5	19.09	7.93

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Comprehensive Income
For the six-month period ended 29 February 2016

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
	RM'000	**RM'000**
Profit net of tax	240,140	98,874
Other comprehensive (loss)/income:		
Net (loss)/gain on available-for-sale financial assets	(9,489)	7,646
Foreign currency translation	(11,047)	14,781
Other comprehensive income for the year, net of tax	(20,536)	22,427
Total comprehensive income for the year	219,604	121,301
Total comprehensive income attributable to:		
Owners of the parent	218,587	120,385
Non-controlling interest	1,017	916
	219,604	121,301

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Financial Position
As at 29 February 2016

	Note	Unaudited 29.02.2016	Audited 31.08.2015
		RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	6	1,074,141	1,026,490
Land use rights		40,042	40,315
Investment properties	7	115,402	111,178
Investment in associates		5,287	5,140
Deferred tax assets		7,382	8,762
Investment securities	9	145	145
Goodwill		22,805	22,805
		1,265,204	1,214,835
Current assets			
Inventories	8	235,632	252,115
Trade and other receivables		356,230	380,700
Other current assets		31,009	24,148
Investment securities	9	679,598	669,672
Derivatives financial instruments		2,690	–
Cash and bank balances		130,035	146,460
		1,435,194	1,473,095
Total assets		2,700,398	2,687,930
Equity and liabilities			
Current liabilities			
Loans and borrowings	10	376,172	530,333
Trade and other payables		321,116	326,174
Other current liabilities		36,859	29,625
Income tax payable		52,609	25,348
Derivative financial instruments		–	9,211
		786,756	920,691
Net current assets		648,438	552,404

Interim Condensed Consolidated Statements of Financial Position
As at 29 February 2016 (continued)

	Note	Unaudited 29.02.2016	Audited 31.08.2015
		RM'000	RM'000
Non-current liabilities			
Loans and borrowings	10	96,047	105,693
Deferred tax liabilities		39,264	47,153
		135,311	152,846
Total liabilities		922,067	1,073,537
Net assets		1,778,331	1,614,393
Equity attributable to owners of the parent			
Share capital	11	627,231	312,092
Share premium	12	4,221	200,302
Treasury shares	13	(9,739)	(14,722)
Other reserves	14	28,292	53,709
Retained earnings		1,120,880	1,056,583
		1,770,885	1,607,964
Non-controlling interest		7,446	6,429
Total equity		1,778,331	1,614,393
Total equity and liabilities		2,700,398	2,687,930

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Changes in Equity
For the six-month period ended 29 February 2016

	Equity, total	Equity attributable to owners of the parent total	Attributable to owners of the parent: Non-distributable: Share capital	Non-distributable: Share premium	Non-distributable: Treasury shares	Non-distributable: Foreign exchange reserve	Non-distributable: Legal reserve	Non-distributable: Share option reserve	Non-distributable: Fair value adjustment reserve	Distributable: Retained earnings	Non-controlling interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 September 2015	1,614,393	1,607,964	312,092	200,302	(14,722)	42,292	3,781	7,714	(78)	1,056,583	6,429
Total comprehensive income/(loss)	219,604	218,587	–	–	–	(10,869)	–	–	(9,489)	238,945	1,017
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	21,876	21,876	2,282	19,594	–	–	–	(6)	–	6	–
Issuance of bonus shares	–	–	312,857	(220,800)	–	–	–	–	–	(92,057)	–
Share options granted under ESOS	72	72	–	–	–	–	–	72	–	–	–
Transfer from share option reserve	–	–	–	5,125	–	–	–	(5,125)	–	–	–
Resale of treasury shares	16,110	16,110	–	–	4,983	–	–	–	–	11,127	–
Dividends on ordinary shares (Note 20)	(93,724)	(93,724)	–	–	–	–	–	–	–	(93,724)	–
Total transactions with owners	(55,666)	(55,666)	315,139	(196,081)	4,983	–	–	(5,059)	–	(174,648)	–
Closing balance at 29 February 2016	1,778,331	1,770,885	627,231	4,221	(9,739)	31,423	3,781	2,655	(9,567)	1,120,880	7,446
Opening balance at 1 September 2014	1,397,550	1,393,389	310,332	180,673	–	6,485	3,781	10,200	1,054	880,864	4,161
Total comprehensive income	121,301	120,385	–	–	–	14,420	–	–	7,646	98,319	916
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	213	213	30	183	–	–	–	–	–	–	–
Share options granted under ESOS	1,077	1,077	–	–	–	–	–	1,077	–	–	–
Transfer from share option reserve	–	–	–	42	–	–	–	(42)	–	–	–
Transfer to retained earnings	–	–	–	–	–	–	–	(55)	–	55	–
Purchase of treasury shares	(14,722)	(14,722)	–	–	(14,722)	–	–	–	–	–	–
Dividends on ordinary shares (Note 20)	(55,565)	(55,565)	–	–	–	–	–	–	–	(55,565)	–
Total transactions with owners	(68,997)	(68,997)	30	225	(14,722)	–	–	980	–	(55,510)	–
Closing balance at 28 February 2015	1,449,854	1,444,777	310,362	180,898	(14,722)	20,905	3,781	11,180	8,700	923,673	5,077

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Cash Flows
For the six-month period ended 29 February 2016

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	293,031	128,637
Adjustments for:		
Depreciation and amortisation		
– Property, plant and equipment	51,611	47,025
– Land use rights	238	331
– Investment properties	2,357	–
Gain on disposal of property, plant and equipment	(119)	(509)
Loss/(gain) on disposal of investment securities	1,022	(661)
Property, plant and equipment written off	10	–
Share options granted under ESOS	72	1,077
Unrealised foreign exchange loss	29,536	7,922
Share of results of associates	(133)	5,410
Net fair value (gain)/loss on derivative	(11,901)	5,682
Finance costs	3,172	2,365
Interest income	(17,055)	(9,876)
Total adjustments	58,810	58,766
Operating cash flows before changes in working capital	351,841	187,403
Changes in working capital		
Decrease in inventories	16,483	4,677
Decrease/(increase) in receivables	34,395	(44,125)
Increase in other current assets	(6,850)	(6,184)
(Decrease)/increase in payables	(26,992)	19,492
Total changes in working capital	17,036	(26,140)
Cash flows from operations	368,877	161,263
Interest paid	(3,172)	(2,365)
Tax paid	(32,140)	(19,118)
Net cash flows generated from operating activities	333,565	139,780

Interim Condensed Consolidated Statements of Cash Flows
For the six-month period ended 29 February 2016 (continued)

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(110,841)	(93,430)
Purchase of investment properties	(6,581)	–
Purchase of land use rights	(22)	(46)
Purchase of investment securities	–	(290,495)
(Increase)/decrease in bank balances pledged with banks	(1,153)	51,866
Proceeds from disposal of investment securities	149,344	–
Interest received	17,055	9,876
Proceeds from disposal of property, plant and equipment	2,130	–
Net cash flows generated from/(used in) investing activities	49,932	(322,229)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	21,876	213
Resale/(purchase) of treasury shares	16,110	(14,722)
Dividends paid on ordinary shares	(93,724)	(55,565)
(Repayment)/proceeds from loans and borrowings	(174,110)	222,902
Net cash flows (used in)/generated from financing activities	(229,848)	152,828
Net increase/(decrease) in cash and cash equivalents	153,649	(29,621)
Effects of foreign exchange rate changes	(1,446)	1,540
Cash and cash equivalents at beginning of period	286,928	187,664
Cash and cash equivalents at end of period	439,131	159,583
Cash and cash equivalents at the end of the period comprise the following:		
Cash at bank and on hand	130,035	128,932
Add: Cash and cash equivalents included in fair value through profit or loss financial assets	311,497	33,071
Less: Deposits pledged with banks	(2,401)	(2,420)
	439,131	159,583

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

1. Corporate information

Top Glove Corporation Bhd. ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Level 21, Top Glove Tower, No. 16, Persiaran Setia dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are mainly manufacturing and trading of gloves, provision of management services, property investment, producing and selling concentrate latex and plantation of rubber trees. There have been no significant changes in the nature of the principal activities during the financial period.

2. Summary of significant accounting policies

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six-month period ended 29 February 2016 of the Group have been prepared in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") as issued by the Malaysian Accounting Standards Board and International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board.

The interim condensed condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 August 2015.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

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.

2. Summary of significant accounting policies (continued)

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018

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.

2.3 Segment information

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 19.

3. Revenue

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
	RM'000	RM'000
Sales of goods	1,494,131	1,139,875

4. Income tax expense

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
	RM'000	RM'000
Current income tax	55,987	25,643
Real property gain tax	62	–
Deferred taxation	(6,510)	1,433
Underprovision in respect of previous years	3,352	2,687
	52,891	29,763

5. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period, excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the period, 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.

5. Earnings per share (continued)

The following reflects the profit and share data used in the computation of basic and diluted earnings per share for the periods ended 29 February 2016 and 28 February 2015:

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM'000)	238,945	98,319
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,249,179	1,238,953
Effects of dilution – share options ('000)	2,480	747
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,251,659	1,239,700
Basic earnings per share (sen)	19.13	7.94
Diluted earnings per share (sen)	19.09	7.93

The number of ordinary shares issued as at 28 February 2015 has been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares which was completed on 27 January 2016.

6. Property, plant and equipment

	*Land and buildings	Plant and equipment	**Other assets	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
1 September 2014	489,526	878,831	90,690	97,263	1,556,310
Additions	33,816	64,220	13,014	94,689	205,739
Transfer to investment properties	(14,002)	–	–	(92,506)	(106,508)
Reclassification	13,605	15,100	117	(28,822)	–
Written off	–	(5,058)	(725)	(1)	(5,784)
Disposals	(1,127)	(12,950)	(618)	(801)	(15,496)
Exchange differences	21,045	42,811	2,890	614	67,360
At 31 August 2015 and 1 September 2015	542,863	982,954	105,368	70,436	1,701,621
Additions	2,487	44,185	9,412	54,757	110,841
Transfer to investment properties	–	–	–	–	–
Reclassification	6,581	3,000	188	(9,769)	–
Written off	(57)	(1,667)	(475)	–	(2,199)
Disposals	(1,247)	(6,422)	(76)	–	(7,745)
Exchange differences	(1,978)	(11,406)	(384)	(250)	(14,018)
At 29 February 2016	548,649	1,010,644	114,033	115,174	1,788,500
Accumulated depreciation					
1 September 2014	50,003	468,016	43,049	–	561,068
Depreciation charge for the year	6,235	78,140	12,241	–	96,616
Disposals	(129)	(11,036)	(568)	–	(11,733)
Written off	–	(3,288)	(624)	–	(3,912)
Exchange differences	2,633	28,452	2,007	–	33,092
At 31 August 2015 and 1 September 2015	58,742	560,284	56,105	–	675,131
Depreciation charge for the year	3,403	41,198	7,010	–	51,611
Disposals	(131)	(5,533)	(70)	–	(5,734)
Written off	(12)	(2,002)	(175)	–	(2,189)
Exchange differences	533	(4,547)	(446)	–	(4,460)
Reclassification	–	–	–	–	–
At 29 February 2016	62,535	589,400	62,424	–	714,359
Net carrying amount					
At 31 August 2015	484,121	422,670	49,263	70,436	1,026,490
At 29 February 2016	486,114	421,244	51,609	115,174	1,074,141

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

6. Property, plant and equipment (continued)

*** Land and buildings**

	Freehold land	Buildings	Total
	RM'000	RM'000	RM'000
Cost			
At 1 September 2014	208,000	281,526	489,526
Additions	32,893	923	33,816
Transfer to investment properties	(14,002)	–	(14,002)
Reclassification	3,497	10,108	13,605
Disposals	–	(1,127)	(1,127)
Exchange differences	3,566	17,479	21,045
At 31 August 2015 and 1 September 2015	233,954	308,909	542,863
Additions	968	1,519	2,487
Transfer to investment properties	–	–	–
Reclassification	–	6,581	6,581
Written off	–	(57)	(57)
Disposals	–	(1,247)	(1,247)
Exchange differences	(338)	(1,640)	(1,978)
At 29 February 2016	234,584	314,065	548,649
Accumulated depreciation			
At 1 September 2014	–	50,003	50,003
Depreciation charge for the year	–	6,235	6,235
Disposals	–	(129)	(129)
Exchange differences	–	2,633	2,633
At 31 August 2015 and 1 September 2015	–	58,742	58,742
Depreciation charge for the year	–	3,403	3,403
Disposals	–	(131)	(131)
Written off	–	(12)	(12)
Exchange differences	–	533	533
At 29 February 2016	–	62,535	62,535
Net carrying amount			
At 31 August 2015	233,954	250,167	484,121
At 29 February 2016	234,584	251,530	486,114

Property, plant and equipment of the Group with the following net carrying amounts are pledged to banks for banking facilities granted to the Group.

	29.2.2016	31.8.2015
	RM'000	RM'000
Land and buildings	22,140	22,257

7. Investment properties

	Unaudited 29.02.2016	Audited 31.08.2015
	RM'000	RM'000
Freehold land and building		
Cost		
At 1 September 2015/2014	112,647	–
Transfer from property, plant and equipment	–	106,508
Additions	6,581	6,139
At 29 February 2016/31 August 2015	119,228	112,647
Accumulated depreciation		
At 1 September 2015/2014	1,469	–
Depreciation charge for the period/year	2,357	1,469
At 29 February 2016/31 August 2015	3,826	1,469
Net carrying amount	115,402	111,178
Fair value of investment properties	124,184	124,184

8. Inventories

	Unaudited 29.02.2016	Audited 31.08.2015
	RM'000	RM'000
Cost		
Raw materials	49,956	52,956
Consumables and hardware	23,041	20,148
Work-in-progress	28,898	26,465
Finished goods	130,752	145,903
	232,647	245,472
Net realisable value		
Work-in-progress	2,433	1,790
Finished goods	552	4,853
	235,632	252,115

9. Investment securities

	Unaudited 29.02.2016	Audited 31.08.2015
	RM'000	RM'000
Current		
Available-for-sale financial assets		
– Debt securities (quoted outside Malaysia)	368,101	527,956
Fair value through profit or loss financial assets		
– Money market funds (quoted in Malaysia)	311,497	141,716
Total current investment securities	679,598	669,672
Non-current		
Unquoted investments – golf club membership	145	145
	679,743	669,817

10. Loans and borrowings

	Unaudited 29.02.2016	Audited 31.08.2015
	RM'000	RM'000
Current		
Unsecured	324,550	321,288
Secured	51,622	209,045
	376,172	530,333
Non-current		
Unsecured	92,925	102,492
Secured	3,122	3,201
	96,047	105,693
Total loans and borrowings	472,219	636,026

The loan is secured by way of fixed charges over certain property, plant and equipment.

11. Share capital

	Number of ordinary shares of RM0.50 each		Amount	
	29.02.2016	31.08.2015	29.02.2016	31.08.2015
			RM'000	RM'000
Authorised				
At 1 September 2015/2014	800,000	800,000	400,000	400,000
Created during the period/year	800,000	–	400,000	–
At 29 February 2016 and 31 August 2015	1,600,000	800,000	800,000	400,000
Issued and fully paid				
At 1 September 2015/2014	624,184	620,664	312,092	310,332
Exercise of ESOS	4,564	3,520	2,282	1,760
Issuance of bonus shares	625,714	–	312,857	–
At 29 February 2016 and 31 August 2015	1,254,462	624,184	627,231	312,092

On 15 October 2015, the Company increased its authorised share capital from RM400,000,000 to RM800,000,000 through the creation of 800,000,000 new ordinary shares of RM0.50 each at par.

On 26 January 2016, the Company issued 625,713,562 bonus shares of RM0.50 each on the basis of one bonus share for every one existing ordinary share held.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

12. Share premium

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

	Unaudited 29.02.2016	Audited 31.08.2015
	RM'000	RM'000
At 1 September 2015/2014	200,302	180,673
Issuance of ordinary shares pursuant to ESOS	19,594	15,877
Capitalisation for bonus issue	(220,800)	–
Transfer from share option reserve	5,125	3,752
At 29 February 2016/31 August 2015	4,221	200,302

13. 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 8 January 2015, 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 period ended 28 February 2015, the Company repurchased 3,324,000 of its issued ordinary shares from the open market at the average price of RM4.43 per share. The total consideration paid for the repurchase including transaction costs was RM14,722,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 620,723,662 issued and fully paid ordinary shares as at 28 February 2015, 3,324,000 are held as treasury shares by the Company.

During the financial period ended 29 February 2016, the Company resold 1,160,000 of its treasury shares for a total net consideration of RM16,110,387. The gain in these sales have been recorded in the share premium account of the Company.

Of the total 1,254,461,564 issued and fully paid ordinary shares as at 29 February 2016, 2,164,000 are held as treasury shares by the Company.

14. Other reserves

	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 August 2014	6,485	3,781	10,200	1,054	21,520
Foreign currency translation	14,420	–	–	–	14,420
Gain on fair value changes	–	–	–	7,646	7,646
Share options granted under ESOS	–	–	1,077	–	1,077
Transfer to retained earnings	–	–	(55)	–	(55)
Transfer to share premium	–	–	(42)	–	(42)
At 28 February 2015	20,905	3,781	11,180	8,700	44,566

14. Other reserves (continued)

	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 August 2015	42,292	3,781	7,714	(78)	53,709
Foreign currency translation	(10,869)	–	–	–	(10,869)
Loss on fair value changes	–	–	–	(9,489)	(9,489)
Share options granted under ESOS	–	–	66	–	66
Transfer from share option reserve	–	–	(5,125)	–	(5,125)
At 29 February 2016	31,423	3,781	2,655	(9,567)	28,292

15. Related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period ended:

	Unaudited 29.02.2016	Unaudited 28.02.2015
	RM'000	RM'000
Purchase of raw materials from companies related to certain directors of the Company	8,387	3,706

16. Capital commitments

Capital expenditure as at the reporting date is as follows:

	Unaudited 29.02.2016	Audited 31.08.2015
	RM'000	RM'000
Property, plant and equipment:		
Approved and contracted for	70,598	90,026

17. Financial risk management objectives and policies

Financial liabilities comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support their operations. Financial assets include trade and other receivables, debts securities and cash and short-term deposits that derive directly from their operations.

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.

18. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period from 1 September 2015 to 29 February 2016.

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.

19. Segment information

The Group operates in three principal geographical areas of the world and is primarily involved in the gloves manufacturing industry.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

Unaudited 01.09.2014 – 28.02.2015

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	929,315	91,435	44,365	–	74,760	–	1,139,875
Inter-segment sales	33,968	141,123	1,195	–	–	(176,286)	–
Total revenue	963,283	232,558	45,560	–	74,760	(176,286)	1,139,875
Results							
Segment profit	151,650	12,424	2,978	6,235	4,172	(41,047)	136,412
Finance cost							(2,365)
Share of results of associates							(5,410)
Profit before tax							128,637

Audited 31.08.2015

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	1,718,000	229,427	72,205	538,205	93,386	36,707	2,687,930
Liabilities							
Segment liabilities	706,132	55,383	10,967	208,877	19,677	72,501	1,073,537
Other segment information							
Capital commitments	62,878	27,148	–	–	–	–	90,026

19. Segment information (continued)

Unaudited 01.09.2015 – 29.02.2016

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	1,237,470	115,296	55,776	–	85,589	–	1,494,131
Inter-segment sales	36,762	137,909	955	–	–	(175,626)	–
Total revenue	1,274,232	253,205	56,731	–	85,589	(175,626)	1,494,131
Results							
Segment profit	254,927	26,283	6,174	10,195	5,438	(6,947)	296,070
Finance cost							(3,172)
Share of results of associates							133
Profit before tax							293,031

Unaudited 29.02.2016

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	1,921,829	232,972	49,179	380,553	80,392	35,473	2,700,398
Liabilities							
Segment liabilities	685,953	60,193	13,032	51,464	13,483	97,942	922,067
Other segment information							
Capital commitments	47,763	22,835	–	–	–	–	70,598

20. Dividends

	Unaudited 01.09.2015 to 29.02.2016	Unaudited 01.09.2014 to 28.02.2015
	RM'000	RM'000
Recognised during the financial period:		
Dividends on ordinary shares:		
– Final single tier dividend for financial year ended 31 August 2014: 9.00 sen per share	–	55,565
– Final single tier dividend for financial year ended 31 August 2015: 12.00 sen per share	74,979	–
– Special single tier dividend for financial year ended 31 August 2015: 3.00 sen per share	18,745	–
	93,724	55,565

21. Acquisition of a subsidiary

On 28 October 2015, a wholly-owned subsidiary of the Company, Top Glove Sdn. Bhd. had acquired the entire issued and paid up share capital of TG Porcelain Sdn. Bhd. ("TGPSB"), comprising 2 ordinary shares of RM1.00 each fully paid up in the capital of TGPSB for a total cash consideration of RM2.00 ("the Acquisition").

TGPSB is set up for manufacturing of glove dipping formers ("moulds") for production of gloves; the moulds produced are for internal usage by Top Glove factories. Resulting from the Acquisition, TGPSB became a wholly-owned subsidiary of Top Glove.

22. Fair value of financial instruments

Determination of fair value

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:

Trade and other receivables	
Loans and borrowings (current)	Note 10
Loans and borrowings (non-current)	Note 10
Trade and other payables	

22. Fair value of financial instruments (continued)

Determination of fair value (continued)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

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.

Quoted debt securities

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

Investment properties

For investment properties, the Group used the fair value which has been determined based on prior transaction and third party pricing information.

Fair value hierarchy

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

Group	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 29 February 2016				
Current				
Assets measured at fair value				
Available-for-sale financial assets	368,101	–	–	368,101
Fair value through profit or loss financial assets	311,497	–	–	311,497
Derivative assets	–	2,690	–	2,690

22. Fair value of financial instruments (continued)

Fair value hierarchy (continued)

Group	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RM'000	RM'000	RM'000	RM'000
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145
Assets for which fair values are disclosed:				
Investment properties	–	–	124,184	124,184
Group				
As at 31 August 2015				
Current				
Assets measured at fair value				
Available-for-sale financial assets	527,956	–	–	527,956
Fair value through profit or loss financial assets	141,716	–	–	141,716
Liabilities measured at fair value				
Derivative liabilities	–	(9,211)	–	(9,211)
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145
Assets for which fair values are disclosed:				
Investment properties	–	–	124,184	124,184

23. Comments about seasonal or cyclical factors

The operations of the Group were not affected by any seasonal or cyclical factors in view of its well-diversified world markets and the nature of the Company's products being disposable gloves.

24. Subsequent events

(a) On 14 March 2016, the Company announced its proposed plan to undertake secondary listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the Singapore Exchange Securities Trading Limited by way of introduction ("Proposed Secondary Listing").

(b) On 14 March 2016, the Company announced its proposed plan to undertake the amendments to the Articles of Association to facilitate the Proposed Secondary Listing.

(c) On 22 March 2016, the Company, through its wholly-owned subsidiary, Top Glove Sdn. Bhd. ("TGSB") had acquired the entire issued and paid-up share capital of TG GD Medical Clinic Sdn. Bhd. ("TG GD"), a company duly incorporated in Malaysia, comprising of 2 ordinary shares of RM1.00 each fully paid-up in the capital of TG GD for a total cash consideration of RM2.00.

(d) On 22 March 2016, TGSB entered into a Joint Venture Agreement with DHS Emergency Asia Sdn. Bhd. to jointly own TG GD, to carry on the business to provide clinical and specialist medical services within the states of Malaysia.

(e) On 6 April 2016, the Company announced that applications to the Securities Commission Malaysia to seek its approval for the Proposed Secondary Listing and Section A of the Listings Admission Pack to the Singapore Exchange Securities Trading Limited ("SGX-ST") have been submitted.

(f) On 9 May 2016, the Company announced that SGX-ST has informed CIMB Bank Berhad, Singapore Branch and HL Bank that they may proceed with the submission of Section B of the Listing Admissions Pack for the review of the SGX-ST.

(g) On 16 May 2016, the Company announced that certain of its subsidiaries have entered into Recurrent Related Party Transactions (RRPTs) with companies connected with certain directors/major shareholders of the Company for the purchase of natural rubber concentrate latex. The value of these transactions for the six-month period ended 29 February 2016 and 28 February 2015 were RM8,387,000 and RM3,706,000 respectively.

(h) The Company, through its wholly-owned sub-subsidiary, Great Glove (Xinghua) Co Ltd had on 16 May 2016, incorporated a private limited Company in China, known as TG Medical (Xinghua) Co Ltd, wholly-owned by Great Glove (Xinghua) Co Ltd, with registered capital of RMB1,000,000.00. The principal activity of TG Medical (Xinghua) Co Ltd is trading of all types of gloves, medical-related products and devices.

(i) On 17 May 2016, the Company announced that the Securities Commission Malaysia had approved the Proposed Secondary Listing subject to the secondary listing of and quotation for the entire issued and paid-up share capital of Top Glove on the Main Board of the SGX-ST being fully fungible.

24. Subsequent events (continued)

(j) On 19 May 2016, the Company announced that Section B of the Listing Admissions Pack has been submitted by CIMB Bank Berhad, Singapore Branch and HL Bank, on behalf of the Company, to the SGX-ST.

(k) The Company had, on 2 June 2016, issued circular to shareholders in relation to the proposed amendments to the Articles of Association of the Company and the Proposed Secondary Listing of the Company on the Main Board of the SGX-ST by way of introduction.

(l) The Company had, on 9 June 2016 received a letter of conditional eligibility-to-list ("ETL") on the Main Board of SGX-ST from the SGX-ST in connection to the Proposed Secondary Listing. The ETL is not an indication of the merits of the Proposed Secondary Listing, the Company, its subsidiaries and associated companies and/or its shares. An introductory document containing details of the Proposed Secondary Listing will be issued in Singapore prior to the secondary listing of and quotation for all the existing shares of the Company on the Main Board of the SGX-ST.

(m) On 15 June 2016, the Company announced that the Board has resolved to reduce the size of Employee Share Grant Plan from up to 15% to 10% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and executive directors of Top Glove and its subsidiaries.

(n) On 15 June 2016, the Company declared first single tier interim dividend of RM0.06 per ordinary share in respect of the financial year ended 31 August 2016 for every shares held as at 5.00 p.m. on 1 July 2016.

25. Authorisation for issue of financial statements

The interim financial statements for the period 1 September 2015 to 29 February 2016 were authorised for issue in accordance with a resolution of the directors on 15 June 2016.

This page has been intentionally left blank.

Top Glove Corporation Bhd.

(474423-X)
(Incorporated in Malaysia)

Interim Condensed Consolidated Financial Statements
For the Six-Month Period ended 28 February 2015

INDEPENDENT AUDITORS' REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 28 FEBRUARY 2015

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Contents **Pages**

Independent auditors' report B2-3

Interim Condensed Consolidated Income Statements B2-4

Interim Condensed Consolidated Statements of Comprehensive Income B2-5

Interim Condensed Consolidated Statements of Financial Position. B2-6

Interim Condensed Consolidated Statements of Changes in Equity B2-8

Interim Condensed Consolidated Statements of Cash Flows B2-10

Notes to the financial statements. B2-12

Report on review of interim condensed financial statements to the Board of Directors of Top Glove Corporation Berhad for the six-month period ended 28 February 2015

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Top Glove Corporation Berhad as at 28 February 2015, which comprise the interim condensed consolidated statement of financial position and the related interim condensed consolidated income statement, comprehensive income, changes in equity and cash flows for the six-month period then ended 28 February 2015 and the explanatory notes. Directors are responsible for the preparation and presentation of these interim condensed financial statements in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") as issued by the Malaysian Accounting Standards Board and International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with Malaysian Approved Standard on Review Engagements, ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Approved Standards on Auditing in Malaysia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with MFRS 134 and IAS 34.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Introductory Document to be issued in connection with the listing of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited by way of an introduction.

Ernst & Young
AF: 0039
Chartered Accountants

Ong Chee Wai
2857/07/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 15 June 2016

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Income Statements
For the six-month period ended 28 February 2015

	Note	Unaudited 01.09.2014 to 28.02.2015	Unaudited 01.09.2013 to 28.02.2014
		RM'000	RM'000
Revenue	3	1,139,875	1,122,257
Cost of sales		(923,582)	(908,137)
Gross profit		216,293	214,120
Other items of income			
Interest income		9,876	4,479
Other income		8,205	8,029
Other items of expense			
Distribution and selling costs		(36,354)	(32,420)
Administrative and general expenses		(61,608)	(82,478)
Finance costs		(2,365)	(627)
Share of results of associates		(5,410)	846
Profit before tax		128,637	111,949
Income tax expense	4	(29,763)	(17,783)
Profit net of tax		98,874	94,166
Profit attributable to:			
Owners of the parent		98,319	91,831
Non-controlling interest		555	2,335
		98,874	94,166
Earnings per share attributable to owners of the parent (sen):			
Basic	5	7.94	7.40
Diluted	5	7.93	7.39

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Comprehensive Income
For the six-month period ended 28 February 2015

	Unaudited 01.09.2014 to 28.02.2015	Unaudited 01.09.2013 to 28.02.2014
	RM'000	**RM'000**
Profit net of tax	98,874	94,166
Other comprehensive income:		
Net gain on available-for-sale financial assets	7,646	2,556
Net movement on cash flow hedge	–	18,686
Foreign currency translation	14,781	2,217
Other comprehensive income for the year, net of tax	22,427	23,459
Total comprehensive income for the year	121,301	117,625
Total comprehensive income attributable to:		
Owners of the parent	120,385	115,163
Non-controlling interest	916	2,462
	121,301	117,625

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Financial Position
As at 28 February 2015

	Note	Unaudited 28.02.2015	Audited 31.08.2014
		RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	6	1,056,856	995,242
Land use rights		40,385	42,068
Investment in associates		14,895	20,058
Deferred tax assets		12,776	12,825
Investment securities		145	145
Goodwill		22,805	22,805
		1,147,862	1,093,143
Current assets			
Inventories	7	202,700	207,377
Trade and other receivables		339,742	288,863
Other current assets		8,954	2,770
Investment securities	8	454,467	154,322
Derivative financial instruments		–	2,662
Cash and bank balances		128,932	184,030
		1,134,795	840,024
Total assets		2,282,657	1,933,167
Equity and liabilities			
Current liabilities			
Loans and borrowings	9	358,224	178,179
Trade and other payables		288,855	267,006
Other current liabilities		39,977	38,112
Income tax payable		13,105	2,530
Derivative financial instruments		3,020	–
		703,181	485,827
Net current assets		431,614	354,197

Interim Condensed Consolidated Statements of Financial Position
As at 28 February 2015 (continued)

	Note	Unaudited 28.02.2015	Audited 31.08.2014
		RM'000	RM'000
Non-current liabilities			
Loans and borrowings	9	82,351	2,540
Deferred tax liabilities		47,271	47,250
		129,622	49,790
Total liabilities		832,803	535,617
Net assets		1,449,854	1,397,550
Equity attributable to owners of the parent			
Share capital	10	310,362	310,332
Share premium	12	180,898	180,673
Treasury shares	11	(14,722)	–
Other reserves	13	44,566	21,520
Retained earnings		923,673	880,864
		1,444,777	1,393,389
Non-controlling interest		5,077	4,161
Total equity		1,449,854	1,397,550
Total equity and liabilities		2,282,657	1,933,167

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Changes in Equity
For the six-month period ended 28 February 2015

		Attributable to owners of the parent										
			Non-distributable								Distributable	
	Equity, total	Equity attributable to owners of the parent total	Share capital	Share premium	Treasury shares	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest
2015	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group												
Opening balance at 1 September 2014	1,397,550	1,393,389	310,332	180,673	–	6,485	3,781	10,200	1,054	–	880,864	4,161
Total comprehensive income	121,301	120,385	–	–	–	14,420	–	–	7,646	–	98,319	916
Transactions with owners												
Issuance of ordinary shares pursuant to ESOS	213	213	30	183	–	–	–	–	–	–	–	–
Share options granted under ESOS	1,077	1,077	–	–	–	–	–	1,077	–	–	–	–
Transfer from share option reserve	–	–	–	42	–	–	–	(42)	–	–	–	–
Transfer to retained earnings	–	–	–	–	–	–	–	(55)	–	–	55	–
Purchase of treasury shares	(14,722)	(14,722)	–	–	(14,722)	–	–	–	–	–	–	–
Dividends on ordinary shares (Note 14)	(55,565)	(55,565)	–	–	–	–	–	–	–	–	(55,565)	–
Total transactions with owners	(68,997)	(68,997)	30	225	(14,722)	–	–	980	–	–	(55,510)	–
Closing balance at 28 February 2015	1,449,854	1,444,777	310,362	180,898	(14,722)	20,905	3,781	11,180	8,700	–	923,673	5,077

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Changes in Equity
For the six-month period ended 28 February 2015 (continued)

		Attributable to owners of the parent									
			Non-distributable							Distributable	
	Equity total	Equity attributable to owners of the parent total	Share capital	Share premium	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Retained earnings	Non-controlling interest
2014	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group											
Opening balance at 1 September 2013	1,357,841	1,331,852	310,110	180,174	11,058	4,434	11,054	1,638	(31,393)	844,777	25,989
Total comprehensive income	117,625	115,163	–	–	2,090	–	–	2,556	18,686	91,831	2,462
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	1,639	1,639	176	1,463	–	–	–	–	–	–	–
Transfer from share option reserve	–	–		387	–	–	(387)	–	–	–	–
Transfer to retained earnings	–	–	–	–	–	–	(336)	–	–	336	–
Accretion of interest in a subsidiary	(70,363)	(47,031)	–	–	–	–	–	–	–	(47,031)	(23,332)
Dividends on ordinary shares (Note 14)	(55,848)	(55,848)	–	–	–	–	–	–	–	(55,848)	–
Total transactions with owners	(124,572)	(101,240)	176	1,850	–	–	(723)	–	–	(102,543)	(23,332)
Closing balance at 28 February 2014	1,350,894	1,345,775	310,286	182,024	13,148	4,434	10,331	4,194	(12,707)	834,065	5,119

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

Top Glove Corporation Bhd.
(Incorporated in Malaysia)

Interim Condensed Consolidated Statements of Cash Flows
For the six-month period ended 28 February 2015

	Unaudited 01.09.2014 to 28.02.2015	Unaudited 01.09.2013 to 28.02.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	128,637	111,949
Adjustments for:		
Depreciation and amortisation		
– Property, plant and equipment	47,025	44,201
– Land use rights	331	354
Gain on disposal of property, plant and equipment	(509)	–
Gain on disposal of investment securities	(661)	–
Share options granted under ESOS	1,077	–
Unrealised foreign exchange loss/(gain)	7,922	(2,147)
Share of results of associates	5,410	(846)
Net fair value loss/(gain) on derivative	5,682	(1,777)
Finance costs	2,365	627
Interest income	(9,876)	(4,479)
Total adjustments	58,766	35,933
Operating cash flows before changes in working capital	187,403	147,882
Changes in working capital		
Decrease in inventories	4,677	1,318
(Increase)/decrease in receivables	(44,125)	19,285
Increase in other current assets	(6,184)	(4,659)
Increase/(decrease) in payables	19,492	(8,756)
Total changes in working capital	(26,140)	7,188
Cash flows from operations	161,263	155,070
Interest paid	(2,365)	(627)
Tax paid	(19,118)	(20,845)
Net cash flows generated from operating activities	139,780	133,598

Interim Condensed Consolidated Statements of Cash Flows
For the six-month period ended 28 February 2015 (continued)

	Unaudited 01.09.2014 to 28.02.2015	Unaudited 01.09.2013 to 28.02.2014
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(93,430)	(88,375)
Purchase of land use rights	(46)	–
Purchase of investment securities	(290,495)	(22,726)
Decrease in bank balances pledged with banks	51,866	16,360
Interest received	9,876	4,479
Additional investment in a subsidiary	–	(70,236)
Net cash flows used in investing activities	(322,229)	(160,498)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	213	1,639
Purchase of treasury shares	(14,722)	–
Dividends paid on ordinary shares	(55,565)	(55,848)
Proceeds from loans and borrowings	222,902	135,437
Net cash flows generated from financing activities	152,828	81,228
Net (decrease)/increase in cash and cash equivalents	(29,621)	54,328
Effects of foreign exchange rate changes	1,540	2,813
Cash and cash equivalents at beginning of period	187,664	104,582
Cash and cash equivalents at end of period	159,583	161,723
Cash and cash equivalents at the end of the period comprise the following:		
Cash at banks and on hand	128,932	146,341
Add: Cash and cash equivalents included in fair value through profit or loss financial assets	33,071	17,551
Less: Deposits pledged with banks	(2,420)	(2,169)
	159,583	161,723

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

1. Corporate information

Top Glove Corporation Bhd. ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Level 21, Top Glove Tower, No.16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are mainly manufacturing and trading of gloves, provision of management services, property investment, producing and selling concentrate latex and plantation of rubber trees. There have been no significant changes in the nature of the principal activities during the financial period.

2. Summary of significant accounting policies

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six-month period ended 28 February 2015 of the Group have been prepared in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") as issued by the Malaysian Accounting Standards Board and International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 August 2014.

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

2.2 Segment information

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 19.

2. Summary of significant accounting policies (continued)

2.3 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 September 2014, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 September 2014:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

Adoption of the above standards and interpretation did not have any effect on the financial performance or position of the Group.

2.4 New and amended standards 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
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of interests in Joint Operations	1 January 2016

2. Summary of significant accounting policies (continued)

2.4 New and amended standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as disclosed below:

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 MFR 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, i.e 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 Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

2. Summary of significant accounting policies (continued)

2.4 New and amended standards issued but not yet effective (continued)

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard 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. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

3. Revenue

	Unaudited 01.09.2014 to 28.02.2015	Unaudited 01.09.2013 to 28.02.2014
	RM'000	RM'000
Sales of goods	1,139,875	1,122,257

4. Income tax expense

Major components of income tax expense

The major components of income tax expense for the periods ended 28 February 2015 and 28 February 2014 are:

	Unaudited 01.09.2014 to 28.02.2015	Unaudited 01.09.2013 to 28.02.2014
	RM'000	RM'000
Current income tax	25,643	19,079
Deferred taxation	1,433	2,156
Under/(over) provision in respect of previous years	2,687	(3,452)
	29,763	17,783

5. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period, excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the computation of basic and diluted earnings per share for the periods ended 28 February 2015 and 28 February 2014:

	Unaudited 1.9.2014 to 28.2.2015	Unaudited 1.9.2013 to 28.2.2014
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM'000)	98,319	91,831
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,238,953	1,240,936
Effects of dilution – share options ('000)	747	1,164
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,239,700	1,242,100
Basic earnings per share (sen)	7.94	7.40
Diluted earnings per share (sen)	7.93	7.39

The number of ordinary shares issued as at 28 February 2015 and 28 February 2014 have been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares which was completed on 27 January 2016.

6. Property, plant and equipment

	*Land and buildings	Plant and equipment	**Other assets	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Cost					
At 1 September 2013	467,432	822,312	68,288	80,327	1,438,359
Additions	51,098	52,839	11,775	76,526	192,238
Reclassification	(8,558)	54,233	13,489	(59,164)	–
Written off	(46)	(4,233)	(633)	–	(4,912)
Disposals	(3,381)	(40,464)	(1,760)	(256)	(45,861)
Disposal of a subsidiary	(13,780)	–	(237)	–	(14,017)
Exchange differences	(3,239)	(5,856)	(232)	(170)	(9,497)
At 31 August 2014 and 1 September 2014	489,526	878,831	90,690	97,263	1,556,310
Additions	12,850	25,419	4,931	50,230	93,430
Reclassification	152	9,375	52	(9,579)	–
Written off	–	(1,662)	(179)	–	(1,841)
Disposals	(430)	(3,146)	(551)	(802)	(4,929)
Exchange differences	9,974	21,651	1,621	318	33,564
At 28 February 2015	512,072	930,468	96,564	137,430	1,676,534
Accumulated depreciation					
At 1 September 2013	52,009	424,912	32,636	–	509,557
Depreciation charge for the year	5,938	74,304	10,621	–	90,863
Disposals	(4)	(27,912)	(1,453)	–	(29,369)
Written off	(2)	(2,370)	(531)	–	(2,903)
Reclassification	(4,737)	2,450	2,287	–	–
Disposal of a subsidiary	(2,925)	–	(160)	–	(3,085)
Exchange differences	(276)	(3,368)	(351)	–	(3,995)
At 31 August 2014 and 1 September 2014	50,003	468,016	43,049	–	561,068
Depreciation charge for the year	2,991	38,107	5,927	–	47,025
Disposals	(42)	(1,911)	(494)	–	(2,447)
Written off	–	(1,057)	(168)	–	(1,225)
Exchange differences	1,229	13,156	872	–	15,257
At 28 February 2015	54,181	516,311	49,186	–	619,678
Net carrying amount					
At 31 August 2014	439,523	410,815	47,641	97,263	995,242
At 28 February 2015	457,891	414,157	47,378	137,430	1,056,856

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

6. Property, plant and equipment (continued)

*** Land and buildings**

	Freehold land	Buildings	Total
	RM'000	RM'000	RM'000
Cost			
At 1 September 2013	164,997	302,435	467,432
Additions	44,905	6,193	51,098
Reclassification	1,788	(10,346)	(8,558)
Written off	–	(46)	(46)
Disposals	(3,242)	(139)	(3,381)
Disposal of a subsidiary	–	(13,780)	(13,780)
Exchange differences	(448)	(2,791)	(3,239)
At 31 August 2014 and 1 September 2014	208,000	281,526	489,526
Additions	11,526	1,324	12,850
Reclassification	4,018	(3,866)	152
Disposals	–	(430)	(430)
Exchange differences	1,730	8,244	9,974
At 28 February 2015	225,274	286,798	512,072
Accumulated depreciation			
At 1 September 2013	–	52,009	52,009
Depreciation charge for the year	–	5,938	5,938
Disposals	–	(4)	(4)
Written off	–	(2)	(2)
Disposal of a subsidiary	–	(2,925)	(2,925)
Reclassification	–	(4,737)	(4,737)
Exchange differences	–	(276)	(276)
At 31 August 2014 and 1 September 2014	–	50,003	50,003
Depreciation charge for the year	–	2,991	2,991
Disposals	–	(42)	(42)
Exchange differences	–	1,229	1,229
At 28 February 2015	–	54,181	54,181
Net carrying amount			
At 31 August 2014	208,000	231,523	439,523
At 28 February 2015	225,274	232,617	457,891

7. Inventories

	Unaudited 28.02.2015	Audited 31.08.2014
	RM'000	RM'000
Cost		
Raw materials	43,342	41,219
Consumables and hardware	19,509	22,159
Work-in-progress	20,971	36,021
Finished goods	115,808	105,708
	199,630	205,107
Net realisable value		
Work-in-progress	1,977	–
Finished goods	1,093	2,270
	3,070	2,270
	202,700	207,377

8. Investment securities

	Unaudited 28.02.2015	Audited 31.08.2014
	RM'000	RM'000
Current		
Available-for-sale financial assets		
– Debt securities (quoted outside Malaysia)	421,396	96,402
Fair value through profit or loss financial assets		
– Money market funds (quoted in Malaysia)	33,071	57,920
Total current investment securities	454,467	154,322
Non-current		
Unquoted investments – golf club membership	145	145
	454,612	154,467

9. Loans and borrowings

	Unaudited 28.02.2015	Audited 31.08.2014
	RM'000	RM'000
Current		
Unsecured:	358,071	142,132
Secured	153	36,047
	358,224	178,179
Non-current		
Unsecured:	79,528	–
Secured	2,823	2,540
	82,351	2,540
Total borrowings	440,575	180,719

10. Share capital

	Number of ordinary shares of RM0.50 each		Amount	
	Unaudited 28.02.2015	Audited 31.08.2014	Unaudited 28.02.2015	Audited 31.08.2014
	'000	'000	RM'000	RM'000
Authorised				
At 31 August	800,000	800,000	400,000	400,000
Issued and fully paid				
At 1 September 2014/2013	620,664	620,220	310,332	310,110
Exercise of ESOS	60	444	30	222
At 28 February/31 August	620,724	620,664	310,362	310,332

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

11. 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 8 January 2015, 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 period ended 28 February 2015, the Company repurchased 3,324,000 of its issued ordinary shares from the open market at the average price of RM4.43 per share. The total consideration paid for the repurchase including transaction costs was RM14,722,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

12. Share premium

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

	Unaudited 28.02.2015	Audited 31.08.2014
	RM'000	RM'000
At 1 September	180,673	180,174
Issuance of ordinary shares pursuant to ESOS	183	1,755
Transfer from share option reserve	42	474
Transfer to retained earnings	–	(1,728)
Share issue expenses	–	(2)
At 28 February/31 August	180,898	180,673

13. Other reserves

	Foreign exchange reserve	Legal reserve	Share option reserve	Fair value adjustment reserve	Cash flow hedge reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 August 2013/ 1 September 2013	11,058	4,434	11,054	1,638	(31,393)	(3,209)
Foreign currency translation	2,090	–	–	–	–	2,090
Gain on fair value changes	–	–	–	2,556	18,686	21,242
Share options granted under ESOS	–	–	–	–	–	–
Transfer from share option reserve	–	–	(387)	–	–	(387)
Transfer to retained earnings	–	–	(336)	–	–	(336)
At 28 February 2014	13,148	4,434	10,331	4,194	(12,707)	19,400
At 31 August 2014/ 1 September 2014	6,485	3,781	10,200	1,054	–	21,520
Foreign currency translation	14,420	–	–	–	–	14,420
Gain on fair value changes	–	–	–	7,646	–	7,646
Share options granted under ESOS	–	–	1,077	–	–	1,077
Transfer to retained earnings	–	–	(55)	–	–	(55)
Transfer from share option reserve	–	–	(42)	–	–	(42)
At 28 February 2015	20,905	3,781	11,180	8,700	–	44,566

14. Dividend

The total dividend declared by the Company in respect of the financial year ended 31 August is 16 sen per ordinary share amounting to RM99.01 million. The Company paid a first single tier interim dividend of 7 sen (net) per ordinary share amounting to RM43.44 million on 17 July 2014 and a final single tier dividend of 9 sen (net) per ordinary share amounting to RM55.57 million on 28 January 2015.

15. Related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period ended:

	Unaudited 28.02.2015	Unaudited 28.02.2014
	RM'000	RM'000
Purchase of raw materials from companies related to certain directors of the Company	3,706	10,015

16. Capital commitments

	Unaudited 28.02.2015	Audited 31.08.2014
	RM'000	RM'000
Property, plant and equipment:		
Approved and contracted for	72,406	107,154

17. Financial risk management objectives and policies

Financial liabilities comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. Financial assets include trade and other receivables, debts securities and cash and short-term deposits that derive directly from their operations.

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.

18. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

18. Capital management (continued)

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no significant changes in the objectives and policies of the Group in managing its capital structure during the financial period.

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.

19. Segment information

The Group operates in three principal geographical areas of the world and is primarily involved in the gloves manufacturing industry.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

Unaudited 1.9.2013 – 28.2.2014

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	902,160	113,578	52,900	–	53,619	–	1,122,257
Inter-segment sales	16,364	186,551	1,850	–	–	(204,765)	–
Total revenue	918,524	300,129	54,750	–	53,619	(204,765)	1,122,257
Results							
Segment profit	110,749	12,228	(10,620)	4,133	119	(4,879)	111,730
Finance cost							(627)
Share of results of associates							846
Profit before tax							111,949

19. Segment information (continued)

Audited 31.8.2014

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	1,380,871	202,787	59,334	160,896	73,591	55,688	1,933,167
Liabilities							
Segment liabilities	396,226	31,452	9,043	35,905	13,211	49,780	535,617
Other segment information							
Capital commitments	103,796	3,358	–	–	–	–	107,154

Unaudited 1.9.2014 – 28.2.2015

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	929,315	91,435	44,365	–	74,760	–	1,139,875
Inter-segment sales	33,968	141,123	1,195	–	–	(176,286)	–
Total revenue	963,283	232,558	45,560	–	74,760	(176,286)	1,139,875
Results							
Segment profit	151,650	12,424	2,978	6,235	4,172	(41,047)	136,412
Finance cost							(2,365)
Share of results of associates							(5,410)
Profit before tax							128,637

19. Segment information (continued)

Unaudited 28.2.2015

	Malaysia	Thailand	The People's Republic of China	The British Virgin Islands	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets . .	1,525,154	209,481	64,027	400,781	86,834	(3,620)	2,282,657
Liabilities							
Segment liabilities .	648,357	33,312	9,419	121,221	14,377	6,117	832,803
Other segment information							
Capital commitments	71,601	596	209	–	–	–	72,406

20. Fair value of financial instruments

Determination of fair value

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:

Trade and other receivables	
Loans and borrowings (current)	Note 9
Loans and borrowings (non-current)	Note 9
Trade and other payables	

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.

20. Fair value of financial instruments (continued)

Quoted debt securities

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

Fair value hierarchy

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

Group	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 29 February 2015				
Current				
Assets measured at fair value				
Available-for-sale financial assets	421,396	–	–	421,396
Fair value through profit or loss financial assets	33,071	–	–	33,071
Liabilities measured at fair value				
Derivative liabilities	–	(3,020)	–	(3,020)
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145
Group				
As at 31 August 2014				
Current				
Assets measured at fair value				
Available-for-sale financial assets	96,402	–	–	96,402
Fair value through profit or loss financial assets	57,920	–	–	57,920
Derivative assets	–	2,662	–	2,662
Non-current				
Assets measured at fair value				
Unquoted investment – golf club membership	–	–	145	145

21. Comments about seasonal or cyclical factors

The operations of the Group were not affected by any seasonal or cyclical factors in view of its well-diversified world markets and the nature of the Group's products being disposable gloves.

22. Subsequent events

(a) On 15 October 2015, the Company proposed to undertake the following corporate exercises:

(i) a bonus issue of up to 630,697,962 new ordinary shares of RM0.50 each in the Company on the basis of one new ordinary share of RM0.50 each for every one existing ordinary share held;

(ii) the establishment of an employees' share grant plan of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and executive directors of the Company and its subsidiaries;

(iii) an increase in the authorised share capital of the Company from RM400,000,000 to RM800,000,000 through the creation of 800,000,000 shares of RM0.50 each; and

(iv) amendments to the Memorandum and Articles of Association of the Company to facilitate the implementation of the proposed increase in authorised share capital.

The above proposals were approved by the relevant authorities and the shareholders of the Company in its Annual General Meeting on 6 January 2016 and completed at the date of this report.

(b) On 28 October 2015, a wholly-owned subsidiary of the Company, Top Glove Sdn. Bhd. had acquired the entire issued and paid up share capital of TG Porcelain Sdn. Bhd. ("TGPSB"), comprising 2 ordinary shares of RM1.00 each fully paid up in the capital of TGPSB for a total cash consideration of RM2.00 ("the Acquisition"). TGPSB is set up for manufacturing of glove dipping formers ("moulds") for production of gloves; the moulds produced are for internal usage by Top Glove factories. Resulting from the Acquisition, TGPSB became a wholly-owned subsidiary of Top Glove.

(c) On 14 March 2016, the Company announced its proposed plan to undertake secondary listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the Singapore Exchange Securities Trading Limited by way of introduction ("Proposed Secondary Listing").

(d) On 14 March 2016, the Company announced its proposed plan to undertake the amendments to the Articles of Association to facilitate the Proposed Secondary Listing.

22. Subsequent events (continued)

(e) On 22 March 2016, the Company, through its wholly-owned subsidiary, Top Glove Sdn. Bhd. ("TGSB") had acquired the entire issued and paid-up share capital of TG GD Medical Clinic Sdn. Bhd. ("TG GD"), a company duly incorporated in Malaysia, comprising of 2 ordinary shares of RM1.00 each fully paid-up in the capital of TG GD for a total cash consideration of RM2.00.

(f) On 22 March 2016, TGSB has entered into a Joint Venture Agreement with DHS Emergency Asia Sdn. Bhd. to jointly own TG GD, to carry on the business to provide clinical and specialist medical services within the states of Malaysia.

(g) On 6 April 2016, the Company announced that applications to the Securities Commission Malaysia to seek its approval for the Proposed Secondary Listing and Section A of the Listings Admission Pack to the Singapore Exchange Securities Trading Limited ("SGX-ST") have been submitted.

(h) On 9 May 2016, the Company announced that SGX-ST has informed CIMB Bank Berhad, Singapore Branch and HL Bank that they may proceed with the submission of Section B of the Listing Admissions Pack for the review of the SGX-ST.

(i) On 16 May 2016, the Company announced that certain of its subsidiaries have entered into Recurrent Related Party Transactions (RRPTs) with companies connected with certain directors/major shareholders of the Company for the purchase of natural rubber concentrate latex. The value of these transactions for the six-month period ended 28 February 2015 and 28 February 2014 were RM3,706,000 and RM10,015,000 respectively.

(j) The Company, through its wholly-owned sub-subsidiary, Great Glove (Xinghua) Co Ltd had on 16 May 2016, incorporated a private limited Company in China, known as TG Medical (Xinghua) Co Ltd, wholly-owned by Great Glove (Xinghua) Co Ltd, with registered capital of RMB1,000,000.00. The principal activity of TG Medical (Xinghua) Co Ltd is trading of all types of gloves, medical-related products and devices.

(k) On 17 May 2016, the Company announced that the Securities Commission Malaysia had approved the Proposed Secondary Listing subject to the secondary listing of and quotation for the entire issued and paid-up share capital of Top Glove on the Main Board of the SGX-ST being fully fungible.

(l) On 19 May 2016, the Company announced that Section B of the Listing Admissions Pack has been submitted by CIMB Bank Berhad, Singapore Branch and HL Bank, on behalf of the Company, to the SGX-ST.

(m) The Company had, on 2 June 2016, issued circular to shareholders in relation to the proposed amendments to the Articles of Association of the Company and the Proposed Secondary Listing of the Company on the Main Board of the SGX-ST by way of introduction.

22. Subsequent events (continued)

(n) The Company had, on 9 June 2016 received a letter of conditional eligibility-to-list ("ETL") on the Main Board of SGX-ST from the SGX-ST in connection to the Proposed Secondary Listing. The ETL is not an indication of the merits of the Proposed Secondary Listing, the Company, its subsidiaries and associated companies and/or its shares. An introductory document containing details of the Proposed Secondary Listing will be issued in Singapore prior to the secondary listing of and quotation for all the existing shares of the Company on the Main Board of the SGX-ST.

(o) On 15 June 2016, the Company announced that the Board has resolved to reduce the size of Employee Share Grant Plan from up to 15% to 10% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and executive directors of Top Glove and its subsidiaries.

(p) On 15 June 2016, the Company declared first single tier interim dividend of RM0.06 per ordinary share in respect of the financial year ended 31 August 2016 for every shares held as at 5.00 p.m. on 1 July 2016.

23. Authorisation for issue of financial statements

The interim financial statements for the period from 1 September 2014 to 28 February 2015 were authorised for issue in accordance with a resolution of the directors on 15 June 2016.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 AND THE SIX-MONTH FINANCIAL PERIOD ENDED 29 FEBRUARY 2016

INDEPENDENT AUDITORS' REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

(Prepared for inclusion in the Introductory Document to be dated 24 June 2016)

15 June 2016

The Board of Directors
Top Glove Corporation Berhad
Level 21, Top Glove Tower
No. 16, Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor
Malaysia

Dear Sirs

REPORT ON COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 AND THE SIX-MONTH FINANCIAL PERIOD FROM 1 SEPTEMBER 2015 TO 29 FEBRUARY 2016

PROPOSED INTRODUCTION OF SHARES OF TOP GLOVE CORPORATION BERHAD (the "COMPANY") ON THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (the "INTRODUCTION")

We have completed our assurance engagement to report on the compilation of pro forma financial information of Top Glove Corporation Berhad (the "Company") and its subsidiaries (collectively the "Group") prepared by the Directors of the Company. The pro forma financial information consists of the unaudited pro forma consolidated statements of financial position as at 31 August 2015 and 29 February 2016, the unaudited pro forma consolidated statements of comprehensive income, and the unaudited pro forma consolidated statements of cash flow for the year ended 31 August 2015 and for the six-month interim period ended from 1 September 2015 to 29 February 2016, and related notes (collectively, the "pro forma financial information"). The basis of preparation which the Directors of the Company have compiled the pro forma financial information is described in Note 1.4 of Appendix C to the Introductory Document issued in connection with the listing of the ordinary shares of the Company on the Singapore Exchange Securities Trading Limited by way of an introduction.

The pro forma financial information is compiled by the Directors of the Company to illustrate the impact of the event or transaction set out in Note 1.3 of Appendix C on the Group's financial position as at 31 August 2015 and 29 February 2016 as if the event or transaction had taken place on 31 August 2015 and 29 February 2016 respectively, and its financial performance and cash flows for the financial year ended 31 August 2015 and for the six-month financial period from 1 September 2015 to 29 February 2016 as if the event or transaction had taken place on 1 September 2014.

As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by Directors of the Company from the audited financial statements of the Group for the financial year ended 31 August 2015, on which audit report has been published and the unaudited interim financial statements for the six-month financial period ended 29 February 2016, on which no review report has been published.

The Directors' Responsibility for the Pro Forma Financial Information

The Directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Directors of the Company on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements ("ISAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors of the Company have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

The purpose of pro forma financial information included in the Introductory Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the basis of the applicable criteria used by the Directors of the Company in the compilation of pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– The related pro forma adjustments give appropriate effect to those criteria; and

– The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion:

(a) the pro forma financial information has been compiled:

(i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

(ii) On the basis of preparation stated in Note 1 of the pro forma financial information; and

(i) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purposes of preparing the pro forma financial information.

Other matters

This letter is issued for inclusion in the Introductory Document of the Company to be issued in connection with the Introduction of shares on the Singapore Exchange Securities Trading. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Introduction described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Introduction.

Yours faithfully

Ernst & Young
AF: 0039
Chartered Accountants

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015 AND THE SIX-MONTH FINANCIAL PERIOD FROM 1 SEPTEMBER 2015 TO 29 FEBRUARY 2016

The unaudited pro forma financial information should be read in conjunction with the audited financial statements of Top Glove Corporation Berhad (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 August 2015 and interim financial statements of the Group for the six-month financial period ended 29 February 2016 which will be set out in the Introductory Document.

1.0 BACKGROUND AND BASIS OF PREPARATION

1.1 Introduction

The unaudited pro forma consolidated financial information, comprising the unaudited pro forma statements of financial position of the Group as at 31 August 2015 and 29 February 2016, the unaudited statements of comprehensive income and the unaudited pro forma statements of cash flows of the Group for the financial year ended 31 August 2015 and for the six-month financial period ended 29 February 2016 and the notes thereon (collectively, the "pro forma financial information"), have been prepared for inclusion in the Introductory Document of the Group in connection with the listing of the ordinary shares of the Company on Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Level 21, Top Glove Tower, No. 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia.

1.2 Corporate Proposals

On 14th March 2016, the Company announced that it proposed to undertake the secondary listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST") by way of introduction ("Proposed Secondary Listing").

The Proposed Secondary Listing will not involve any issuance of new shares by the Company. To create liquidity and trading activity on the Main Board of SGX-ST, the Company has procured an undertaking from its substantial shareholder to sell down a portion of the shareholder's shareholdings in the Company of at least SGD20 million in value in the open market on the Main Board of the SGX-ST within 12 months from the date of completion of the Proposed Secondary Listing.

1.3 Significant Events

Subsequent to the year ended 31 August 2015 and immediately prior to the issue of the Introductory Document, the following Significant Events had taken place:

(i) The exercise of 4,815,640 options granted under Employee Share Option Scheme ("ESOS") at option price between RM2.43 to RM5.43 per ordinary share.

(ii) Resale of 1,160,000 shares which were held as treasury shares at disposal price between RM13.74 to RM13.98 for a total consideration of RM16,110,387.

1.0 BACKGROUND AND BASIS OF PREPARATION (continued)

1.3 Significant Events (continued)

(iii) The Company declared final single tier dividends of RM0.12 per ordinary share and special single tier dividends of RM0.03 per ordinary share on 15 October 2015 and 2 November 2015 respectively, in respect of the financial year ended 31 August 2015. The total dividend of RM93,724,000 was paid by the Company in January 2016. On 15 June 2016, the Company declared first single tier interim dividend of RM0.06 per ordinary share amounting to RM75,282,802 in respect of the financial year ending 31 August 2016.

(iv) On 26 January 2016, the Company completed a bonus issue of RM312,856,781 constituting 625,713,562 bonus shares of RM0.50 each on the basis of one new bonus share for every one existing ordinary share held.

1.4 Basis of preparation

The unaudited pro forma consolidated financial information have been prepared for illustrative purposes only and are prepared based on:

(a) The audited financial statements of the Group for the financial year ended 31 August 2015 which was prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, and was audited by Ernst & Young Malaysia.

(b) The unaudited interim condensed financial statements of the Group for the six-month financial period ended 29 February 2016 which was prepared in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") and International Accounting Standard 34: Interim Financial Reporting ("IAS 34"), and was reviewed by Ernst & Young Malaysia.

The auditor's report on the audited financial statements and unaudited interim condensed financial statements used in the compilation of unaudited pro forma information were not subject to any qualifications.

The following key adjustments and assumptions were made for the preparation of the pro forma financial information:

(i) The Company will increase its issued and paid-up share capital by way of issuance of 4,815,640 ordinary shares of RM0.50 each pursuant to the exercise of ESOS option at an option price between RM2.43 and RM5.43 per ordinary share.

(ii) The Company will resell 1,160,000 shares which were held as treasury shares at disposal price between RM13.74 to RM13.98 for a total consideration of RM16,110,387.

(iii) Final single tier dividend of RM0.12 per share and special single tier dividend of RM0.03 per share amounting to RM93,724,000, in respect of the financial year ended 31 August 2015, will be paid by the Company. First single tier dividend of RM0.06 per share amounting to RM75,282,802 in respect of the financial year ending 31 August 2016, will also be paid by the Company.

1.0 BACKGROUND AND BASIS OF PREPARATION (continued)

1.4 Basis of preparation (continued)

(iv) The Company will issue 625,713,562 bonus shares of RM0.50 each on the basis of one new bonus share for every one existing ordinary shares held.

These changes are assumed to have occurred on:

(a) 1 September 2014 for the purposes of the financial information covering the financial year to 31 August 2015 and for the six-month financial period to 29 February 2016.

(b) The respective reporting dates for the purposes of the Statement of Financial Position as at 31 August 2015 and 29 February 2016.

The pro forma consolidated financial information is not necessarily indicative of the financial position, financial performance and cash flows of the operations that would have been attained had the Significant Events actually occurred at the respective dates. Accordingly, such information, because of its nature may not be reflective of the Group's actual financial position, financial performance and cash flows and does not purport to predict the future financial position, financial performance and cash flows of the Group.

The pro forma consolidated financial information is presented in RM and all values are rounded to the nearest thousand (RM'000) except when otherwise stated.

2.0 EFFECTS ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

2.1 Note (i)

Note (i) incorporates the effects of the increase in the Company's issued and paid-up share capital by way of issuance of 4,815,640 ordinary shares of RM0.50 pursuant to the exercise of ESOS options. The option price exercised between RM2.43 to RM5.43 per ordinary share gives rise to total consideration received of RM22,544,000.

Exercise dates	Exercise price	Number of share options	Total consideration	Par value of ordinary shares	Share Premium
	RM	'000	RM'000	RM'000	RM'000
September 2015	5.342	811	4,332	(405)	3,927
October 2015	5.198	579	3,009	(290)	2,719
November 2015	5.435	1,335	7,255	(668)	6,587
December 2015	5.063	969	4,906	(485)	4,421
January 2016	2.685	467	1,254	(233)	1,021
February 2016	2.780	403	1,120	(201)	919

2.0 EFFECTS ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (continued)

2.1 Note (i) (continued)

Exercise dates	Exercise price	Number of share options	Total consideration	Par value of ordinary shares	Share Premium
	RM	'000	RM'000	RM'000	RM'000
March 2016^	2.773	141	391	(70)	321
April 2016^	2.430	79	192	(40)	152
May 2016^	2.656	32	85	(16)	69
Effect to pro forma adjustments for the year ended 31 August 2015		4,816	22,544	(2,408)	20,136
^ Effect to pro forma adjustments for the six-month period ended 29 February 2016			668	(126)	542

Total amount transferred from share option reserve to share premium upon exercise of the options are as follows:

Exercise dates	Average fair value	Number of share options	
	RM	'000	RM'000
September 2015	1.000	811	811
October 2015	1.000	579	579
November 2015	1.216	1,335	1,623
December 2015	1.120	969	1,086
January 2016	1.153	467	538
February 2016	1.211	403	488
March 2016^	1.180	141	166
April 2016^	0.812	79	64
May 2016^	0.524	32	17
Effect to pro forma adjustments for the year ended 31 August 2015			5,372
^ Effect to pro forma adjustments for the six-month period ended 29 February 2016			247

2.0 EFFECTS ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (continued)

2.2 Note (ii)

Note (ii) includes the effects of the resale of 1,160,000 treasury shares to the open market for a net consideration of RM16,110,387. The transaction cost in respect of this transaction is not illustrated as the effect to the pro forma is not material. The details of the treasury shares resold are tabulated below:

Number of shares	Disposal price per share	Purchase price per share	Total consideration	Total purchase cost	Retained earnings
'000	RM	RM	RM'000	RM'000	RM'000
255	13.829	4.285	3,526	1,093	2,433
20	13.840	4.285	277	86	191
71	13.740	4.285	976	304	672
400	13.890	4.285	5,556	1,714	3,842
160	13.914	4.285	2,226	685	1,541
149	13.971	4.285	2,082	638	1,444
51	13.971	4.411	712	225	487
54	13.984	4.411	755	238	517
1,160			16,110	4,983	11,127

2.0 EFFECTS ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (continued)

2.3 Note (iii)

Note (iii) reflects the following pro forma adjustments:

(a) Final single tier dividend of RM0.12 per ordinary share and special single tier dividend of RM0.03 per ordinary share, declared on 15 October 2015 and 2 November 2015 respectively, in respect of the financial year ended 31 August 2015. The Company paid the dividends on 28 January 2016.

Total number of shares entitled to dividend ('000)		624,829
		RM'000
Dividends on ordinary shares:		
– Final single tier dividend: RM0.12 per share		74,979
– Special single tier dividend: RM0.03 sen per share		18,745
	A	93,724

(b) First single tier interim dividend of RM0.06 per ordinary share in respect of the financial year ending 31 August 2016, declared on 15 June 2016. The dividend is expected to be paid on 15 July 2016 based on the total number of shares as at 1 July 2016, and have been reflected as dividend payable for the purpose of this pro forma.

Total number of shares entitled to dividend ('000)^		1,254,713
		RM'000
Dividends on ordinary shares:		
– First single tier dividend: RM0.06 per share	**B**	75,283

^ For the purpose of this pro forma, total number of shares entitled to dividend is based on the total number of shares as at 15 June 2016.

		RM'000
Effect to retained earnings for:		
Financial year ended 31 August 2015	**A + B**	169,007
Six-month period ended 29 February 2016	**B**	75,283

2.0 EFFECTS ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (continued)

2.4 Note (iv)

Note (iv) incorporate the effects of the issuance of 625,713,562 bonus shares of RM0.50 each on the basis of one new bonus share for every one existing ordinary share through the capitalisation of the Company's available share premium of RM220,800,000 and retained earnings of RM92,057,000. The transaction cost in respect of this transaction is not illustrated as the effect to the pro forma is not material.

	Par value	Number of shares	Share capital
	RM	'000	RM'000
Issued and paid up capital as at 31 August 2015	0.50	624,184	312,092
Add: Ordinary shares issued pursuant to ESOS exercised prior to bonus issue^	0.50	3,694	1,847
Less: Treasury shares^^	0.50	(2,164)	(1,082)
		625,714	312,857
Issued pursuant to bonus issue	0.50	625,714	312,857

^ As the bonus shares were issued in January 2016, this amount relates to ESOS exercised from September 2015 to December 2015 as disclosed in Note (i).

^^ Relates to the remaining shares held as treasury shares by the Company subsequent to the resale of 1,160,000 treasury shares in Note (ii).

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015 AND 29 FEBRUARY 2016

3.1 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 August 2015:

	Audited as at 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	1,026,490	–	–	–	–	1,026,490
Land use rights	40,315	–	–	–	–	40,315
Investment properties	111,178	–	–	–	–	111,178
Investment in associates	5,140	–	–	–	–	5,140
Deferred tax assets	8,762	–	–	–	–	8,762
Investment securities	145	–	–	–	–	145
Goodwill	22,805	–	–	–	–	22,805
	1,214,835	–	–	–	–	1,214,835
Current assets						
Inventories	252,115	–	–	–	–	252,115
Trade and other receivables	380,700	–	–	–	–	380,700
Other current assets	24,148	–	–	–	–	24,148
Investment securities	669,672	–	–	–	–	669,672
Cash and bank balances	146,460	22,544	16,110	(93,724)	–	91,390
	1,473,095	22,544	16,110	(93,724)	–	1,418,025
Total assets	2,687,930	22,544	16,110	(93,724)	–	2,632,860

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015 AND 29 FEBRUARY 2016 (continued)

3.1 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 August 2015: (continued)

	Audited as at 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity and liabilities						
Current liabilities						
Loans and borrowings	530,333	–	–	–	–	530,333
Trade and other payables	326,174	–	–	75,283	–	401,457
Other current liabilities	29,625	–	–	–	–	29,625
Income tax payable	25,348	–	–	–	–	25,348
Derivative financial instruments	9,211	–	–	–	–	9,211
	920,691	–	–	75,283	–	995,974
Net current assets	552,404	22,544	16,110	(169,007)	–	422,051
Non-current liabilities						
Loans and borrowings	105,693	–	–	–	–	105,693
Deferred tax liabilities	47,153	–	–	–	–	47,153
	152,846	–	–	–	–	152,846
Total liabilities	1,073,537	–	–	75,283	–	1,148,820
Net assets	1,614,393	22,544	16,110	(169,007)	–	1,484,040

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015 AND 29 FEBRUARY 2016 (continued)

3.1 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 August 2015: (continued)

	Audited as at 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity attributable to equity holders of the Company						
Share capital	312,092	2,408	–	–	312,857	627,357
Share premium	200,302	25,508	–	–	(220,800)	5,010
Treasury shares	(14,722)	–	4,983	–	–	(9,739)
Other reserves	53,709	(5,372)	–	–	–	48,337
Retained earnings	1,056,583	–	11,127	(169,007)	(92,057)	806,646
	1,607,964	22,544	16,110	(169,007)	–	1,477,611
Non-controlling interest	6,429	–	–	–	–	6,429
Total equity	1,614,393	22,544	16,110	(169,007)	–	1,484,040
Total equity and liabilities	2,687,930	22,544	16,110	(93,724)	–	2,632,860

The accompanying notes form an integral part of the Unaudited Pro Forma Statement of Financial Position.

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015 AND 29 FEBRUARY 2016 (continued)

3.2 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 29 February 2016:

	Unaudited as at 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	1,074,141	–	–	–	–	1,074,141
Land use rights	40,042	–	–	–	–	40,042
Investment properties	115,402	–	–	–	–	115,402
Investment in associates	5,287	–	–	–	–	5,287
Deferred tax assets	7,382	–	–	–	–	7,382
Investment securities	145	–	–	–	–	145
Goodwill	22,805	–	–	–	–	22,805
	1,265,204	–	–	–	–	1,265,204
Current assets						
Inventories	235,632	–	–	–	–	235,632
Trade and other receivables	356,230	–	–	–	–	356,230
Other current assets	31,009	–	–	–	–	31,009
Investment securities	679,598	–	–	–	–	679,598
Cash and bank balances	130,035	668	–	–	–	130,703
Derivative financial instruments	2,690	–	–	–	–	2,690
	1,435,194	668	–	–	–	1,435,862
Total assets	2,700,398	668	–	–	–	2,701,066

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015 AND 29 FEBRUARY 2016 (continued)

3.2 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 29 February 2016: (continued)

	Unaudited as at 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity and liabilities						
Current liabilities						
Loans and borrowings	376,172	–	–	–	–	376,172
Trade and other payables	321,116	–	–	75,283	–	396,399
Other current liabilities	36,859	–	–	–	–	36,859
Income tax payable	52,609	–	–	–	–	52,609
	786,756	–	–	75,283	–	862,039
Net current assets	648,438	668	–	(75,283)	–	573,823
Non-current liabilities						
Loans and borrowings	96,047	–	–	–	–	96,047
Deferred tax liabilities	39,264	–	–	–	–	39,264
	135,311	–	–	–	–	135,311
Total liabilities	922,067	–	–	75,283	–	997,350
Net assets	1,778,331	668	–	(75,283)	–	1,703,716

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015 AND 29 FEBRUARY 2016 (continued)

3.2 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 29 February 2016: (continued)

	Unaudited as at 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity attributable to equity holders of the Company						
Share capital	627,231	126	–	–	–	627,357
Share premium	4,221	789	–	–	–	5,010
Treasury shares	(9,739)	–	–	–	–	(9,739)
Other reserves	28,292	(247)	–	–	–	28,045
Retained earnings	1,120,880	–	–	(75,283)	–	1,045,597
	1,770,885	668	–	(75,283)	–	1,696,270
Non-controlling interest	7,446	–	–	–	–	7,446
Total equity	1,778,331	668	–	(75,283)	–	1,703,716
Total equity and liabilities	2,700,398	668	–	–	–	2,701,066

The accompanying notes form an integral part of the Unaudited Pro Forma Statements of Financial Position.

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016

3.3 The following table shows the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the year ended 31 August 2015. The Group pro forma adjustments affect the Unaudited Consolidated Statement of Changes in Equity, and have no effect to the Audited Consolidated Statement of Comprehensive Income for the financial year ended 31 August 2015:

	Audited 1-Sep-14 to 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,510,510	–	–	–	–	2,510,510
Cost of sales	(1,955,610)	–	–	–	–	(1,955,610)
Gross profit	554,900	–	–	–	–	554,900
Other items of income						
Interest income	23,920	–	–	–	–	23,920
Other income	18,697	–	–	–	–	18,697
Other items of expense						
Distribution and selling costs	(82,127)	–	–	–	–	(82,127)
Administrative and general expenses	(135,973)	–	–	–	–	(135,973)
Finance costs	(4,170)	–	–	–	–	(4,170)
Share of result of associates	(11,709)	–	–	–	–	(11,709)
Profit before tax	363,538	–	–	–	–	363,538
Income tax expense	(82,346)	–	–	–	–	(82,346)
Profit net of tax	281,192	–	–	–	–	281,192
Profit attributable to:						
Owners of the parent	279,781	–	–	–	–	279,781
Non-controlling interest	1,411	–	–	–	–	1,411
	281,192	–	–	–	–	281,192

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.3 The following table shows the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the year ended 31 August 2015. The Group pro forma adjustments affect the Unaudited Consolidated Statement of Changes in Equity, and have no effect to the Audited Consolidated Statement of Comprehensive Income for the financial year ended 31 August 2015: (continued)

	Audited 1-Sep-14 to 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Earnings per share attributable to owners of parent (sen):						
Basic	45.22	–	–	–	–	22.38[(1)]
Diluted	45.17	–	–	–	–	22.34[(1)]
Profit net of tax	281,192	–	–	–	–	281,192
Other comprehensive (loss)/income:						
Net movement on available-for-sale financial assets	(1,132)	–	–	–	–	(1,132)
Foreign currency translation	36,664	–	–	–	–	36,664
Other comprehensive income for the year, net of tax	35,532	–	–	–	–	35,532
Total comprehensive income for the year	316,724	–	–	–	–	316,724
Total comprehensive income attributable to:						
Owners of the parent	314,456	–	–	–	–	314,456
Non-controlling interest	2,268	–	–	–	–	2,268
	316,724	–	–	–	–	316,724

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.3 The following table shows the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the year ended 31 August 2015. The Group pro forma adjustments affect the Unaudited Consolidated Statement of Changes in Equity, and have no effect to the Audited Consolidated Statement of Comprehensive Income for the financial year ended 31 August 2015: (continued)

Note (1):	**Unaudited pro forma 31-Aug-15**
Pro forma profit net of tax attributable to owners of parent (RM'000)	279,781
Pro forma weighted average number of ordinary shares net of treasury shares for basic earning per share ("EPS") computation ('000)	1,250,251
Effects of dilution – share options ('000)	2,081
Weighted average number of ordinary shares for diluted EPS computation ('000)	1,252,322
Basic earnings per share (sen)	22.38
Diluted earnings per share (sen)	22.34

The accompanying notes form an integral part of the Unaudited Pro Forma Statement of Comprehensive Income.

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.4 The following table shows the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the six-month period ended 29 February 2016. The Group pro forma adjustments affect the Unaudited Consolidated Statement of Changes in Equity, and have no effect to the Unaudited Consolidated Statement of Comprehensive Income for the six-month period ended 29 February 2016:

	Unaudited 1-Sep-15 to 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,494,131	–	–	–	–	1,494,131
Cost of sales	(1,121,881)	–	–	–	–	(1,121,881)
Gross profit	372,250	–	–	–	–	372,250
Other items of income						
Interest income	17,055	–	–	–	–	17,055
Other income	34,588	–	–	–	–	34,588
Other items of expense						
Distribution and selling costs	(39,826)	–	–	–	–	(39,826)
Administrative and general expenses	(87,997)	–	–	–	–	(87,997)
Finance costs	(3,172)	–	–	–	–	(3,172)
Share of result of associates	133	–	–	–	–	133
Profit before tax	293,031	–	–	–	–	293,031
Income tax expense	(52,891)	–	–	–	–	(52,891)
Profit net of tax	240,140	–	–	–	–	240,140
Profit attributable to:						
Owners of the parent	238,945	–	–	–	–	238,945
Non-controlling interest	1,195	–	–	–	–	1,195
	240,140	–	–	–	–	240,140

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.4 The following table shows the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the six-month period ended 29 February 2016. The Group pro forma adjustments affect the Unaudited Consolidated Statement of Changes in Equity, and have no effect to the Unaudited Consolidated Statement of Comprehensive Income for the six-month period ended 29 February 2016: (continued)

	Unaudited 1-Sep-15 to 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Earnings per share attributable to owners of parent (sen):						
Basic	19.13	–	–	–	–	19.11[(1)]
Diluted	19.09	–	–	–	–	19.08[(1)]
Profit net of tax	240,140	–	–	–	–	240,140
Other comprehensive loss:						
Net movement on available-for-sale financial assets	(9,489)	–	–	–	–	(9,489)
Foreign currency translation	(11,047)	–	–	–	–	(11,047)
Other comprehensive loss for the year, net of tax	(20,536)	–	–	–	–	(20,536)
Total comprehensive income for the year	219,604	–	–	–	–	219,604
Total comprehensive income attributable to:						
Owners of the parent	218,587	–	–	–	–	218,587
Non-controlling interest	1,017	–	–	–	–	1,017
	219,604	–	–	–	–	219,604

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.4 The following table shows the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the six-month period ended 29 February 2016. The Group pro forma adjustments affect the Unaudited Consolidated Statement of Changes in Equity, and have no effect to the Unaudited Consolidated Statement of Comprehensive Income for the six-month period ended 29 February 2016: (continued)

Note (1):

	Unaudited pro forma 29-Feb-16
Pro forma profit net of tax attributable to owners of parent (RM'000)	238,945
Pro forma weighted average number of ordinary shares net of treasury shares for basic earning per share ("EPS") computation ('000)	1,250,251
Effects of dilution – share options ('000)	2,081
Weighted average number of ordinary shares for diluted EPS computation ('000)	1,252,332
Basic earnings per share (sen)	19.11
Diluted earnings per share (sen)	19.08

The accompanying notes form an integral part of the Unaudited Pro Forma Statement of Comprehensive Income.

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016

3.5 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the financial year ended 31 August 2015:

	Audited 1-Sep-14 to 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 August 2015						
Operating activities						
Profit before tax	363,538	–	–	–	–	363,538
Adjustments for:						
Depreciation and amortisation						
– Property, plant and equipment	96,616	–	–	–	–	96,616
– Land use rights	695	–	–	–	–	695
– Investment properties	1,469	–	–	–	–	1,469
Loss on disposal of property, plant and equipment	48	–	–	–	–	48
Bad debts written off	2,052	–	–	–	–	2,052
Gain on disposal of investment securities	(911)	–	–	–	–	(911)
Property, plant and equipment written off	1,872	–	–	–	–	1,872
Share options granted under ESOS	2,188	–	–	–	–	2,188
Unrealised foreign exchange gain	(8,360)	–	–	–	–	(8,360)
Gain on disposal of land use rights	(811)	–	–	–	–	(811)
Share of results of associates	11,709	–	–	–	–	11,709
Net fair value loss on derivative	11,873	–	–	–	–	11,873
Finance costs	4,170	–	–	–	–	4,170
Interest income	(23,920)	–	–	–	–	(23,920)
Total adjustments	98,690	–	–	–	–	98,690
Operating cash flow before changes in working capital	462,228	–	–	–	–	462,228

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.5 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the financial year ended 31 August 2015: (continued)

	Audited 1-Sep-14 to 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Changes in working capital						
Increase in inventories	(44,738)	–	–	–	–	(44,738)
Increase in receivables	(49,700)	–	–	–	–	(49,700)
Increase in other current assets	(21,475)	–	–	–	–	(21,475)
Increase in payables	49,611	–	–	–	–	49,611
Total changes in working capital	(66,302)	–	–	–	–	(66,302)
Cash flows from operations	395,926	–	–	–	–	395,926
Interest paid	(4,170)	–	–	–	–	(4,170)
Income taxes paid	(55,562)	–	–	–	–	(55,562)
Net cash flows generated from operating activities	336,194	–	–	–	–	336,194
Investing activities						
Purchase of property, plant and equipment	(205,642)	–	–	–	–	(205,642)
Purchase of land use rights	(50)	–	–	–	–	(50)
Purchase of investment properties	(6,139)	–	–	–	–	(6,139)
Purchase of investment securities	(424,114)	–	–	–	–	(424,114)
Proceeds from disposal of investment securities	47,018	–	–	–	–	47,018
Proceeds from disposal of land use rights	2,428	–	–	–	–	2,428
Decrease in bank balances pledged with banks	53,038	–	–	–	–	53,038
Interest received	23,920	–	–	–	–	23,920
Dividend income from associates	3,983	–	–	–	–	3,983
Proceeds from disposal of property, plant and equipment	3,715	–	–	–	–	3,715
Net cash flows used-in investing activities	(501,843)	–	–	–	–	(501,843)

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.5 The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the financial year ended 31 August 2015: (continued)

	Audited 1-Sep-14 to 31-Aug-15	Group pro forma adjustments				Unaudited pro forma 31-Aug-15
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financing activities						
Proceeds from issuance of ordinary shares	17,637	22,544	–	–	–	40,181
Purchase of treasury shares	(14,722)	–	–	–	–	(14,722)
Proceeds from disposal of treasury shares	–	–	16,110	–	–	16,110
Dividends paid on ordinary shares	(104,984)	–	–	(93,724)	–	(198,708)
Repayment of obligations under finance leases	(18)	–	–	–	–	(18)
Proceeds from loans and borrowings	364,122	–	–	–	–	364,122
Net cash flows generated from/(used-in) financing activities	262,035	22,544	16,110	(93,724)	–	206,965
Net increase in cash and cash equivalents	96,386	22,544	16,110	(93,724)	–	41,316
Effects of foreign exchange rate changes	2,878	–	–	–	–	2,878
Cash and cash equivalents at beginning of year	187,664	–	–	–	–	187,664
Cash and cash equivalents at end of year	286,928	22,544	16,110	(93,724)	–	231,858

The accompanying notes form an integral part of the Unaudited Pro Forma Statements of Cash Flows.

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.6 The following adjustment have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the six-month financial period ended 29 February 2016:

	Unaudited 1-Sep-15 to 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Six-month financial period ended 29 February 2016						
Operating activities						
Profit before tax	293,031	–	–	–	–	293,031
Adjustments for:						
Depreciation and amortisation						
– Property, plant and equipment	51,611	–	–	–	–	51,611
– Land use rights	238	–	–	–	–	238
– Investment properties	2,357	–	–	–	–	2,357
Gain on disposal of property, plant and equipment	(119)	–	–	–	–	(119)
Loss on disposal of investment securities	1,022	–	–	–	–	1,022
Property, plant and equipment written off	10	–	–	–	–	10
Share options granted under ESOS	72	–	–	–	–	72
Unrealised foreign exchange loss	29,536	–	–	–	–	29,536
Share of results of associates	(133)	–	–	–	–	(133)
Net fair value gain on derivative	(11,901)	–	–	–	–	(11,901)
Interest income	(17,055)	–	–	–	–	(17,055)
Finance costs	3,172	–	–	–	–	3,172
Total adjustments	58,810	–	–	–	–	58,810
Operating cash flow before changes in working capital	351,841	–	–	–	–	351,841

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.6 The following adjustment have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the six-month financial period ended 29 February 2016: (continued)

	Unaudited 1-Sep-15 to 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Changes in working capital						
Decrease in inventories	16,483	–	–	–	–	16,483
Decrease in receivables	34,395	–	–	–	–	34,395
Increase in other current assets	(6,850)	–	–	–	–	(6,850)
Decrease in payables	(26,992)	–	–	–	–	(26,992)
Total changes in working capital	17,036	–	–	–	–	17,036
Cash flows from operations	368,877	–	–	–	–	368,877
Interest paid	(3,172)	–	–	–	–	(3,172)
Income taxes paid	(32,140)	–	–	–	–	(32,140)
Net cash flows generated from operating activities	333,565	–	–	–	–	333,565

3.0 UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 AND FOR THE SIX-MONTH PERIOD ENDED 29 FEBRUARY 2016 (continued)

3.6 The following adjustment have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the six-month financial period ended 29 February 2016: (continued)

	Unaudited 1-Sep-15 to 29-Feb-16	Group pro forma adjustments				Unaudited pro forma 29-Feb-16
		Note (i)	Note (ii)	Note (iii)	Note (iv)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investing activities						
Purchase of property, plant and equipment	(110,841)	–	–	–	–	(110,841)
Purchase of investment properties	(6,581)	–	–	–	–	(6,581)
Purchase of land use rights	(22)	–	–	–	–	(22)
Proceeds from disposal of investment securities	149,344	–	–	–	–	149,344
Increase in bank balances pledged with banks	(1,153)	–	–	–	–	(1,153)
Interest received	17,055	–	–	–	–	17,055
Proceeds from disposal of property, plant and equipment	2,130	–	–	–	–	2,130
Net cash flows generated from investing activities	49,932	–	–	–	–	49,932
Financing activities						
Proceeds from issuance of ordinary shares	21,876	668	–	–	–	22,544
Proceeds from disposal of treasury shares	16,110	–	–	–	–	16,110
Dividends paid on ordinary shares	(93,724)	–	–	–	–	(93,724)
Repayment of loans and borrowings	(174,110)	–	–	–	–	(174,110)
Net cash flows used-in financing activities	(229,848)	668	–	–	–	(229,180)
Net increase in cash and cash equivalents	153,649	668	–	–	–	154,317
Effects of foreign exchange rate changes	(1,446)	–	–	–	–	(1,446)
Cash and cash equivalents at beginning of year	286,928	–	–	–	–	286,928
Cash and cash equivalents at end of period	439,131	668	–	–	–	439,799

The accompanying notes form an integral part of the Unaudited Proforma Statements of Cash Flows.

SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. DIRECTORS

(a) Power of Interested Directors to Vote (Articles 124 and 127)

A Director who is whether directly or indirectly interested in a contract or arrangement with the Company, shall declare the nature of his interest at a meeting of Directors in accordance with the provisions of the Malaysian Companies Act unless the interest is one that need not be disclosed under the Malaysian Companies Act. Such Director shall not be counted to make the quorum at the Board of Directors' meeting and shall not vote in respect of any such contract, proposed contract or arrangement, but neither of these prohibitions shall apply to:

(i) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; and

(iii) any contract by him to subscribe for or underwrite shares or debentures of the Company;

(iv) any contract or arrangement with any other company in which he is interested only as an officer of the company or as holder of shares or other securities; or

(v) any contract or proposed contract which has been or will be made with or for the benefit of or on behalf of a corporation (as defined in the Malaysian Companies Act) which by virtue of Section 6 of the Malaysian Companies Act is deemed to be related to the Company – that he is a director of that corporation.

(b) Remuneration (Articles 104, 105 and 106)

The remuneration of the Directors for their services shall be determined by the Company in general meeting subject to the following:

(i) fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(ii) salaries payable to executive Directors may not include a commission on or percentage of turnover; and

(iii) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.

If any Director shall render or perform special extraordinary services or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive such sum as the Directors may think fit, either as a fixed sum or as percentage of profits or otherwise, but not a commission on or percentage of turnover and such remuneration may, as determined by the Directors, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

(c) **Borrowing Powers (Article 110)**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company's or the subsidiaries' undertaking, property or uncalled capital as the case may be, or any part thereof, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company or a related third party.

(d) **Retirement Age Limit**

There is no age limit of retirement for Directors under the Company's Articles of Association.

(e) **Share Qualification of a Director (Article 107)**

The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed, no shareholding qualification for Directors shall be required.

2. SHARE RIGHTS, PREFERENCES AND RESTRICTIONS

(a) **Class of Shares (Articles 8, 9, 10, 64, 66, 68 and 77)**

Currently, the share capital of the Company consists only of ordinary Shares.

Under the Articles of Association of the Company, the Company shall, subject to the Malaysian Companies Act, the provisions of the Articles of Association of the Company and the requirements of Bursa Securities, have the power to issue preference shares on such terms and conditions and carrying such rights or restrictions. The Company shall not issue preference shares ranking in priority to the preference shares already issued but may issue preference shares ranking equally therewith, unless the consent of existing preference shareholders at a class meeting is obtained.

Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened:

(i) for the purpose of reducing the Company's share capital, or winding up the Company, or sanctioning a sale of the whole of the Company's property, business and undertaking;

(ii) where the proposition to be submitted to the meeting directly affects their rights and privileges attached to the share;

(iii) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or

(iv) during the winding up of the Company.

The rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

Voting rights of Members (Articles 63, 66(c), 68, 77 and 83A)

As to voting rights for ordinary Shares, subject to the Foreign Share Ownership Regulation and any relevant regulations (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote unless he is treated as if he was a member pursuant to Section 35 of the Central Depositories Act but excludes the Bursa Depository or its nominees in its capacity as a bare trustee.

Shareholders are entitled to receive at least 14 days' notice in writing for every general meeting convened for the purpose of passing an ordinary resolution, and at least 21 days' notice in writing for every meeting convened for the purpose of passing a special resolution or an annual general meeting. The notices convening meetings shall specify the place, day and hour of the meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.

Every Shareholder holding shares conferring the right to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote and that a proxy need not also be a member. Where a member of the Company is an EAN which holds shares for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.

Subject to the Articles of Association of the Company and any rights or restrictions for the time being attached to any classes of shares, at a meeting of Shareholders or classes of Shareholders each Shareholder entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person who is a Shareholder or representative or proxy of a Shareholder shall have one (1) vote, and on a poll, every Shareholder present in person or by proxy or by attorney or other duly authorized representative shall have one (1) vote for each share he holds.

Declaration of Dividends (Articles 153, 155, 161 and 162)

The Company may in a general meeting declare dividends out of profits of the Company, but no dividend shall exceed the amount recommended by the Directors.

The Company may, in a general meeting direct payment of a dividend or bonus either in whole or in part by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stocks of any other company and the Directors shall give effect to such resolution.

Any dividend, interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant sent through the post to the last registered address of the holder who is named in the Register of Members or to such person and to such address as the holder may in writing direct or by way of electronic or other methods of funds transfer to such bank account as designated by such holder or person entitled thereto.

No dividend or interest shall bear interest as against the Company.

(b) **Change in Capital**

Alteration of Capital (Article 59)

The Company may by Ordinary Resolution, increase, consolidate and divide, cancel or sub-divide its existing shares.

Reduction of Capital (Article 61)

The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner with, and subject to, any incident authorized, and consent required by law.

Increase of Capital (Article 55)

The Company by ordinary resolution may from time to time whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Purchase Own Shares (Article 3)

Subject to the provisions of the Malaysian Companies Act and the requirements of Bursa Securities (and if not inconsistent with the subject or context, includes the SGX-ST and/or such other foreign stock exchange on which the Company is listed or approved to be listed) ("**Stock Exchange**") and all other applicable laws, rules, regulations and guidelines for the time being in force, the Company may with the sanction of the Shareholders in a general meeting, purchase its own shares upon such terms as the Directors may, in their discretion deem fit or necessary, provided that the purchase does not result in the total aggregate number of shares purchased or held exceeding 10% of the issued and paid up capital of the Company for the time being and prior approval of the Stock Exchange has been obtained.

(c) **Modification of Rights (Article 10)**

If the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holder of the shares of that class.

To every such special resolution, the provision of Section 152 of the Malaysian Companies Act shall, with such adaptations as are necessary, apply.

(d) **Unclaimed Dividend and its Distribution (Article 160)**

All dividends unclaimed for one (1) year, after having been declared, shall be dealt with by the Company in accordance with the provisions of the Unclaimed Moneys Act, 1965.

3. LIMITATION ON THE RIGHT TO OWN SHARES, INCLUDING LIMITATIONS ON THE RIGHT OF NON-RESIDENT OR FOREIGN SHAREHOLDERS TO HOLD OR EXERCISE VOTING RIGHTS ON THE SHARES

(a) Transfer of Shares (Article 32(a))

With the exception of transfers in favour of the Bursa Depository and foreign depository or their nominee company, including a foreign depository's EAN, as the case may be, (save and except for the transfer of beneficial ownership of any security standing to the credit of a securities account, including a security in a securities account that is in suspense ("**Deposited Security**") held through an Omnibus Account) and subject to the provisions of and all applicable laws, rules, regulations and guidelines for the time being in force, the Directors may in their absolute discretion decline to register any transfer of shares where the registration of the transfer would result in a contravention of or failure to observe the provisions of any relevant rules and regulations by any relevant authority for the time being in force.

(b) Votes of a member with unsound mind (Article 79)

Subject to the Articles of Association of the Company, a member of the Company who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.

(c) Votes by a bankrupt or deceased member (Article 39(a))

Subject to the provisions of the Act, the Central Depositories Act and Rules of the Depository, where the registered holder of any Share or beneficial owner of a Deposited Security held through an Ominbus Account dies or becomes bankrupt, his personal representatives or the assignees of his estate as the case may be, shall, upon the production of such evidence as required by the Bursa Depository or the foreign depository (as the case may be) in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder or the beneficial owner of a Deposited Security held through an Omnibus Account would have been entitled to if he had not died or become bankrupt.

This page has been intentionally left blank.

COMPARISON OF MALAYSIAN CORPORATE LAW WITH SINGAPORE CORPORATE LAW

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Power of Directors to Allot and Issue Shares		
1.	Section 161: Approval of company required for issue of shares by directors The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company. However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, or the share issue is void under the Singapore Companies Act. Such approval need not be specific but may be general and, once given, will only continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the Company in a general meeting.	Section 132D: Approval of company required for issue of shares by directors The provision requiring approval of company for issue of shares by directors in the Malaysian Companies Act is the same as in Singapore except that in Malaysia the directors of a company shall not be required to obtain the prior approval of the company in a general meeting to issue shares where the said shares are to be issued as consideration or part consideration for the acquisition of shares by the company and members of the company have been notified of the intention to issue the said shares at least 14 days before the date of the issue of the said shares.
Power of Directors to Dispose of the Company's or its Subsidiaries' Assets		
2.	Section 157A: Powers of directors The Singapore Companies Act provides that the business of a company is to be managed by or under the direction or supervision of the directors. The directors may exercise all the powers of a company except any power that the Singapore Companies Act or the constitution of the company require the company to exercise in general meeting.	Section 131B: Functions and powers of the board The Malaysian Companies Act provides that the business and affairs of a company must be managed by, or under the direction of, the board of directors. The board of directors has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in the Act or in the memorandum of articles of association of a company.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
3.	Section 160: Approval of company required for disposal by directors of company's undertaking or property Under the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property notwithstanding anything in the company's constitution.	Section 132C: Approval of company required for disposal by directors of company's undertaking or property The Malaysian Companies Act provides that notwithstanding anything contained in the memorandum or articles of association of a company, the directors shall not carry into effect any arrangement or transaction for the acquisition of an undertaking or property of a substantial value or the disposal of a substantial portion of the company's undertaking or property unless the arrangement or transaction has been approved by the company in a general meeting. In the case of a company where all or any of its shares are listed for quotation on the official list of a Stock Exchange, the term 'substantial value' or 'substantial portion' shall mean the same value prescribed by the provisions in the Bursa Listing Requirements. In the case of any company other than a company where all or any of its shares are listed for quotation on the official list of a Stock Exchange, an undertaking or property shall be considered to be of a substantial value and a portion of the company's undertaking or property shall be considered to be a substantial portion if (a) its value exceeds twenty-five per centum of the total assets of the company; (b) the net profits (after deducting all charges except taxation and excluding extraordinary items) attributed to it amounts to more than twenty-five per centum of the total net profit of the company; or (c) its value exceeds twenty-five per centum of the issued share capital of the company, whichever is the highest. Where an arrangement or transaction is carried into effect in contravention of the Malaysian Companies Act, the arrangement or transaction shall be void except in favour of any person dealing with the company for valuable consideration and without actual notice of the contravention.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Loan to Directors		
4.	Section 162: Loans and quasi-loans to directors, credit transactions and related arrangements A company (other than an exempt private company) is prohibited from, *inter alia*, (i) making a loan or quasi-loan[1] to a director of the company or a director of a related corporation (a "**relevant director**") (and to the spouse or natural, step or adopted children of a relevant director), (ii) entering into any guarantee or providing any security in connection with a loan or quasi-loan to a relevant director, (iii) entering into a credit transaction[2] as creditor for the benefit of a relevant director, and (iv) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director (the "**restricted transactions**"), except in the following circumstances, where a transaction which would otherwise be a restricted transaction is: • (subject to, *inter alia,* the approval of the company in a general meeting) made to or for the benefit of a relevant director to meet expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him to properly perform his duties as an officer of the company;	Section 133: Loan to directors The prohibition on loans to directors and the exemptions are the same as in Singapore except that in Malaysia a licensed financial institution must practice due care in entering into credit transactions with its connected parties to ensure that the transactions are on an arms' length basis pursuant to the Guidelines on Credit Transactions and Exposures with Connected Parties issued by Bank Negara Malaysia.

1 A quasi-loan means a transaction under which one party (the "creditor") agrees to pay, or pays otherwise than in pursuance of an agreement, a sum for another (the "borrower") or agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another party for the borrower (i) on terms that the borrower (or a person on his behalf) will reimburse the creditor or (ii) in circumstances giving rise to a liability on the borrower to reimburse the creditor.

2 A credit transaction means a transaction under which one party (the "creditor") (i) supplies any goods or disposes of any immovable property under a hire-purchase agreement or a conditional sale agreement, (ii) leases or hires any immovable property or goods in return for periodic payments or (iii) otherwise disposes of immovable property or supplies goods or services on the understanding that payment (whether in a lump sum or instalments or by way of periodic payments or otherwise) is to be deferred.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	• (subject to, *inter alia,* the approval of the company in a general meeting) made to or for the benefit of a relevant director who is engaged in the full-time employment of the company or a related corporation for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by that director, except that not more than one such restricted transaction may be outstanding at any time; • made to or for the benefit of a relevant director who is engaged in the full-time employment of the company or a related corporation where the company has at a general meeting approved of a scheme for the making of such transaction to or for the benefit of employees of the company and the restricted transaction is in accordance with that scheme; or • made to or for the benefit of a relevant director in the ordinary course of business of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans, quasi-loans or credit transactions made or entered into by other persons if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.	

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
5.	Section 163: Approval of company required for loans and quasi-loans to, and credit transactions for benefit of, persons connected with directors of lending company, etc. A company (the "**first mentioned company**") (other than an exempt private company) is also prohibited from, *inter alia,* (i) making a loan or quasi-loan to another company or a limited liability partnership, (ii) entering into any guarantee or providing any security in connection with a loan or quasi-loan made to another company or a limited liability partnership by a third-party, (iii) entering into a credit transaction as creditor for the benefit of another company or a limited liability partnership and (iv) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of another company or a limited liability partnership, if the director(s) of the first-mentioned company (and the spouse, natural, step and adopted children of such director(s)), individually or collectively, have an interest in 20% or more of the total voting power in the other company or the limited liability partnership, as the case may be, unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi-loan, credit transaction, guarantee or security (as the case may be) at which the interested director(s) and his or their family members abstained from voting. This prohibition does not apply to: • anything done by a company where the other company (where that company is incorporated in Singapore or otherwise) is its subsidiary, holding company or a subsidiary of its holding company; or	Section 133A: Prohibition of loans to persons connected with directors The prohibitions of loans to persons connected with directors of the lending company is more extensive than the Singapore equivalent in that: (a) the Malaysian provisions not only prohibit loans to family members of the director (which also includes his brother, sister and the spouse of his child, brother or sister) but also extend to a body corporate which is associated with that director, a trustee of a trust in which the director or his family is a beneficiary or a partner of that director or a partner of a person connected with that director; (b) loans to corporations who are accustomed or obliged to act in accordance with the wishes of that director are also prohibited; (c) a body corporate is deemed to be a person connected with that director if that director and persons connected to him are entitled to exercise not less than 15% of the voting rights of the body corporate (as compared to 20% in Singapore).

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	• a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.	
Giving of Financial Assistance to Purchase the Issuer's or its Holding Company's Shares		
6.	Section 76: Company financing dealing in its own shares, etc. Generally, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition or proposed acquisition of that company's shares or shares in its holding company or ultimate holding company. Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, and the release of a debt or obligation. Certain transactions are specifically provided for by the Singapore Companies Act as transactions not to be prohibited. These include a distribution of a company's assets by way of dividends lawfully made, a distribution in the course of a company's winding up, a payment made by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act, the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares in the company, and the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments.	Section 67: Dealing by a company in its own shares, etc The general principles as decided by both Malaysian and Singapore Courts on the prohibition of the giving of financial assistance by a company for the purchase of its own shares are similar for Malaysia and Singapore. However, the Malaysian provision on financial assistance is substantially different from the Singapore provision in that Malaysia totally prohibits the giving of financial assistance whereas in Singapore, a company may be given financial assistance by, *inter alia*, the following methods: (a) where the total amount of the financial assistance will not exceed 10% of the aggregate of the total paid up capital of the company and the reserves of the company; (b) where the board and general meeting resolve that the company should give the financial assistance in accordance with the procedure laid down in the Singapore provision; (c) the company, by special resolution resolves to give financial assistance in accordance with the procedure laid down in the Singapore provision. The Malaysian Companies Act provides that except as otherwise expressly provided, no company shall give, whether directly or indirectly and whether by means of a loan, guarantee or the

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (i) where the amount of financial assistance does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; (ii) where the financial assistance does not materially prejudice the interests of the company, its shareholders or the company's ability to pay its creditors; and (iii) where the financial assistance is approved unanimously by the shareholders of the company, provided that certain conditions and procedures under the Singapore Companies Act are also complied with. Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.	provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or, where the company is a subsidiary, in its holding company or in any way purchase, deal in or lend money on its own shares. Some of the exceptions include the following: (a) where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business; (b) the provision by a company, in accordance with any scheme for the time being in force, of money for the purchase of or subscription for fully-paid shares in the company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the company or a subsidiary of the company, including any director holding a salaried employment or office in the company or a subsidiary of the company; or (c) the giving of financial assistance by a company to persons, other than directors, bona fide in the employment of the company or of a subsidiary of the company with a view to enabling those persons to purchase fully-paid shares in the company or its holding company to be held by themselves by way of beneficial ownership.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Interest in Shares		
7.	Section 4 of the SFA: Interest in securities Under Section 4 of the SFA, an "interest in shares" or "interest in securities" includes any: (i) shares or securities held in a person's own name; (ii) shares or securities held by a corporation, or shares or securities in which a corporation is deemed to have an interest, and either (a) the corporation or its directors are accustomed or under an obligation (whether formal or informal) to act in accordance with a person's directions, instructions or wishes; or (b) that person has a controlling interest in such corporation; (iii) shares or securities held by a corporation, or any shares or securities in which a corporation is deemed to have an interest (other than by virtue of this sub-paragraph (iii)), and a person and/or his/its associates are entitled to exercise or control the exercise of 20% or more of the voting rights of the shares in such corporation; (iv) shares or securities over which a person has entered into a contract to purchase; (v) shares or securities over which a person has the right (otherwise than by reason of having an interest under a trust) to require any transfer to be made to him/it or to his/its order (whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not); (vi) shares or securities over which a person has the option to acquire (whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not);	Section 6A: Interests in shares Under Section 6A of the Companies Act 1965, a person shall be deemed to have an "interest in shares" in the following circumstances: (i) where any property held in trust consists of or includes shares in which a person knows or has reasonable grounds for believing that he has an interest, that person shall be deemed to have an interest in those shares; (ii) a person shall be deemed to have an interest in a share where a body corporate has an interest in a share and: (a) the body corporate is, or its directors are accustomed, or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of that person in relation to that share; (b) that person has a controlling interest in the body corporate; or (c) that person or that person and his associates are entitled to exercise or control the exercise of not less than fifteen per centum of the votes attached to the voting shares in the body corporate; (iii) a person shall be deemed to have an interest where he: (a) held shares jointly with another person; (b) has entered into a contract to purchase a share; (c) has a right, otherwise than by reason of having an interest

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	(vii) shares or securities over which a person is entitled to exercise or control the exercise of any voting or other rights; (viii) shares or securities over which a person has the authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of (it is immaterial that such authority is, or is capable of being made, subject to restraint or restriction); (ix) shares or securities held in trust and a person knows or has reasonable grounds for believing that it/he has an interest under the trust; and (x) shares or securities held by a person jointly with another person (i.e. registered in more than one name), but does not include shares or securities held by a person as a bare trustee.	under a trust, to have a share transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; (d) has the right to acquire a share or an interest in a share, under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or (e) is entitled (otherwise than by reason of his having been appointed a proxy or representative to vote at a meeting of members of a corporation or of a class of its members) to exercise or control the exercise of a right attached to a share, not being a share of which he is the registered holder. The following "interest in shares" shall be disregarded: (i) an interest in a share if the interest is that of a person who holds the share as bare trustee; (ii) an interest in a share of a person whose ordinary business includes the lending of money if he holds the interest only by way of security for the purposes of a transaction entered into in the ordinary course of business in connection with the lending of money; (iii) an interest of a person in a share being an interest held by him by reason of his holding a prescribed office; and (iv) a prescribed interest in a share being an interest of such person, or of the persons included in such class of persons, as is prescribed.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Disclosure of Interest in Contracts with the Issuer		
8.	Section 156: Disclosure of interests in transactions, property, officers, etc. The Singapore Companies Act provides that, where a director or chief executive officer of a company is directly or indirectly interested in a transaction or proposed transaction with that company, such director or chief executive officer must, as soon as practicable after the relevant facts have come to his knowledge, (i) declare the nature of his interest at a meeting of the directors of the company or (ii) send a written notice to the company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the company. For these purposes, an interest of a member of a director's or chief executive officer's family (this includes his spouse, natural, step or adopted children) is treated as an interest of that director or chief executive officer. The Singapore Companies Act also provides that every director and chief executive officer of a company who holds any office or possesses any property whereby, whether directly or indirectly, any duty or interest might be created in conflict with his duties or interests as director or chief executive officer shall (i) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict or (ii) send a written notice to the company setting out the fact and the nature, character and extent of the conflict. For these purposes, an interest of a member of a director's or chief executive officer's family (this includes his spouse, natural, step or adopted children) is treated as an interest of that director or chief executive officer.	(a) Section 131: Disclosure of interests in contracts, property, officers, etc. The position in Malaysia with respect to the disclosure of interests in contracts, property, offices, etc. is the same as in Singapore except that the equivalent provision in the Malaysian Companies Act specifically provides that a breach of the Malaysian provision renders the contract voidable at the instance of the company except if it is in favour of any person dealing with the company for any valuable consideration and without actual notice of the contravention. (b) Section 131A: Interested director not to participate or vote Section 131A of the Malaysian Companies Act prohibits a director of a public company or of a subsidiary of a public company who is in any way, whether directly or indirectly interested in a contract entered into or proposed to be entered into by the company unless that interest is one that need not be disclosed in Section 131, from participating in the deliberation or voting on the contract or proposed contract.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Remuneration		
9.	Section 169: Provision and improvement of director's emoluments The Singapore Companies Act provides that a company shall not provide emoluments or improve emoluments for a director in respect of his office unless the provision has been approved by a resolution that is not related to other matters, and any resolution passed in breach of this provision is void. For this purpose, the term "emoluments" in relation to a director includes fees and percentages, expenses allowance in so far as those sums are charged to income tax in Singapore, contributions paid under a pension scheme, and any benefits received otherwise than in cash in respect of his services as a director.	Malaysia has no equivalent provision to Section 169 of the Singapore Companies Act. A director of a company does not have an implied right to remuneration for his services. He is only entitled to remuneration if it is provided for in the articles of the company or by the shareholders at properly convened general meeting. In listed companies: (a) the fees for non-executive directors and salaries of executive directors must be a fixed sum and cannot be commission-based or a percentage of profits or turnover; and (b) the directors' remuneration may be increased only upon it being approved by a resolution at a general meeting, where notice of the proposed increase has been given.
Appointment, Qualification and Appointment of Directors		
10.	**Number, Qualification and Appointment of Directors** Section 145: Directors Under the Singapore Companies Act, every company must have at least one (1) director who is ordinarily resident in Singapore. Where the company has only one (1) member, that sole director may also be the sole member of the company. No person other than a natural person who has attained the age of 18 years and who is otherwise of full legal capacity can be a director of a company.	**Number, Qualification and Appointment of Directors** Section 122: Directors Under the Malaysian Companies Act, every company shall have at least two (2) directors, who each have his principal or only place of residence within Malaysia. No person other than a natural person of full age (18 years) and of sound mind shall be a director of a company. In determining the number of directors, an alternate or substitute director would not be included.
	Section 147: Qualification of director Every director, who is by the constitution required to hold a specified share qualification and who is not already qualified, must obtain his qualification within two months after his appointment or such shorter period as is fixed by the constitution.	Section 124: Qualification of director Every director, who is by the articles required to hold a specified share qualification and who is not already qualified, shall obtain his qualification within two (2) months after his appointment or such shorter period as is fixed by the articles.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	Section 150: Appointment of directors to be voted on individually In the case of a public company, the appointment of directors at a general meeting must generally be voted on individually.	
	Singapore has no equivalent provision to Section 129 of the Malaysian Companies Act. The Singapore Companies Act does not contain provisions on the age limit of directors.	Section 129: Age limit for directors No person of or over the age of 70 years shall be appointed or act as a director of a public company or of a subsidiary of a public company unless by a resolution of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given, passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company, be appointed or reappointed as a director of that company to hold office until the next annual general meeting of the company or be authorised to continue in office as a director until the next annual general meeting of the company. At a general meeting of a public company, a motion for the appointment of two (2) or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
11.	**Audit Committee** Section 201B: Audit committees The Singapore Companies Act provides that every listed company shall have an audit committee. An audit committee shall be appointed by the directors from among their number, pursuant to a board resolution, and shall be composed of three (3) or more members. The majority of the audit committee shall not be (i) executive directors of the company or any related corporation, (ii) a spouse, parent, sibling, child or adopted-child of an executive director of the company or any related corporation, or (iii) any person having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee. The members of the audit committee shall elect a chairman from among them who is not an executive director or employee of the company or any related corporation. Under the Singapore Companies Act, the functions of the audit committee shall be: (a) to review: (i) with the auditor, the audit plan; (ii) with the auditor, his evaluation of the system of internal accounting controls; (iii) with the auditor, his audit report; (iv) the assistance given by the company's officers to the auditor; (v) the scope and results of the internal audit procedures; and	**Audit Committee** Section 167A: System of internal control Malaysia has no equivalent provision to Section 201B of the Singapore Companies Act. However, under Section 167A of the Malaysian Companies Act, subject to the Bursa Listing Requirements for listed companies, the directors of a public company or a subsidiary of a public company shall have in place a system of internal control that will provide a reasonable assurance that: (a) assets of the company are safeguarded against loss from unauthorised use or disposition; and (b) all transactions are properly authorised and that they are recorded as necessary to enable the preparation of true and fair profit and loss account and balance sheets and to give a proper account of the assets. Under the Bursa Listing Requirements, it is the duty of the board of directors of a listed company to set up an audit committee. The audit committee must be appointed from amongst its directors which fulfils the following requirements: (a) it must be composed of no fewer than three (3) members; (b) must be non-executive directors, with a majority of them being independent directors; and (c) at least one (1) member of the audit committee: (i) must be a member of the Malaysian Institute of Accountants; or

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	(vi) the financial statements of the company and, if it is a parent company, the consolidated financial statements, submitted to it by the company or the parent company, and thereafter to submit them to the directors of the company or parent company; and (b) to nominate a person or persons as auditor, together with such other functions as the audit committee and the board of directors may agree to.	(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and: (aa) must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or (bb) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or (iii) fulfils such other requirements as prescribed or approved by Bursa Securities.
12.	**Disqualification of Directors** <u>Section 148: Restriction on undischarged bankrupt</u> Under the Singapore Companies Act, a person may not act as a director of, or directly or indirectly take part in or be concerned in the management of, any corporation if he is an undischarged bankrupt unless he has the leave of the Singapore courts or the written permission of the Official Assignee appointed under the Bankruptcy Act, Chapter 20 of Singapore, to do so.	**Disqualification of Directors** <u>Section 125: Undischarged bankrupts acting as directors</u> Under the Malaysian Companies Act, a person may not act as a director of any corporation if he is an undischarged bankrupt unless he has the leave of the Malaysian courts.
	<u>Section 149: Disqualification of unfit directors of insolvent companies</u> A person may be disqualified from acting as a director of a company by the Singapore courts for a period not exceeding five (5) years if (i) he is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or within three (3) years of his ceasing to be a director) and was insolvent at that time; and (ii) his conduct makes him unfit to be a director of a company.	<u>Section 130A: Disqualification of directors of insolvent companies</u> A person may also be disqualified from acting as a director by the Malaysian courts for a period not exceeding five (5) years if that person (i) is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or subsequently) and was insolvent at that time; and (ii) is or has been a director of such other company which has gone into liquidation within five (5) years of the date on which the first-mentioned company went into liquidation; and that his conduct as director of any of those companies makes him unfit to be concerned in the management of a company.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
		A person may also be disqualified by the articles of the company to act as director. Under the Malaysian Companies Act, a person may not act as a director if he is the auditor of the company.
	Section 149A: Disqualification of directors of companies wound up on grounds of national security or interest A person may, subject to certain exceptions, also be disqualified from acting as a director by the Singapore courts for a period of three (3) years if he is a director of a company which is ordered to be wound up by the Singapore courts on the ground that it is being used for purposes against national security or interest.	
	Section 154: Disqualification to act as director on conviction of certain offences A director could also be disqualified on other grounds, such as conviction of any offence (whether in Singapore or elsewhere) involving fraud or dishonesty which is punishable with imprisonment for three (3) months or more, or any offence under Part XII of the SFA or where he is subject to the imposition of a civil penalty under Section 232 of the SFA. In addition, the Singapore courts may make a disqualification order against a person who is convicted in Singapore of any offence in connection with the formation or management of a corporation or any offence under Section 157 or 339 of the Singapore Companies Act.	Section 130: Power to restrain certain persons from managing companies Under the Malaysian Companies Act, where a person is convicted whether within or without Malaysia (i) of any offence in connection with the promotion formation or management of a corporation; (ii) of any offence involving fraud or dishonesty punishable on conviction with imprisonment for three (3) months or more; or (iii) of any offence under Section 132 or 303 of the Malaysian Companies Act; that person is prohibited from acting as director without the leave of the court within a period of five (5) years after his conviction or, if he is sentenced to imprisonment, after his release from prison.
	Section 155: Disqualification for persistent default in relation to delivery of documents to Registrar A director may be disqualified because of persistent default in relation to delivery of documents to the Registrar of Companies appointed under the Singapore Companies Act.	

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	Section 155B: Debarment for default of relevant requirement of the Singapore Companies Act A person could be the subject of a debarment order made against him by the Registrar of Companies, if the Registrar of Companies is satisfied that a company of which he is a director is in default of any requirement of the Singapore Companies Act in relation to the filing, delivery or sending of any return account or other document, or the giving of notice, to the Registrar of Companies. A person who has a debarment order made against him may not act as director of any company (except in respect of a company of which he was a director immediately before the order was made), and the debarment order applies from the date the order is made and continues in force until the Registrar of Companies cancels or suspends the order.	
13.	**Resignation of Directors** Sections 145(4A), (4B) and (5) Under the Singapore Companies Act, a director of a company cannot resign or vacate his office unless there is remaining in the company at least one (1) director who is ordinarily resident in Singapore, and any purported resignation or vacation of office in breach of this provision is deemed to be invalid. Subject to the provisions of the Singapore Companies Act, unless the constitution otherwise provides, a director may resign by giving the company written notice of his resignation, and his resignation is not conditional upon the company's acceptance of such resignation.	**Resignation of Directors** Generally, the manner in which a director can resign from his office is provided in the articles of association of the company. Section 122(6) However, the Malaysian Companies Act specifically provides that a director of a company shall not resign or vacate his office if, by his resignation or vacation from office, the number of directors of the company is reduced below the minimum number required and any purported resignation or vacation of office in contravention of the Malaysian Companies Act shall be deemed to be invalid.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
14.	**Removal of Directors** Section 152: Removal of directors A director of a public company may be removed before the expiration of his period of office by an ordinary resolution (which requires special notice to be given in accordance with the provisions of the Singapore Companies Act) of the shareholders, notwithstanding anything in the constitution of that company or in any agreement between that company and the director, but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove him shall not take effect until his successor has been appointed. Subject to the provisions of the Singapore Companies Act, the constitution of a company may prescribe the manner in which a director may be removed from office before the expiration of his term of office.	**Removal of Directors** Section 128 The position in Malaysia is similar to the position in Singapore.
Mergers and Similar Arrangements		
15.	Section 212: Approval of compromise or arrangement by Court The Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two (2) or more companies, and where under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power exists in relation to any corporation liable to be wound up under the Singapore Companies Act.	Section 178: Provisions for facilitating reconstruction and amalgamation of companies The provision for facilitating reconstruction and amalgamation of companies pursuant to a compromise or arrangement are the same for Malaysia and Singapore.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
16.	Sections 215A to K The Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two (2) or more Singapore-incorporated companies may amalgamate and continue as one (1) company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating companies must make a solvency statement in relation to both the amalgamating company and the amalgamated company. The Singapore Companies Act also provides for a more simplified form of amalgamation procedure for (i) a Singapore-incorporated company (the "**amalgamating holding company**") and one or more of its wholly-owned subsidiaries (the "**amalgamating subsidiary company**") to amalgamate and continue as one (1) company, being the amalgamated holding company or the amalgamated subsidiary company, and (ii) two or more wholly-owned Singapore-incorporated subsidiary companies of the same corporation.	There is no equivalent provision in Malaysia for voluntary amalgamation under Sections 215A to K of the Singapore Companies Act.
Appraisal Rights		
17.	The Singapore Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.	The Malaysian Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Shareholders' Suits and Protection of Minority Shareholders		
18.	Section 216: Personal remedies in cases of oppression or injustice A member or a holder of a debenture of a company may apply to the Singapore courts for an order under Section 216 of the Singapore Companies Act to remedy situations where: • a company's affairs are being conducted or the powers of the company's directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of the members, shareholders or holders of debentures of the company, including the applicant; or • a company has done an act, or threatens to do an act, or the members or holders of debentures have passed some resolution, or propose to pass some resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of the company's members or holders of debentures, including the applicant. Singapore courts have wide discretion as to the relief they may grant under such application, including, among others, directing or prohibiting any act or cancelling or varying any transaction or resolution, providing that the company be wound up, or authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs.	Section 181: Remedy in cases of oppression The provision on remedies available in the case of oppression of any member or debenture holder of a company is the same for Malaysia as in Singapore except that the Singapore provision gives express statutory authority to the Court to authorise civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
19.	Section 216A: Derivative or representative actions In addition, a member of a company who is seeking relief for damage done to the company may bring a common law derivative action in certain circumstances against the persons who have done wrong to the company. Further, Section 216A of the Singapore Companies Act prescribes a procedure to bring a statutory derivative action or arbitration in respect of a Singapore-incorporated company. The statutory procedure is available to, among others, any member of a company and any other person who, in the discretion of the court, is a proper person to make an application under Section 216A of the Singapore Companies Act.	Section 181A: Proceedings on behalf of Company Section 181A of the Malaysian Companies Act also provides that a qualified complainant may, with the leave of the Court, bring, intervene in or defend an action on behalf of the company and in such circumstances, the proceedings shall be brought in the company's name. However, the Malaysian provision is slightly different from the Singapore provision in that it allows a director and a former member to be a complainant. However, the Singapore provision allows any person who, in the discretion of the court, is a proper person to be a complainant.
Shareholders' Action by Written Consent		
20.	Section 184A: Passing of resolution by written means Notwithstanding any other provision of the Singapore Companies Act, a private company or an unlisted public company may pass any resolution by written means (save for any resolution to dispense with the holding of annual general meetings or any resolution for which special notice is required) in accordance with the provisions of the Singapore Companies Act. There is no corresponding provision in the Singapore Companies Act which applies to a public listed company, whether listed in Singapore or elsewhere.	Section 152A: Resolution signed by all members deemed to be duly passed at meeting Notwithstanding anything to the contrary in the Malaysian Companies Act or the articles of the company, a shareholders' resolution in writing signed by or on behalf of all the shareholders shall be treated as a resolution duly passed at a general meeting of the company. This applies to both private and public companies.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Shareholders' Proposal		
21.	Section 183: Circulation of members' resolution, etc. Under the Singapore Companies Act, (a) any number of members representing not less than 5% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates; or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S$500, may requisition the company to give to members notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting, and circulate to members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.	Section 151: Circulation of members resolution, etc. The Malaysian Companies Act has a provision for circulation of members' resolutions equivalent to that of the Singapore provision.
22.	Section 176: Convening of extraordinary general meeting on requisition Notwithstanding anything in its constitution, the directors of a company shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares (excluding treasury shares) as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two (2) months after the receipt by the company of the requisition. If the directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by directors convene a meeting, but any meeting so convened shall not be held after the expiration of three (3) months from that date.	Section 144: Convening of extraordinary general meeting on requisition The Malaysian Companies Act has an equivalent provision for the convening of extraordinary general meeting on requisition.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
23.	Section 177: Calling of Meeting Under the Singapore Companies Act, two or more members holding not less than 10% of the total number of issued shares of the company (excluding treasury shares) or, if the company has not a share capital, not less than 5% in number of the members of the company or such lesser number as is provided by the constitution may call a meeting of the company. A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution. Shorter notice can be given if, (i) in the case of an annual general meeting, all the members entitled to attend and vote thereat so agree, or (ii) in the case of any other meeting, a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the members having a right to vote at that meeting.	Section 145: Calling of meeting The Malaysian Companies Act has a provision for the calling of meeting equivalent to that of the Singapore provision.
Winding Up and Dissolution		
24.	**Winding Up** The winding up of a company may be done in the following ways: (a) members' voluntary winding up; (b) creditors' voluntary winding up; (c) court compulsory winding up; and (d) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company. The type of winding up depends, among others, on whether the company is solvent or insolvent.	**Winding Up** The Malaysian Companies Act has equivalent provisions for the winding up of a company as in Singapore except that there is some slight variation in proof and ranking of claims which are not material.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
25.	**Dissolution** A company may be dissolved (i) through the process of liquidation pursuant to the winding up of the company; (ii) in a merger or amalgamation of two (2) companies where the court may order the dissolution of one (1) after its assets and liabilities have been transferred to the other; or (iii) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.	**Dissolution** Malaysia has provisions equivalent to Singapore for dissolution of companies.
Variation of Rights of Shares		
26.	Section 74: Rights of holders of classes of shares Under the Singapore Companies Act, if provision is made by the constitution of a company for authorising the variation or abrogation of the rights attached to any class of shares in the company and in pursuance of that provision such rights are at any time varied or abrogated, the holders of not less in aggregate than 5% of the total number of issued shares of that class may apply to the Singapore courts to have the variation or abrogation cancelled in accordance with the Singapore Companies Act. The Singapore courts may, if satisfied that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, and shall, if not so satisfied, confirm it.	Section 65: Rights of holders of classes of share Malaysia has a similar provision for rights of holders of classes of share as in Singapore except that the threshold to apply to court to have the variation or abrogation of the rights cancelled is 10.0% of the issued shares of that class instead of 5.0% for Singapore.
Amendment of Governing Documents		
27.	**Amendments to Constitution** Sections 26 and 26A: General provisions as to alteration of constitution and power to entrench provisions of constitution of company Unless otherwise provided in the Singapore Companies Act, a company's constitution may be altered or added to by way of special resolution, except that any entrenching provision in the constitution and any provision contained in the constitution before 1 April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree.	**Amendments to Memorandum of Association and Articles of Association** Sections 21 and 28: General provisions as to the alteration of memorandum The Malaysian Companies Act provides that the memorandum of association of a company may be altered or deleted by way of special resolution to the extent and in the manner provided by the Act but not otherwise. Thus class rights can still be entrenched. It is different from the Singapore provision in that Singapore allows for entrenchment of certain provisions in the memorandum.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	For these purposes, the term "entrenching provision" means a provision of the constitution of a company to the effect that other provisions of the constitution (a) may not be altered in the manner provided by the Singapore Companies Act; or (b) may not be so altered except by a resolution passed by a specified majority greater than 75%, or where other specified conditions are met. Unless otherwise provided in the Singapore Companies Act, any alteration to the constitution takes effect on and from the date of the special resolution approving such alteration or such later date as is specified in the resolution.	In addition, where a company proposes to alter its memorandum with respect to the objects of the company, it shall give by post 21 days' written notice specifying the intention to propose the resolution as a special resolution and to submit it for passing to a meeting of the company to be held on a day specified in the notice. Section 31: Alteration of Articles Subject to the Malaysian Companies Act and to any conditions in the company's memorandum, a company may by special resolution alter or add to its articles and any alteration or addition so made in the articles shall, on and from the date of the special resolution or such later date as is specified in the resolution, be as valid as if originally contained therein and be subject in like manner to alteration by special resolution.
	Section 33: Alterations of objects in constitution Subject to Section 33 of the Singapore Companies Act, a company may by special resolution alter the provisions of its constitution with respect to the objects of the company, if any. Where a company proposes to alter its constitution, with respect to the objects of the company, it shall give 21 days' written notice by post or by electronic communications in accordance with the provisions of Singapore Companies Act, specifying the intention to propose the resolution as a special resolution and to submit it for passing at a meeting of the company to be held on a day specified in the notice. Notwithstanding any other provision of the Singapore Companies Act, a copy of the resolution altering the objects of a company shall not be lodged with the Registrar, *inter alia,* before the expiration of 21 days after the passing of the resolution, and a copy of the resolution shall be lodged with the Registrar within 14 days thereafter, on compliance with which the alteration, if any, of the objects shall take effect.	

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Directors' Fiduciary Duties		
28.	Section 157: As to the duty and liability of officers Under the Singapore Companies Act, a director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office. An officer or agent of a company shall not make improper use of his position as an officer or agent of the company or any information acquired by virtue of his position as an officer or agent of the company to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the company. An officer or agent who commits a breach of these duties shall be liable to the company for any profit made by him or for any damage suffered by the company as a result of the breach, and shall be guilty of an offence punishable by a fine not exceeding S$5,000 or imprisonment for a term not exceeding 12 months. These statutory duties are in addition to and not in derogation of the duties and liabilities of directors and officers under any other written law or rule of law, which include (without limitation) duties of care and skill and duties to act in good faith in the best interest of the Company.	Section 132: As to the duty and liability of officers Malaysia has enacted the duties and liabilities of directors and officers under existing common law into Section 132 of the Malaysian Companies Act. The section is declaratory of the duties of directors and officers to act honestly and in good faith at common law. These statutory duties are: (a) to exercise business judgment in good faith and for proper purpose; (b) to rely on information provided by others on reasonable grounds after making an independent assessment of the information; (c) to be responsible for actions or persons to whom he may have delegated his duties; (d) not to make improper use of the company's property, position or corporate opportunity; and (e) not to compete with the company.
Conversion		
29.	Section 31: Change from public to private company and change from private to public company A public company having a share capital may convert to a private company and *vice versa* by, *inter alia,* passing a special resolution and lodging, *inter alia*, a copy of the special resolution with the Registrar of Companies. A limited company could be converted into an unlimited company and *vice versa* by complying with the provisions in the Singapore Companies Act.	Section 26: Change from public to private and from private to public company The Malaysian Companies Act provides that a public company with a share capital may be converted into a private company and similarly a private company may be converted into a public company by way of passing a special resolution to that effect. An unlimited company may be converted to a limited company by passing a special resolution.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
Member's Rights		
30.	Section 180: Member's rights at meetings The Singapore Companies Act provides that every member of a company shall, notwithstanding any provision in the constitution of the company, have a right to attend any general meeting of the company, to speak on any resolution before the meeting and to vote on that resolution if, in accordance with the provisions of Section 64 of the Singapore Companies Act, the share held by such member confers the right to vote on that resolution. The exceptions are that: (a) the company's constitution may provide that a member shall not be entitled to vote unless all calls or other sums personally payable by him in respect of shares in the company have been paid; and (b) subject to the provisions of the Singapore Companies Act, the constitution may provide for the issue of shares which confer special, limited or conditional voting right or do not confer voting rights, and the right to vote may accordingly be negated, altered, or added to by the constitution, except that the right of a holder of a share which does not entitle the holder thereof to vote at a general meeting of the company shall have at least one (1) vote on a poll on the following resolutions which may not be negated or altered: (i) a resolution to wind up the company voluntarily under Section 290 of the Singapore Companies Act; or (ii) a resolution to vary any right attached to such share and conferred on the holder.	Section 148: Member's rights at meetings The Malaysian Companies Act provides that subject to certain exceptions, every member of a company shall, notwithstanding any provision in the memorandum or articles of association, have a right to attend any general meeting of the company and to speak and vote on any resolution before the meeting. The exceptions are where, by the articles: (i) a member is prevented from voting unless all calls or other sums personally payable by him in respect of shares in the company have been paid; or (ii) the right of holders of preference shares to attend and vote may be suspended upon such conditions as may be specified therein.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	Notwithstanding the above, a preference share (as defined in Section 180 of the Singapore Companies Act) issued after 15 August 1984 but before 3 January 2016 (being the date of commencement of Section 96 of the Companies (Amendment) Act 2014) shall, in addition to any other right conferred by the Singapore Companies Act, carry the right in a poll at any general meeting to at least one (1) vote in respect of each such share held during such period as the preferential dividend or any part thereof remains in arrears and unpaid, such period starting from a date not more than 12 month, or such lesser period as the constitution may provide, after the due date of the dividend.	
Right to Appoint a Proxy		
31.	Section 181: Proxies The Singapore Companies Act provides that a member of a company entitled to attend and vote at a meeting shall be entitled to appoint another person, whether a member or not, as his proxy to attend and vote instead of him. Further, a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting. Unless the constitution otherwise provide, the right of a member in appointing a proxy is subject, *inter alia,* to the following conditions: (i) that a proxy shall not be entitled to vote except on a poll; (ii) that a member (who is not a relevant intermediary[1]) shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting;	Section 149: Proxies There is no common law right on the part of a member to appoint and vote by proxy in a company meeting. The articles of association of most companies normally accord their members the right to be represented at general meetings and to vote through proxy. Such a right is recognised and confirmed by the Malaysian Companies Act which allows a member of a company entitled to attend and vote at a meeting to appoint another person, or persons (whether a member or not) as his proxy to attend and vote instead of him. Further, a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting. Unless the articles of association otherwise provide, the right of a member in appointing a proxy is subject to the following conditions: (i) that a proxy shall not be entitled to vote except on a poll;

[1] A relevant intermediary means (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

No.	SINGAPORE CORPORATE LAW	MALAYSIAN CORPORATE LAW
	(iii) that where a member (who is not a relevant intermediary) appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy; (iv) that a member who is a relevant intermediary may appoint more than two (2) proxies in relation to a meeting to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).	(ii) that if a proxy is not a member of the company, he must either be an advocate, an approved company auditor or a person approved by the Registrar in a particular case; (iii) that a member cannot appoint more than two (2) proxies to attend and vote at the same meeting; and (iv) that where two (2) proxies are appointed, the member appointing them must specify the proportions of his holdings to be represented by each proxy.

COMPARISON BETWEEN THE BURSA LISTING REQUIREMENTS AND THE SGX-ST LISTING RULES

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
Rule 703 – Disclosure of Material Information	**Chapter 9 Part C – Immediate Disclosure of Material Information**
Under Rule 703 of the Listing Manual, an issuer (the "**Issuer**") is, subject to certain exceptions described below, required to announce any information known to it concerning it or any of its subsidiaries or associated companies which: (a) is necessary to avoid establishment of a false market in the Issuer's shares; or (b) would be likely to materially affect price or value of the Issuer's shares. A false market exists when there is a non-disclosure of information which is likely to influence persons who commonly invest in securities in deciding whether to buy or sell securities.	Under paragraph 9.03 of the Bursa Listing Requirements, a listed issuer must make immediate public disclosure of any material information, except as set out in certain exceptions described below. Information is considered material, if it is reasonably expected to have a material effect on: (a) the price, value or market activity of any of the listed issuer's securities; or (b) the decision of a holder of securities of the listed issuer or an investor in determining his choice of action.
Exceptions to Disclosure under Rule 703 **Exception 1** Where disclosure of information results in a breach of law (not just breach of contractual duty of confidentiality). **Exception 2** Where the relevant information meets the requirements of all three (3) conditions below: Condition 1: a reasonable person would not expect the information to be disclosed; Condition 2: the information is confidential; and	A listed issuer may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, the listed issuer must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time. The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
Condition 3: the information has one or more characteristics below: (i) it concerns incomplete proposal or negotiation; (ii) it comprises matters of supposition or is insufficiently definite to warrant disclosure; (iii) it is generated for internal management purposes (e.g. internal estimates or earnings projections); or (iv) it is a trade secret.	**Exceptional circumstances where disclosure may be temporarily withheld** **Exception 1** When immediate disclosure would prejudice the ability of the listed issuer to pursue its corporate objectives. Public disclosure of a plan to acquire certain real estate for example, could result in an increase in the listed issuer's cost of the desired acquisition or could prevent the listed issuer from carrying out the plan at all. In such circumstances, if the unfavourable result to the listed issuer outweighs the undesirable consequences of non-disclosure, disclosure may properly be deferred to a more appropriate time. **Exception 2** When the facts are in a state of flux and a more appropriate moment for disclosure is imminent. Occasionally, corporate developments give rise to information which, although material, is subject to rapid change. If the situation is about to stabilise or resolve itself in the near future, it may be proper to withhold public announcement until a firm announcement may be made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public rather than enlighten it. In the course of a successful negotiation for the acquisition of another corporation, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly after that, it may become apparent to the parties that it is likely an agreement can be reached. Finally, an agreement in principle may be reached on specific terms. In such circumstances a listed issuer need not issue a public announcement at each stage of the negotiations, describing the current state of constantly changing facts but may await agreement in principle on specific terms. If, on the other hand, progress in the negotiations should stabilise at some other point, disclosure should then be made if the information is material.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
	Exception 3 Where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.
Chapter 9 – Interested Person Transactions	**Chapter 10 Part E – Related Party Transactions**
Chapter 9 of the Listing Manual deals with interested person transactions involving the Issuer. The objective of Chapter 9 is to guard against the risk that interested persons could influence an issuer, its subsidiaries and associated companies, to enter into transactions with interested persons, which may adversely affect the interests of the issuer or its shareholders. <u>Interested Person Transaction, Entity at Risk and Interested Person</u> An "interested person transaction" is defined in Chapter 9 of the Listing Manual as a transaction between an entity at risk and an interested person. There is no exhaustive list of all the types of transactions which may constitute an interested person transaction. Chapter 9 of the Listing Manual provides that the following types of transactions are included: • the provision or receipt of financial assistance; • the acquisition, disposal or leasing of assets; • the provision or receipt of services; • the issuance or subscription of securities; • the granting of, or being granted, options; and • the establishment of joint ventures or joint investments,	A "**related party transaction**" is defined in paragraph 10.02 of the Bursa Listing Requirements as a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party. Paragraph 10.02 of the Bursa Listing Requirements provides that the following types of transactions are included: • the acquisition, disposal or leasing of assets; • the establishment of joint ventures; • the provision of financial assistance; • the provision or receipt of services; or • any business transaction or arrangement entered into, by a listed issuer or its subsidiaries; and excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary. Paragraph 1.01 of the Bursa Listing Requirements defines a "related party" as a director, major shareholder or person connected with such director or major shareholder.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one (1) or more interposed entities). Chapter 9 of the Listing Manual defines an "entity at risk" to mean: • the Issuer; • a subsidiary of the Issuer that is not listed on the SGX-ST or an approved exchange; or • an associated company (being a company in which at least 20% but not more than 50% of its shares are held by the listed company or group) of the Issuer that is not listed on the SGX-ST or an approved exchange, provided that the Issuer and its subsidiaries (the "**Group**"), or the Group and its interested person(s), has control over the associated company (being a company in which at least 20% but not more than 50% of its shares are held by the issuer or the Group). Chapter 9 of the Listing Manual defines an "interested person" to mean, in the case of a company: • a director, chief executive officer or controlling shareholder (being a person who holds directly or indirectly 15% or more of the total number of all voting shares in the issuer, or a person who in fact exercises control over the issuer) of the issuer; or	A "major shareholder" means a person who has an interest or interests in one (1) or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is – (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation. A "person connected" with such director or major shareholder means such person who falls under any one (1) of the following categories: (a) a family member of the director or major shareholder, being the: (i) spouse; (ii) parent; (iii) child including an adopted child and step-child; (iv) brother or sister; or (v) spouse of the person referred to in subparagraphs (iii) and (iv) above. (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the director, major shareholder, or a family member of the director, major shareholder, is the sole beneficiary;

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
• an associate of any such director, chief executive officer or controlling shareholder. An "associate" is defined as follows: • in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his spouse, child, adopted child, step-child, sibling and parent ("**immediate family**"); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and • in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.	(c) a partner of the director, major shareholder, or a partner of a person connected with that director or major shareholder; (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; (e) a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; (g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act; (h) a body corporate in which the director or major shareholder, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or (i) a body corporate which is a related corporation.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
(A) Announcement Requirement An issuer must make an immediate announcement of any interested person transaction (except for certain excepted categories of transactions) of a value equal to, or more than, 3% of the Group's latest audited net tangible assets. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. These announcement requirements do not apply to any transaction of a value below S$100,000.	(A) Announcement Requirement Where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must announce the related party transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed, unless: (a) the value of the consideration of the transaction is less than RM500,000; or (b) it is a recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations of a listed issuer or its subsidiaries ("**Recurrent Related Party Transaction**"). "percentage ratios" means the figures, expressed as a percentage, resulting from each of the following calculations: (i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer; (ii) net profits of the assets which are the subject matter of the transaction, compared with the net profits attributable to the owners of the listed issuer (before other comprehensive income or loss); (iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed issuer; (iv) the equity share capital issued by the listed issuer as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares);

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
	(v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares); (vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer; (vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer compared with the total assets of the listed issuer or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed issuer. The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer; or (viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last five (5) years.
(B) Shareholder Approval An issuer must obtain shareholder approval for any interested person transaction (except for certain excepted categories of transactions) of a value equal to, or more than: (i) 5% of the Group's latest audited net tangible assets; or (ii) 5% of the Group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year.	(B) Shareholder Approval An issuer must obtain shareholder approval of the related party transaction where any one of the percentage ratios of a related party transaction is 5% or more. This requirement to obtain shareholder approval does not apply to any transaction of a value below RM500,000. A listed issuer may seek a general mandate from shareholders for Recurrent Related Party Transactions, but not in respect of transactions out of the listed issuer's ordinary course of business. A general mandate is subject to annual renewal.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation. This requirement to obtain shareholder approval does not apply to any transaction of a value below S$100,000. A listed issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.	
(C) Annual Report A listed issuer must disclose the aggregate value of all interested person transactions entered into during the financial year under review in its annual report.	(C) Annual Report A listed issuer must disclose the aggregate value of Recurrent Related Party Transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the thresholds prescribed under paragraph 10.09(1) of the Bursa Listing Requirements.
Chapter 10 – Acquisitions and Realisations	**Chapter 10 Part D – Acquisitions and Disposals**
Certain acquisitions and disposals by the Issuer and its subsidiaries require announcements and/or shareholders' approval, depending on the category of transaction the acquisition or disposal falls under. Transactions under Chapter 10 are classified as (A) non-discloseable transactions; (B) discloseable transactions; (C) major transactions; or (D) very substantial acquisitions or reverse takeovers, according to the relative figures computed on any one (1) of the following four (4) bases: • net asset value of the relevant assets to be disposed, compared against the net asset value of the Issuer Group (not applicable to acquisitions);	Pursuant to Chapter 10 of the Bursa Listing Requirements, certain acquisitions and disposals by the Issuer and its subsidiaries require announcements and/or shareholders' approval, dependant on the percentage ratios of a transaction. Where all the percentage ratios of a transaction are less than 5% and the consideration is satisfied in cash or unquoted securities, no announcement of the transaction to Bursa Securities is required. Where any one of the percentage ratios of a transaction is 5%, or more, the listed issuer must announce the transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
• net profits attributable to the relevant assets to be acquired or disposed, compared against the net profits of the Issuer Group; • consideration for the relevant assets to be acquired or disposed, compared against the market capitalisation of the Issuer; and • number of equity securities to be issued by the Issuer as consideration, compared against the number of equity securities previously in issue. The SGX may aggregate separate transactions completed within the last twelve (12) months and treat them as one (1) transaction. **(A) Non-Discloseable Transactions** If all of the relative figures computed on the bases set out above amount to 5% or less, the transaction amounts to a non-discloseable transaction and no announcement of the transaction would be required. **(B) Discloseable Transactions** Where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the transaction amounts to a discloseable transaction and an announcement would be required. **(C) Major Transactions** Where any of the relative figures on the bases set out above exceeds 20%, the transaction amounts to a major transaction and both an announcement and shareholders' approval would be required. **(D) Very Substantial Acquisitions or Reverse Takeovers** Where an acquisition of assets (whether or not in the ordinary course of business) is one where the relative figures computed on the bases set out above equals or exceeds 100%, or is one which results in a change of control of the Issuer, the transaction amounts to a very substantial acquisition or reverse takeover and, in addition to an announcement, both shareholders' approval and the approval of the SGX-ST would be required.	Where any one of the percentage ratios of a transaction is 25% or more, in addition to the announcement, the listed issuer must issue a circular and seek shareholder approval of the transaction in a general meeting. Where a transaction is a very substantial transaction, which means that it is a disposal or acquisition of an asset where any of the percentage ratios is 100% or more, except an acquisition which will result in a significant change in the business direction or policy of a listed corporation, both an announcement and shareholders' approval would be required. Where a transaction will result in a significant change in the business direction or policy of the listed issuer, the listed issuer must first procure the Security Commission's approval for the transaction, in addition to an announcement and shareholders' approval. Bursa Securities may aggregate separate transactions and treat such transactions as if they were as one transaction if the terms of such transactions were agreed upon within a period of twelve (12) months.

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
Chapter 13 – Delisting	**Chapter 16 – Suspension, De-Listing and Enforcement**
Under Chapter 13 of the SGX-ST Listing Manual, the SGX-ST may delist an Issuer (without the agreement of the Issuer) if: • the issuer is unable or unwilling to comply with, or contravenes, a listing rule; • in the opinion of the SGX-ST, it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market; • in the opinion of the SGX-ST, it is appropriate to do so; or • the Issuer has no listed securities. The SGX-ST may agree to an application by an Issuer to delist from the SGX-ST if: • the Issuer convenes a general meeting to obtain shareholder approval for the delisting; • the resolution to delist the Issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the Issuer's directors and controlling shareholder need not abstain from voting on the resolution); and • the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting. The above requirements do not apply to a delisting pursuant to a voluntary liquidation or a scheme of arrangement.	Under paragraph 16.11 of the Bursa Listing Requirements, Bursa Securities may at any time de-list a listed issuer in any of the following circumstances: • where the listed issuer fails to comply with these Bursa Listing Requirements, subject to consultation with the Securities Commission; • in other circumstances as provided under paragraphs 8.03, 8.04, 9.28 or paragraphs 2, 3, and 4 of Practice Note 29, upon which Bursa Securities will notify the Securities Commission of the same; • upon the de-listing of the listed issuer or the de-listing of such securities on another stock exchange; • in relation to a special purpose acquisition company, when it fails to complete a qualifying acquisition within 36 months from the date of its admission to Bursa Securities; or • where in the opinion of Bursa Securities, circumstances exist which do not warrant the continued listing of a listed issuer or any class of its listed securities, subject to consultation with the Securities Commission where applicable. Bursa Securities shall de-list a listed issuer in any one of the following circumstances: • pursuant to a directive, requirement or condition imposed by the Securities Commission, after which Bursa Securities will notify the Securities Commission of the decision to de-list; • upon the maturity or expiry of a class of securities;

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
If an issuer is seeking to delist from the SGX-ST: • a reasonable exit alternative, which should normally be in cash, should be offered to (a) the Issuer's shareholders and (b) holders of any other classes of listed securities to be delisted. • the Issuer should normally appoint an independent financial adviser to advise on the exit offer.	• upon the commencement of a voluntary winding-up of a listed issuer in accordance with the Malaysian Companies Act; • upon a winding-up order being made against a listed issuer; • upon the winding-up of a collective investment scheme in accordance with the deed, the relevant guidelines issued by the Securities Commission or the CMSA; • where a structured warrant has been fully exercised before expiry or maturity; or • in the case of a structured warrant, upon the de-listing of the underlying securities by the securities exchange where it is quoted. Bursa Securities may grant a listed issuer's request for withdrawal from the list specifying all securities listed on the Main Market of Bursa Securities if: • the listed issuer convenes a general meeting to obtain its shareholder or unit holder approval and a separate meeting for the approval of the holders of any other class of listed securities, if applicable and the circular sent to the shareholders or unit holders and the holders of any other class of listed securities;

THE SGX-ST LISTING MANUAL RULE	EQUIVALENT BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS
	• the resolution for the withdrawal of its listing is approved by a majority in number representing three fourths in value of the shareholders or unit holders and holders of any other class of listed securities, if applicable, present and voting either in person or by proxy at the meetings and provided that such shareholders or unit holders and holders of any other class of listed securities who object to the withdrawal is not more than 10% of the value of the shareholders or unit holders and holders of any other class of listed securities present and voting either in person or by proxy. Where the constituent document of the listed issuer imposes a stricter condition in respect of the votes required to approve the withdrawal of listing, such stricter condition will apply in substitution of the foregoing provision; • the shareholders or unit holders and holders of any other class of listed securities, if applicable, are offered a reasonable cash alternative or other reasonable alternative ("**exit offer**"); and • the listed issuer appoints an independent adviser, which meets the approval of the independent directors, to advise and make recommendations for the consideration of the shareholders or unit holders and holders of any other class of listed securities, if applicable, in connection with the withdrawal of its listing as well as the fairness and reasonableness of the exit offer.

OUR SUBSIDIARIES AND ASSOCIATED COMPANIES

Details of our subsidiaries and associated companies are as follows:

Name	Place of Incorporation/ Principal Place of Business	Principal Activities	Effective Ownership Interest (%)[1]	Issued and Paid-Up Capital/ Charter Capital
Flexitech Sdn. Bhd.	Malaysia	Manufacturing of gloves	100	RM11,757,248.00
GMP Medicare Sdn. Bhd.	Malaysia	Manufacturing and trading of gloves	100	RM24,000,000.00
Great Glove Sdn. Bhd.	Malaysia	Provision of management services to related companies	100	RM500,000.00
Techniglove Asia Sdn. Bhd.	Malaysia	Temporarily ceased operations	100	RM500,000.00
TGGD Medical Clinic Sdn. Bhd.	Malaysia	General medical services	95	RM100.00
TG Medical Sdn. Bhd.	Malaysia	Manufacturing and trading of examination, surgical and nitrile gloves	100	RM10,000,000.00
TG Porcelain Sdn. Bhd.	Malaysia	Manufacture of refractory ceramic goods	100	RM2.00
Top Care Sdn. Bhd.	Malaysia	Investment holding	100	RM2.00
Top Glove Engineering Sdn. Bhd.	Malaysia	Property investment	100	RM8,000,000.00
Top Glove International Sdn. Bhd.	Malaysia	Research and Development	100	RM2.00
Top Glove Properties Sdn. Bhd.	Malaysia	Property investment	100	RM15,000,000.00
Top Glove Sdn. Bhd.	Malaysia	Manufacturing and trading of gloves	100	RM550,000,000.00
Top Healthy Fitness Sdn. Bhd.	Malaysia	Dormant	100	RM2.00
Top Quality Glove Sdn. Bhd.	Malaysia	Manufacturing and trading of gloves	100	RM1,000,000.00
Value Add Sdn. Bhd.	Malaysia	Letting of properties	27	RM45,200,000.00
BestStar Enterprise Ltd	British Virgin Islands	Investment holding	100	USD1.00
Efficient Plantations Co., Ltd.[2]	Cambodia	Dormant	100	USD5,000.00

Name	Place of Incorporation/ Principal Place of Business	Principal Activities	Effective Ownership Interest (%)[1]	Issued and Paid-Up Capital/ Charter Capital
Great Plantations Co., Ltd. [2]	Cambodia	Dormant	100	USD5,000.00
Top Glove Europe GmbH	Germany	Trading of gloves	97.5	EUR100,000.00
PT. Agro Pratama Sejahtera	Indonesia	Plantation of rubber trees	95	IDR10,000,000,000.00
PT. Topglove Indonesia	Indonesia	Investment holding	100	IDR10,000,000,000.00
Best Advance Resources Limited	Labuan	Investment holding	100	USD1.00
Green Resources Limited	Labuan	Investment holding	100	USD1.00
Medi-Flex Pte. Ltd.	Singapore	Investment holding	100	SGD50,363,681.476
Sonic Clean Pte. Ltd.	Singapore	Provision of cleaning services in clean room environments	36.84	SGD2,020,000.00
B Tech Industry Co., Ltd.[3]	Thailand	Producing and selling concentrate latex	100	THB75,000,000.00
Great Glove (Thailand) Co., Ltd.[4]	Thailand	Manufacturing and trading of gloves	74	THB50,000,000.00
Top Glove Medical (Thailand) Co., Ltd.[5]	Thailand	Manufacturing and trading of gloves	100	THB320,000,000.00
Top Glove Technology (Thailand) Company Limited [6]	Thailand	Producing and selling concentrate latex	100	THB100,000,000.00
Top Quality Gloves (Thailand) Co., Ltd.	Thailand	Dormant	100	THB1,000,000.00
Great Glove (Xinghua) Co. Ltd.	The People's Republic of China	Manufacturing and trading of gloves	100	USD8,050,000.00
TG Medical Suzhou Co., Ltd.	The People's Republic of China	Trading of gloves and medical-related devices	100	USD200,000.00
TG Medical (Xinghua) Co Ltd	The People's Republic of China	Trading of gloves	100	RMB1,000,000.00
TG Medical (U.S.A.) Inc.	United States of America	Trading of gloves	100	USD1,000,000.00

Notes:

(1) The proportion of ownership interest of the relevant corporation and, if different, the proportion of voting power held by the relevant corporation.

(2) As at the Latest Practicable Date, EPCL and GPCL are in the process of voluntary winding up.

(3) Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Mr. Lee Kim Meow, Mr. Chookiad Usaha and Mr. Lew Sin Chiang, who are directors of BTI (Thailand), and Mr. Wu Kin Yeap, each hold 1 out of 7,500,000 shares in the capital of BTI (Thailand). Each of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Mr. Lee Kim Meow, Mr. Chookiad Usaha, Mr. Lew Sin Chiang and Mr. Wu Kin Yeap holds such shares in BTI (Thailand) on behalf of TGSB. Mr. Lew Sin Chiang is the brother-in-law of Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee. Mr. Wu Kin Yeap is a director of TASB. Mr. Chookiad Usaha is an employee of the Group.

(4) Tan Sri Dr Lim Wee Chai, and Mr. Lee Kim Meow, who are directors of GG (Thailand), and Puan Sri Tong Siew Bee, each hold 1 out of 5,000,000 shares in the capital of GG (Thailand). Each of Tan Sri Dr Lim Wee Chai, Mr. Lee Kim Meow and Puan Sri Tong Siew Bee holds such shares in GG (Thailand) on behalf of TGSB.

(5) Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Mr. Lee Kim Meow, Mr. Chookiad Usaha and Mr. Lim Cheong Guan, who are directors of TGM (Thailand), and Mr. Seow Law Audie, each hold 1 out of 32,000,000 shares in the capital of TGM (Thailand). Each of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Mr. Lee Kim Meow, Mr. Chookiad Usaha, Mr. Lim Cheong Guan and Mr. Seow Law Audie holds such shares in TGM (Thailand) on behalf of TGSB. Mr. Chookiad Usaha is an employee of the Group and Mr. Seow Law Audie is a retired employee of the Group.

(6) Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Mr. Lee Kim Meow, Mr. Lim Cheong Guan, Mr. Chookiad Usaha and Mr. Lew Sin Chiang, who are all directors of TG (Thailand), each hold 1 out of 10,000,000 shares in the capital of TG (Thailand). Each of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Mr. Lee Kim Meow, Mr. Lim Cheong Guan, Mr. Chookiad Usaha and Mr. Lew Sin Chiang holds such shares in TG (Thailand) on behalf of TGSB.

This page has been intentionally left blank.

LIST OF PAST AND PRESENT PRINCIPAL DIRECTORSHIPS

The list of present and past principal directorships held by our Directors in the last five years preceding the Latest Practicable Date (excluding those held in our Company) is as follows:

Name	Present Directorships	Past Directorships
Tan Sri Dr Lim Wee Chai	*Group Companies* (1) BestStar Enterprise Ltd (2) Best Advance Resources Ltd (3) B Tech Industry Co., Ltd. (4) Efficient Plantations Co., Ltd.[(1)] (5) Flexitech Sdn. Bhd. (6) GMP Medicare Sdn. Bhd. (7) Great Glove Sdn. Bhd. (8) Great Glove (Thailand) Co., Ltd. (9) Great Glove (Xinghua) Co Ltd (10) Great Plantations Co., Ltd.[(1)] (11) Green Resources Ltd (12) Medi-Flex Pte. Ltd. (13) PT. Agro Pratama Sejahtera (14) PT. TopGlove Indonesia (15) Techniglove Asia Sdn. Bhd. (16) TGGD Medical Clinic Sdn. Bhd. (17) TG Medical Sdn. Bhd. (18) TG Medical Suzhou Co., Ltd (19) TG Medical (Xinghua) Co., Ltd (20) TG Porcelain Sdn. Bhd. (21) Top Care Sdn. Bhd. (22) Top Glove Engineering Sdn. Bhd. (23) Top Glove Foundation (24) Top Glove International Sdn. Bhd. (25) Top Glove Medical (Thailand) Co., Ltd. (26) Top Glove Properties Sdn. Bhd. (27) Top Glove Sdn. Bhd. (28) Top Glove Technology (Thailand) Company Limited (29) Top Healthy Fitness Sdn. Bhd. (30) Top Quality Gloves (Thailand) Co., Ltd. (31) Top Quality Glove Sdn. Bhd. (32) Value Add Sdn. Bhd.	*Group Companies* (1) Top Glove (Zhangjiagang) Co. Ltd. *Other Companies* Nil

Name	Present Directorships	Past Directorships
	Other Companies (1) Able Starship Sdn. Bhd. (2) Advance Shield Sdn. Bhd. (3) Cheerful Effect Sdn. Bhd. (4) Esteem Reputation Sdn. Bhd. (5) Federation of Malaysian Manufacturers (6) Firstway United Corp (7) Highdeal Capital Sdn. Bhd. (8) International University of Malaya-Wales Sdn. Bhd. (9) Mission Accomplished Sdn. Bhd. (10) Mountain High Capital Limited (11) Prominent Prospect Sdn. Bhd. (12) Skycheers Sdn. Bhd. (13) Top Glove Holding Sdn. Bhd. (14) UM Capital Berhad (15) University of Malaya (16) Vibrant Density Sdn. Bhd.	
Tan Sri Dato' Seri Utama Arshad Bin Ayub	*Group Companies* Nil *Other Companies* (1) Bistari Johor Bhd (2) CD Initiative (M) Sdn. Bhd. (3) Johmewah Maju Paper Mill Sdn. Bhd. (4) Karex Bhd (5) KPJ Healthcare Bhd (6) Kulim (Malaysia) Berhad (7) Ladang Moccis Sdn Bhd (8) Lung Foundation of Malaysia (9) Malayan Flour Mills Bhd (10) MIT-RBM Sdn. Bhd. (11) Moccis Development Sdn. Bhd. (12) Nakagawa Rubber Industries Sdn. Bhd. (13) Permata Ekuiti Sdn. Bhd. (14) Permata Photo Scan Sdn. Bhd. (15) Pembangunan Pantai Lido Sdn. Bhd. (16) Pembinaan Zaleha Sdn. Bhd. (17) Persekutuan Badan Pendidikan dan Pembangunan Melayu (18) PFM Capital Holdings Sdn. Bhd. (19) Pintar Foundation	*Group Companies* Nil *Other Companies* (1) Amanahraya Capital Group Sdn. Bhd. (2) Amanahraya Investment Management Sdn. Bhd. (3) Amanahraya-JMF Capital Sdn. Bhd. (4) Bata (Malaysia) Sdn. Bhd. (5) Jaguar Land Rover (Malaysia) Sdn. Bhd. (6) Kumpulan Pendidikan YPJ Sdn. Bhd. (7) LBI Capital Bhd (8) Pelaburan Johor Berhad (9) Sanichi Technology Berhad (10) Yayasan Dewan Perniagaan Melayu Johor (11) New Britain Palm Oil Limited

Name	Present Directorships	Past Directorships
	(20) Sato Amoy Construction (Malaysia) Sdn. Bhd. (21) Sindora Bhd (22) Teras-Konsortium Sdn. Bhd. (23) Tomypak Holdings Bhd (24) UIM Sdn. Bhd. (25) University of Malaya (26) Yayasan Dewan Perniagaan Melayu Johor (27) Zalaraz Sdn. Bhd.	
Tan Sri Mohd Sidek Bin Haji Hassan	*Group Companies* Nil *Other Companies* (1) Malaysia Blue Ocean Strategy Institute (2) Malayan Flour Mills Bhd (3) Malaysia Digital Economy Corporation Sdn Bhd (MDEC) (4) Petroliam Nasional Berhad (PETRONAS)	*Group Companies* Nil *Other Companies* (1) IIUM Holdings Sdn. Bhd. (2) Institut Integriti Malaysia (3) International Islamic University of Malaysia (IIUM) (4) Mass Rapid Transit Corporation Sdn. Bhd. (5) Pemandu Corporation (6) Razak School of Government (7) Talent Corporation Malaysia Bhd (8) Unik Corp
Tan Sri Rainer Althoff	*Group Companies* Nil *Other Companies* (1) ALC International Sdn. Bhd. (2) Jeffrey Cheah Foundation (3) Lauda Interactive AG, Darmstadt	*Group Companies* Nil *Other Companies* (1) Coriant Malaysia Sdn. Bhd. (2) Lotus Pte. Ltd. (3) Meditel Electronics Sdn. Bhd (4) Nokia Siemens Network Sdn. Bhd. (5) Proton Holdings Berhad (6) Tellabs (Malaysia) Sdn. Bhd.

Name	Present Directorships	Past Directorships
Lee Kim Meow	*Group Companies* (1) BestStar Enterprise Ltd (2) Best Advance Resources Ltd (3) B Tech Industry Co., Ltd. (4) Efficient Plantations Co., Ltd.[1] (5) Flexitech Sdn. Bhd. (6) Great Glove Sdn. Bhd. (7) Great Glove (Thailand) Co., Ltd. (8) Great Glove (Xinghua) Co Ltd (9) Great Plantations Co., Ltd.[1] (10) Green Resources Ltd (11) GMP Medicare Sdn. Bhd. (12) Medi-Flex Pte. Ltd. (13) PT. TopGlove Indonesia (14) PT. Agro Pratama Sejahtera (15) Techniglove Asia Sdn. Bhd. (16) TGGD Medical Clinic Sdn. Bhd. (17) TG Medical Sdn. Bhd. (18) TG Medical Suzhou Co., Ltd (19) TG Medical (Xinghua) Co., Ltd (20) TG Porcelain Sdn. Bhd. (21) Top Care Sdn. Bhd. (22) Top Glove Engineering Sdn. Bhd. (23) Top Glove Foundation (24) Top Glove International Sdn. Bhd. (25) Top Glove Medical (Thailand) Co., Ltd. (26) Top Glove Properties Sdn. Bhd. (27) Top Glove Sdn. Bhd. (28) Top Glove Technology (Thailand) Company Limited (29) Top Healthy Fitness Sdn. Bhd. (30) Top Quality Glove Sdn. Bhd. (31) Top Quality Gloves (Thailand) Co., Ltd. (32) Sonic Clean Pte. Ltd. (33) Value Add Sdn. Bhd. *Other Companies* (1) Malaysian Rubber Export Promotion Council (2) Top Glove Holding Sdn. Bhd.	*Group Companies* (1) Top Glove (Zhangjiagang) Co. Ltd. *Other Companies* Nil

Name	Present Directorships	Past Directorships
Puan Sri Tong Siew Bee	*Group Companies* (1) B Tech Industry Co., Ltd. (2) Great Glove Sdn. Bhd. (3) Great Glove (Xinghua) Co., Ltd. (4) TG Medical Sdn. Bhd. (5) Top Care Sdn. Bhd. (6) Top Glove Engineering Sdn. Bhd. (7) Top Glove International Sdn. Bhd. (8) Top Glove Medical (Thailand) Co., Ltd. (9) Top Glove Properties Sdn. Bhd. (10) Top Glove Sdn. Bhd. (11) Top Glove Technology (Thailand) Company Limited (12) Top Healthy Fitness Sdn. Bhd. (13) Top Quality Glove Sdn. Bhd. (14) Top Quality Gloves (Thailand) Co., Ltd. (15) Value Add Sdn. Bhd. *Other Companies* (1) Able Starship Sdn. Bhd. (2) Advance Shield Sdn. Bhd. (3) Cheerful Effect Sdn. Bhd. (4) Esteem Reputation Sdn. Bhd. (5) Firstway United Corp (6) Highdeal Capital Sdn. Bhd. (7) Liberty Passion Sdn. Bhd. (8) Mission Accomplished Sdn. Bhd. (9) Mountain High Capital Limited (10) Prominent Prospect Sdn. Bhd. (11) Skycheers Sdn. Bhd. (12) Top Glove Holding Sdn. Bhd. (13) Vibrant Density Sdn. Bhd.	*Group Companies* (1) Top Glove (Zhangjiagang) Co. Ltd. *Other Companies* Nil
Lim Hooi Sin	*Group Companies* (1) TG Medical (U.S.A.) Inc (2) Value Add Sdn. Bhd. *Other Companies* (1) Liberty Passion Sdn. Bhd.	*Group Companies* Nil *Other Companies* Nil

Name	Present Directorships	Past Directorships
Lim Cheong Guan	*Group Companies* (1) BestStar Enterprise Ltd (2) Best Advance Resources Ltd (3) Efficient Plantations Co., Ltd.(1) (4) Flexitech Sdn. Bhd. (5) GMP Medicare Sdn. Bhd. (6) Great Glove Sdn. Bhd. (7) Great Glove (Xinghua) Co Ltd (8) Great Plantations Co., Ltd.(1) (9) Green Resources Ltd (10) Medi-Flex Pte. Ltd. (11) PT. Agro Pramata Sejahtera (12) PT. TopGlove Indonesia (13) Techniglove Asia Sdn. Bhd. (14) TGGD Medical Clinic Sdn. Bhd. (15) TG Medical Sdn. Bhd. (16) TG Medical Suzhou Co., Ltd. (17) TG Porcelain Sdn. Bhd. (18) Top Care Sdn. Bhd. (19) Top Glove Engineering Sdn. Bhd. (20) Top Glove International Sdn. Bhd. (21) Top Glove Medical (Thailand) Co., Ltd. (22) Top Glove Properties Sdn. Bhd. (23) Top Glove Sdn. Bhd. (24) Top Glove Technology (Thailand) Company Limited (25) Top Healthy Fitness Sdn. Bhd. (26) Top Quality Glove Sdn. Bhd. (27) Top Quality Gloves (Thailand) Co., Ltd. (28) Value Add Sdn. Bhd. *Other Companies* (1) Malaysian Investor Relations Association Berhad	*Group Companies* (1) Top Glove (Zhangjiagang) Co. Ltd. *Other Companies* Nil

Name	Present Directorships	Past Directorships
Dato' Lim Han Boon	*Group Companies* Nil *Other Companies* (1) Atop Innovations Sdn. Bhd. (2) Envo Academy of Excellence Sdn. Bhd. (3) Envo BPO Services Sdn. Bhd. (4) Envotech Global Resources Sdn. Bhd. (5) HB Logistics Sdn. Bhd.	*Group Companies* (1) Top Glove Foundation *Other Companies* Nil
Datuk Noripah Binti Kamso	*Group Companies* Nil *Other Companies* (1) BIMB Investment Management Berhad (2) Federation of Investment Managers Malaysia (FIMM) (3) Malaysia Debt Ventures Berhad	*Group Companies* Nil *Other Companies* (1) CIMB Futures Sdn. Bhd. (2) CIMB-Principal Asset Management Bhd (3) CIMB-Principal Islamic Asset Management Sdn. Bhd. (4) Federation of Investment Managers Malaysia (FIMM) (5) Yayasan Impak Kasih
Sharmila Sekarajasekaran	*Group Companies* Nil *Other Companies* (1) Alpha Omega Precision Moulding Sdn. Bhd. (2) Erinco Holdings Sdn. Bhd. (3) Erinco Project Management Services Sdn. Bhd. (4) Liberal Banter Sdn. Bhd. (5) Lodge Resources Sdn. Bhd. (6) Perniagaan Erinco Kimia Sdn. Bhd. (7) Smart Hotel Sdn. Bhd. (8) Sutera Hotel Sdn. Bhd. (9) Takuang (M) Sdn. Berhad (10) Taman Batu Tiga Sdn. Bhd. (11) Voice of the Children Sdn. Bhd.	*Group Companies* Nil *Other Companies* Nil

Name	Present Directorships	Past Directorships
Simon Tay Seong Chee	*Group Companies* Nil *Other Companies* (1) Eurex Clearing Asia Pte. Ltd. (2) Far East Organization (3) Hyflux Ltd (4) LGT Bank (Singapore) Ltd. (5) Plant & Planet Pte. Ltd.	*Group Companies* Nil *Other Companies* (1) Hyflux Water Trust Management Pte. Ltd. (2) National Volunteer and Philanthropy Centre

Note:

(1) As at the Latest Practicable Date, Efficient Plantations Co., Ltd. and Great Plantations Co., Ltd. are in the process of voluntary winding up.

SUMMARY OF RELEVANT BNM RULES ON INVESTMENT IN FOREIGN CURRENCY ASSETS

SUMMARY OF BNM RULES ON INVESTMENT IN FOREIGN CURRENCY ASSETS

The transfer of shares from CDS to CDP is regarded as an investment in foreign currency assets that would require shareholders to comply with the Foreign Exchange Administration Rules issued by BNM. Shareholders who wish to transfer their Shares from Bursa Securities for trading on the SGX-ST at any time after the Introduction are reminded to comply with the Foreign Exchange Administration Rules and thus may be required to seek the prior approval of BNM. There is no restriction for a non-resident of Malaysia (for the purpose of the Foreign Exchange Administration Rules) to subscribe for or purchase securities in Malaysia.

The prevailing rules on investment in foreign currency assets (which include shares denominated in foreign currency) are as follows:

Source of Funds	Investment in Foreign Currency Assets

Investment funded through conversion of ringgit into foreign currency.	• Residents without domestic ringgit credit facilities are allowed to convert any amount of ringgit for investment abroad.
	
	• Residents with domestic ringgit credit facilities are allowed to convert ringgit for investment abroad subject to the following limits:
	
	  • Individual: Up to RM1,000,000.00 equivalent in aggregate per calendar year.
	
	  • Company: Up to RM50,000,000.00 equivalent in aggregate per calendar year. The RM50,000,000.00 equivalent refers to investment abroad by the resident company and other resident entities within its group of entities with parent-subsidiary relationship.
	
	  The resident company is deemed to have domestic RM credit facilities when the resident company or another resident entity within its group of entities with parent-subsidiary relationship has a RM borrowing.

Source of Funds	Investment in Foreign Currency Assets
Investment using own existing foreign currency funds placed offshore or from a non-resident (other than from foreign currency borrowing).	Residents with or without domestic ringgit credit facilities are allowed to use any amount of foreign currency funds from abroad or from a non-resident (other than foreign currency borrowing. **Note:** **Investment abroad using foreign currency borrowing** Individuals with RM credit facilities are allowed to undertake an investment abroad of up to RM10,000,000.00 equivalent in aggregate of foreign currency borrowing obtained from a licensed onshore bank or a non-resident. Companies with RM credit facilities are allowed to undertake an investment abroad of any amount using foreign currency borrowing obtained from a licensed onshore bank for direct investment abroad, or up to the amount of foreign currency borrowing obtained from a non-resident as approved by BNM.
Investment funded by proceeds from listing of shares through initial public offerings on the Main Market of Bursa Securities.	Residents with or without domestic ringgit credit facilities are allowed to use the full amount of the proceeds to undertake an investment abroad.

AMENDED BY-LAWS OF THE TOP GLOVE EMPLOYEE SHARE OPTION SCHEME

1. DEFINITIONS

1.1 In these By-Laws, except where the context otherwise requires, the following definitions shall have the following meanings:

"Act"	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
"Board"	The Board of Directors for the time being of the Company
"Bursa Securities"	Bursa Malaysia Securities Berhad
"By-Laws"	The rules, terms and conditions governing the Scheme
"Committee"	The Committee appointed by the Board to administer the Scheme pursuant to By-Law 19
"Company" or "Top Glove"	Top Glove Corporation Berhad
"Date of Offer"	The date when an Offer is made to an Eligible Person to participate in the Scheme
"Duration of the Scheme"	The duration of the Scheme being a period of 10 years from the commencement of the Scheme defined in By-Law 11.1 hereof or terminated by the Committee in accordance with By-Law 12.
"Eligible Person(s)"	An employee and/or Director(s) of the Group who satisfy(ies) the eligibility requirements specified in By-Law 3
"Director(s)"	A natural person who holds directorship in any company in the Top Glove Group, who satisfies the criteria specified in By-Law 3
"Grantee"	An Eligible Person who has accepted an Offer in the manner specified in Bye-Law 8.2
"Group" or "Top Glove Group"	At any point of time in the Duration of the Scheme, comprises the Company and its subsidiary companies (excluding dormant companies) as defined in the Act
"Listing Requirements"	The Listing Requirements of Bursa Securities as amended from time to time

"Market Day"	Any day from Monday to Friday (both inclusive) which Bursa Securities is open for trading of securities
"Maximum Allowable Allotment"	The maximum number of new Shares in respect of which Offers may be made to the Eligible Persons as provided in By-Law 4
"Offer"	A written offer made by the Committee to an Eligible Person in the manner specified in By-Law 8
"Option(s)"	The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner specified in Bye-Law 8 and includes, where applicable, a partially exercised Option
"Option Period"	In respect of each Option, a period commencing on the Date of Offer relevant to such Option and expiring at the end of 10 years from the Date of Offer or termination of the Scheme as provided under By-Law 12, whichever is the earlier
"Option Price"	The price at which a Grantee shall be entitled to subscribe for each Share as determined in accordance with By-Law 7
"RM" and "Sen"	Ringgit Malaysia and sen respectively
"Scheme"	The scheme for the grant of Options to Eligible Persons that entitle them to subscribe for new Shares in the Company in accordance with the provisions of these By-Laws and such scheme shall be known as "TOP GLOVE CORPORATION BHD EMPLOYEES' SHARE OPTION SCHEME II"
"Shares"	Ordinary shares of RM0.50
"Takeover Period"	In the case of a takeover offer referred to in Bye-Law 16.1, which is unconditional, the period commencing on the posting of the offer document in respect of a takeover offer and ending on the closing date of acceptance of the takeover offer or, in the case of a takeover offer referred to in By-Law 16.1, which is conditional, the period commencing on the date the takeover is declared unconditional and ending on the closing date for acceptance of the takeover offer

1.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.

1.3 Any reference to a statute or statutory provision shall include any subordinate legislation made from time to time under that statute or provision and the applicable listing requirements, policies, guidelines, practice notes and/or directions of the relevant regulatory authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies, guidelines, practice notes and/or directions are addressed to the relevant regulatory authorities).

1.4 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.

1.5 Words of the masculine gender include the feminine and neuter gender and vice versa.

1.6 Any liberty or power or discretion which may be exercised or any decision or determination which may be made hereunder by the Committee may be exercised in the Committee's absolute and unfettered discretion and the Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.

1.7 If an event is to occur on a stipulated day that is not a Market Day, then the stipulated day will be taken to be the next Market Day.

2. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

2.1 At any one time during the Duration of the Scheme, the number of new Shares that may be offered under the Scheme, which includes the number of new Shares that may arise from the following, shall not in aggregate exceed 15% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the issued and paid-up share capital of the Company at any point in time during the duration of the Scheme.

2.2 By-Law 2.1 shall not apply where the total number of new Shares that may be made available under the Scheme exceeds 15% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the issued and paid-up share capital of the Company during the Duration of the Scheme resulting from the cancellation of the Company's own shares purchased by the Company in accordance with the provisions of Section 67A of the Act. In such event, the provisions of By-Law 17.4 shall apply.

2.3 The Company will, for the Duration of the Scheme, make available sufficient number of new Shares in the unissued share capital of the Company to satisfy all outstanding Offers and Options, which may be accepted or exercisable from time to time.

3. ELIGIBILITY

3.1 To qualify as an Eligible Person for participation in the Scheme, a person must as at the Date of Offer:

3.1.1 must have attained the age of at least 18 years old;

3.1.2 be a Director or a full time employee confirmed in service in a company within the Group; and

3.1.3 be under such categories and comply with such criteria that the Committee may decide at its absolute discretion from time to time.

3.2 The selection of any Eligible Person to participate in the Scheme shall be at the absolute discretion of the Committee and the decision of the Committee shall be binding and final.

3.3 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 Committee.

3.4 Notwithstanding By-Law 3.1, an Eligible Person who represents the Government or Government institutions/agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are not eligible to participate in the Scheme.

3.5 A Director or an employee who during the Duration of the Scheme becomes an Eligible Person may, at the discretion of the Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment.

3.6 Eligibility to participate in the Scheme does not confer on an Eligible Person a claim or right to participate in the Scheme unless the Committee has made an Offer and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.

4. BASIS OF ALLOTMENT AND MAXIMUM NUMBER OF SHARES TO ELIGIBLE PERSONS

4.1 The maximum number of new Shares that may be offered to any one of the Eligible Person under the Scheme shall be decided at the discretion of the Committee after taking into consideration, inter-alia, the performance, seniority, number of years of service, potential contribution of the Eligible Person and/or such factors as the Committee deems fit but shall in no event exceed the criteria set out in By-Law 4.2.

4.2 Subject to By-Law 2 and any adjustment, which may be made under By-Law 17, the Maximum Allowable Allotment shall be determined at the discretion of the Committee that:

4.2.1 not more than 50% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the total Shares made available under the Scheme are to be allocated in aggregate to the Directors and senior management of the Group; and

In these By-Laws, "senior management" shall be subject to a criteria determined at the discretion of the Committee which may change from time to time.

4.2.2 not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) of the total Shares made available under the Scheme are to be allocated to any Director or employee of the Group who either singly or collectively through persons connected with him or her, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time) or more of the issued and paid-up capital of the Company.

"persons connected" shall have the same meaning as defined in paragraph 1.01 of the Listing Requirements.

5. OFFER

5.1 Upon the implementation of the Scheme and subject to By-Laws 2 and 4, the Committee shall have the discretion during the Duration of the Scheme to make an Offer to an Eligible Person. The Committee may make more than one Offer to an Eligible Person provided that the total number of new Shares so offered to such Eligible Person (inclusive of new Shares comprised in Options granted to such Eligible Person and in the Offers made to such Eligible Person which remain capable of acceptance, if any) shall not be less than 100 Shares and shall always be in multiples of 100 Shares.

6. OFFER TO DIRECTOR

6.1 No Offer shall be made to a Director or a person connected to such a Director unless such Offer and the consequent allotment of new Shares (if any) to such a Director or person connected shall have first been approved by the shareholders of the Company in general meeting.

7. OPTION PRICE

7.1 The Option Price of each Share comprised in any Option shall be based on:

(i) the 5-day weighted average market price of the Shares at the time the Options are offered, and at the Committee's discretion with either a:

- premium; or
- discount of not more than 10% (or such other pricing mechanism as may be permitted by the relevant authorities); or

(ii) the par value of the Shares of RM0.50 each;

whichever is higher.

7.2 The Option Price may be adjusted from time to time in accordance with By-Law 17.

8. MAKING AND ACCEPTANCE OF OFFER

8.1 An Offer made by the Committee to an Eligible Person under the Scheme shall be in writing. The Offer shall be open for acceptance by the Eligible Person to whom it is made for at least 30 days from the Date of Offer or such other period as may be determined by the Committee on a case-to-case basis, at its discretion.

8.2 The acceptance of the Offer shall be by a notice in writing addressed to the Committee in such form as prescribed by the Committee accompanied by a non-refundable payment to the Company of a non-refundable sum of RM1.00 only as consideration for the acceptance of such Offer. The date of receipt by the Committee of such written notice shall constitute the date of acceptance.

8.3 If the Offer is not accepted in the aforesaid manner, the Offer shall automatically lapse upon the expiry of the prescribed offer period and shall no longer be capable of acceptance. In the event an Offer is accepted as to part of the Shares comprised therein, the Offer as regards to the balance of the Shares not accepted shall lapse forthwith.

8.4 Notwithstanding By-Law 8.3, in the event of the demise of an Eligible Person or in the event the Eligible Person shall cease to be an employee within the Group or shall cease to be a Director as the case may be, or become a bankrupt prior to the acceptance of an Offer made to the Eligible Person, such Offer shall automatically lapse and shall not be capable of acceptance.

9. EXERCISE OF OPTION AND PAYMENT

9.1 Subject to By-Law 10, the Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new Shares and/or such percentage of the total Shares comprised in the Option during such period(s) with the Option Period and impose any other terms and/or conditions deemed appropriate by the Committee in its sole discretion including amending/varying any terms and conditions imposed earlier.

9.2 Notwithstanding the above, the Option can only be exercised by the Grantee no earlier than two (2) years after the Offer Date or such other period as may be determined by the Committee, provided however that the Committee may at its discretion or upon the request in writing by the Grantee allow the Option to be exercised at any earlier or other period.

9.3 An Option shall be exercised by a notice in writing to the Committee in such form and manner as prescribed by the Committee from time to time ("Notice of Exercise") and every such Notice of Exercise shall state the Grantee's Central Depository System Account Number and a remittance for the full amount of the Option Price for the number of new Shares in respect of which the Notice of Exercise is given.

9.4 Within 8 Market Days (or such period as prescribed or permitted by legislation or regulation) from receipt of the Notice of Exercise, exercising an Option or part thereof and the requisite remittance, the Company shall allot and issue the relevant number of new Shares specified in the Notice of Exercise, despatch or cause to be despatched the notice of allotment to the Grantee and make an application for the quotation of such new Shares subject to the provisions of the Articles of Association of the Company and the Listing Requirements. The Company shall deposit the new Shares directly into the Grantee's Central Depository System Account accordingly but subject to the provisions of the Articles of Association of the Company. No physical share certificate will be issued.

9.5 Notwithstanding anything to the contrary contained in these By-Laws, if a Grantee is subject to disciplinary proceedings (whether or not the disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or may be found to have had no basis or justification) and notice to that effect has been duly served on him/her, the Committee shall have the right at its discretion to suspend the right of the Grantee to exercise his/her Option pending the outcome of such disciplinary proceedings. The right of suspension as stated in this By-Law may be exercised at the discretion of the Committee on such terms and conditions as the Committee shall deem appropriate having regard to the nature of charges made or brought against such Grantee, Provided That:

9.5.1 if such Grantee is found to be not guilty of the charges made against him/her in such disciplinary proceeding, the Committee may at their discretion reinstate the rights of such Grantee to exercise his Option;

9.5.2 in the event such Grantee is found guilty resulting in the disciplinary committee recommending the dismissal or termination of service of such Grantee, the Option shall immediately without notice lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum;

9.5.3 in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the Committee shall have the right independent of the findings, to determine at its discretion whether or not the Grantee may continue to exercise his Option and if the Grantee is so allowed, the Committee shall be entitled to impose such terms and conditions as it deems appropriate, on such future exercise of his Option; or

9.5.4 in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Option Period or any other shorter period available to the Grantee to exercise the Grantee's Option (as the case may be), the Option of such Grantee shall immediately lapse on the expiry of the Option Period or such shorter period available to the Grantee to exercise the Grantee's Option, without notice;

9.5.5 notwithstanding whether or not disciplinary proceedings have been initiated against a Grantee, the Committee shall at its discretion determine whether or not the Grantee may continue to exercise his Option.

Provided always that nothing herein shall impose any obligation on the Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits forgone, howsoever arising from the Committee's exercise of or failure to exercise any of its rights or discretion under this By-Law.

9.6 The Committee shall have the discretion to reject any incomplete or inaccurate Notice of Exercise. The Committee must inform the Grantee of the rejection of the Notice of Exercise by notice in writing within 14 days from the date of rejection and the Grantee shall then be deemed not to have exercised his Option.

10. NON-TRANSFERABILITY AND TERMINATION OF OPTION

10.1 An Option shall be personal to the Grantee and shall be incapable of being assigned, transferred, encumbered or otherwise disposed of in any manner whatsoever.

10.2 Notwithstanding By-Law 10.1, in the event of the death of a Grantee before the expiration of the Option Period, all unexercised or partially exercised Option(s) of such deceased Grantee shall be exercisable by the legal personal representatives of the Grantee during the Option Period or such other period as determined by the Committee, Provided That immediately prior to his death, the Grantee could have but for By-Law 9.1 exercised the same.

10.3 In the event a Grantee ceases employment with a member of the Group for whatsoever reason, all unexercised or partially exercised Option(s) of the Grantee shall forthwith lapse on the date of such cessation and be of no further effect and the Grantee shall have no claim against the Company Provided That subject to the written approval of the Committee in its discretion, if such cessation occurs by reason of:

(a) retirement upon attaining the normal retirement age; or

(b) retirement before attaining the normal retirement age but with the consent of the Company; or

(c) ill-health, injury or disability; or

(d) redundancy; or

(e) any other circumstances which are acceptable to the Committee;

then such unexercised or partially exercised Option(s) shall be exercisable during the Option Period or such other period as determined by the Committee.

10.4 In the event of the liquidation or winding-up of the Company, all unexercised or partially exercised Option(s) shall on the date of liquidation or winding-up lapse and be of no effect and the Grantees shall have no claim against the Company, that date being:

10.4.1 in the case of a voluntary winding-up, the earlier of:

(a) the date on which a provisional liquidator is appointed by the Company; or

(b) the date on which the shareholders of the Company passed a resolution to voluntarily wind-up the Company; or

10.4.2 in the case of an involuntary winding-up, the date on which a petition for winding up is served on the Company.

10.5 A Grantee's unexercised or partially exercised Option(s) shall immediately become void and of no effect on the bankruptcy of the Grantee, that being on the date a receiving order is made against the Grantee by a court of competent jurisdiction.

10.6 In any of the extraneous circumstances specified in By-Laws 10.2 or 10.3, the unexercised or partially exercised Options therein mentioned shall lapse and be of no further effect upon a single exercise of such Options (whether in respect of all new Shares comprised therein or part thereof) or upon the expiration of the period specified therein, whichever is the earlier, and thereafter no claim shall be made against the Company.

10.7 An Option shall lapse and be of no further effect upon the expiry of the Option Period applicable thereto.

11. DURATION OF SCHEME

The Scheme shall continue in force for a period of 10 years from the date of full compliance with all relevant requirements governing the Scheme.

12. TERMINATION OF SCHEME

12.1 Notwithstanding the provisions of By-Law 11.1 and subject to the rules and regulations governing share option schemes as promulgated by the relevant authorities from time to time and subject further to the provisions of By-Law 12.2, the Company may terminate the continuation of this Scheme at any time.

12.2 Prior to the termination of the Scheme, the Company must obtain all the following:

12.2.1 the approval of its shareholders in a general meeting; and

12.2.2 the written consent of all Grantees who have yet to exercise their Options, whether in part or in whole.

12.3 In such event, no further Offers will be made by the Committee from the date of the last of the aforesaid conditions set out under By-Law 12.2 has been satisfied ("Termination Date") and all outstanding Offers unexercised or partially exercised Options shall automatically lapse on the Termination Date.

13. RIGHTS ATTACHED TO SHARES

13.1 The new Shares to be allotted upon an exercise of an Option shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares in issue except that these new Shares will not be entitled to any dividends, rights, allotment and/or other distributions declared, made or paid prior to the date of allotment of the new Shares.

13.2 All new Shares issued and allotted upon exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company and the Listing Requirements relating to transfer, transmission and otherwise.

14. TRANSFER FROM OTHER COMPANIES TO THE GROUP

14.1 In the case of:

14.1.1 a Director or an employee who is employed in a company related to the Group pursuant to Section 6 of the Act (but not a subsidiary of the Company and hereinafter referred to as the "Previous Company") and is subsequently transferred from the Previous Company to any company within the Group; or

14.1.2 a Director or an employee who is in the employment of a Previous Company which subsequently becomes a member of the Group as a result of a restructuring or acquisition or otherwise involving the Company and/or any company within the Group;

such an employee or a Director of the Previous Company ("Affected Person") will, if the Affected Person satisfies all the conditions of these By-Laws, be eligible to participate in the Scheme Provided That the Affected Person:

14.1.3 shall also be entitled to continue to exercise all such unexercised option(s) which were granted to him/her under the share option scheme (if any) in which he was participating ("Previous ESOS") whilst the Affected Person was under the employment of the Previous Company in accordance with the by-laws of such Previous ESOS but he shall not, upon such transfer or restructuring or acquisition as the case may be, be eligible to participate for further options of such Previous ESOS; and

14.1.4 will only be eligible to participate in the Scheme for the remaining Duration of the Scheme.

15. DIVESTMENT FROM THE GROUP

15.1 If a Grantee who is a Director or an employee of a company within the Group which was subsequently divested wholly, or in part, from the Group which resulted in a subsequent holding of 50% or less by the Company, then such Grantee:

15.1.1 will be entitled to continue to exercise all such unexercised or partially exercised Option(s) which were granted to him/her under the Scheme within a period, which will be decided by the Committee, failing which the right of such Grantee to subscribe for that number of new Shares or any part thereof granted under such unexercised or partially exercised Option(s) shall automatically lapse and be null and void and of no further force and effect; and

15.1.2 shall not be eligible to participate for further Options under the Scheme.

16. TAKEOVER OFFER, COMPULSORY ACQUISITION, SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION

16.1 In the event:

16.1.1 a takeover offer shall be made to the shareholders of the Company by a general offer or otherwise and such offer becoming or being declared unconditional, then notwithstanding By-Law 9, each Grantee shall be entitled during the Takeover Period to exercise in whole or in part his/her

Option as regards to all the new Shares comprised therein. After the expiry of the Takeover Period, the Grantee may exercise his/her unexercised or partially exercised Option(s) during the Option Period subject to the provisions of By-Law 9;

16.1.2 a party shall become entitled or bound to exercise the right of compulsory acquisition of the Shares of the Company under the provisions of the Act, the Capital Markets and Services Act, 2007 or any other applicable law, such party shall give notice to the Grantee that it intends so to exercise such right on a specific date ("Specified Date"), then notwithstanding By-Laws 9, the Grantee shall immediately become entitled until the expiry of the Specified Date to exercise in whole or in part his/her Option as regards to all the new Shares comprised therein. If the Grantee fails to exercise his Option, or elects to exercise his Option in part only by the expiry of the Specified Date, then the Option, or the remaining unexercised part of the Option (as the case may be), shall automatically lapse after the Specified Date and be null and void;

16.1.3 the court shall sanction a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme for reconstruction of the Company or its amalgamation with any other company or companies under the provisions of the Act, then notwithstanding By-Law 9, the Grantee shall immediately become entitled in the period up to but excluding the date upon which such compromise or arrangement becomes effective to exercise in whole or in part his Option as regards to all the new Shares comprised therein. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void;

Provided Always That the Option Period for the exercise of the Option(s) has not expired.

17. ALTERATION OF SHARE CAPITAL

17.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, reduction of capital, subdivision or consolidation of Shares, or otherwise howsoever arising, corresponding adjustments (if any) shall be made either in the number of new Shares comprised in the Option so far as unexercised and/or the Option Price in such manner as the Committee may decide Provided That:

17.1.1 the adjustment other than arising from a bonus issue must be confirmed in writing by the external auditors or the adviser of the Company, which must be an investment bank or any Participating Organisation (as defined in the Listing Requirements) that may act as a principal adviser under the Securities Commission's Policies and Guidelines on Issue/Offer for Securities, for the time being of the Company to be in their opinion (acting as experts and not as arbitrators) fair and reasonable; and

17.1.2 no adjustment to the Option Price shall be made which would result in the new Shares being issued at a discount to the par value of the Shares and if such an adjustment would but for this provision have so resulted, the Option Price payable for such new Shares shall be the par value of the Shares;

The adjustment pursuant to this By-Law shall be made in accordance with the formulas as set out in "First Schedule" attached to these By-Laws and shall be effective on the day immediately following the books closure date for the event giving rise to the adjustment.

17.2 Notwithstanding, By-Law 17.1, no adjustment shall be made pursuant to the alteration in the capital structure of the Company, which arises from:

17.2.1 an issue of securities in consideration or part consideration of an acquisition of securities, asset or business by the Company;

17.2.2 a private placement or restricted issue of new Shares by the Company;

17.2.3 a special issue of new Shares to Bumiputra investor(s) approved by the relevant government authority;

17.2.4 implementation of a share buy-back arrangement by the Company under Section 67A of the Act;

17.2.5 an issue of new Shares arising from the exercise of Options under the Scheme; or

17.2.6 an issue of warrants, convertible loan stocks or other instruments by the Company, which give a right of conversion into the Shares and an issue of Shares arising from the conversion of such securities with a right of conversion into Shares including warrants and convertible loan stocks.

17.3 The Committee shall within 30 calendar days notify the Grantee (or his legal personal representatives where applicable) in writing of any adjustments made pursuant to this By-Law.

17.4 In the event of a share buy-back arrangement by the Company pursuant to Section 67A of the Act or the undertaking by the Company of any other corporate exercise, resulting in the reduction in the share capital of the Company, the following provisions shall apply:

17.4.1 if the number of Shares comprised in the Offers and Options granted by the Company as at the date of such reduction is greater than 15% of the total issued and paid-up share capital of the Company, after such reduction all the Offers and Options granted prior to the reduction shall remain valid and exercisable in accordance with the terms and conditions of these By-Laws, but the Committee shall not make any further Offers; and

17.4.2 if the number of Shares comprised in the Offers and Options granted by the Company as at the date of such reduction is less than 15% of the total issued and paid-up share capital of the Company, after such reduction, the Committee may make further Offers only until the total number of Shares comprised in the Offers and Options granted by the Company is equivalent to 15% of the total issued and paid-up share capital of the Company after such reduction.

17.5 In the event that an odd lot containing anything less than 100 shares, arising from the adjustments referred to in By-Law 17.1 would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded to the nearest 100 new Shares.

17.6 Notwithstanding the provisions in this By-Law 17, in any circumstances where the Committee considers that adjustments to the Option Price and/or the number of new Shares comprised in the Options so far as unexercised as provided for hereunder should not be made or should be calculated on a different basis or different date or should take effect on a different date or that such adjustments be made to the Option Price and/or the number of new Shares comprised in the Options, the Committee may exercise its own discretion or appoint an external auditor to consider whether for any reasons whatsoever (to the extent permissible by the Listing Requirements or any other relevant regulations) the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. In the event an external auditor is appointed and such external auditor considers the adjustment calculation or determination to be inappropriate, the adjustment shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditor to be appropriate.

17.7 If the Committee and the external auditor are unable to agree upon any adjustment required under these provisions, the Committee shall refer the adjustment to the decision of another external auditor acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive.

17.8 In making any adjustment hereunder, the external auditor shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Options.

18. QUOTATION OF SHARES

If at the time of the issue of new Shares pursuant to the exercise of an Option, the then existing issued Shares of the Company are dealt in and quoted on Bursa Securities and/or other stock exchanges, then within 8 Market Days (or such period as prescribed or permitted by legislation or regulation) from receipt of the Notice of Exercise and the requisite remittance, the Company shall make application to Bursa Securities and/or such other stock exchanges for permission to deal in and for quotation of the new Shares resulting from the exercise of the Option.

19. ADMINISTRATION OF THE SCHEME

19.1 The Scheme shall be administered by the Committee comprising not less than three (3) persons as appointed by the Board from time to time. The Board shall have the power from time to time to rescind the appointment of any person in the Committee and appoint his/her replacement where the Board deems fit.

19.2 The Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. In addition, the Committee may for the purpose of administering the Scheme do all acts and things and enter into any transaction, agreement, deeds, documents or arrangements, make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme, which the Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme.

20. AMENDMENTS AND/OR MODIFICATION TO SCHEME

20.1 Subject to By-Law 20.2, the Committee may at any time and from time to time recommend to the Board any addition, amendment to and/or modification of any of the provisions of these By-Laws as it shall in its discretion deems fit. The Board shall have the power by resolution to add, amend and/or modify any of the provisions of these By-Laws upon such recommendation.

20.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of these By-Laws provided that no addition, amendment or deletion shall be made to these By-Laws (including matters relating to items (1) to (8) of Appendix 6F of the Listing Requirements or such other matters as may be determined by Bursa Securities from time to time), which would render the rights of any Grantee or group of Grantees more favourable.

20.3 The Company shall submit to Bursa Securities, each time an addition, amendment and/or modification is made, a confirmation that the said addition, amendment and/or modification does not contravene the applicable requirements governing share option schemes.

20.4 The Grantees shall be given written notice of any additions, amendments to and/or deletions of these By-Laws within 30 calendar days of any of the foregoing taking effect.

21. INSPECTION OF AUDITED ACCOUNTS

A Grantee shall be entitled to inspect the latest audited financial statements of the Company during normal office hours on any working day at the registered office of the Company.

22. COST AND EXPENSES OF THE SCHEME

Subject to By-Law 28, all costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses relating to the issue of new Shares upon the exercise of any Option shall be borne by the Company.

23. DISPUTE

Any dispute arising hereunder (whether as to the number of Shares comprised in the Option, the amount of Option Price or otherwise) shall be referred to and received by the Committee during the Duration of the Scheme (after which the Eligible Person or Grantee shall be deemed to have waived the Grantee's rights (if any)). The Committee shall determine such dispute and such decision of the Committee shall be final and binding in all respects on the parties thereto. Notwithstanding anything herein to the contrary, any cost and expense incurred in relation to any dispute brought by any party to the Committee shall be borne by such party. Under no circumstances shall a dispute be brought to a court of law.

24. COMPENSATION

24.1 No Eligible Person or Grantee or his/her legal personal representative shall bring any claim against the Company or the Committee or any other party for compensation or damages arising from the suspension of his/her right to exercise his/her Option or his/her Option ceasing to be valid pursuant to the provisions of these By-Laws, as the same may be amended from time to time in accordance with By-Law 20.

24.2 Notwithstanding any provisions of these By-Laws:

(a) this Scheme shall not form part of any contract of employment between any company of the Group and any Eligible Person and the rights of any Grantee under the terms of his office and employment with the Company or any company of the Group shall not be affected by his participation in the Scheme or afford such Grantee any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;

(b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Option themselves) against the Company or any company of the Group or any members of the Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company, the Group or the members of the Committee; and

(c) a Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful or unfair dismissal or other breach of contracts or by way of compensation for loss of opportunity.

25. RETENTION PERIOD

25.1 There is no retention period imposed on the new Shares arising from the exercise of Options and a Grantee may deal with the new Shares allotted and issued to him/her in any way he/she pleases. The Company however encourages the Grantees to hold the Shares subscribed by them as long-term-investments rather than for realisation to yield immediate profits.

25.2 Notwithstanding paragraph 25.1 above, no Director who is a non-executive Director shall sell, transfer or assign any Shares obtained by the exercise of the Option herein within one (1) year from the Date of Offer of such Option.

26. ARTICLES OF ASSOCIATION OF THE COMPANY

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Articles of Association of the Company, the provisions of the latter shall at all times prevail.

27. SUBSEQUENT SHARE OPTION SCHEMES

Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new share option scheme after the expiry of the Duration of the Scheme or in the case where the Scheme is terminated before the expiry of the Duration of the Scheme, after the Termination Date as defined in By-Law 12.3.

28. TAXES

Each Grantee shall be solely responsible for any income or other taxes, which may be levied on him arising out of or as a result of the Grantee's exercise of any Option.

29. NOTICE

29.1 Any notice under the Scheme required to be given to or served upon the Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee to the Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the Committee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter.

29.2 Any notice which under the Scheme is required to be given to or served upon an Eligible Person or Grantee or any correspondence to be made with an Eligible Person or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile or registered letter addressed to the Eligible Person or Grantee at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address. Any notice served by hand, facsimile or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages and if by registered letter would in the ordinary course of post be delivered.

30. SEVERABILITY

Any term, condition, stipulation, provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remainder thereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation, provision herein contained.

FIRST SCHEDULE

ADJUSTMENT TO THE OPTION PRICE OR THE NUMBER OF SHARES

The Option Price and/or the number of Shares to be comprised in an Option in respect of the right to subscribe for new Shares so far as unexercised to which a Grantee may be entitled shall from time to time be adjusted, calculated or determined by the Committee and must be confirmed in writing by the external auditors (other than adjustments made pursuant to bonus issues) for the time being of the Company (acting as experts and not as arbitrators) in accordance with the following relevant provisions:

(a) If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Option Price and the additional Shares comprised in the Options so far as unexercised ("Additional Shares Under Option") shall be adjusted, calculated or determined in the following manner:

$$\text{New Option Price} = S \times \left(\frac{\text{Revised par value for each Share}}{\text{Original par value for each Share}} \right)$$

$$\text{Additional Shares Under Option} = T \times \left(\frac{\text{Original par value for each Share}}{\text{Revised par value for each Share}} \right) - T$$

where:

S – Existing Option Price; and

T – Existing number of Shares comprised in the Option in respect of the right to subscribe for now Shares so far as unexercised

The par value shall be adjusted to the revised par value. Each such adjustment will be effective from the close of business of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities at the new par value) or such other date as may be prescribed by Bursa Securities.

(b) If and whenever the Company shall make any issue of new Shares credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Option Price} = S \times \left(\frac{A}{A + B} \right)$$

whilst the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = T \times \left(\frac{A + B}{A} \right) - T$$

Where:

A = The aggregate number of issued and fully paid-up Shares on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) immediately before such capitalisation issue;

B = The aggregate number of new Shares to be issued pursuant to any allotment to shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund);

S = S in paragraph (a) above; and

T = T in paragraph (a) above

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

(c) If and whenever the Company shall make:

(i) a Capital Distribution (as defined below) to shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(ii) any offer or invitation to shareholders where under they may acquire or subscribe for Shares by way of rights;

then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of each such case referred to in By-Law 16.2(c)(ii), the number of Shares comprised in an Option shall be adjusted by multiplying the existing number of Shares comprised in an Option held by the following fraction:

$$\frac{C}{C - D}$$

Where:

C – the 5-day weighted average market price of each Share up to the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D – (aa) in the case of an offer or invitation to acquire or subscribe for Shares under paragraph(c)(ii) above or for securities convertible into Shares or securities with rights to acquire the value of rights attributable to one (1) Share (as defined below); or

(bb) in the case of any other transaction falling within this paragraph (c), the fair market value, as determined the Company in consultation with the external auditors of the Company, of that portion of the Capital Distribution attributable to one (1) Share

For the purpose of sub-paragraph (aa) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:–

$$\frac{C - E}{F + 1}$$

Where:

C – as C above;

E – the subscription price for one (1) additional Share under the terms of such offer or invitation; and

F – the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of this paragraph (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares or other securities (other than an issue falling within paragraph (b) above) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of any period or made shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

(d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(2) and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose for the offer or invitation, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = S \times \left(\frac{(G \times C) + (H \times I)}{(G + H + B) \times C} \right)$$

and in respect of each case referred to in paragraph (b) and paragraph (c)(2) above, the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = T \times \left(\frac{(G + H + B) \times C)}{(G \times C) + (H \times I)} \right) - T$$

Where:

G = The aggregate number of issued and fully paid-up Shares on the entitlement date;

C = C in paragraph (c) above;

H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = The subscription consideration for one (1) additional Share under an offer or invitation to acquire or subscribe for Shares;

B = B in paragraph (b) above;

S = S in paragraph (a) above; and

T = T in paragraph (a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issues.

(e) The foregoing provisions on adjustment of the Option Price and the number of Shares comprised in the Option shall be subject to the following:

(i) on any such adjustment the resultant Option Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of larger par value) involve an increase in the Option Price or reduce the number of Shares comprised in the Option so far as unexercised to which the Grantee is already entitled to;

(ii) no adjustment shall be made to the Option Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions would be less than one (1) sen or the number of Shares comprised in the Option so far as unexercised is less than one (1) Share and any adjustment that would otherwise be required then to be made will not be carried forward;

(iii) if an event giving rise to any such adjustment shall be capable of falling within any two or more of paragraphs (a) to (d) in this "First Schedule" (both inclusive) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Directors of the Company and the external auditors or the Company may agree; and

(iv) if for any reason an event giving rise to an adjustment to the Option Price and/or the number of Shares comprised in the Option so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditors or the Company may agree.

AMENDED BY-LAWS OF THE TOP GLOVE EMPLOYEES' SHARE GRANT PLAN

1. IMPLEMENTATION OF THE PLAN

The Plan shall be implemented in accordance with the following By-Laws.

2. DEFINITIONS

2.1 In these By-Laws, the following words and expressions shall bear the following meanings, unless the context otherwise requires.

"Act"	Companies Act, 1965, as amended from time to time and any re-enactment thereof.
"Adviser"	A corporate finance adviser that may act as a principal adviser under the Securities Commission Malaysia's Principal Adviser Guidelines.
"Auditors"	The auditors of the Company for the time being or such other auditors as may be nominated by the Board to carry out any action requested of them pursuant to the provisions of these By-Laws.
"Award"	An award of Shares made in writing by the Committee to an Eligible Employee.
"Award Commencement Date"	In relation to each Award, the date fixed by the Committee as the date on which the Vesting Period commences.
"Award Date"	In relation to an Award, the date on which the Award is granted by the Committee, being the date of the Award Letter.
"Award Letter"	A letter in such form as the Committee shall approve granting an Award to an Eligible Employee by the Committee pursuant to By-Law 6.3.
"Award Termination Date"	In relation to an Award, the date on which the Award terminates, expires, lapses and/or otherwise ceases to be of any force and effect or the date immediately following the date on which the Shares comprised in the Award are intended to vest in full in accordance with these By-Laws.
"Board"	The board of directors of the Company.
"Bursa Depository"	Bursa Malaysia Depository Sdn. Bhd.
"Bursa Securities"	Bursa Malaysia Securities Berhad.

"By-Laws"	The By-Laws of the Plan.
"CDS Account"	The account established by Bursa Depository for the recording of deposit and withdrawal of securities and for dealing in such securities by the depositor.
"Committee"	The committee appointed by the Board to administer the Plan.
"Communication"	An Award, including the Award Letter, and/or any correspondence made or to be made under the Plan (individually or collectively).
"Company"	Top Glove Corporation Bhd (Company No. 474423-X), a public limited company incorporated in Malaysia under the Act.
"Effective Date"	The date on which the Plan is adopted by the Company in accordance with By-Law 15.1.
"Eligible Employee"	Any Group Employee who is eligible to be selected to participate in the Plan as set forth in By-Law 3.2 and "Eligible Employees" shall mean any two or more of them.
"Group"	The Company and its Subsidiaries (excluding any companies which are dormant).
"Group Company"	Any one of the Company and its Subsidiaries (excluding any companies which are dormant).
"Group Employee"	Any employee of the Group including any Group Executive Director.
"Group Executive Director"	A director of the Group who performs an executive function.
"Market Day"	A day on which Bursa Securities is open for trading in securities.
"MMLR"	Main Market Listing Requirements of Bursa Securities.
"Participant"	An Eligible Employee who has accepted an Award (including, where applicable, the executor or personal representative of such employee or director).
"Plan"	The employee share grant plan established by the Company which shall be known as the "Top Glove Corporation Bhd Employees' Share Grant Plan" and to be administered in accordance with these By-Laws.

"Plan Period"	The period of 10 years commencing on the Effective Date.
"Persons Connected"	Persons connected as defined in paragraph 1.01 of the MMLR.
"RM"	Ringgit Malaysia.
"Share"	An ordinary share of RM0.50 each in the share capital of the Company.
"Subsidiary"	Subsidiary of the Company, including such subsidiaries as at the Effective Date and those subsequently acquired or incorporated at any time during the Plan Period, within the meaning of Section 5 of the Act and incorporated under the Act.
"Trust"	The trust established to facilitate the implementation of the Plan.
"Trust Deed"	The trust deed constituting the Trust.
"Trustee"	The trustee for the time being appointed to be the trustee for the Plan pursuant to By-Law 30.
"Unvested Shares"	Shares comprised in an Award but which have not been vested in the Participant at the relevant time stipulated in the Award.
"Vested Award"	Shares comprised in an Award which has been vested in full or in part in accordance with By-Law 8.
"Vesting Condition"	In relation to an Award, the conditions specified in the Award Letter that need to be met before the Shares are vested to the Participant.
"Vesting Date"	In relation to an Award, the date on which all or some of the Shares to which that Award are vested and provided that no Vesting Date shall fall on a date after the expiry date of the Plan.
"Vesting Period"	In relation to an Award, the period commencing from the Award Commencement Date in relation to the Award and expiring on the Market Day immediately preceding the Award Termination Date to which the Award relates (both dates inclusive).
"year"	Calendar year, unless otherwise stated.

2.2 In these By-Laws, unless the context otherwise requires:

(a) any reference to a statutory provision or an applicable law shall include a reference to:

(i) any and all subsidiary legislation made from time to time under that provision or law;

(ii) any and all listing requirements, code and/or guidelines of Bursa Securities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, code and/or guidelines are addressed by Bursa Securities);

(iii) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any Award made and accepted within the duration of the Plan; and

(iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;

(b) any reference to a By-Law is a reference to a By-Law of these By-Laws;

(c) the headings to the provisions are for convenience only, and shall not be taken into account in the interpretation of these By-Laws;

(d) any word importing:

(i) the singular meaning includes the plural meaning and vice versa; and

(ii) the masculine gender includes the feminine gender and/or neuter gender and vice versa;

(e) any liberty or power which may be exercised, and/or any determination which may be made, under these By-Laws by the Committee may be exercised at the Committee's sole and absolute discretion, who in turn may delegate all or any part of its powers or duties relating to the Plan which the Committee may in its discretion consider to be necessary or desirable for giving full effect to the Plan, subject always to the Board's power to overrule any decision of the Committee. The Committee shall not be under any obligation to give any reason therefore except as may be required by the relevant authorities;

(f) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the expiry of the Plan then the stipulated day shall be taken to be the last Market Day of the Plan Period;

(g) any reference to a corporation being associated with another corporation shall be construed to mean that the first corporation beneficially owns at least 20% of the voting rights in the equity capital of the other corporation, or vice versa; and

(h) in the event of any change in the name of the Company from its present name, all references to "Top Glove Corporation Bhd" in these By-Laws and all other documents pertaining to the Plan shall be deemed to be references to the Company's new name.

3. ELIGIBILITY OF PARTICIPANTS

3.1 Subject to By-Law 3.2, employees may be considered eligible from time to time and at any time for the purposes of the Plan by the Committee. Each selection of Eligible Employees made by the Committee shall be separate and independent from any other selection previously or later made by the Committee.

3.2 Any Group Employee shall be eligible to be considered as an Eligible Employee and to participate in the Plan if that person, as at the Award Date, has:

(a) attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(b) entered into a full-time or fixed-term contract with, and is on the payroll of, the Group and has not ceased to be so employed in accordance with By-Laws 10.1(i) and (ii);

(c) received confirmation of his/her service or employment in writing;

(d) been in employment with the Group for a period of at least 12 consecutive months prior to and including the Award Date; and

(e) fulfilled any other eligibility criteria and/or falls within such category as may be set by the Committee at any time and from time to time at its absolute discretion.

The Committee may waive any of the eligibility criteria as set out in this By-Law 3.2, for the purpose of selecting an Eligible Employee at any time and from time to time, in the Committee's absolute discretion.

3.3 Eligibility under this Plan does not confer on any Eligible Employee any claim, right to participate in, or any other right whatsoever under this Plan, and an Eligible Employee does not acquire or have any right over, or in connection with, any Award under this Plan unless an Award has been awarded by the Committee to that Participant.

3.4 In determining the period of employment, the Committee may take into account the period commencing from the date the relevant Eligible Employee became an employee of the Group and/or related companies and such other qualitative factors.

3.5 Notwithstanding anything set out in these By-Laws and subject to the MMLR, no Award may be awarded to any person who is:

(a) a director, a major shareholder, chief executive of the Company ("**interested director**", "**interest major shareholder**" and "**interested chief executive**"); or

(b) a Person Connected with an interested director, interested major shareholder or interested chief executive,

unless the Award, and the related allocation of Shares pursuant to that Award, to that person shall have previously been approved by the shareholders of the Company in a general meeting.

3.6 Notwithstanding anything to the contrary, an Eligible Employee or a Participant may not participate at any time in another employee share scheme or share option scheme of any other corporation, whether or not a Group Company, unless the Committee otherwise determines in its discretion.

3.7 Without prejudice to the generality of the foregoing and subject to the Committee's discretion otherwise, any Award granted by the Committee shall become void, of no effect and the Shares comprised in such Award shall cease to be capable of vesting upon any of the following events occurring:

(a) the Participant's death, subject to By-Law 10.2 below;

(b) the Participant having received a letter of termination, subject to By-Law 10.1(i) below or ceasing to be an employee of any Group Company, for any reason whatsoever;

(c) the Participant giving notice of his resignation from service or employment, subject to By-Law 10.1(ii) below;

(d) the corporation which employs the Participant ceasing to be a Group Company, subject to By-Law 20 below;

(e) the Participant being subject to disciplinary proceedings, subject to By-Law 12; or

(f) the Participant being adjudicated a bankrupt, subject to By-Law 10.3.

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE PLAN

4.1 During the existence of the Plan and/or any other schemes involving issuance of new Shares to Group Employees to be implemented from time to time by the Company, the total number of Shares which may be awarded under the Plan and any other schemes involving issuance of new Shares to the Group Employees to be implemented from time to time by the Company, shall not exceed 10% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) ("**Maximum Shares**") at any one time ("**Plan Size**").

4.2 In the event that the Company purchases or cancels its own Shares in accordance with the provisions of Section 67A of the Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its issued and paid-up ordinary share capital, the following provisions shall apply in respect of future Awards but all the Awards granted pursuant to the Plan prior to such purchases, cancellation and/or the reduction of the issued and paid-up ordinary share capital of the Company shall remain valid in accordance with the provisions of the Plan.

If, after such purchase, cancellation or reduction, the aggregate number of Shares in respect of Awards granted by the Company pursuant to the Plan as at the date of purchase, cancellation or reduction of Shares is greater than the Plan Size, no further Awards shall be made by the Committee until such aggregate number of Shares comprised in the Awards granted falls below the Plan Size.

4.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be subject of further Awards granted by the Committee under the Plan.

4.4 The Company shall, during the duration of the Plan Period, make available sufficient unissued Shares in the authorised share capital of the Company to satisfy the outstanding Awards.

5. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION

5.1 The Committee may grant Awards to Group Employees who fulfil the eligibility criteria set out in By-Law 3.2 as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force and whose decision shall be final and binding.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his performance and seniority, years of service and potential for future development and his contribution to the success and development of the Group and such other criteria as the Committee may deem relevant. However, subject to any adjustments which may be made under By-Law 11, the aggregate number of Shares that may be allocated to any Eligible Employee shall be subject to the following:

(a) the Group Executive Directors and senior management of the Group do not participate in the deliberation or discussion of their own allocation; and

(b) the allocation to any one Participant who, either singly or collectively through Persons Connected with the Participant, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares), does not exceed 10% of the total number of Shares to be awarded under the Plan and any other schemes involving issuance of new Shares to the Group Employees to be implemented from time to time by the Company.

For the avoidance of doubt, the Committee shall have absolute discretion in determining whether the Shares available for vesting under this Plan are to be granted to the Eligible Employees or any group or groups of Eligible Employees via:

(a) one single Award; or

(b) several Awards,

at such times determined by the Committee, and the vesting of Shares comprised in those Awards is staggered in several tranches at such times and on terms determined by the Committee at its discretion. Each ESGP Award shall be separate and independent from the others.

5.3 No Eligible Employees shall participate in any deliberation or discussion on their own respective allocations and/or allocations to Persons Connected with them under the Plan.

6. GRANT OF AWARDS

6.1 The Committee may, within the Plan Period, grant Awards to any Eligible Employee, whom the Committee may in its sole and absolute discretion select.

6.2 The Committee shall decide in relation to an Award, such terms and conditions including but not limited to:

(a) the number of Shares which are the subject of the Award;

(b) the Vesting Date(s), if any;

(c) the Vesting Conditions, if any; and

(d) any other condition which the Committee may determine from time to time in relation to that Award.

6.3 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter for acceptance and specifying the terms and conditions of the Award.

6.4 In the event of any typographical error in the Award, the Committee may issue a supplemental Award Letter stating the correct particulars of the Award.

6.5 Acceptance of an Award

(a) The Award shall be valid for acceptance for a period of thirty (30) days from the Award Date or such longer period as may be determined or extended by the Committee on a case to case basis at its discretion.

(b) The acceptance of an Award shall be made by way of a written notice to the Committee in the form prescribed by the Committee. The date of receipt by the Committee of such written notice shall constitute the date of acceptance.

(c) Acceptance of an Award by the Eligible Employee who is granted an Award shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) only or such other amount and/or in such other currency as may be determined at the discretion of the Committee as non-refundable consideration for the Award.

(d) In the event that such Eligible Employee fails to accept the Award and pay the acceptance consideration within the prescribed period and prescribed manner, the Award shall be deemed rejected by such Eligible Employee and shall be null and void, and of no effect, and the Shares comprised in such Award may, at the discretion of the Committee, be re-awarded to other Eligible Employees for acceptance.

(e) Participants are not required to pay for the Shares they are entitled to receive upon vesting of the Shares comprised in the Awards.

7. NON-TRANSFERABILITY

An Award or Vested Award shall be personal to the Participant to whom it is granted and, prior to the transfer to the Participant of the Shares to which the Vested Award relates, shall not be transferred (other than to a Participant's personal representative on the death of the Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

8. VESTING CONDITIONS, REVIEW OF VESTING CONDITIONS AND CASH AWARDS

8.1 Vesting Conditions

The Shares to be issued, allotted or transferred to a Participant under an Award shall vest to the Participant in accordance with the terms of the Award and these By-Laws:

(a) during his employment with a Group Company (unless otherwise expressly provided under these By-Laws); and

(b) in any number of times within the Plan Period for that Award as the Committee may decide in its discretion from time to time; and

not otherwise, during the normal business hours of the Company on such days and/or during such periods as the Committee may decide for the purposes of vesting of the Shares, provided that no Shares under an Award shall vest beyond the expiry of the Plan Period. The Shares comprised in an Award shall vest in multiples of and no less than 100 Shares.

8.2 Review of Vesting Condition

(a) The Committee shall, as and when it deems practicable and necessary, review the Vesting Condition(s) specified in respect of an Award and determine at its discretion:

(i) whether a Vesting Condition has been satisfied and if so, the extent to which it has been satisfied;

(ii) whether any other condition applicable to such Award has been satisfied; and

(iii) the number of Shares (if any) comprised in such Award to be vested to the relevant Participant.

(b) The Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) and in making any such determination, the Committee shall have the right to:

(i) make reference to (among others) the audited results of the Company or the Group (as the case may be);

(ii) take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events; and

(iii) amend any Vesting Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

If the Committee determines, in its sole discretion that the Vesting Condition and/or any other condition applicable to that Award has not been satisfied (whether fully or partially) or (subject to By-Law 10) if the relevant Participant has not continued to be an Eligible Employee, that Award shall lapse and be of no value.

(c) The Committee shall, subject to By-Laws 8.1(a), 8.1(b) and 10 and provided that the relevant Participant has continued to be an Eligible Employee, vest to that Participant the number of Shares determined by the Committee under By-Law 8.2(a)(iii) on the Vesting Date relating thereto. Such part of the Shares comprised in an Award not vested shall lapse and be of no value.

(d) Where the Committee has determined that the Vesting Conditions have been fully and duly satisfied, the Committee shall notify the Participant of the number of Shares vested or which will be vested in him on the Vesting Date ("**Vesting Notice**").

(e) The Committee may amend or waive the Vesting Date(s), the Vesting Conditions and any condition applicable to an Award in the event of a take-over offer being made for the Shares or if a compromise or arrangement proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as

provided in By-Law 29 or for reconstruction or amalgamation) or a proposal to sell or substantially all of the assets of the Company or privatisation of the Company through selective capital reduction or otherwise.

8.3 Delivery of Shares

In respect of Shares which are vested to a Participant pursuant to By-Law 8.1, the Participant shall provide all information as required in the Vesting Notice and the Committee shall on or before the relevant Vesting Date but not later than eight (8) Market Days after the relevant Vesting Date (or such period as may be prescribed or allowed by Bursa Securities) procure the following:

(a) crediting of the relevant number of Shares into the Participant's CDS Account as notified by the Participant in writing to the Company;

(b) despatch of a notice of allotment and/or transfer of such Shares to the Participant; and

(c) making of an application for the listing of and quotation for such relevant number of Shares (where applicable).

No physical certificates will be delivered to the Participant.

8.4 Cash settlement

The Committee may in its discretion determine, taking into consideration, amongst others, factors such as the prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, to satisfy a vesting of Shares comprised in an Award, wholly or partly, in the form of cash rather than Shares which would otherwise have been vested to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Share on such Vesting Date.

For the purpose of this By-Law 8.4, "**Market Value**" means in relation to a Share, on any day:

(a) the volume-weighted average price of a Share on Bursa Securities over the five (5) immediately preceding Market Days on which the Shares are transacted on Bursa Securities; or

(b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

8.5 No Participant shall have any right to or interest in the Shares granted to him unless and until the Shares are vested in him on and with effect from the date such Shares are credited into his CDS Account(s).

9. RIGHTS ATTACHING TO SHARES

9.1 Ranking of new Shares

New Shares allotted and issued pursuant to the vesting of Shares comprised in any Award shall be subject to all the provisions of the Memorandum and Articles of Association of the Company and rank *pari passu* in all respects with the then existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the Record Date is prior to the date of allotment of the new Shares.

For purposes of this By-Law 9, "**Record Date**" shall mean the date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments and/or distributions to holders of Shares.

9.2 Rights to Share

Notwithstanding any provisions in this By-Laws, the Participants shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, for which the Record Date is prior to the date on which the Shares are credited into the CDS Accounts of the respective Participants under the Plan. The Committee may however, in its discretion, award to the Participants any dividends, rights, allotments and/or any other distributions which may be declared, made or paid on the existing Shares and held by the Trustee as Trust assets.

For the avoidance of doubt, any dividends, rights, allotments and/or other distributions attached to the existing Shares held on Trust by the Trustee shall form part of the Trust assets.

9.3 Quotation

In cases where the vesting under the Plan are satisfied by the issue of new Shares, the new Shares to be allotted and issued will be listed and quoted on the Main Market of Bursa Securities.

9.4 Retention period

The Shares allotted, issued and/or transferred pursuant to the vesting of Shares comprised in an Award under this Plan may be subject to any retention period at the discretion of the Committee. The expression "**retention period**" shall mean the period in which the Shares allotted, issued and/or transferred pursuant to this Plan must not be sold, transferred, assigned or otherwise dispose of by the Participants.

10. TERMINATION OF AWARDS AND UNVESTED SHARES

10.1 In the event the Participant ceases to be an Eligible Employee for whatever reason, an Award shall, to the extent of the Unvested Shares, immediately lapse without any claim whatsoever against the Company PROVIDED ALWAYS THAT where such cessation is not due to the Participant resigning or vacating his office but is as a result of:

(a) the Participant's death; or

(b) retirement on attaining the retirement age under the Group's retirement policy; or

(c) retirement before attaining the normal retirement age; or

(d) ill-health, accidents, injury, physical or mental disability; or

(e) redundancy; or

(f) any other circumstances which are acceptable to the Committee,

then the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent of the Unvested Shares, shall lapse or that all or any part of such Unvested Shares in an Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award and/or each Vesting Date (if any), subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Vesting Conditions (if any) have been satisfied.

For the purposes of this By-Law 10.1, the Participant shall be deemed to have ceased to be so employed:

(i) in the event the notice of termination is given to him, as of the effective date of termination as stipulated in the notice of termination; or

(ii) in the event the notice of resignation is tendered by the employee, as of the effective date of his cessation of employment in accordance with the terms and conditions of his employment contract.

10.2 Where a Participant dies before the expiry of the Vesting Period for an Award, the Committee may at its discretion determine that all or any part of the Unvested Shares, be vested to the executor or administrator of that deceased Participant, and the times or periods at or within which such Shares comprised in the Awards may vest, PROVIDED ALWAYS THAT no Shares comprised in the Awards may vest after the expiry of the Vesting Period for an Award. In this regard, the Committee may require the executor or administrator of that deceased Participant to provide evidence satisfactory to the Committee of his status as such executor or administrator, as the case may be.

10.3 In the event of the commencement of bankruptcy proceedings against a Participant, an Award, to the extent of the Unvested Shares, shall be suspended upon the Company becoming aware of the service of a bankruptcy notice on such Participant pending the outcome of the bankruptcy proceedings until:

(a) the bankruptcy proceedings are withdrawn whereupon the suspension shall be lifted; or

(b) such Participant is adjudged a bankrupt whereupon an Award, to the extent of the Unvested Shares shall immediately become null and void and of no further effect as if the same had never been granted in the first place and the Participant shall have no right or claim in respect of such null and void portion of the Award to the extent of the Unvested Shares, notwithstanding the discharge of the Participant as a bankrupt or that the bankruptcy order is annulled or set-aside, subsequently.

10.4 An Award, to the extent not yet accepted or Unvested Shares, shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of acceptance or vesting, as the case may be, without any claim against the Company, Committee and/or Trustee upon the termination of the Plan pursuant to By-Law 15.3.

11. ALTERATION IN SHARE CAPITAL AND ADJUSTMENT

11.1 If a variation in the ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, bonus issue, reduction, subdivision or consolidation of Shares, reduction in share capital or any other variation) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether the number of Shares which are the subject of the Award to the extent not yet vested, shall be adjusted, and if so, the manner in which such adjustments should be made.

11.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition pursuant to a special issue or a private placement of securities, or upon the conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on Bursa Securities during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

11.3 Notwithstanding the provisions of By-Law 11.1, any adjustment decided to be made by the Committee (except in relation to a bonus issue) must be confirmed in writing by the Auditors or the Advisers (acting only as experts and not as arbitrators) as being in their opinion fair and reasonable and such confirmation shall be final and binding in all respects.

11.4 Upon any adjustment required to be made pursuant to this By-Law 11, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Unless otherwise determined by the Committee, the adjustments made pursuant to this By-Law 11 shall take effect on the day immediately following the book closure date for the event giving rise to that adjustment as may be specified in such written notification.

11.5 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 11, the number of Shares comprised in an Award shall automatically be rounded down to the nearest whole number.

12. DISCIPLINARY PROCEEDINGS

12.1 In the event an Eligible Employee is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or demotion to a lower category of employment) after an Award is made but before the acceptance thereof by such Eligible Employee, the Award is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against such Eligible Employee.

12.2 Notwithstanding By-Law 12.1, nothing herein shall prevent the Committee (but the Committee shall not be obliged to do so) from making a fresh Award to such Eligible Employee in the event that such disciplinary actions are not found against him, or if such disciplinary actions are withdrawn, provided that such Award is made within the duration of the Plan Period.

12.3 In the event a Participant is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or demotion to a lower category of employment) after the acceptance of an Award, the right of the Participant to have any Award Vested shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Participant, provided that:

(a) in the event the Participant is found guilty resulting in the dismissal or termination of service, the Award shall immediately lapse notwithstanding that such dismissal or termination of service may be subsequently challenged by the Participant in any other forum;

(b) in the event the Participant is found guilty resulting in a demotion to a lower category of employment, the number of Shares comprised in the Award held by the Participant which are not vested at that time may be reduced by the Committee in its sole and absolute discretion or be dealt with in such manner as the Committee, in its absolute discretion, deems appropriate; and

(c) in the event the Participant is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the Committee shall have the sole right to determine, at its absolute discretion, whether or not the Shares comprised in the Award may continue to vest and, if so, to impose such terms and conditions as it deems appropriate in respect of such vesting.

12.4 Notwithstanding By-Law 12.3, nothing herein shall prevent the Committee (but the Committee shall not be obliged to do so) from making a fresh Award and/or reinstating the right of the Participant to have any Award Vested in the event that such disciplinary actions are not decided against him or if such disciplinary actions are withdrawn provided that such Award and/or reinstatement is made within the duration of the Plan Period. If the Committee does not reinstate such right of the Participant prior to the expiry of the Plan Period, the Award shall automatically lapse and shall immediately become null and void and any Unvested Shares shall forthwith cease to be capable of vesting in the Participant, unless the Committee determines otherwise.

13. ADMINISTRATION OF THE PLAN

13.1 The Plan shall, subject to these By-Laws, be administered by the Committee, in its absolute discretion with such powers and duties as are conferred on it by the Board.

13.2 The Committee shall have the power, from time to time, to do all such acts and things and enter into transactions, agreements, deeds and documents, and to make arrangements, guidelines and/or regulations and vary such arrangements, guidelines and/or regulations or impose or waive any terms and conditions (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee. The

Committee in the exercise of its power may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any agreement providing for an Award in a manner and to the extent it shall deem necessary to expedite and make the Plan fully effective and to determine all questions of policy and expediency that may arise in the administration of the Plan and generally exercise such powers and perform such acts as are deemed necessary to promote the best interests of the Company.

13.3 The Board shall have the power at any time and from time to time to approve, rescind and/or revoke the appointment of any member of the Committee and appoint replacement members to the Committee and assume and/or exercise or execute any of the powers and authorities conferred upon the Committee pursuant to these By-Laws.

13.4 Neither the Plan nor Awards granted under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:

(a) the lapse of any Awards pursuant to any provision of the Plan;

(b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or

(c) any decision or determination of the Committee made pursuant to any provision of the Plan.

13.5 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be confirmed by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to dispute as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities.

14. AMENDMENT AND/OR MODIFICATION TO THE BY-LAWS

14.1 Subject to compliance with the MMLR and to the approval of any regulatory authority (if required), the Committee may at any time and from time to time recommend to the Board any addition, amendment and/or modification to and/or deletions of all or any part of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation provided that:

(a) no such addition, amendment, modification and/or deletion shall be made which would adversely affect the rights attaching to any Award granted prior to such addition, amendment, modification and/or deletion except with the approval of the Participant to whom that Award is made; and

(b) no such addition, amendment, modification and/or deletion shall be made to the advantage of the Participants without the prior approval of the shareholders of the Company at a general meeting.

For the purposes of By-Law 14.1(a), the opinion of the Board as to whether any modification or alteration would adversely affect the rights then accrued to any Participant shall be final, binding and conclusive.

14.2 Written notice of any modification or alteration made in accordance with this By-Law 14 shall be given to all Participants.

14.3 Upon amending and/or modifying all or any of the provisions of the By-Laws, the Company shall submit a letter of compliance together with the amendments and/or modifications of these By-Laws to Bursa Securities no later than five (5) Market Days after the effective date of the amendments and/or modifications to the By-Laws or in such other manner as may be required under the MMLR.

15. DURATION AND TERMINATION OF THE PLAN

15.1 The Plan shall take effect on the date on which the last of the following approvals and/or conditions have been obtained and/or complied with ("**Effective Date**"):

(a) approval of Bursa Securities for the listing of and quotation for any new Shares to be issued pursuant to the Plan;

(b) approval of the shareholders of the Company at a general meeting;

(c) the submission to Bursa Securities of the final copy of the By-Laws;

(d) any other relevant regulatory authorities' approval, where applicable; and

(e) fulfilment of all conditions attached to the above approvals (if any).

Thereafter, within five (5) Market Days from the Effective Date, the Company shall, through the Adviser, submit a confirmation to Bursa Securities of full compliance with the approvals and/or conditions abovementioned stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Plan.

15.2 The Plan shall continue to be in force for the Plan Period. On expiry of the Plan Period, any Awards with Unvested Shares (whether fully or partially) shall be deemed cancelled and be null and void.

15.3 Notwithstanding the provision of By-Law 15.2, but subject always to compliance with the MMLR and any other relevant rules or regulations, the Plan may be terminated by the Company at any time prior to the expiry of the Plan Period. With effect from such termination date, all Awards with Unvested Shares (whether fully or partially) shall be deemed to have been terminated and be null and void and no further Awards shall be granted by the Committee hereunder.

16. TAXES

All taxes (including income tax) arising from the grant of the Awards or vesting of Shares comprised in an Award under the Plan shall be borne by the Participant.

17. COSTS AND EXPENSES OF THE PLAN

17.1 Save for the taxes referred to in By-Laws 16 and 17.2 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, the Company shall bear all fees, costs and expenses incurred in relation to the Plan including but not limited to the costs and expenses relating to the issue and allotment, purchase and/or transfer of the Shares pursuant to the vesting of Shares comprised in any Award.

17.2 For the avoidance of doubt, all other costs, fees, levies, charge and/or taxes (including without limitation, income taxes) that are incurred by an allottee or transferee of Shares, pursuant or relating to the grant of the Awards and vesting of Shares comprised in an

Award, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Participant for his own account, and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

18. DISPUTES

Any disputes arising hereunder (whether as to the number of Shares comprised in the Award or otherwise) shall be referred to and received by the Committee during the Plan Period (after which the Participant shall be deemed to have waived the Participant's rights (if any)). The Committee shall determine such dispute and such decision of the Committee shall be final and binding in all respects on the parties thereto. Notwithstanding anything herein to the contrary, any cost and expense incurred in relation to any dispute brought by any party to the Committee shall be borne by such party. Under no circumstances shall a dispute be brought to a court of law.

19. INSPECTION OF AUDITED FINANCIAL STATEMENTS

All Participants shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available on Bursa Securities' website or at the registered office of the Company during normal business hours from Mondays to Fridays (except for public holidays).

20. TRANSFER FROM OTHER COMPANIES TO THE GROUP, DIVESTMENT AND TRANSFER TO OTHER COMPANIES OUTSIDE THE GROUP

20.1 In the event that:

(a) an employee who was employed in a company which is not within the Group and is subsequently transferred from such company to a Group Company; or

(b) an employee who was in the employment of a company which subsequently becomes a Group Company as result of an acquisition or a restructuring exercise or otherwise involving the Company and/or any Group Company with any of the first mentioned company stated in By-Law 20.1(a),

(the first mentioned company in (a) and (b) are hereinafter referred to as the "**Previous Company**"), such an employee of the Previous Company ("**Affected Employee**"), will, if the Affected Employee satisfies all conditions under By-Law 3.2 be eligible to participate in the Plan only for the remaining Plan Period, subject to the Committee's approval and to such terms and conditions as may be prescribed.

20.2 If a Participant who held office or was in the employment with a Group Company which has ceased to be a Group Company as a result of a restructuring or divestment exercise or otherwise (other than a takeover, scheme of arrangement, amalgamation, reconstruction or otherwise of the Company provided under By-Law 21), the Committee may in its discretion, allow the vesting of any Shares comprised in the Awards (or any part thereof) to the Participant at any time subject to such terms and conditions as may be prescribed.

20.3 In the event a Participant who was employed in a Group Company and is subsequently transferred from such Group Company to an entity which is not a Group Company, the Committee shall have the discretion to decide that the Participant shall continue to be entitled to have a right to have Shares comprised in any Award (or part thereof) vested to

the Participant upon the same terms and conditions as may be set out in the Award as if the Participant is still in employment with a Group Company and on such other terms and conditions as may be prescribed.

21. TAKEOVER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

21.1 Without prejudice to the provisions of By-Law 8, if any of the following occurs:

(a) a take-over offer for the Shares becomes or is declared unconditional;

(b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or

(c) an order being made or a resolution passed for the winding-up of the Company (other than for amalgamation or reconstruction); or

(d) privatisation of the Company either through selective capital reduction, major disposal of assets or otherwise,

the Committee will consider, at its discretion to the extent permitted by law, whether or not to vest any Shares comprised in an Award subject to such terms and conditions as may be prescribed and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant. If the Committee decides to vest any Shares comprised in an Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will (if applicable) have regard to the Vesting Date(s) which has (have) elapsed and the extent to which the Vesting Condition(s) (if any) has (have) been satisfied. Where Shares comprised in the Awards are vested, the Committee will, as soon as practicable after the Shares comprised in the Awards have been vested, procure the allotment or transfer to each Participant of the number of Shares so determined in accordance with By-Law 8. If the Committee so determines, the vesting of Shares comprised in Awards may be satisfied in cash as provided in By-Law 8.4.

22. ARTICLES OF ASSOCIATION OF THE COMPANY

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Plan and the Articles of Association of the Company, the provisions of the latter shall at all times prevail.

23. SCHEME NOT A TERM OF EMPLOYMENT

23.1 The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

23.2 This Plan shall not confer or be construed to confer on any employee within the Group any special right or privilege over and above the employee's terms and conditions of employment under which the employee is employed nor any rights in addition to any compensation or damages that the employee may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

24. **DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Act, the Committee, the Trustee, the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to, the Company's delay in issuing, or procuring the transfer of or disposal, the Shares or applying for or procuring the listing of and quotation for the new Shares on Bursa Securities in accordance with By-Law 9.3.

25. **NOTICES AND COMMUNICATIONS**

25.1 Any notice required to be given by the Participant to the Company shall be sent or made to the registered office of the Company or such other address (including an electronic mail address) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.

25.2 Any notice or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to a Participant by hand or sent to a Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.

25.3 Any notice or other communication from a Participant to the Company shall be irrevocable. Any notice or communication must be in legible writing and in English and addressed as shown below:

The Company:
Level 21, Top Glove Tower
16, Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan
Malaysia
Facsimile No.: 03-3362 3860
Attention: Corporate Services Department

The Participant:
at the address specified in By-Law 25.2,

and it is deemed to be given by the sender and received by the addressee:

(a) if by delivery in person, when delivered to the addressee; or

(b) if by post, the day on the third (3rd) Market Day after the date of posting; or

(c) if by facsimile transmission or email, at the time of delivery as evidenced by a transmission report generated by the sender's facsimile machine in the case of a facsimile or that there was no mail delivery failure report in the case of an email,

but if the delivery or receipt is on a day which is not a Market Day or is after 5:00 p.m. it is deemed to be given at 9:00 a.m. on the next Market Day.

25.4 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on a Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

25.5 Any provision in these By-Laws requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of an on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

26. MULTIPLE JURISDICTIONS

26.1 In order to facilitate the making of any Award (and/or the benefit thereof) under this Plan, the Committee may provide for such special terms to apply to Awards granted to Eligible Employees who are employed by a Group Company in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Committee may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. The Committee may approve such supplements to or amendments, restatements or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Plan as they are in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of this Plan and these By-Laws as then in effect unless this Plan and these By-Laws could have been amended to eliminate such inconsistency. Notwithstanding the above, any Award granted to such Eligible Employee pursuant to the Plan shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the Committee in the Award.

26.2 No action has been or will be taken by the Company to make the Award valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will also be taken by the Company to ensure compliance by the Participant, with all applicable laws and regulations in such other country or jurisdiction in which the Participant will be vested the Shares under the Award.

26.3 It is the responsibility of each Participant to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they are vested the Shares under the Award. The Participant who are employed by a Group Company in a jurisdiction, or who are nationals of any jurisdiction, that is outside Malaysia, should consult their legal advisers as to whether the Award would result in the contravention of any laws of such countries or jurisdictions, and in the event that the Award would result in the contravention of any laws of such countries or jurisdictions, the Participants will have no rights or claims whatsoever against the Company in respect of the Award. By participating in the Plan, each Participant has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they will be vested the Shares under the Award.

26.4 The Company shall not accept any responsibility and liability in the event that any Award to the Participant is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in any jurisdictions outside Malaysia.

27. SEVERABILITY

Any term, condition, stipulation and/or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegibility, voidness, prohibition or unenforceability, but the same shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and/or provision contained in these By-Laws.

28. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of Malaysia. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of Malaysia.

29. LIQUIDATION/WINDING UP

29.1 Upon the receipt of a court order of the winding up of the Company, all Awards shall be deemed revoked and be null and void and all Unvested Shares comprised in an Award shall lapse and be null and void and of no further force and effect, and this Plan shall terminate.

29.2 Notwithstanding the above, the Committee will consider, to the extent permitted by law, whether or not to vest any Unvested Shares subject to such terms and conditions as may be prescribed and will take into account all circumstances on case-to-case basis, including (but not limited to) the contributions of the Participants.

30. IMPLEMENTATION OF THE PLAN AND TRUST

30.1 In implementing the Plan, the Board and/or the Committee will establish a Trust to be administered by the Trustee consisting of such trustee appointed by the Company from time to time for purposes of subscribing for new Shares and/or acquiring existing Shares from the market for the Plan, in accordance with the Trust Deed. To enable the Trustee to subscribe for new Shares and/or acquire existing Shares from the market for purposes of implementing the Plan and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, receive funds from the Company, its Subsidiaries and/or third parties in such bank account(s) to be established by the Trustee for the purpose of the Trust.

30.2 The Trustee shall exercise the voting rights attached to such Shares in such manner and extent as may be directed by the Committee in writing.

30.3 The Trustee shall administer the Trust in accordance with the Trust Deed. For purposes of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust as the Committee may in its discretion direct for the implementation and administration of the Trust.

30.4 The Company shall have power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

This page has been intentionally left blank.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE THIRD QUARTER ENDED 31 MAY 2016

TOP GLOVE
TOP QUALITY, TOP EFFICIENCY

TOP GLOVE CORPORATION BHD.
(Company No. 474423-X)
The World's Largest Rubber Glove Manufacturer
Website : www.topglove.com.my E-mail : invest@topglove.com.my

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 31 MAY 2016

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-May-2016	31-May-2015	31-May-2016	31-May-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	672,270	661,190	2,166,401	1,801,065
Operating Expenses	(612,305)	(569,051)	(1,831,716)	(1,586,136)
Other Operating Income	14,413	9,538	35,841	23,160
Profit From Operations	**74,378**	**101,677**	**370,526**	**238,089**
Finance Costs	(1,256)	(965)	(4,428)	(3,330)
Share of results of associates	621	(131)	754	(5,541)
Profit Before Tax	**73,743**	**100,581**	**366,852**	**229,218**
Taxation	(10,964)	(27,921)	(69,923)	(51,252)
Profit Net of Tax	**62,779**	**72,660**	**296,929**	**177,966**
Profit Attributable to:				
Owners of the Company	62,456	72,274	295,411	177,026
Minority Interest	323	386	1,518	940
	62,779	**72,660**	**296,929**	**177,966**
Earnings Per Share (sen)				
Basic	**4.99**	***5.85**	**23.63**	***14.29**
Diluted	**4.98**	***5.83**	**23.59**	***14.23**

* For comparative purpose, the Earnings Per Share for the quarter and year-to-date ended 31 May 2015 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary share of par value RM0.50 each which was completed on 27 January 2016.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2015

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MAY 2016

	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	31-May-2016	31-May-2015	31-May-2016	31-May-2015
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	62,779	72,660	296,929	177,966
Other comprehensive income/(loss):				
Net movement on available-for-sale financial assets	5,179	(893)	(4,310)	6,753
Foreign currency translation	(4,168)	(1,709)	(15,215)	13,072
Other comprehensive income/(loss)	**1,011**	**(2,602)**	**(19,525)**	**19,825**
Total comprehensive income	**63,790**	**70,058**	**277,404**	**197,791**
Total comprehensive income attributable to:				
Owners of the Company	63,629	69,757	276,226	196,574
Minority Interest	161	301	1,178	1,217
	63,790	**70,058**	**277,404**	**197,791**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2015

TOP GLOVE CORPORATION BHD.
(Company No. 474423-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2016

	Unaudited as at 31-May-2016 RM'000	Audited as at 31-Aug-2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	**1,090,632**	**1,026,490**
Land use rights	**39,673**	**40,315**
Investment properties	**114,598**	**111,178**
Investment in associates	**5,765**	**5,140**
Deferred tax assets	**7,382**	**8,762**
Investment securities	**145**	**145**
Goodwill	**22,805**	**22,805**
	1,281,000	**1,214,835**
Current Assets		
Inventories	**236,788**	**252,115**
Trade and other receivables	**329,035**	**380,700**
Other current assets	**22,755**	**24,148**
Investment securities	**638,695**	**669,672**
Cash and bank balances	**150,645**	**146,460**
	1,377,918	**1,473,095**
Total Assets	**2,658,918**	**2,687,930**
EQUITY AND LIABILITIES		
Current Liabilities		
Trade and other payables	**290,585**	**326,174**
Other current liabilities	**37,600**	**29,625**
Short term borrowings	**323,928**	**530,333**
Tax payable	**30,016**	**25,348**
Derivative financial instruments	**5,865**	**9,211**
Dividend payable	**75,283**	**-**
	763,277	**920,691**
Net Current Assets	**614,641**	**552,404**
Non-Current Liabilities		
Long term borrowings	**86,960**	**105,693**
Deferred tax liabilities	**47,146**	**47,153**
	134,106	**152,846**
Total Liabilities	**897,383**	**1,073,537**
Net Assets	**1,761,535**	**1,614,393**
Equity Attributable to Equity Holders of the Company		
Share capital	**627,357**	**312,092**
Share premium	**4,994**	**200,302**
Treasury shares	**(9,739)**	**(14,722)**
Retained earnings	**1,102,063**	**1,056,583**
Other reserves	**29,253**	**53,709**
	1,753,928	**1,607,964**
Minority Interest	**7,607**	**6,429**
Total Equity	**1,761,535**	**1,614,393**
Total Equity and Liabilities	**2,658,918**	**2,687,930**
Net Tangible Assets per share (RM)	1.39	*1.28
Net Assets per share (RM)	1.41	*1.30

* For comparative purpose, the Net Tangible Assets per share and Net Assets per share for 31 August 2015 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary share of par value RM0.50 each which was completed on 27 January 2016.

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2015

TOP GLOVE CORPORATION BHD
(Company No. 474423-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MAY 2016

		Attributable to Equity Holders of the Company									
		Equity attributable to owners of the parent, total	Non distributable							Distributable	
	Equity, total 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	Fair value adjustment reserve RM'000	Retained earnings RM'000	Minority Interest RM'000
9 Months Ended 31 May 2016											
Opening balance at 1 September 2015	**1,614,393**	**1,607,964**	**312,092**	**200,302**	**(14,722)**	**42,292**	**3,781**	**7,714**	**(78)**	**1,056,583**	**6,429**
Total comprehensive income	**277,404**	**276,226**	**-**	**-**	**-**	**(14,875)**	**-**	**-**	**(4,310)**	**295,411**	**1,178**
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	**22,545**	**22,545**	**2,408**	**20,137**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issuance of bonus shares	**-**	**-**	**312,857**	**(220,800)**	**-**	**-**	**-**	**-**	**-**	**(92,057)**	**-**
Share options granted under ESOS	**108**	**108**	**-**	**-**	**-**	**-**	**-**	**108**	**-**	**-**	**-**
Transfer from share option reserve	**-**	**-**	**-**	**5,373**	**-**	**-**	**-**	**(5,373)**	**-**	**-**	**-**
Share issue expenses	**(18)**	**(18)**	**-**	**(18)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to retained earnings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**6**	**-**
Resold of treasury shares	**16,110**	**16,110**	**-**		**4,983**	**-**	**-**	**-**	**-**	**11,127**	**-**
Dividend on ordinary shares	**(169,007)**	**(169,007)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(169,007)**	**-**
Closing balance at 31 May 2016	**1,761,535**	**1,753,928**	**627,357**	**4,994**	**(9,739)**	**27,417**	**3,781**	**2,443**	**(4,388)**	**1,102,063**	**7,607**
9 Months Ended 31 May 2015											
Opening balance at 1 September 2014	**1,397,550**	**1,393,389**	**310,332**	**180,673**	**-**	**6,485**	**3,781**	**10,200**	**1,054**	**880,864**	**4,161**
Total comprehensive income	**197,790**	**196,573**	**-**	**-**	**-**	**12,794**	**-**	**-**	**6,753**	**177,026**	**1,217**
Transactions with owners											
Issuance of ordinary shares pursuant to ESOS	**2,094**	**2,094**	**64**	**514**	**-**	**-**	**-**	**1,411**	**-**	**105**	**-**
Purchase of treasury shares	**(14,722)**	**(14,722)**	**-**	**-**	**(14,722)**	**-**	**-**	**-**	**-**	**-**	**-**
Dividend on ordinary shares	**(105,228)**	**(105,228)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(105,228)**	**-**
Closing balance at 31 May 2015	**1,477,484**	**1,472,106**	**310,396**	**181,187**	**(14,722)**	**19,279**	**3,781**	**11,611**	**7,807**	**952,767**	**5,378**

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the
Annual Financial Report for the financial year ended 31 August 2015

TOP GLOVE CORPORATION BHD.

(Company No. 474423-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MAY 2016

	Current Year To Date Ended 31-May-2016 RM'000	Corresponding Year To Date Ended 31-May-2015 RM'000
Cash Flows From Operating Activities		
Profit before taxation	**366,852**	**229,218**
Depreciation and amortisation	**80,684**	**72,390**
Other adjustments	**6,278**	**7,484**
Operating profit before changes in working capital	**453,814**	**309,092**
Changes in working capital		
Net change in current assets	**68,386**	**(74,063)**
Net change in current liabilities	**(27,614)**	**43,100**
Cash flows from operating activities	**494,586**	**278,129**
Interest paid	**(4,428)**	**(3,330)**
Tax paid	**(63,882)**	**(20,828)**
Net cash flows from operating activities	**426,276**	**253,971**
Cash flows from investing activities		
Proceeds from disposal of investment securities	**182,265**	**-**
Purchase of investment securities	**-**	**(278,297)**
Purchase of property, plant and equipment	**(156,566)**	**(153,611)**
Proceeds from disposal of property, plant and equipment	**3,171**	**6,009**
Interest received	**24,846**	**17,151**
Net cash flows generated from/(used in) investing activities	**53,716**	**(408,748)**
Cash flows from financing activities		
Dividend paid on ordinary shares	**(93,724)**	**(55,565)**
Dividend received from associates	**-**	**3,983**
Share issue expenses	**(18)**	**-**
Proceeds from issuance of shares	**22,545**	**2,094**
Proceeds from sale of treasury shares	**16,110**	**-**
Purchase of treasury shares	**-**	**(14,722)**
(Repayment)/additional of loans and borrowings	**(225,138)**	**298,603**
Net cash flows (used in)/generated from financing activities	**(280,225)**	**234,393**
Net change in cash and cash equivalents	**199,767**	**79,616**
Cash and cash equivalents at beginning of year	**286,928**	**184,030**
Cash and cash equivalents at end of period	**486,695**	**263,646**
Breakdown of cash and cash equivalents at end of period		
Cash and bank balances	**150,645**	**109,291**
Add: Cash and cash equivalents included in fair value through profit or loss financial assets	**336,050**	**154,355**
Cash and cash equivalents	**486,695**	**263,646**

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 August 2015

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MAY 2016

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2015.

The audited financial statements of the Group for the year ended 31 August 2015 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 August 2015.

2. Auditors' report

The audited financial statements for the financial year ended 31 August 2015 was not subject to any qualification.

3. Seasonal or cyclical factors

The operations of the Group were not affected by any seasonal or cyclical factors in view of its well-diversified world markets and the nature of the Company's products being disposable gloves.

4. Extraordinary and exceptional items

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 31 May 2016.

5. Changes in estimates of amounts reported previously

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year-to-date.

6. Changes in debts and equity securities

6.1) During the quarter ended 31 May 2016, a total of 251,800 new ordinary shares of RM0.50 each were issued and allotted pursuant to the exercise of the ESOS II. The details of the issued and paid-up capital of the Company as at 31 May 2016 are as follows:

	No. of shares	RM
As at 29 February 2016	1,254,461,564	627,230,782
Ordinary shares issued pursuant to the ESOS	251,800	125,900
As at 31 May 2016	1,254,713,364	627,356,682

6.2) During the year, a total of 1,160,000 treasury shares were resold to the open market for a total net consideration of RM16.1million; the gain in these sales have been recorded in the retained earnings account of the Company.

Other than the above, there were no issuance and repayment of debt and equity securities, as well as share cancellations for the financial year-to-date.

7. Dividends paid

The Board of Directors of Top Glove has adopted a Dividend Policy to declare and pay annual dividends of 50% of its profit after tax and minority interest in respect of future financial years.

Record of dividends paid:

Financial Year	***Net Dividend per share (sen)**	**Total Dividend (RM'000)**
2015	11.50	143,143
2014	8.00	99,009
2013	8.00	99,252
2012	8.00	99,038
2011	5.50	68,035
2010	8.00	98,877
2009	5.50	65,873
2008	2.75	32,389
2007	2.31	27,435
2006	1.84	21,173
2005	1.33	14,110
2004	1.18	12,295
2003	0.93	9,550
2002	0.28	2,808
2001	0.40	4,000
Total		**796,987**

Note: * Net dividend per share has been adjusted to reflect:

a) Bonus issue of 30% in April 2002, 40% in April 2003, 40% in February 2007, 100% in July 2010 and 100% in January 2016.
b) Subdivision of shares from one ordinary share of RM1.00 to two ordinary shares of RM0.50 each which was completed in February 2005.

8. Segmental reporting

a. Primary reporting segment – Geographical segments.

The Group operates in three principal geographical areas of the world and is primarily involved in the gloves manufacturing industry.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

9 months ended 31 May 2016

	Malaysia RM'000	Thailand RM'000	China RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	1,804,552	161,891	81,783	118,175	-	2,166,401
Inter-segment sales	53,963	207,766	1,447	-	(263,176)	-
Total Revenue	1,858,515	369,657	83,230	118,175	(263,176)	2,166,401
Result						
Segment profit	308,504	30,514	9,076	22,432	-	370,526
Finance cost						(4,428)
Share of results of Associates						754
Profit before tax						366,852
Assets						
Segment assets	1,914,544	224,085	41,990	413,778	35,951	2,630,348
Goodwill						22,805
Investment in Associates						5,765
Liabilities						
Segment liabilities	725,264	64,786	13,073	17,098	77,162	897,383
Other segment information						
Capital commitments	46,529	17,753	-	-	-	64,282

b. Secondary reporting segment – Business segments

As the Group is principally involved in gloves manufacturing industry, segment reporting by business segment is not prepared.

9. Valuation of property and equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. Material events subsequent to the end of the interim report

There were no significant subsequent events after the end of the interim period to the date of this announcement, which will materially affect the earnings or income of the Group.

11. Changes in the composition of the Group

During the quarter ended 31 May 2016, the following companies had been added to the Group:

a) TG Medical (Xinghua) Co Ltd, a wholly-owned subsidiary of Great Glove (Xinghua) Co Ltd; and
b) TG GD Medical Clinic Sdn Bhd, a 95% owned joint venture company of Top Glove Sdn Bhd.

Other than the above-mentioned, no significant changes in the composition of the Group for the quarter under review, including business combination, acquisition or disposal of subsidiaries and long-term investment, restructuring and discontinuing operations.

12. Contingent liabilities

There were no significant changes in contingent liabilities since the last annual balance sheet date and there were no contingent liabilities pending at the date of this report.

13. Capital commitments

As at the end of the reporting quarter, the Company had commitments for approved and contracted for capital expenditures amounting approximately to RM64.3 million.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

14. Review of performance

Top Glove's performance for the third quarter ended 31 May 2016 ("3QFY16") compared with the corresponding period last financial year are as follows:

	3QFY16	3QFY15	Variance	9MFY16	9MFY15	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Revenue	672.3	661.2	1.7	2,166.4	1,801.1	20.3
PBT	73.7	100.6	(26.7)	366.9	229.2	60.1
PBT Margin	11.0%	15.2%	(27.6)	16.9 %	12.7%	33.1

Revenue for 3QFY16 increased by 1.7% to RM672.3 million with volume growth of 11%, but at a lower average selling price. For 9MFY16, the Group registered revenue of RM2.17 billion, a 20.3% increase versus 9MFY15, with volume growth of 13.8%.

Profit before tax for 3QFY16 declined by 26.7% to RM73.7 million compared with 3QFY15. Whereas on a 9-months comparison, profit before tax surged 60.1% to RM366.9 million, while profit after tax amounted RM296.9 million which at the 9-month mark already exceeded the full financial year profit of RM281.2 million in FY2015.

The Group's softer performance came on the back of a strengthening of the Ringgit against the US Dollar (USD) during the quarter in review, as well as significant hikes in raw material prices. While pricing adjustments were made accordingly, there was a time lag of 2 months before the cost increase could be shared out with customers. The adverse impact of the natural gas tariff increase was also felt for the full quarter. Meanwhile, intensive competition in the nitrile glove segment eroded margins and bottomline.

Natural latex prices were on the uptrend, increasing by an average of 14.2% to RM3.94/kg while nitrile latex prices fell slightly by 1% to USD0.95/kg compared with 2QFY16.

As at 31 May 2016, the Group maintained a healthy balance sheet with a net cash position of RM378.5 million.

14. Review of performance (continued)

The financial results of Top Glove since financial year 2005 are as follows:

RM 'mil	Financial year ended 31 August												
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	9MFY16 (unaudited)	Average margin (from year 2001-9MFY16)
Revenue	641.8	992.6	1,228.8	1,377.9	1,529.1	2,079.4	2,053.9	2,314.5	2,313.2	2,275.4	2,510.5	2,166.4	
EBITDA	89.2	130.3	175.7	197.8	287.5	364.7	207.3	310.0	323.3	312.1	466.5	452.0	
EBITDA margin	13.9%	13.1%	14.3%	14.4%	18.8%	17.5%	10.1%	13.4%	14.0%	13.7%	18.6%	20.9%	15.3%
PBT	65.7	91.8	118.6	134.6	222.0	305.0	145.5	240.7	242.2	216.3	363.5	366.9	
PBT margin	10.2%	9.2%	9.7%	9.8%	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	14.5%	16.9%	11.4%
Taxation	7.5	7.0	29.9	26.5	53.9	54.6	30.3	33.4	39.4	32.7	82.3	69.9	
PAT	58.2	84.8	88.7	108.1	168.1	250.4	115.1	207.3	202.8	183.6	281.2	297.0	
PAT margin	9.1%	8.5%	7.2%	7.8%	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	11.2%	13.7%	9.5%

15. Quarterly profit before tax (PBT) comparison with preceding quarter

	3QFY16 RM'mil	2QFY16 RM'mil	Variance %
Revenue	672.3	693.9	(3.1)
PBT	73.7	131.8	(44.1)
PBT margin	11.0%	19.0%	(42.1)

Comparing with 2QFY16, revenue declined by 3.1% even though the sales volume growth was 5% due to lower average selling price and weaker USD. Profit before tax declined by 44.1% due to the weakening of USD, intense competition in nitrile glove segment as well as the increase raw material price, which impacted performance.

16. Commentary on prospects and targets

To ensure it is able to meet the strong global demand for rubber gloves, Top Glove will continue to steadily expand its operations, by building new optimised facilities with faster, more efficient and technologically-advanced production lines. Top Glove will commence operations for Factory 27 in Lukut, Port Dickson by July 2016 while the expansion of Factory 6 in Thailand is slated to be completed by August 2016. Its newest facility, Factory 30 in Klang is scheduled to commence production by February 2017, by which time there will be 29 factories, 540 production lines and a total production capacity of 52.4 billion gloves per annum. In addition to organic growth, Top Glove will continue to pursue M&A opportunities that synergise with its current business, in similar or related industries.

Top Glove's proposed a secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) is well on track and targeted to be completed on 28 June 2016, barring any unforeseen circumstances, fulfilment of the eligibility-to-list (ETL) conditions and shareholders' approval for the Proposed Amendments at the EGM on 24 June 2016. The proposed secondary listing is expected to enhance the Company's investor reach and diversify its investor base, enabling the Company to tap on a new platform for potential future fundraising. It also serves to enhance the visibility of the Company's profile among international investors, analysts and media.

Looking ahead, Top Glove expects the economic environment to remain challenging as headwinds persist and competition remains intense in the nitrile glove segment. In addition, there is also the increase in minimum wage which will come into force on 1 July 2016 to contend with.

Nonetheless, it remains upbeat on the glove industry outlook, given that the demand for gloves is resilient and projected to grow healthily at 6% to 8% every year.

17. Variance of actual profits from forecast profits

Not applicable as no profit forecast was issued.

18. Taxation

	Quarter Ended		Year To Date Ended	
	31 May 2016 RM'000	31 May 2015 RM'000	31 May 2016 RM'000	31 May 2015 RM'000
Income tax				
Current year	8,048	23,750	73,125	47,032
Under/(Over) provision in previous year	2,912	2,767	(2,117)	-
	11	-	73	2,767
Real property gain tax				
Deferred taxation	(7)	1,404	(1,158)	1,453
	10,964	27,921	69,923	51,252

The effective tax rate of the Group is lower than the statutory tax rate due to the tax incentives available to Malaysia and certain overseas subsidiaries.

19. Profit/(loss) on sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current quarter and financial year-to-date.

20. Purchase and disposal of quoted securities

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.

21. Status of corporate proposals announced

On the Proposed Secondary Listing of Top Glove on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") by way of introduction ("Proposed Secondary Listing"); the Company had, on 9 June 2016 received a letter of conditional eligibility-to-list on the Main Board of SGX-ST from the SGX-ST in connection to the Proposed Secondary Listing ("**ETL**").

An Extraordinary General Meeting will be held on 24 June 2016 to seek shareholders' approval on the Proposed Amendments to the Articles of Association of the Company, necessary for the Company to undertake the Proposed Secondary Listing.

Except the above-mentioned, there are no other corporate proposals not announced or outstanding as at 31 May 2016.

22. Group borrowings

The Group borrowings as at 31 May 2016 were as follows:

	As at 31 May 2016 RM'000	As at 31 May 2015 RM'000
Short term borrowings		
Unsecured	318,772	212,466
Secured	5,156	170,064
	323,928	382,530
Long term borrowings		
Unsecured	83,967	109,306
Secured	2,993	2,815
	86,960	112,121
Total borrowings	410,888	494,651

Borrowings are mainly denominated in US Dollar amounting to USD91 million as at 31 May 2016 (31 May 2015: USD127.8 million).

23. Fair value hierarchy

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs that are based on observable market data, either directly or indirectly
Level 3 – Inputs that are not based on observable market data

As at 31 May 2016, the Group held the following financial assets and liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Assets measured at fair value:			
Available-for-sale financial assets	302,645	-	302,645
Liabilities measured at fair value:			
Derivative financial instruments	-	5,865	5,865

24. Realised and Unrealised Profits/Losses

	As at 31 May 2016 RM'000	As at 31 May 2015 RM'000
Total retained earnings of the company and its subsidiaries:		
Realised	1,177,441	1,012,786
Unrealised	(58,718)	(51,506)
	1,118,723	961,280
Less : Consolidation adjustments	(16,660)	(8,513)
Total group retained earnings as per consolidated accounts	1,102,063	952,767

25. Notes to the Statement of Comprehensive Income

Profit for the period has been arrived at after crediting / (charging) the following items:

	Quarter ended 31 May 2016 RM'000	Year To Date Ended 31 May 2016 RM'000
Interest income	7,791	24,846
Other income including investment income	6,622	10,995
Interest expenses	(1,256)	(4,428)
Depreciation and amortisation	(26,478)	(80,684)
Foreign exchange gain/(loss)	10,228	(1,104)
Fair value (loss)/gain on foreign exchange contracts	(8,555)	3,346

26. Material litigation

The Company and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Company or subsidiaries.

27. Dividends

The Board of Directors has on today, 15 June 2016, declared a first single tier interim dividend of 6 sen per ordinary share payable on 15 July 2016, amounting to approximately RM75.3 million for the quarter ended 31 May 2016.
.

28. Earnings per share

	Quarter Ended		Year To Date Ended	
	31 May 2016	**31 May 2015**	**31 May 2016**	**31 May 2015**
Net profit attributable to owners of the Company shareholders (RM'000)	62,456	72,274	295,411	177,026
Basic				
Weighted average number of ordinary shares in issue ('000)	1,252,439	1,234,857	1,250,251	1,238,644*
Basic earnings per share (sen)	4.99	5.85	23.63	14.29
Diluted				
Weighted average number of ordinary shares in issue ('000)	1,252,439	1,234,857*	1,250,251	1,238,644*
Effect of dilution : share options ('000)	2,081	5,157	2,081	5,157
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,254,520	1,240,014*	1,252,332	1,243,801*
Diluted earnings per share (sen)	4.98	5.83	23.59	14.23

*For comparative purpose, the number of ordinary shares issued as at 31 May 2015 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary share which was completed on 27 January 2016.

TOP GLOVE
TOP QUALITY, TOP EFFICIENCY

Exporting to More Than 195 Countries Worldwide

TOP GLOVE CORPORATION BHD (474423-X)

Level 21, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor D.E. Malaysia.

Tel : +603-3362 3098 Fax : +603-3362 3860

E-mail : sales@topglove.com.my / invest@topglove.com.my / tgfoundation@topglove.com.my

Visit us at our website : www.topglove.com.my