

**TOP GLOVE**

TOP QUALITY, TOP EFFICIENCY

**INTEGRATED  
ANNUAL  
REPORT  
2020**

**TOP GLOVE CORPORATION BHD**

Incorporated in Malaysia [Registration No.:199801018294 (474423-X)]

A Public Company Listed on the Main Market of Bursa Malaysia and Main Board of Singapore Exchange

FINANCIAL YEAR ENDED  
**31 AUGUST 2020**

# The **World's Largest** Manufacturer of Gloves

DOING WELL BY  
DOING

*Good*



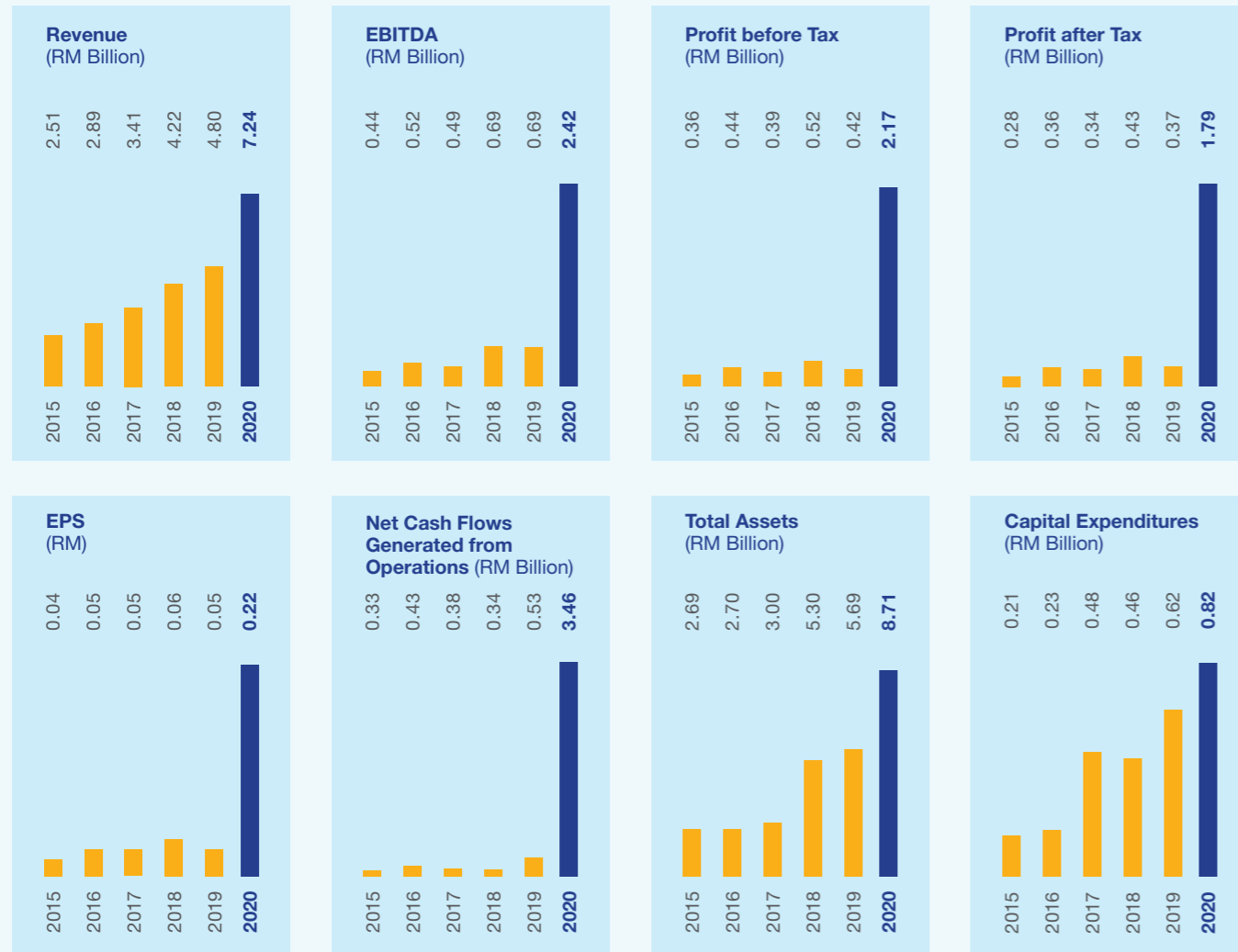
SCAN FOR TG  
INTEGRATED ANNUAL  
REPORT 2020



SCAN FOR TG  
CORPORATE  
VIDEO



# 2020 KEY HIGHLIGHTS



## 6-YEAR FINANCIAL REVIEW

The Group registered Compounded Annual Growth Rates (CAGR) for revenue and profit after tax of 23.1% and 28.2% respectively, since listing in 2001.

Group	2020	2019	2018**	2017**	2016**	2015
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Turnover	7,237,427	4,801,139	4,220,742	3,409,176	2,888,515	2,510,510
Earning Before Interest, Depreciation & Taxation	2,421,457	687,493	694,002	489,255	524,682	441,714
Profit Before Taxation	2,165,551	423,588	522,800	393,402	442,202	363,538
Taxation	376,721	56,042	89,594	54,514	79,763	82,346
Profit After Tax	1,788,830	367,546	433,206	338,888	362,439	281,192
Profit Attributable to Owners of the Parent	1,752,584	364,678	428,830	339,023	360,729	279,781
Net Cash/(Borrowings)	2,342,651	(2,167,627)	(1,854,023)	70,584	303,747	180,106
Total Equity/Net Assets	6,190,883	2,554,141	2,398,396	2,072,791	1,875,697	1,614,393
Return on Equity (%)	28.9	14.4	18.1	16.3	19.3	17.4
Net Assets Per Share (RM)**	0.76	0.33	0.31	0.14	0.12	0.11
Basic Earnings Per Share (RM)**	0.22	0.05	0.06	0.05	0.05	0.04
Net Dividend (sen)*	11.83	2.50	2.83	2.43	2.43	1.93
Number of Shares in Issue ('000)#	2,708,697	2,559,814	1,278,158	1,254,135	1,252,648	620,860
Share Price (RM)^	26.28	4.75	11.14	5.61	4.25	7.72
Market Capitalisation^a	71,184,557	12,159,117	14,238,680	7,035,697	5,323,754	4,793,039

\* The comparative net assets per share, basic earnings per share and net dividend have been restated taken into account the effect of bonus issue on the basis of two new ordinary share for every one existing ordinary share held in FY2020.

# Based on Company's issued and paid up share capital, excluding treasury shares.

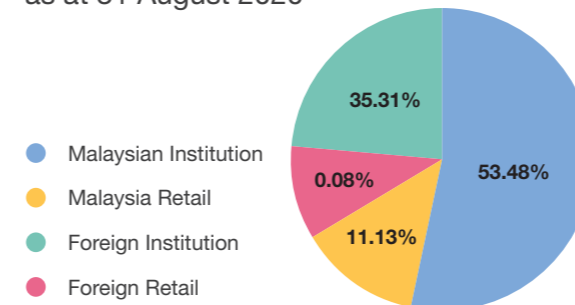
^ As at the last trading day of the financial year.

\*\* Figures have been restated.

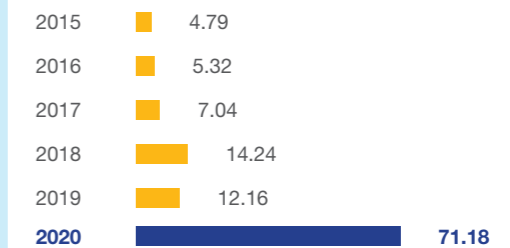
### Investor Relations Contact

All investors are welcome to contact the Investor Relations (IR) team directly at [invest@topglove.com.my](mailto:invest@topglove.com.my) or visit the Investor Relations section on our website at <https://www.topglove.com>

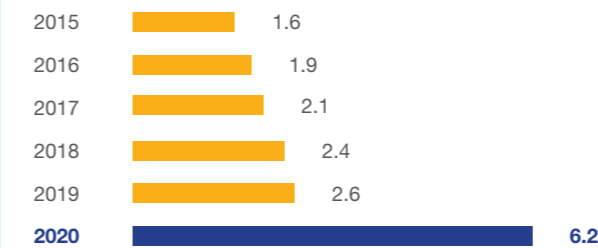
### Shareholder Mix (Malaysia vs. Foreign) as at 31 August 2020



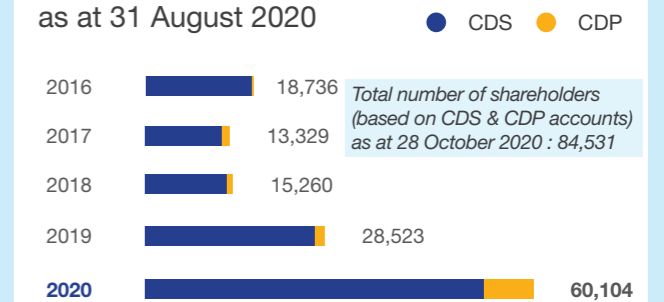
### Market Capitalisation (RM Billion) (as at last trading day of financial year end)



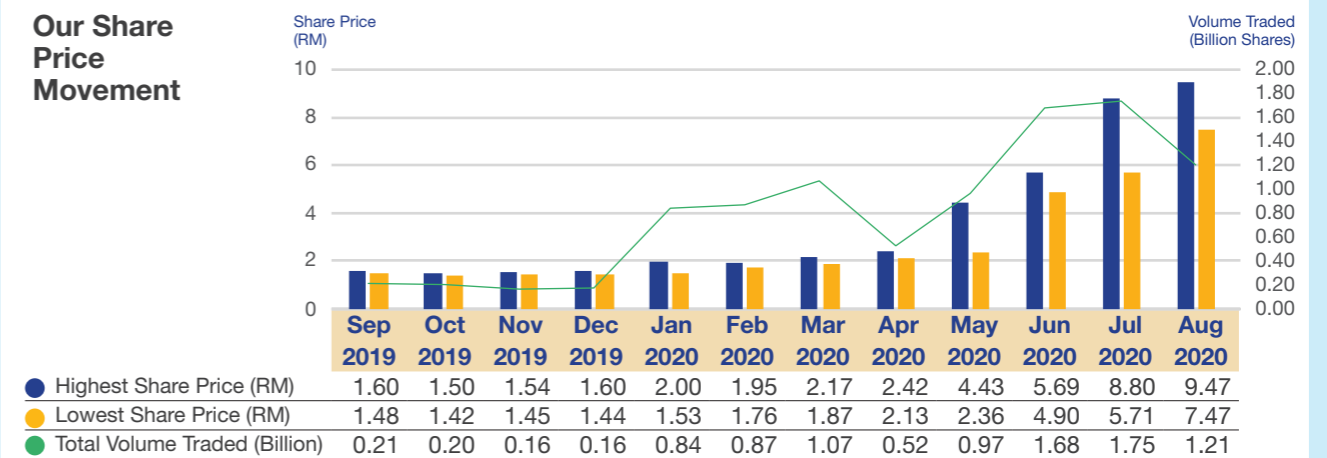
### Total Equity (RM billion)



### Total Number of Shareholders as at 31 August 2020

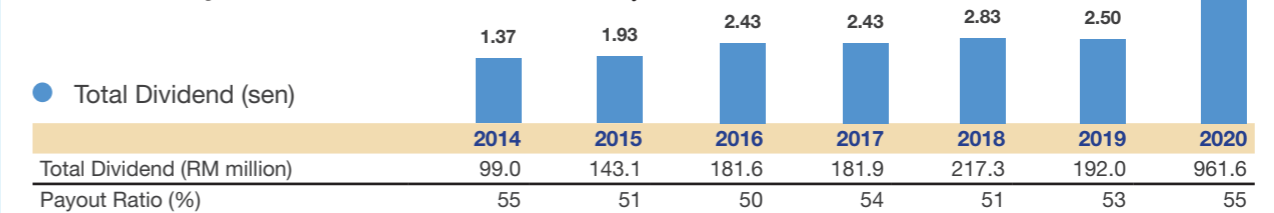


### Our Share Price Movement



### DIVIDEND PAYOUT

Dividend Policy : 50% of Profit After Tax and Minority Interest




### TOTAL DIVIDEND PAYMENT OF RM2.53 BILLION SINCE LISTED IN YEAR 2001

Note: The dividends have been restated taken into account the effect of bonus issue.

# ABOUT THIS REPORT


## We Are Top Glove

We are a global leader in healthcare manufacturing, committed to our role in enhancing our economic, environment and social areas of performance.

 For more information, please refer to page 4


## Message from Our Leaders

The world is our market; we export to 195 countries worldwide and enhance the lives of billions of consumers.

 For more information, please refer to page 28


## How We Create Value

We think global yet with a strong support of our local teams. We rigorously manage our assets and capital allocation for growth. We understand the importance of making a positive impact on society and delivering performance and value for all our stakeholders.

 For more information, please refer to page 70


## Creating Sustainable Value

We are committed to operating as a sustainable business that makes a lasting positive contribution to the world. We focus our efforts where we can make the greatest impact and continuously refine and evolve our sustainability strategy.

 For more information, please refer to page 80


## Strength of Our Governance

We understand the risks we take and try to manage these to minimise their impact on our businesses. Our strong governance is integral to the way we think and make decisions.

 For more information, please refer to page 111

## Reporting

In line with best practice for Integrated Reporting, we report on the six (6) capitals that together provide a true picture of value across the Group. This way of telling a comprehensive, connected story fits well with our holistic view of value and our focus on creating sustainable value for long-term good.

 For more information, please refer to page 70

## Statement of the Board of Directors of Top Glove Corporation Bhd

The Board acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. In the Board's opinion, the Report addresses all material issues and matters and fairly presents the Group's performance of the financial year.

Approved by the Board of Directors and signed on behalf of the Board:

  
**TAN SRI DR LIM  
WEE CHAI**  
Executive Chairman

  
**DATO' LEE KIM  
MEOW**  
Managing Director

## How it all fits together

We measure our performance by evaluating how we create value for our key stakeholders, taking into account our progress against our strategy, and by regularly measuring returns on invested capital. We understand the risks we take and manage these to minimise their impact on our business and results. We pursue growth by building an organisation that empowers people and enriches communities.

## Scope and boundary of reporting

### Financial and non-financial reporting

This Report constitutes the Annual Report as defined in terms of Malaysian law and extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders who have a significant influence on our ability to create value. Our reporting coverage is based on group-level disclosure unless stated otherwise. There is no significant change to our structure, ownership and supply chain during the reporting year. Group reporting standards are continually being developed to make disclosure meaningful and measurable for stakeholders.

## Materiality and material matters

We apply the principle of materiality in assessing what information to include in our Integrated Annual Report. This Report focuses particularly on those issues, opportunities and challenges that impact materially on the Group as well as on its ability to be a sustainable business that delivers value to key stakeholders, including our shareholders.

## The legislation and frameworks that inform our reporting

This Integrated Annual Report was prepared against local and global standards, including:

- Framework of the International Integrated Reporting Council (IIRC): this principles-based approach promotes the concept of the six capitals, which considers material inputs and resources required to create and sustain value in the long term.
- We support the United Nations' Sustainable Development Goals (SDGs) and, like many other businesses, we have identified which of those goals our business aligns with. We discuss this alignment and our activities in support of the SDGs in this Report.
- Companies Act 2016
- Malaysian Code on Corporate Governance 2017
- The non-financial sections of this Integrated Annual Report are in accordance with the GRI Standards: Core Option.
- FTSE4Good Bursa Malaysia Index
- Bursa Malaysia Sustainability Reporting Guidelines 2<sup>nd</sup> Edition
- Bursa Malaysia Corporate Governance Guide 3<sup>rd</sup> Edition
- Dow Jones Sustainability Index (DJSI)
- MSCI Global Standard Index


## Forward-looking statements

This Report contains forward-looking statements concerning our financial condition, results of operations and businesses. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates", or the negative thereof, or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. These forward-looking statements and other statements contained in this Integrated Annual Report regarding matters that are not historical facts involve predictions.

No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing us and our subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

The forward-looking statements contained in the Integrated Annual Report speak only as of the date of the Report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the Report or to reflect the occurrence of unanticipated events. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements.

## Navigating through the Integrated Annual Report 2020

 Informs where to find more information online.

 Informs which related pages to refer for more information.

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## OUR BUSINESS OVERVIEW

### THE WORLD'S LARGEST MANUFACTURER OF GLOVES

Established in 1991 and headquartered in Malaysia, Top Glove Corporation Bhd is the world's largest manufacturer of gloves. What started as only a local business enterprise with 1 factory and 1 glove production line, has today captured 26% of the world market share for rubber gloves. The Company has manufacturing operations in Malaysia, Thailand, China and Vietnam. It has marketing offices in these countries as well as USA, Germany and Brazil and exports to over 2,000 customers in 195 countries worldwide.

Listed on the Main Market of Bursa Malaysia (2001) and Mainboard of the Singapore Exchange (2016), Top Glove has demonstrated steady growth with a compound annual growth rate (CAGR) of 23.1% for Revenue and 28.2% for Profit After Tax over the past 20 years. It is a component stock of the MSCI Global Standard Index, FTSE Bursa Malaysia KLCI Index, FBM Top 100 Index, FBM EMAS Index, FBM Hijrah Shariah Index, FBM EMAS Shariah Index, FTSE4Good Bursa Malaysia Index and the Dow Jones Sustainability Index (DJSI) for Emerging Markets.

Top Glove offers a comprehensive glove product range, which now includes a non-glove segment comprising condoms, face masks, dental dams, exercise bands and household products, fulfilling demand in both the healthcare and non-healthcare segment.

The Company's outstanding achievements and global recognition are credited largely to its founder Tan Sri Dr Lim Wee Chai, the visionary and driving force, who within a short span of time, has built the company into a resounding global success.

With the help of its 21,000 employees, Top Glove continues to produce high quality gloves at an efficient low cost in line with its time-tested Business Direction. Not content to rest on its laurels, Top Glove has set its sights on higher aspirations, which include becoming a Fortune Global 500 Company by 2035.

#### Our Approach to Sustainability

As a leader in the healthcare product manufacturing industry, we are committed to our role in enhancing and uplifting our economic, environment and social (EES) areas of performance. Doing business in a sustainable and responsible manner across our value chain is our foremost priority as we believe it will create positive impact and add more value to all our stakeholders. Guided by the Group's Sustainability Charter, we aim to forge a sustainable future with the integration of sustainability in EES areas.

We set different management approaches to manage each of the material issues identified in all EES areas. This enables us to minimise the material risk impacts to the Company and stakeholders to achieve sustainability throughout the value chain.

We continuously engage with our identified internal and external stakeholders via various channels to understand their needs and look for areas which we can maximise the value we create.



The details of our stakeholder engagement, including stakeholder groups, the reason we engage, areas of concern, engagement approaches, responses to concerns and value created can be found on page 124 under the Corporate Governance Overview Statement in this Integrated Annual Report.

For detailed reporting of our annual EES issues management and initiative progress in FY2020, please refer to the Creating Sustainable Value section in this Report from page 80 to 110.



Top Glove was established in 1991 with 1 factory and 1 glove production line.



Top Glove's listing on the Kuala Lumpur Stock Exchange (now Bursa Malaysia) in 2001.



Top Glove's secondary listing on the Main Board of Singapore Exchange (SGX) in 2016.



Top Glove became the world's largest manufacturer of nitrile gloves in FY2020, in addition to already being the world's largest manufacturer of natural rubber gloves and surgical gloves.

## OUR EXPORT MARKETS

### THE WORLD IS OUR MARKET EXPORTS TO 195 COUNTRIES WORLDWIDE

#### NORTH AMERICA

1. Canada
2. USA

#### LATIN AMERICA

3. Anguilla
4. Antigua and Barbuda
5. Argentina
6. Aruba
7. Bahamas
8. Barbados
9. Belize
10. Bolivia
11. Brazil
12. British Virgin Islands
13. Cayman Islands
14. Chile
15. Colombia
16. Costa Rica
17. Dominica
18. Dominican Republic
19. Ecuador
20. El Salvador
21. Grenada
22. Guadeloupe
23. Guatemala
24. Guyana
25. Haiti
26. Honduras
27. Jamaica
28. Martinique
29. Mexico
30. Montserrat
31. Netherlands Antilles
32. Nicaragua
33. Panama
34. Paraguay
35. Peru
36. Puerto Rico
37. Saint Barthelemy
38. Saint Kitts and Nevis
39. Saint Lucia
40. Saint Martin
41. Saint Vincent and Grenadines
42. Suriname
43. Trinidad & Tobago
44. Turks And Caicos
45. U.S. Virgin Islands
46. Uruguay
47. Venezuela

#### EUROPE

48. Albania
49. Andorra
50. Austria
51. Belgium
52. Bosnia Herzegovina
53. Bulgaria
54. Croatia
55. Czech Republic
56. Denmark
57. Estonia
58. Finland
59. France
60. Germany
61. Greece
62. Hungary
63. Iceland
64. Ireland
65. Italy
66. Kosovo
67. Latvia
68. Liechtenstein
69. Lithuania
70. Luxembourg
71. Macedonia, FYR
72. Malta
73. Moldova
74. Monaco
75. Montenegro
76. Netherlands
77. Norway
78. Poland
79. Portugal
80. Romania
81. Russia
82. San Marino
83. Serbia
84. Slovakia
85. Slovenia
86. Spain
87. Sweden
88. Switzerland
89. United Kingdom

#### AFRICA

90. Algeria
91. Angola
92. Benin
93. Botswana
94. Burkina Faso
95. Burundi
96. Cameroon
97. Cape Verde
98. Chad
99. Comoros

100. Republic of the Congo
101. Djibouti
102. Egypt
103. Equatorial Guinea
104. Ethiopia
105. Eritrea
106. Gabon
107. Gambia
108. Ghana
109. Guinea
110. Guinea-Bissau
111. Kenya
112. Lesotho
113. Liberia
114. Madagascar
115. Malawi
116. Mali
117. Mauritania
118. Mauritius
119. Morocco
120. Mozambique
121. Namibia
122. Niger
123. Nigeria
124. Rwanda
125. Sao Tome and Principe
126. Senegal
127. Seychelles
128. Sierra Leone
129. South Africa
130. Swaziland
131. Tanzania
132. Togo
133. Tunisia
134. Uganda
135. Zambia

#### ASIA

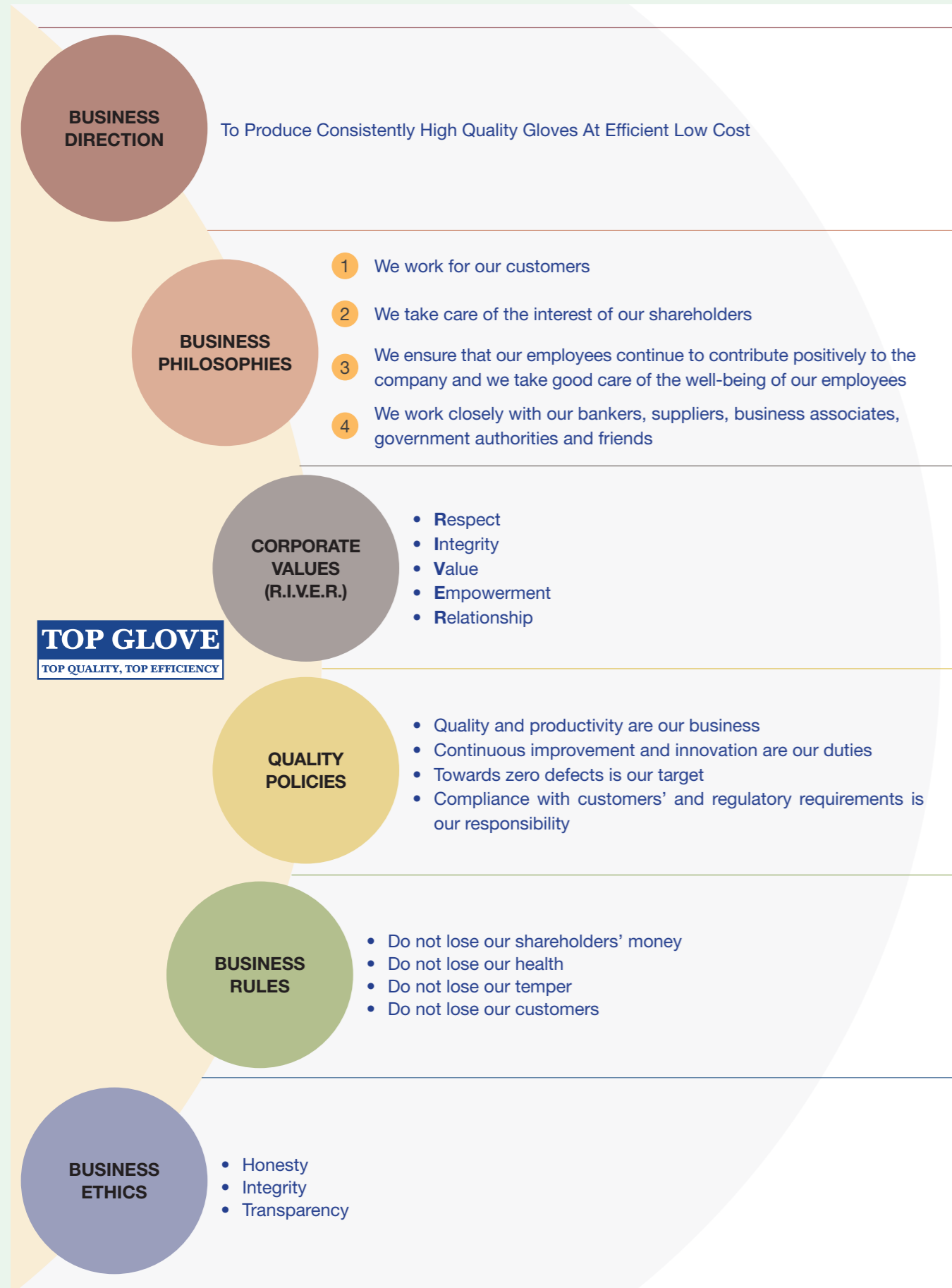
136. Afghanistan
137. Armenia
138. Azerbaijan
139. Bahrain
140. Bangladesh
141. Bhutan
142. Brunei
143. Cambodia
144. China
145. Cyprus
146. East Timor
147. Georgia
148. Hong Kong
149. India
150. Indonesia
151. Israel

152. Japan
153. Jordan
154. Kazakhstan
155. Kuwait
156. Kyrgyzstan
157. Laos
158. Macau
159. Malaysia
160. Maldives
161. Mongolia
162. Nepal
163. Oman
164. Pakistan
165. Palestine
166. Philippines
167. Qatar
168. Saudi Arabia
169. Singapore
170. South Korea
171. Sri Lanka
172. Taiwan
173. Tajikistan
174. Thailand
175. Turkey
176. Turkmenistan
177. United Arab Emirates
178. Uzbekistan
179. Vietnam

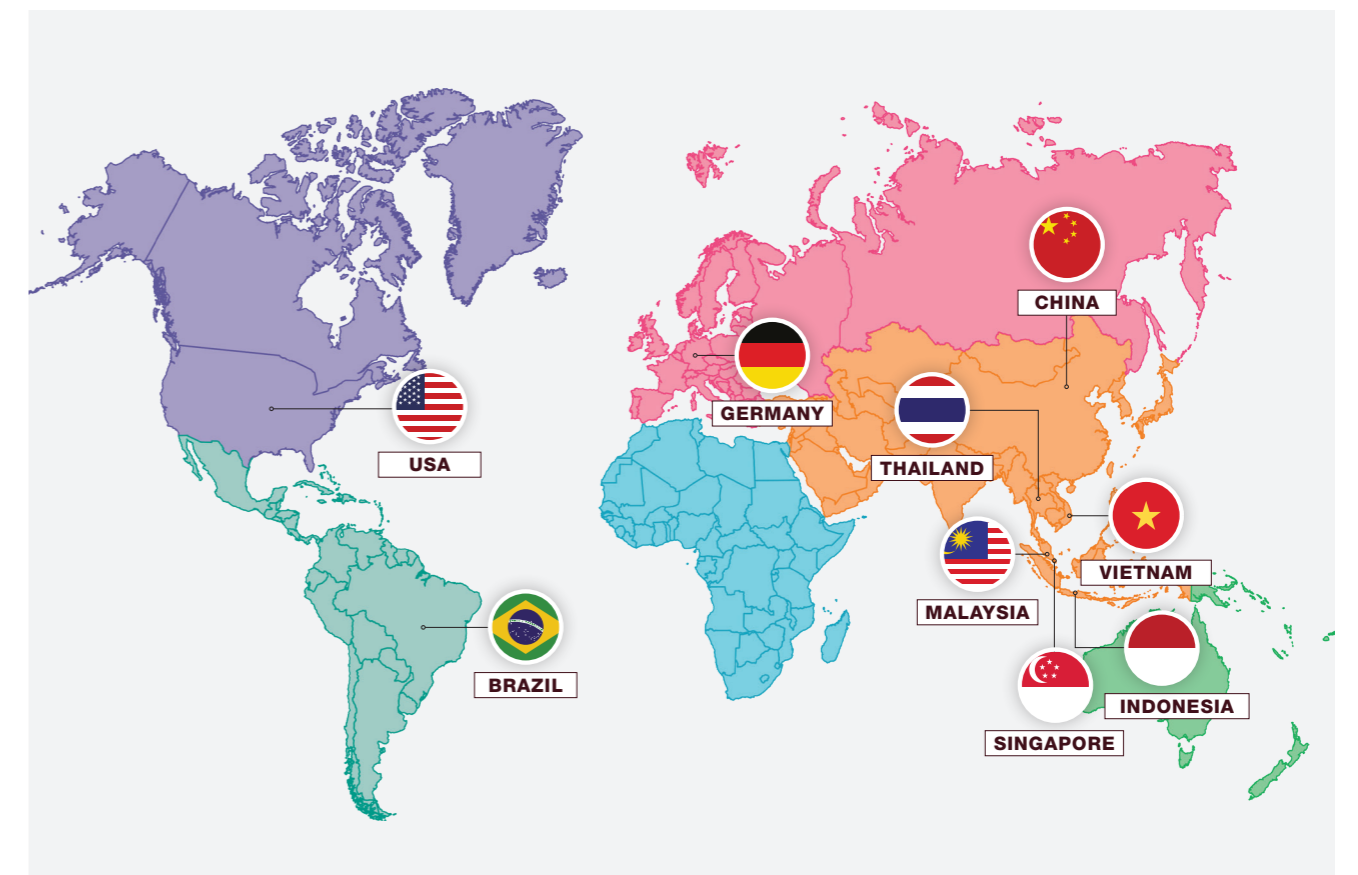
#### OCEANIA

180. American Samoa
181. Australia
182. Fiji
183. Guam
184. Kiribati
185. Marshall Islands
186. Micronesia
187. Nauru
188. New Caledonia
189. New Zealand
190. Palau
191. Papua New Guinea
192. Samoa
193. Solomon Islands
194. Tonga
195. Vanuatu

## OUR GUIDING PRINCIPLES

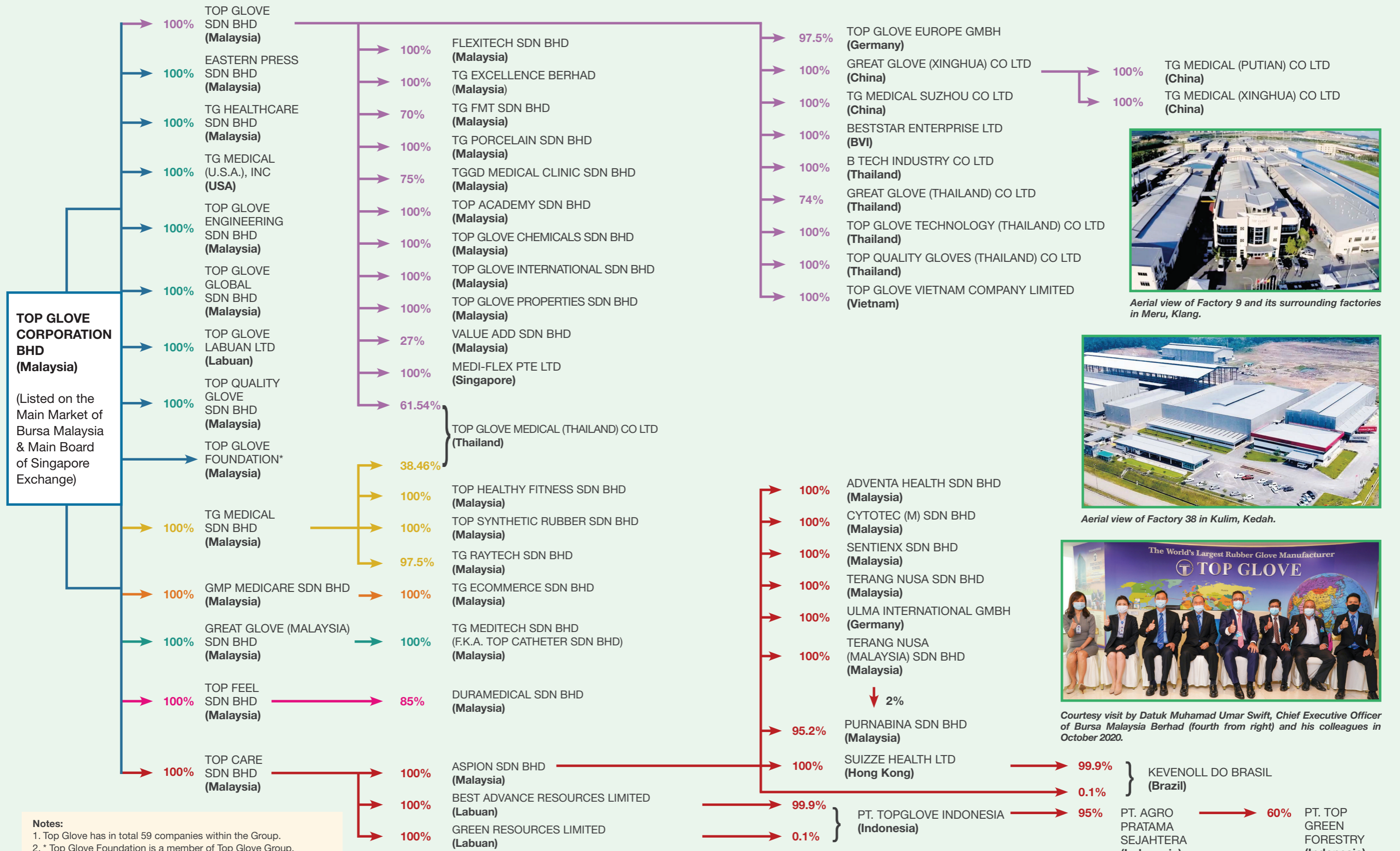


## OUR GLOBAL OFFICES



**CORPORATE STRUCTURE**

Corporate Structure



Aerial view of Factory 9 and its surrounding factories in Meru, Klang.



Aerial view of Factory 38 in Kulim, Kedah.



Courtesy visit by Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia Berhad (fourth from right) and his colleagues in October 2020.

**Notes:**  
1. Top Glove has in total 59 companies within the Group.  
2. \* Top Glove Foundation is a member of Top Glove Group.

# INTERNATIONAL QUALITY AWARDS AND CERTIFICATIONS

International Quality Awards and Certifications

## NEW LEVELS OF EXCELLENCE

We are honoured to be conferred notable awards, certifications and recognitions both at the industry and international level. These accolades motivate us to set our bar higher to perform better and strive for greater efficiencies.

**2020**



**MSWG-Asean Corporate Governance Award 2019 Industry Excellence Award (Healthcare)**  
by MSWG



**Asia Recruitment Awards 2020 Category: Best Use of Recruitment Technology Tools**  
by Human Resources Online

**2019**



**The BrandLaureate Iconic Brands of the Decade Award 2019 Category: Manufacturing-Gloves**  
by The BrandLaureate



**Highly Commended: Healthiest Workplace**  
by AIA Vitality 2019



**The Star Export Excellence Awards 2019 Silver Award: Other Industries Category**  
by The Star Media Group, Malaysia



**Five Petal BEIM Gold Ethics Award 2019**  
by Business Ethics Institute of Malaysia (BEIM)



**Winner: Manufacturing (Chemical & Heavy Industries Most Popular Graduate Recruiter 2019)**  
by Malaysia's 100 Leading Graduate Employers 2019, GTI Media



**Best Companies To Work For In Asia 2019**  
by HR Asia



**Human Resources Excellence Awards 2019 Excellence in Talent Management (Bronze)**  
by Human Resources Online



**Graduates' Choice Award 2019 Category: Manufacturing**  
by Talentbank



**MSWG - Asean Corporate Governance Award 2018 Industry Excellence Award (Healthcare)**  
by MSWG



**CSR Malaysia Awards 2019 CSR Malaysia Company of the Year 2019 (Category: Manufacturing of Gloves)**  
by CSR Malaysia



**The 100 Most Influential Young Entrepreneurs 2019 (Category: Lifetime Achievement Award)**  
by Entrepreneur Insight



**The Golden Brick Award 2019 (Category: Lifetime Achievement)**  
by the Hokkien Association of Malaysia



**National Cooperative Education Awards 2019 (Thailand)**

**2018**



**The Edge Billion Ringgit Club Awards 2018 (Healthcare Sector)**  
• Highest Return on Equity over 3 years  
• Highest Growth in Profit After Tax over 3 years  
• Highest Returns to Shareholders over 3 years  
by The Edge



**2nd Asean Corporate Governance Award 2018 (Category: Top 50 ASEAN PLCs)**  
by MSWG



**International Iconic Brand 2018**  
by The BrandLaureate



**Best Companies to Work For in Asia 2018**  
by HR Asia



**Most Innovative Award 2018 Export Excellence Award 2018**  
by Malaysian Rubber Export Promotion Council (MREPC)



**Asean Business Awards 2018 Winner Priority Integrated Sector (Rubber-based)**  
by ASEAN Business Advisory Council



**Winner: Manufacturing (Chemicals & Heavy Industries)**  
by Malaysia's 100 Leading Graduate Employers 2018, GTI Media



**Nanyang Superb Brand Award 2018 (Category: Glove Innovation)**  
by Nanyang Siang Pau



**MSWG - Asean Corporate Governance Award 2017 (Categories: Merit Award for Most Improved Corporate Governance Disclosure & Industry Excellence for Manufacturing)**  
by MSWG

**2012 TO 2017**



**1991 TO 2011**



### ACCOLADES, RECOGNITIONS & CERTIFICATIONS



One out of the two Malaysian companies being included in the Dow Jones Sustainability Index (DJSI) Emerging Markets



Inclusion in the Morgan Stanley Capital International (MSCI) Global Standard Index



Forest Stewardship Council (FSC) Chain of Custody certification for our latex concentrate Factory 16L in Thailand



FTSE4Good Bursa Malaysia Index

10 TOP GLOVE CORPORATION BHD

INTEGRATED ANNUAL REPORT 2020 11

# OUR CORPORATE DIRECTORY

# Our Corporate Directory



### CORPORATE OFFICE, SETIA ALAM

Address : 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  
Email : sales@topglove.com.my  
invest@topglove.com.my  
tgfoundation@topglove.com.my  
Website : https://www.topglove.com



### FACTORY OFFICE, KLANG (FACTORY 9)

Address : Lot 4969, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 1992/1905  
Fax : +603-3392 8410

## MALAYSIA OFFICES AND FACTORIES

### SELANGOR

**FACTORY 2**  
Lot 4968, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 1992/1905

**FACTORY 3**  
Lot 5091, Jalan Teratai, Batu 5,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 7880/7350  
Fax : +603-3392 9160

**FACTORY 4**  
Lot 5987, Jalan Teratai, Batu 5,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 8588/8996  
Fax : +603-3392 6788

**FACTORY 10**  
Lot 4970, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 9288/  
9942/3320  
Fax : +603-3392 8984

**FACTORY 11**  
Lot 4967, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 1899/5399

**FACTORY 12**  
Lot 4960, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 3375  
Fax : +603-3392 5200

**FACTORY 13**  
Lot 4947, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3393 1288  
Fax : +603-3393 1993

**FACTORY 13P**  
Lot 4946, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3885 3141  
Fax : +603-3392 0122

**FACTORY 14**  
Lot 5104, Jalan Teratai, Batu 5,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 3626

**FACTORY 18B & 18G**  
Lot 124 & 126, Jalan Lapan,  
Kompleks Perabot Olak Lempit,  
13 KM, Jalan Banting Dengkil,  
42700 Banting,  
Selangor D.E., Malaysia.  
Tel : +603-3149 1998  
Fax : +603-3149 3008

**FACTORY 19**  
Lot 4987, Jalan Bunga Raya, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 5900  
Fax : +603-3392 5910

**FACTORY 19BF**  
Lot 4987, Jalan Bunga Raya, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 1992

**FACTORY 20 & 20BC**  
Lot 4988, Jalan Bunga Raya, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 5900/  
+603-7890 3322

**FACTORY 21 & FACTORY 21RBD**  
Lot 4989, Jalan Dahlia/KU8, Kawasan  
Perindustrian Meru Timur, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 5166/1899/5399  
+603-7890 3321  
Fax : +603-3392 5068/1299

**FACTORY 22**  
Lot 4990, Jalan Bunga Raya, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 1187/  
+603-7890 3322  
Fax : +603-3392 1186

**FACTORY 24**  
Lot 4986, Jalan Dahlia/KU8,  
Kawasan Perindustrian Meru Timur,  
41050 Klang, Selangor D.E.,  
Malaysia.  
Tel : +603-3392 6010/0975  
Fax : +603-3392 0289

**FACTORY 25**  
PT 64593, Jalan Dahlia/KU8,  
Kawasan Perindustrian Meru Timur,  
41050 Klang, Selangor D.E.,  
Malaysia.  
Tel : +603-3392 6341/6317  
Fax : +603-3392 6348

**FACTORY 25ACB**  
Lot 5144, Jalan Dahlia KU8,  
Kawasan Perindustrian Meru,  
Mukim Kapar, 41050 Klang,  
Selangor D.E., Malaysia.

**FACTORY 26**  
Lot 4961, Jalan Teratai, Batu 6,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 3375  
Fax : +603-3392 5200

**FACTORY 29**  
Lot 4985, Jalan Dahlia/KU8,  
Kawasan Perindustrian Meru Timur,  
41050 Klang, Selangor D.E.,  
Malaysia.  
Tel : +603-3392 6010

**FACTORY 30**  
Lot 4983 & 4984, Jalan Dahlia,  
Kawasan Perindustrian Meru Timur,  
41050 Klang, Selangor D.E., Malaysia.  
Tel : +603-7890 3330  
Fax : +603-3392 5066

**FACTORY 31**  
Lot 6472, Lorong Sungai Puloh/KU06,  
Kawasan Perindustrian Sungai Puloh,  
42100 Klang, Selangor D.E., Malaysia.  
Tel : +603-7890 3331

**FACTORY 32**  
Lot 4981 & 4982, Jalan Dahlia,  
Kawasan Perindustrian Meru Timur,  
41050 Klang, Selangor D.E.,  
Malaysia.  
Tel : +603-7890 3332  
Fax : +603-3392 1291/8410

**FACTORY 34PM**  
Lot 5, Jalan Paku 16/6,  
40000 Shah Alam,  
Selangor D.E., Malaysia.  
Tel : +603-5519 1576  
Fax : +603-5510 0072

**FACTORY 35**  
Lot 5090, Jalan Teratai, Batu 5,  
Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-3392 7880

**FACTORY 39DD**  
Lot 4962, (Block B) Jalan Teratai,  
Batu 6, Off Jalan Meru, 41050 Klang,  
Selangor D.E., Malaysia.  
Tel : +603-7890 3339  
Fax : +603-3392 1186

**FACTORY 40**  
Lot 67330, Lorong Bougainvillae/KU8,  
Kawasan Perindustrian Meru Timur,  
41050 Klang, Selangor D.E., Malaysia.

**PERAK**  
**FACTORY 5 & 5B**  
Lot 18, 27, 38 & 57, Medan Tasek,  
Kawasan Perindustrian Tasek,  
31400 Ipoh, Perak D.R., Malaysia.  
Tel : +605-546 6360/+605-547 9271  
Fax : +605-547 8975

**FACTORY 5C**  
Lot 7, Medan Tasek,  
Kawasan Perindustrian Tasek,  
31400 Ipoh, Perak D.R., Malaysia.  
Tel : +605-546 6360/+605-547 9271  
Fax : +605-547 8975

**FACTORY 23**  
Lot 12, Medan Tasek,  
Kawasan Perindustrian Tasek,  
31400 Ipoh, Perak D.R., Malaysia.  
Tel : +605-545 5032  
Fax : +605-547 8975

**NEGERI SEMBILAN**  
**FACTORY 27**  
Lot 2431 Mukim Port Dickson,  
Sendayan, 71100 Siliu,  
Negeri Sembilan D.K., Malaysia.  
Tel : +603-7890 3327  
Fax : +606-651 6896

**FACTORY 33**  
Lot 3726, Kawasan Perindustrian Nilai,  
Mukim Setul Daerah Seremban,  
71800 Nilai, Negeri Sembilan D.K.,  
Malaysia.  
Tel : +603-7890 3333

**KELANTAN**  
**FACTORY 36**  
2, Jalan 8, Pengkalan Chepa 2  
Industrial Zone,  
16100 Kota Bharu,  
Kelantan D.N., Malaysia.  
Tel : +609-774 7171  
Fax : +609-774 7757

**JOHOR**  
**FACTORY 37**  
PLO 5, Jalan Mahsuri 1,  
7.5 Km, Jalan Mersing,  
86000 Kluang, Johor D.T., Malaysia.  
Tel : +607-787 9731  
Fax : +607-787 9733

**KEDAH**  
**FACTORY 38**  
Lot 7, Jalan Hi-Tech 12,  
Zon Industri Fasa 3,  
09090 Kulim Hi-Tech Park,  
Kedah D.A., Malaysia.  
Tel : +603-7890 3338

## INTERNATIONAL OFFICES AND FACTORIES

### THAILAND

**FACTORY 6**  
180/3, Moo 7, Srisoontorn Road,  
Tambon Srisoontorn, Amphur  
Thalang, Phuket 83110, Thailand.  
Tel : +66-76-620 190-4  
Fax : +66-76-620 196

**FACTORY 7**  
188, Moo 5, Karnchanawanich  
Road, Tambol Samnakkham,  
Amphur Sadao, Songkhla 90320  
Thailand.  
Tel : +66-74-410-000  
Fax : +66-74-410 007/008

**FACTORY 16L**  
188, Moo 5, Tambol Pangla,  
Amphur Sadao,  
Songkhla 90170 Thailand.  
Tel : +66-74-410 888  
Fax : +66-74-410 886

**FACTORY 17L**  
268, Moo 5, Tambol Kampangphet,  
Amphur Rattaphum,  
Songkhla 90180 Thailand.  
Tel : +66-74-302 888  
Fax : +66-74-302 889/302 890

## CHINA

**FACTORY 15**  
No. 4 Shazhuang Road,  
Economic Development District,  
Xinghua City,  
225700 Jiang Su Province,  
P. R. China.  
Tel : +86-523-8326 8976  
Fax : +86-523-8326 8676

## VIETNAM

**FACTORY 41**  
Land Lot A\_8B\_CN,  
Bau Bang Industrial Park,  
Lai Uyen Town, Bau Bang District,  
Binh Duong Province, Viet Nam.  
Tel : +84 274 380 3725/3744

## USA

**U.S.A. MARKETING OFFICE**  
TG Medical (U.S.A.) Inc.,  
155, North Aspan Avenue,  
Azusa CA 91702 U.S.A.  
Tel : +1-626-969-8808  
Fax : +1-626-969-7823  
Email : topglove@topgloveusa.com

## GERMANY

**GERMANY SALES OFFICE 1**  
Top Glove Europe GmbH,  
Bliersheimer Str. 80 A,  
47229 Duisburg, Germany.  
Tel : +49 (0) 2065 76421 0  
Fax : +49 (0) 2065 76421 19  
Email : info@topglove.de

**GERMANY SALES OFFICE 2**  
Ulma International GmbH  
Pfaffenweg 35,  
89231 Neu-Ulm, Germany.  
Tel : +49-731-926043-15  
Fax : +49-731-926043-10  
Email : ulma@ulma.de

## BRAZIL

**BRAZIL MARKETING OFFICE**  
Kevenoll do Brasil Produtos  
Médicos Hospitalares Ltda,  
Rodovia Antônio Heil,  
1001 KM 01,  
Sala 203 Bairro: Itaipava,  
Cidade: Itajaí – SC  
CEP: 88316-001 – Brasil.  
Tel : +55 (47) 3349-6168  
Email : kevenoll@kevenoll.com.br



## CORPORATE INFORMATION

### REGISTERED & CORPORATE OFFICE

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

Email : (i) sales@topglove.com.my  
(ii) invest@topglove.com.my  
(iii) tg@whistleblower.com.my  
(iv) media@topglove.com.my

Website : <https://www.topglove.com>

### SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

#### Dato' Lim Han Boon

Tel : +603-3362 3098  
Email : hblim@topglove.com.my

### CHARTERED SECRETARIES

#### Chua Siew Chuan

SSM PC No.: 201908002648  
MAICSA No.: 0777689

#### Chin Mun Yee

SSM PC No.: 201908002785  
MAICSA No.: 7019243

#### Lim Keat See

SSM PC No.: 201908001159  
MAICSA No.: 7020290  
Tel. : +603-3362 3098  
Email : kslim@topglove.com.my

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Code : 7113  
Stock Name : TOPGLOV  
Listing Date : 27 March 2001

Main Board of Singapore Exchange  
Securities Trading Limited  
Stock Code : BVA  
Stock Name : Top Glove  
Listing Date : 28 June 2016

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

### REGISTRAR IN MALAYSIA

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur, Malaysia.

Tel. : +603-2084 9000  
Fax : +603-2094 9940  
+603-2095 0292

Email : info@sshhsb.com.my

### SHARE TRANSFER AGENT IN SINGAPORE

Boardroom Corporate & Advisory  
Services Pte. Ltd.  
50 Raffles Place,  
#32-01 Singapore Land Tower,  
Singapore 048623.

Tel. : +65-6536 5355  
Fax : +65-6438 8710  
Email : SRS.TeamC@boardroomlimited.com

### AUDITORS

Ernst & Young PLT  
202006000003  
(LLP0022760-LCA) & AF 0039  
Chartered Accountants  
Level 23A, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
50490 Kuala Lumpur, Malaysia.

### PRINCIPAL BANKERS

- BNP Paribas Malaysia Berhad
- CIMB Bank Berhad
- Citibank Berhad
- Deutsche Bank (Malaysia) Berhad
- Hong Leong Bank Berhad
- Industrial and Commercial Bank of China (Malaysia) Berhad
- Malayan Banking Berhad
- Mizuho Bank (Malaysia) Berhad
- MUFG Bank (Malaysia) Berhad
- OCBC Bank (Malaysia) Berhad
- Public Bank Berhad
- Siam Commercial Bank Public Company Limited
- Standard Chartered Bank Malaysia Berhad
- Sumitomo Mitsui Banking Corporation Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad
- Mizuho Bank Ltd. Ho Chi Minh City Branch

## BOARD OF DIRECTORS

### OUR VISION

To be your world class partner in gloves and healthcare products

### OUR MISSION

Ensuring safe human protection globally



1 DATO' LIM HAN BOON

2 LIM ANDY

3 AZRINA ARSHAD

4 SHARMILA SEKARAJASEKARAN

5 DATUK DR. NORMA MANSOR

6 DATUK NORIPAH KAMSO

7 TAN SRI DR LIM WEE CHAI

8 PUAN SRI TONG SIEW BEE

9 DATO' LEE KIM MEOW

10 TAN SRI RAINER ALTHOFF

11 LIM CHEONG GUAN

12 LIM HOOI SIN

Board of Directors

Board of Directors



**TAN SRI DR LIM WEE CHAI**

EXECUTIVE CHAIRMAN

<b>Date of Appointment</b>	: 4 September 2000 (Founder)
<b>Length of Service (as at 13 November 2020)</b>	: 20 years 2 months
<b>Date of Last Re-election</b>	: 8 January 2020

**Present Appointment(s):**

- Honorary Fellow of Institut Fizik Malaysia (IFM) since 2019
- President Emeritus in 2019/2020 and Council Member since 2010 of the Federation of Malaysian Manufacturers
- Life Honorary Advisor of the Federation of Chinese Associations Malaysia since 2011
- Honorary President of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) since 2017
- Chairman in 2019 and Non-Independent Non-Executive Director since 2017 of Tropicana Corporation Berhad
- Life Honorary President of the Federation of Hokkien Associations of Malaysia since 2017
- Honorary President of the Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry (KLSCCCI) since 2017
- Director and Board Member of the Employees Provident Fund since 2015
- Honorary President of the Malaysia-China Chamber of Commerce since 2012
- Honorary Advisor of the Klang Chinese Chamber of Commerce since 2011
- Honorary Advisor of the Lim Association of Malaysia since 2011
- Tzu Chi Foundation Commissioner and Volunteer
- Director of Kuen Cheng High School since 2008

**Past Appointment(s) and Working Experience:**

Tan Sri Dr Lim has been actively involved in many associations and organisations in Malaysia. He was the President of the Federation of Malaysian Manufacturers (FMM) in 2016/17. He served as a Director and Board Member of University of Malaya from 2015 to 2018, Council Member of the East Asia Business Council (EABC) from 2011 to 2015, and Director of the Association of Malaysian Medical Industries (AMMI). In addition, he was a Board Member of the Malaysian Rubber Board from 1998 to 1999 and also the President of the Malaysian Rubber Glove Manufacturers Association (MARGMA) from 1997 to 1999. Prior to that, he served as Vice-President, Honorary Secretary and Treasurer of MARGMA for seven (7) years.

**Family Relationship with any Director(s) and/or Substantial Shareholder(s) of the Company:**

Spouse of Puan Sri Tong Siew Bee and brother of Mr. Lim Hooi Sin, both of whom are Directors and indirectly Substantial Shareholders of the Company. He is also the father of Mr. Lim Jin Feng.

**Meeting Attendance in FY2020:**

<b>BOD</b>	<b>BIC</b>
8/8	3/3

**Board Committee Key:**

<span style="color: orange;">■</span> Board Committee Chairman	<b>BAC</b> Board Audit Committee
<span style="color: blue;">■</span> Board Committee Member	<b>BRMC</b> Board Risk Management Committee
	<b>BSC</b> Board Sustainability Committee



**DATO' LEE KIM MEOW**

MANAGING DIRECTOR

<b>Date of Appointment</b>	: 15 October 2003
<b>Date of Re-designation as Managing Director</b>	: 7 April 2009
<b>Length of Service (as at 13 November 2020)</b>	: 17 years
<b>Date of Last Re-election</b>	: 8 January 2019

**Present Appointment(s):**

- Trustee of MARGMA Foundation since 2015
- Chairman of the Asean Rubber Glove Manufacturers Association (ARGMA) since 2013

**Past Appointment(s) and Working Experience:**

Prior to joining Top Glove, Dato' Lee has more than fifteen (15) years of experience in the 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 twenty (20) years, Dato' Lee has been actively contributing to the development of the rubber glove industry in Malaysia as well as the ASEAN region. He has served for sixteen (16) years as a Board Member of the Malaysian Rubber Export Promotion Council (MREPC) from 2002 to 2016 and from 2018 to 2020. He was a Board Member of the Malaysian Rubber Board (MRB) and the Tun Abdul Razak Research Centre (TARRC) from 2010 to 2011 as well as a Past President of the Malaysian Rubber Glove Manufacturers Association (MARGMA). He was also the Chairman of the Organising Committee of the International Rubber Glove Conference and Exhibition (IRGCE) from 2014 to 2016.

**Meeting Attendance in FY2020:**

<b>BOD</b>	<b>BRMC</b>
8/8	5/5

**Board Committee Key:**

<b>BNRC</b> Board Nomination and Remuneration Committee	<b>ESOSC</b> Employees' Share Option Scheme Committee
<b>BIC</b> Board Investment Committee	<b>ESGPC</b> Employees' Share Grant Plan Committee

Board of Directors

Board of Directors



**DATO' LIM HAN BOON**

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 21 February 2011
<b>Date of Re-designation as Senior Independent Non-Executive Director</b>	: 8 January 2019
<b>Length of Service (as at 13 November 2020)</b>	: 9 years 8 months
<b>Date of Last Re-election</b>	: 9 January 2018

**Present Appointment(s):**

- Independent Non-Executive Director of LBS Bina Group Berhad since August 2020
- Founder/Director of Envo BPO Services Sdn. Bhd.
- Advisor to Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association, Malaysia
- Board Member of Kuen Cheng High School, Kuala Lumpur

**Past Appointment(s) and Working Experience:**

Dato' Lim started his career in the Chartered Accounting firm of Binder Hamlyn (now known as BDO). Subsequently, Dato' Lim spent more than twenty (20) years in the transportation and maritime logistics industry having worked for Kontena Nasional Berhad, Northport (Malaysia) Berhad as its General Manager, Corporate Services and NCB Holdings Berhad as the Group Financial Controller and Company Secretary.

He is also no stranger in the Global Business Services/Outsourcing Industry having spent more than fifteen (15) years in this line, being the founder of Envo BPO Services Sdn. Bhd.

**Board Committee(s) (as at 13 November 2020):**

- BAC** **BRMC** **BSC** **BNRC**
- BIC** **ESOSC** **ESGPC**

**Qualifications:**

- Master of Business Administration Degree from the University of South Australia, Australia
- Fellow of the Association of Chartered Certified Accountants, United Kingdom
- Chartered Accountant of the Malaysian Institute of Accountants
- Member of the Chartered Management Institute, United Kingdom
- Attended the Harvard Business School Senior Management Development Program

**Present Directorship(s):**

- Listed entity: LBS Bina Group Berhad
- Other public company: Nil

**Meeting Attendance in FY2020:**

BOD	BAC	BRMC	BSC	BNRC	BIC
8/8	9/9	5/5	4/4	5/5	3/3



**TAN SRI RAINER ALTHOFF**

INDEPENDENT NON-EXECUTIVE DIRECTOR (Malaysia Permanent Resident)

<b>Date of Appointment</b>	: 14 March 2013
<b>Length of Service (as at 13 November 2020)</b>	: 7 years 7 months
<b>Date of Last Re-appointment</b>	: 9 January 2018

**Present Appointment(s):**

- Non-Executive Chairman of Total Sports Asia Sdn. Bhd. since 2019
- Member of PBEC, Pacific Basin Economic Council since 2019
- Executive Council Member, The Economic Club of Kuala Lumpur since 2018
- (Non-Administrative) Honorary Chairman of the Brand Laureate World Foundation, Petaling Jaya since 2016
- Chief Executive Officer of ALC International Sdn. Bhd., Kuala Lumpur since 2009
- Member of Rotary Club Kuala Lumpur DiRaja since 2001

**Past Appointment(s) and Working Experience:**

Tan Sri Rainer has more than fifty (50) years of experience in the fields of Electrical Engineering and Electronics and additional knowledge in IT projects, mobile internet, factory automation, sustainability and digitalisation. He was the President and CEO of Siemens Malaysia Sdn. Bhd., Petaling Jaya for more than 11 years and also the spokesperson of Siemens for all Siemens operations and its affiliated companies in Malaysia.

He was a Board Director of Proton Holdings Berhad, Subang Jaya from 2009 to 2014, a Member of Board of Directors Group Lotus PLC from 2010 to 2011, the Chairman of Nokia Solutions and Networks Sdn. Bhd., Kuala Lumpur and Chairman of Coriant Malaysia Sdn. Bhd., Kuala Lumpur.

He was the Chairman of the Supervisory Board of Lauda Interactive AG, Darmstadt/Germany from 2016 to 2019 and Senior Advisor to T-Systems Malaysia Sdn. Bhd., Cyberjaya. He was also a Trustee of the Jeffrey Cheah Foundation and the Executive Chairman of RaceRoom Entertainment Sdn. Bhd.

**Board Committee(s) (as at 13 November 2020):**

- BRMC**

**Qualifications:**

- Master's Degree (Diploma) in Electronics and Electrical Engineering from Bergische University of Wuppertal, Germany
- MBA General Management Duke University, United States of America

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Meeting Attendance in FY2020:**

BOD	BRMC
8/8	5/5

Board of Directors

Board of Directors



**LIM HOOI SIN**  
EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 4 September 2000
<b>Length of Service (as at 13 November 2020)</b>	: 20 years 2 months
<b>Date of Last Re-election</b>	: 8 January 2019

**Board Committee(s) (as at 13 November 2020):** Nil

**Qualifications:**

- Charter Financial Consultant Diploma from American College, Pennsylvania, United States of America
- Master's Degree in Business Administration (Specialised in Applied Statistics) from Arizona State University, United States of America
- Bachelor of Science Degree in Management Science from Oklahoma State University, United States of America

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Present Appointment(s):** Nil

**Past Appointment(s) and Working Experience:**

Mr. Lim Hooi Sin spent fourteen (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 experiences include product development, marketing, recruiting, training and supervision of a large highly productive sales force. He was previously a Director of AAAA (Arizona Asian American Association). He has more than 20 years of experience in the USA glove market, having been the founder of TG Medical (U.S.A.), Inc. (a wholly-owned subsidiary of the Company) in 1994 and served as its Executive Vice President from 2001 to 2005 and President since 2005. He also sit on the Board of several private limited companies.

**Family Relationship with any Director(s) and/or Substantial Shareholder(s) of the Company:**

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

**Meeting Attendance in FY2020:**

<b>BOD</b>	8/8
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**LIM CHEONG GUAN**  
EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 31 August 2006
<b>Length of Service (as at 13 November 2020)</b>	: 14 years 2 months
<b>Date of Last Re-election</b>	: 8 January 2020

**Board Committee(s) (as at 13 November 2020):**

**BRMC** **BIC** **ESOSC** **ESGPC**

**Qualifications:**

- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants
- Bachelor's Degree in Accounting, University of Malaya, Malaysia

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Present Appointment(s):**

- Head of the Sustainability Steering Group since 2019
- Chairman of the Risk Working Committee since 2014
- Advisor to the Administrative Committee of Top Glove Foundation since 2008

**Past Appointment(s) and Working Experience:**

Mr. Lim Cheong Guan 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 over manufacturing, plantation, trading and property development.

**Meeting Attendance in FY2020:**

<b>BOD</b>	<b>BRMC</b>	<b>BIC</b>
8/8	5/5	3/3



**PUAN SRI TONG SIEW BEE**  
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 4 September 2000 (Co-Founder)
<b>Date of Re-designation as Non-Independent Non-Executive Director</b>	: 8 May 2019
<b>Length of Service (as at 13 November 2020)</b>	: 20 years 2 months
<b>Date of Last Re-election</b>	: 8 January 2019

**Board Committee(s) (as at 13 November 2020):**

**BSC**

**Qualifications:**

- Master of Business Administration from Sul Ross State University, Texas, United States of America
- Bachelor of Science Degree with Honours in Computer Science from University of Science, Malaysia

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Trustee of Yayasan Pendidikan Tzu Chi Malaysia

**Present Appointment(s):** Nil

**Past Appointment(s) and Working Experience:**

Puan Sri Tong has worked in the banking industry in the information technology field for more than ten (10) years; she was formerly attached to United Overseas Bank Berhad and Utama Bank Berhad.

**Family Relationship with any Director(s) and/or Substantial Shareholder(s) of the Company:**

Spouse of Tan Sri Dr Lim Wee Chai and sister-in-law of Mr. Lim Hooi Sin, both of whom are Directors and Substantial Shareholders of the Company. She is also the mother of Mr. Lim Jin Feng.

**Meeting Attendance in FY2020:**

<b>BOD</b>	<b>BSC</b>
8/8	3/4



**DATUK NORIPAH KAMSO**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 18 March 2015
<b>Length of Service (as at 13 November 2020)</b>	: 5 years 7 months
<b>Date of Last Re-election</b>	: 9 January 2018

**Board Committee(s) (as at 13 November 2020):**

**BRMC** **BAC** **BSC** **BNRC** **BIC** **ESOSC** **ESGPC**

**Qualifications:**

- Master of Business Administration from Marshall University, Huntington, West Virginia, United States of America
- Bachelor of Science Degree from Northern Illinois University, Dekalb, Illinois, United States of America
- Diploma in Business Studies, Institute Technology MARA, Malaysia

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Present Appointment(s):**

- Adjunct Professor for Faculty of Business Management, UiTM
- Adjunct Professor to School of Economics, Finance and Banking, UUM
- Board of Trustees, International Council of Islamic Finance Educators (ICIFE)
- International Advisory Board of Islamic Finance News (IFN)

**Past Appointment(s) and Working Experience:**

Datuk Noripah began her career with Urban Development Authority ("UDA") in 1980. In 1983, she joined Bank of Commerce (M) Berhad / CIMB Group and held various key positions in the CIMB Group until 2014 where her last position was as Advisor to CIMB Islamic (Wholesale Banking Business).

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. Datuk Noripah was a former Advisor of CIMB Islamic from 2013 to 2014.

She was also the Past President of the Malaysian Futures Brokers Association (MFBA). She was formerly a Global Practitioner in Residence in Principal Financial Group Centre for Global Citizenship, USA in 2015. In the academic year 2016/2017, she was a Fellow in Islamic Finance in Oxford Center for Islamic Studies (OCIS), an independent college of the University of Oxford, United Kingdom. She was the Chairman of Bank Kerjasama Rakyat Malaysia (being one of the Top 10 largest Islamic Banks in the world) and Chairman of Yayasan Bank Rakyat from 2018 to 2020.

**Meeting Attendance in FY2020:**

<b>BOD</b>	<b>BRMC</b>	<b>BAC</b>	<b>BSC</b>	<b>BNRC</b>	<b>BIC</b>
7/8	5/5	7/9	4/4	5/5	3/3

Board of Directors

Board of Directors



**SHARMILA SEKARAJASEKARAN**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 18 March 2015
<b>Length of Service (as at 13 November 2020)</b>	: 5 years 7 months
<b>Date of Last Re-election</b>	: 9 January 2018

**Board Committee(s) (as at 13 November 2020):**

**BSC** **BAC** **BNRC** **ESOSC** **ESGPC**

**Qualifications:**

- Barrister-At-Law, Middle Temple, United Kingdom
- Advocate & Solicitor, High Court of Malaya, Malaysia
- B.A. Law & Economics (Hons.), Keele University, United Kingdom
- Adjudicator, Kuala Lumpur Regional Centre for Arbitration

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Present Appointment(s):**

- Consultant in the Legal, Operations and Industry Development Departments of the RIM Group
- Partner of Jerald Gomez & Associates since 2011, areas of practice are Intellectual Property, Banking Litigation, Corporate Advisory and Family & Estate Claims

**Past Appointment(s) and Working Experience:**

Ms. Sharmila began her career as a legal assistant in 1998 with Messrs. Chooi & Co., and joined Messrs. Tay & Partners as a Senior Legal Assistant in the Intellectual Property Department in 2000.

She joined the RIM Group in year 2005 and held various positions in the RIM Group.

**Meeting Attendance in FY2020:**

BOD	BSC	BAC	BNRC
8/8	4/4	9/9	5/5



**DATUK DR. NORMA MANSOR**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 12 May 2017
<b>Length of Service (as at 13 November 2020)</b>	: 3 years 6 months
<b>Date of Last Re-election</b>	: 9 January 2018

**Board Committee(s) (as at 13 November 2020):**

**BNRC** **BRMC** **ESOSC** **ESGPC**

**Qualifications:**

- Doctor of Philosophy (Ph.D.) from University of Liverpool
- Master of Public Administration (MPA) from University of Liverpool
- Bachelor of Economics (Honours) Degree from University of Malaya

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Present Appointment(s):**

- Director of Yayasan MEA
- President of Malaysian Economic Association
- Director of Social Wellbeing Research Centre of University of Malaya

**Past Appointment(s) and Working Experience:**

Datuk Norma was a professor at the Faculty of Economics and Administration from 2000 to 2017. She held the position as the Executive Director of International Institute of Public Policy and Management from 2001 to 2004 and was subsequently appointed as Dean of the Faculty of Economics from 2004 to 2009.

Her past appointment includes the Ragnar Nurkse Visiting Professor of the School of Innovation and Governance, Tallinn University of Technology, Estonia in 2015; she was also seconded to the Prime Minister's Department as Secretary to the National Economic Advisory Council (NEAC) from 2009 to 2011.

**Meeting Attendance in FY2020:**

BOD	BNRC	BRMC
7/8	5/5	4/5



**AZRINA ARSHAD**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 8 January 2019
<b>Length of Service (as at 13 November 2020)</b>	: 1 year 10 months
<b>Date of Last Re-election</b>	: 8 January 2020

**Board Committee(s) (as at 13 November 2020):**

**BAC** **BSC** **BIC**

**Qualifications:**

- Post Graduate Diploma in Architecture (LAM, PAM, RIBA Part II), Oxford Brookes University, United Kingdom
- Diploma in Architecture (LAM, PAM, RIBA Part I), Universiti Institut Teknologi MARA, Malaysia

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Trustee of Yayasan Arshad Ayub

**Present Appointment(s):**

- Project Manager and Director of Zalaraz Sdn. Bhd.
- Freelance Project Architect & Manager of Focus Architects, Urban Designers & Planner, Ara Damansara

**Past Appointment(s) and Working Experience:**

Puan Azrina started her career in 1993 as an Assistant Architect in Arca-3 Arkitek, Kuala Lumpur and thereafter worked in various capacities in several architectural firms such as Focus Architects, Urban Designers and Planners in Selangor. She was also a part-time lecturer in Universiti Teknologi Malaysia (UTM) in year 1994.

Puan Azrina was appointed as a Non-Independent & Non-Executive Director of Sanichi Technology Berhad from January 2010 to August 2011. She is also a Director and Partner of I-Partnership Sdn. Bhd. (formerly known as Woods Bagot (M) Sdn. Bhd.) since year 1997, and the Founder and Director of the Teapot Café Sdn. Bhd. since 1996. She has given talks organised by the American Hardwood Export Council in Guangzhou and Chengdu in 2005.

**Meeting Attendance in FY2020:**

BOD	BAC	BSC	BIC
8/8	7/9	4/4	2/3



**LIM ANDY**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

<b>Date of Appointment</b>	: 8 January 2020
<b>Length of Service (as at 13 November 2020)</b>	: 10 months

**Board Committee(s) (as at 13 November 2020): Nil**

**Qualifications:**

- Master's Degree in Business Administration, University of California at Los Angeles
- Bachelor's Degree in Engineering, University of Cambridge, United Kingdom (1<sup>st</sup> Class Honours)

**Present Directorship(s):**

- Listed entity: Nil
- Other public company: Nil

**Present Appointment(s):**

- Honorary Consul General to the Republic of Lithuania in Singapore.
- Founder and Chairman of private equity firm Tembusu Partners Pte. Ltd.
- Chairman of Viking Offshore & Marine Ltd., a public listed company in Singapore.
- Executive Director of Associated Leisure International Pte. Ltd., a family holding company and Chairman of MoneyWorld Group of companies, a leading foreign exchange player with offices in China, Hong Kong and Singapore.
- Member of the Board of Trustees of the Home Affairs Uniformed Services (HUS) INVEST Fund.

**Past Appointment(s) and Working Experience:**

Mr. Lim Andy's past board appointments include President of the Enterprise 50 Association, Board of Trustee of Honour (Singapore) Limited, Chairman of Alpha Singapore and Council Member of the National Council Against Drug Abuse (NCADA).

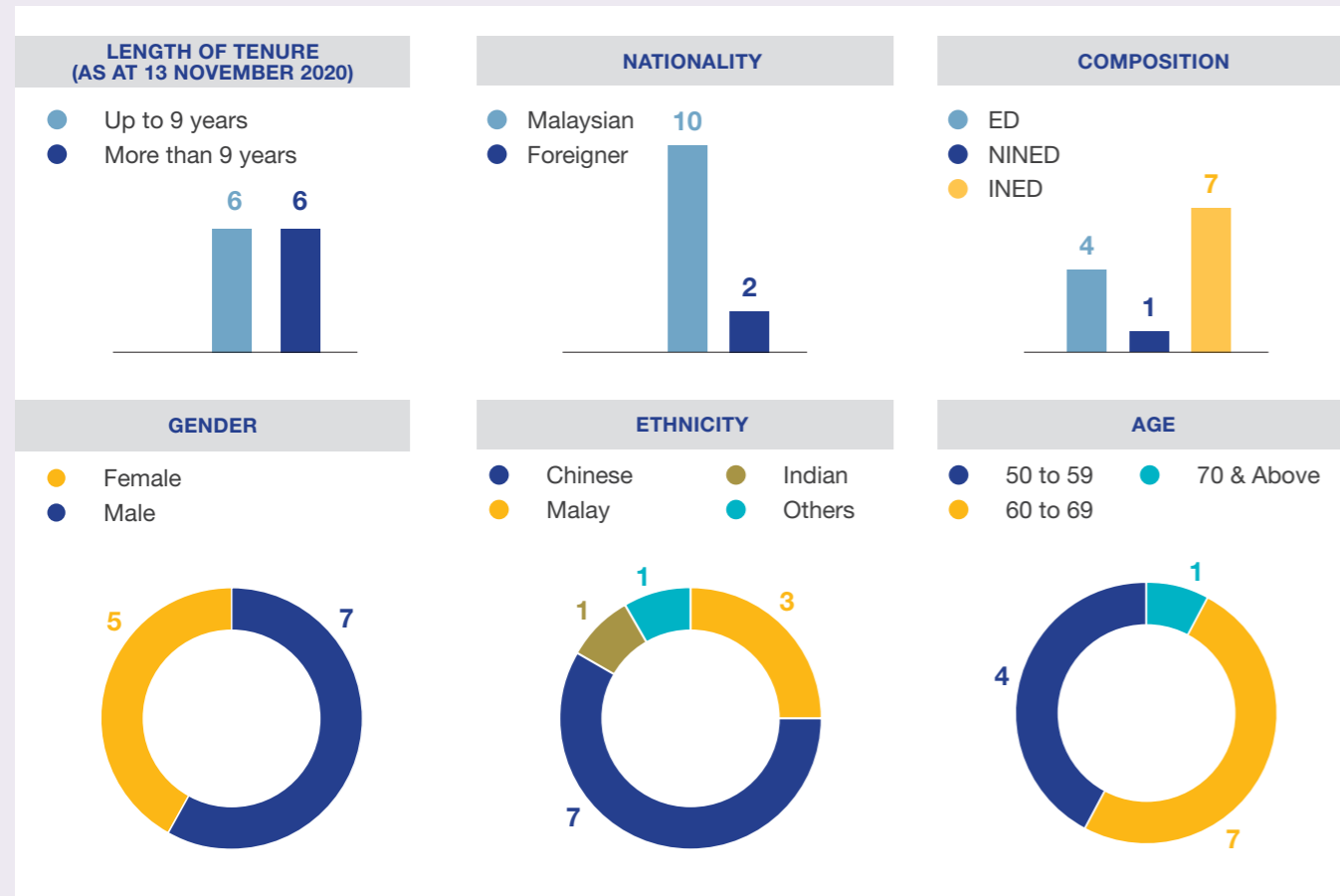
**Meeting Attendance in FY2020:**

BOD
4/5

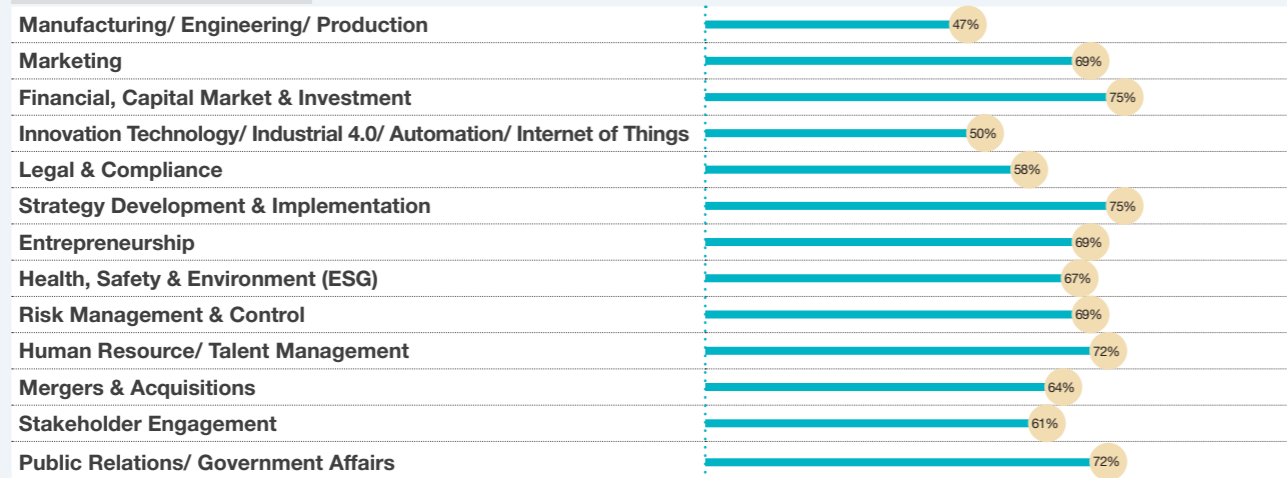
**Note:**

Save as disclosed, all other Directors have no family relationship with any Director(s) and/or Substantial Shareholder(s) of the Company, have no conflict of interest with the Company, have not been convicted of any offence within the past 5 years other than traffic offences, if any, and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

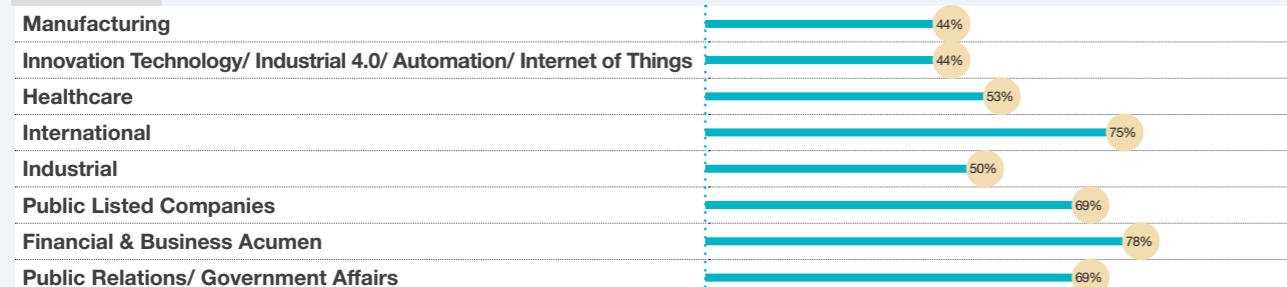
## A SKILLED AND DIVERSE BOARD



### KNOWLEDGE & SKILLS SET



### EXPERIENCE



## EXECUTIVE COMMITTEE

The Executive Committee is headed by the Executive Chairman, Tan Sri Dr Lim Wee Chai and consist of the following key senior management:



**Standing (From Left to Right):** Wong Chong Ban, Lim Cheong Guan, Lim Hooi Sin, Ng Yong Lin, Lew Sin Chiang

**Seated (From Left to Right):** Tan Sri Dr Lim Wee Chai, Dato' Lee Kim Meow

Please refer to pages 16, 17 and 20 of this Integrated Annual Report for the profiles of Tan Sri Dr Lim Wee Chai, Dato' Lee Kim Meow, Lim Cheong Guan and Lim Hooi Sin.

### WONG CHONG BAN

Chief Operating Officer,  
Joint Manufacturing Council

**Nationality:**  
Malaysian

**Age/ Gender:**  
48/ Male

**Qualification(s):**  
Bachelor of Science, Chemistry

**Experience:**  
More than 20 years of experience in the glove manufacturing industry

**Date of Appointment:**  
9 March 1998

### NG YONG LIN

Director,  
Joint Manufacturing Council

**Nationality:**  
Malaysian

**Age/ Gender:**  
35/ Male

**Qualification(s):**  
Bachelor of Engineering, Computer Aided Design/ Manufacturing

**Experience:**  
More than 10 years of experience in the glove manufacturing industry

**Date of Appointment:**  
1 June 2009

### LEW SIN CHIANG

Senior General Manager,  
Joint Manufacturing Council

**Nationality:**  
Malaysian

**Age/ Gender:**  
47/ Male

**Qualification(s):**  
Bachelor of Science, Industrial Chemistry

**Experience:**  
More than 20 years of experience in the glove manufacturing industry

**Date of Appointment:**  
16 March 1998

**Note:**

Mr. Lew is the brother-in-law of both Tan Sri Dr Lim Wee Chai and Puan Sri Tong Siew Bee.


























**Notes:**

Save as disclosed in the profile of Board of Directors and above, none of the key senior management has:

1. any directorship in public companies and listed issuers;
2. any family relationship with any directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences (other than traffic offences) within the past five (5) years; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

**SENIOR MANAGEMENT TEAM**

Senior Management Team

 <b>Melissa Cheoh Hooi Gaik</b> Chief Financial Controller	 <b>Wong Chong Ban</b> Chief Operating Officer, Joint Manufacturing Council	 <b>Hue Kon Fah</b> Executive Director (Subsidiary), Joint Manufacturing Council	 <b>Ng Yong Lin</b> Director, Joint Manufacturing Council	 <b>Noraziah Mahmud</b> Senior General Manager, Marketing	 <b>Jeremy Liew Say Keong</b> Senior General Manager, Finance	 <b>Lew Sin Chiang</b> Senior General Manager, Joint Manufacturing Council	 <b>John Wu Kin Yeap</b> Senior General Manager, Manufacturing
 <b>Aaron Lam Yat Hing</b> Senior General Manager, Marketing	 <b>Ravi A/L Supramaniam</b> General Manager, Manufacturing	 <b>Chookiad Usaha</b> Senior General Manager, Manufacturing	 <b>Leong Chew Mun</b> Senior General Manager, Marketing	 <b>William Yap Kok Lin</b> General Manager, Group Human Resources	 <b>Ong Ah Chye</b> General Manager, Manufacturing	 <b>Lee Shin Hwai</b> General Manager, Manufacturing	 <b>Ken Soo</b> Senior General Manager cum Assistant to Chairman
 <b>Tan Kian Guan</b> General Manager, Information Technology	 <b>Dorothy Ressel</b> V.P. Global Marketing & Sales, Member of the Management Board	 <b>Lim Hwa Chuan</b> General Manager, Joint Manufacturing Council	 <b>Apple Lau Wan Peng</b> General Manager, Marketing	 <b>Loo Sun Nooi</b> General Manager, Group Quality Assurance	 <b>Michelle Ang Peck Kean</b> General Manager, Sourcing & Procurement	 <b>Tan Chee Hoong</b> General Manager, Manufacturing	 <b>Puon Tuck Seng</b> General Manager, Operation Audit
 <b>Wilawan Sakulsongboonsiri</b> Deputy General Manager, Finance	 <b>Noor Akilah Saidin</b> Deputy General Manager, Regulatory Affairs System & Conformance and Corporate Integrity	 <b>Jack Lim Lung Fui</b> Head of Internal Audit	 <b>Loke Kean Mun</b> General Manager, Group Human Resources	 <b>Stephanie Thong Pei Ling</b> General Manager, Property & Leasing	 <b>Tan Chin Teong</b> General Manager, Manufacturing	 <b>Chang Chee Keong</b> Deputy General Manager, Tax	 <b>Chong Fei Meng</b> General Manager, Marketing
 <b>Tan Lee Sem</b> Deputy General Manager, Marketing	 <b>Ng Seow Wei</b> Deputy General Manager, Manufacturing	 <b>Kelvin Lee Kok Seng</b> Deputy General Manager, Manufacturing	 <b>Mansor Bin Daud</b> Deputy General Manager, Engineering	 <b>Chen Chew Lan</b> Deputy General Manager, Finance	 <b>Aileen Choh Ai Ying</b> Senior Manager, Marketing	 <b>Chan Siew Lan</b> Deputy General Manager, Finance	 <b>Yorck von Kries</b> General Manager, Marketing
 <b>Edwyn Poon Yew Hong</b> Manager, Marketing	 <b>Wendy Yeoh Heng Keow</b> Deputy General Manager, Marketing	 <b>Siah Ming Lei</b> Senior Manager, Marketing	 <b>Michelle Voon Wei-Ann</b> Deputy General Manager, Corporate Communications	 <b>Phattaraporn Fueangthong</b> Deputy General Manager, Finance	 <b>Thomas Buri</b> National Sales Manager	 <b>Lim Jin Feng</b> Deputy General Manager, Marketing	 <b>Kassy Lim Keat See</b> Company Secretary

## IN CONVERSATION WITH THE EXECUTIVE CHAIRMAN TAN SRI DR LIM WEE CHAI

## In Conversation With The Executive Chairman Tan Sri Dr Lim Wee Chai



### Q&A ▶

with Top Glove's Executive Chairman

#### THE BEST IS YET TO COME

Tan Sri Dr Lim Wee Chai, the man behind the Top Glove success story shares his thoughts on key issues that have emerged over the course of a very eventful FY2020. But as he often observes, while history is important, the future is more important. Always looking ahead and not content to rest on his laurels, he also provides insights into the bold targets he has set for the company and the promising outlook for Top Glove.

### Q1

Foreign labour has been an issue for the company. What would your comments be on this matter?

### A


Top Glove has been and remains committed to upholding fair labour practices and complying with requirements of laws of countries in which we have operations, while ensuring adequate measures are in place to protect the safety and well-being of our workforce. As an international business, we will continue to level up our practices to be in line with international standards, guidelines and best practices.

The allegations made in respect of our labour practices are highly inaccurate, and most issues have been resolved since January 2019, following concentrated efforts to improve in this very important area. The significant improvements made are also evidenced in the outcome of our social compliance audits.

In all we do, we are guided by our Corporate Values, as represented by the acronym R.I.V.E.R., which promote Respect, Integrity, Value, Empowerment and Relationship. Top Glove has been founded on good and positive values, which we will continue to practise. We also continue to identify ways to create a work environment in which everyone feels included, valued and appreciated.

In tandem, we also continue to invest in automation and digitalisation of our operations which we embarked on 3 years back when we commenced our journey towards Industry 4.0. This has resulted in substantially better cost and manufacturing efficiency. We have improved our productivity by 80% where workers per million pieces of gloves (WPM) have seen

a marked decrease from 8.4 WPM to the current 1.8 WPM, which in turn reduces our dependency on manual labour. This is also very much in line with our focus on recruiting more skilled talents, particularly in the areas of R&D and Engineering.

 For more details on the great strides we have made in the area of labour practices, please refer to the section titled *Creating Sustainable Value* on page 80.

As regards the Withhold Release Order (WRO) imposed by the U.S. Customs and Border Protection (CBP), Top Glove is pleased to affirm its commitment to remediating its migrant workers with respect to recruitment fees previously paid by these migrant workers to agents or other parties. The remediation will now be based on a larger sum of approximately RM136 million, which has been revised upwards in accordance with recommendations by the independent consultant, following completion of the independent consultant's comprehensive verification work. Migrant workers will receive remediation over the next 9 months, from November 2020 onwards. Top Glove had earlier made 3 remediation payments starting August 2020.

Top Glove has also duly submitted the necessary information to the U.S. CBP and is following up closely, with a view to an expeditious resolution and revocation of the WRO.

### Q2

The global surge in glove demand we're seeing now is largely pandemic-driven. How long do you expect this to last and how will the availability of a vaccine affect this?

### A

Global glove demand pre-COVID, was already growing steadily at a rate of 10% per annum driven by strong market fundamentals across all geographies. This was premised on:

- Gloves being an essential item in the healthcare sector, serving as a protective barrier for medical staff, with increasing customer awareness in developing markets.
- Gloves being relatively inexpensive and a disposable item, for which demand is recurring.
- Increasing hygiene standards and healthcare awareness in non-medical sectors (in developed countries) and medical sectors (in developing countries).
- A growing ageing population with the elderly being more susceptible to disease.
- Progressively stringent health regulations such as healthcare reforms in US and China.
- Emergence of new health threats for example COVID-19, A(H1N1), SARS, bird flu, Ebola, bio-terrorism, Anthrax.

With COVID-19, we estimate glove demand will grow by 20% per annum in 2020, 25% in 2021 and 15% post-pandemic. Our lead time (delivery) has gone up from 40 days to as much as 690 days presently. Hence, we have good reason to believe that there is more upside and the best is still yet to come.

We hope in earnest that a vaccine will be available very soon, to stem the spread of COVID-19 and alleviate loss of lives and livelihood. However, when a vaccine is found, it will take some time for it to be produced and subsequently, to be made available to the masses. And even with a vaccine, gloves will still be needed for testing and administering the vaccine.

In any case, while post-COVID glove demand will stabilise, we believe it will not revert to pre-pandemic levels owing to elevated levels of hygiene awareness across all segments of society, from medical practitioners, healthcare providers, first responders, caregivers to the public at large.

### Q3

What plans do you have to reward your loyal shareholders and investors, given the company's excellent performance in FY2020?

### A

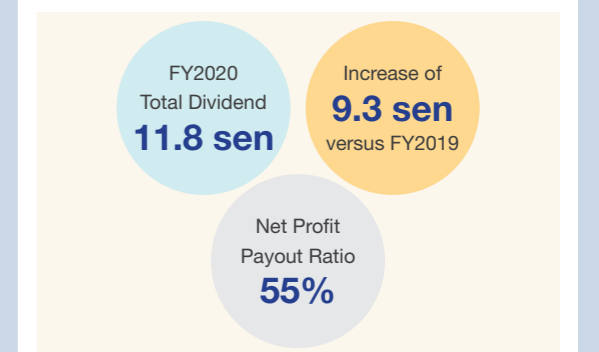
We are wholly committed to creating and enhancing shareholder value, and continue to work hard so we are well-positioned to reward our shareholders consistently and generously.

Top Glove's established Dividend Policy ensures a sustainable high dividend payout ratio of not less than 50% of our Profit After Tax and Minority Interests.

In FY2021, the Group will also be transitioning to quarterly dividend payments from a semi-annual basis, towards rewarding our shareholders more frequently, which will also assist our institutional investors in the distribution of dividends.

As Top Glove has performed exceptionally well in FY2020, we are pleased to have been able to reward our shareholders with a total yearly dividend of 11.8 sen, representing an increase of 9.3 sen or 372% over FY2019, and a net profit payout ratio of 55%.

With the strong performance we have delivered in FY2020, Top Glove's share price on Bursa Malaysia has also appreciated by approximately 447% YTD and 39,773% since listing in 2001, while on SGX it has appreciated by about 440% YTD and 957% since listing in 2016 as at 30 October 2020. We believe this is the best form of reward to our shareholders and investors.





**In Conversation With The Executive Chairman  
Tan Sri Dr Lim Wee Chai**

**Q4**

Top Glove's net cash position is healthy. How do you intend to leverage the good cashflow?

**A**

The robust cash flow from our operations has enabled us to retire an existing syndicated loan and as at 31 August 2020, the Group was in a positive net cash position of RM2.34 billion.

The Group's strong net cash position will be leveraged to fund ongoing organic capital expenditure (CAPEX) which includes capacity expansion, building new technologically advanced facilities and enhancement of existing manufacturing facilities.

To this end, we have earmarked RM10 billion to be invested in CAPEX over the next 5 years which will provide us with an additional capacity of 100 billion pieces of gloves, from which RM2 billion has been allocated for 2021. Additionally, the cash flow will also go towards advancing Industry 4.0 digitalisation across our operations and improvements to our workers' facilities.

Additionally, the earmarked amount will also be utilised for the construction of a surgical sterilisation plant, future M&As, as well as the acquisition of land bank for business expansion.

Finally, the cash will also go towards payment of dividends.

 **Positive net cash position of RM2.34 billion as at 31 August 2020**

 **RM10 billion earmarked for CAPEX investment over the next 5 years**

**Q5**

You have set an ambitious goal for Top Glove: to be a Fortune Global 500 company by the year 2035. How do you plan to achieve this?

**A**

At Top Glove, we're always asking "what's next?". We "dream big to achieve big" and our next big target is to become a Fortune Global 500 company by 2035. However, to achieve this, we need to grow 20 times, generate USD35 billion in sales revenue and scale up to 350 factories with 200,000 employees. This is not an easy feat, but we do not set goals that are easy to attain; we set goals that are good for the company and good for our stakeholders. To deliver on this target, we will continue to strategically invest in advanced technology, research and development as well as artificial and human intelligence. To support our ambitious growth agenda, we will also need to recruit 20,000 good talents, researchers and university graduates.

 **Our next big target is to become a Fortune Global 500 company by 2035**



**To achieve this, we need:**

- **USD35 billion in sales**
- **350 factories**
- **200,000 employees**

**Q6**

How well are sustainability considerations embedded into the company's strategy?


**A**

Sustainability has always been interwoven into Top Glove's corporate strategy, with our 3 key focus areas being the Economic, Environment and Social pillars. Over the course of doing business, which spans 3 decades, we continue to be mindful of our tremendous responsibility towards our multiple stakeholders. We are aware that our activities have the ability to impact the lives and the communities we serve, and ensure that we do so positively.

In FY2019, we embarked on a transformative path, formally establishing the Board Sustainability Committee, charged with the responsibility to steer our sustainability efforts forward as a responsible global company. We continue to be in active engagement with our stakeholders, with a view to not only delivering a better financial performance but also to conducting business more sustainably.

We have made great progress in our sustainability practices and continue to be committed to delivering the highest standards of corporate governance,

reducing our environmental footprint, creating a safe, healthy and inclusive workplace, as well as uplifting the living standards of the community.

 *The details of the progress charted in these areas can be found in the section titled Creating Sustainable Value on page 80.*

We are aware that much remains to be done and will continue to work hard, guided in equal parts by determination and desire to always do well by doing good.

**Our 3 Pillars of Sustainability:**



**Top Glove donated 3 million pieces of medical gloves to Malaysian hospitals, various government ministries, the Royal Malaysia Police and Malaysian charity organisations.**

## PERBUALAN BERSAMA PENGERUSI EKSEKUTIF TAN SRI DR LIM WEE CHAI



### Q&A

dengan Pengerusi Eksekutif Top Glove

## PRESTASI TERBAIK BAKAL DATANG

Tan Sri Dr Lim Wee Chai, pemimpin di sebalik kejayaan Top Glove berkongsi pendapatnya mengenai isu-isu penting yang muncul sepanjang TK2020. Tetapi seperti yang sering beliau perhatikan, walaupun sejarah penting, namun lebih penting adalah masa depan. Selalu melihat ke hadapan dan tidak berpuas hati dengan pencapaiannya setakat ini, beliau juga memberikan pandangan mengenai sasaran tinggi yang telah beliau tetapkan untuk syarikat dan prospek yang cerah untuk Top Glove.

### Q1

Tenaga buruh asing merupakan isu penting bagi syarikat. Apa komen Tan Sri mengenai isu ini?

### A


Top Glove telah dan tetap berkomitmen untuk menegakkan amalan buruh yang adil dan mematuhi undang-undang di negara-negara yang kami beroperasi, sambil memastikan langkah-langkah yang mencukupi dilaksanakan untuk melindungi keselamatan dan kesejahteraan tenaga kerja kami. Sebagai perniagaan antarabangsa, kami akan terus meningkatkan amalan agar sesuai dengan standard, panduan dan amalan terbaik antarabangsa.

Laporan yang dibuat berkaitan dengan amalan buruh Top Glove tidak tepat, kebanyakan isu telah diselesaikan sejak Januari 2019, berikutan usaha tertumpu dan penambahbaikan ketara yang juga dibuktikan dalam hasil audit kepatuhan sosial kami.

Dalam semua yang kami lakukan, kami mengikut panduan Nilai Korporat kami, seperti yang ditunjukkan oleh singkatan R.I.V.E.R., yang mempromosikan Hormat (*Respect*), Integriti (*Integrity*), Nilai (*Value*), Pernerdayaan (*Empowerment*) dan Hubungan (*Relationship*). Top Glove berasaskan nilai baik dan positif, yang akan terus kami amalkan. Kami juga terus mengenalpasti kaedah untuk mewujudkan persekitaran kerja di mana semua orang merasa dihargai.

Bersamaan dengan itu, kami juga terus melabur dalam automasi dan digitalisasi operasi yang kami mulakan 3 tahun yang lalu ketika kami memulakan perjalanan ke arah Industri 4.0. Ini telah menghasilkan kecekapan kos dan pembuatan yang jauh lebih baik. Kami telah meningkatkan produktiviti kami sebanyak 80% di mana pekerja per juta sarung

tangan (WPM) telah mengalami penurunan yang ketara dari 8.4 WPM ke 1.8 WPM semasa, yang seterusnya mengurangkan kebergantungan kami pada tenaga kerja manual. Ini juga sejajar dengan fokus kami dalam pengambilan bakat yang lebih mahir, terutama dalam bidang Penyelidikan dan Pembangunan (R&D) dan Kejuruteraan.

 Untuk keterangan lebih lanjut mengenai kemajuan besar yang telah kami buat di bidang amalan buruh, sila rujuk bahagian *Creating Sustainable Value* di halaman 80.

Berkenaan dengan Perintah Menahan Pelepasan (WRO) yang dikenakan oleh U.S. Customs Border and Protection (CBP), Top Glove dengan senang hati menegaskan komitmennya untuk menanggung bayaran pengambilan (*recruitment fees*) pekerja migrannya yang sebelum ini telah dibayar oleh pekerja migran kepada ejen atau yang lain pihak. Ini akan dibuat berdasarkan jumlah yang lebih besar sekitar RM136 juta, yang berikutan dengan cadangan oleh perunding bebas, setelah selesai kerja pengesahan komprehensif mereka. Pekerja migran akan mendapat pembayaran pemulihan selama 9 bulan akan datang, mulai November 2020 dan seterusnya. Top Glove sebelum ini telah melakukan 3 pembayaran pemulihan mulai Ogos 2020.

Top Glove juga telah menyerahkan maklumat yang diperlukan kepada U.S. CBP dan menindaklanjutinya dengan teliti, dengan tujuan penyelesaian cepat dan pembatalan WRO.

### Q2

Kenaikan permintaan global sarung tangan yang kita lihat sekarang adalah sebahagian besar didorong oleh pandemik COVID-19. Berapa lama akan ini dijangkakan bertahan dan bagaimana ketersediaan vaksin akan mempengaruhi ini?

### A

Permintaan global sarung tangan pra-COVID, sudah berkembang dengan stabil pada kadar 10% setahun yang didorong oleh asas pasaran yang kuat di merentas geografi. Ini berdasarkan pelbagai faktor iaitu:

- Sarung tangan adalah barang keperluan dalam sektor penjagaan kesihatan, berfungsi sebagai penghalang pelindung bagi staf perubatan, dengan peningkatan kesedaran pelanggan di pasaran berkembang.
- Sarung tangan berharga berpatutan dan sebagai barang pakai buang, permintaan akan berulang.
- Peningkatan standard kebersihan dan kesedaran penjagaan kesihatan di sektor bukan perubatan (di negara maju) dan sektor perubatan (di negara berkembang).
- Umur penduduk yang semakin meningkat dengan orang tua lebih mudah diserang penyakit.
- Peraturan kesihatan yang semakin ketat seperti reformasi dalam sektor penjagaan kesihatan di Amerika Syarikat dan China.
- Munculnya ancaman kesihatan baru seperti COVID-19, A (H1N1), SARS, selesema burung, Ebola, bioterorisme, Anthrax.

Berikutan COVID-19, kami menganggarkan permintaan sarung tangan akan meningkat 20% setahun pada tahun 2020, 25% pada tahun 2021 dan 15% pasca pandemik. Masa penghantaran utama kami telah meningkat dari 40 hari hingga 690 hari kini. Oleh itu, kami yakin bahawa prestasi terbaik bakal datang.

Kami berharap dengan sesungguhnya bahawa vaksin akan segera tersedia, untuk membendung penyebaran COVID-19 dan mengurangkan kehilangan nyawa dan pekerjaan. Walaupun vaksin telah dijumpai, ia memerlukan sedikit masa untuk dihasilkan dan kemudiannya, tersedia secara meluas. Lagipun, walaupun adanya vaksin, sarung tangan masih diperlukan untuk ujian dan pemberian vaksin.

Walau bagaimanapun, sementara permintaan sarung tangan pasca-COVID akan stabil, kami percaya ia tidak akan kembali ke tahap pra pandemik kerana peningkatan tahap kebersihan di semua segmen masyarakat, dari pengawai perubatan, penyedia penjagaan kesihatan, responden pertama, pengasuh ke orang awam.

## Perbualan bersama Pengerusi Eksekutif Tan Sri Dr Lim Wee Chai

### Q3

Apa rancangan Tan Sri untuk memberi ganjaran kepada pemegang saham dan pelabur setia Top Glove, memandangkan prestasi syarikat yang cemerlang pada TK2020?

### A

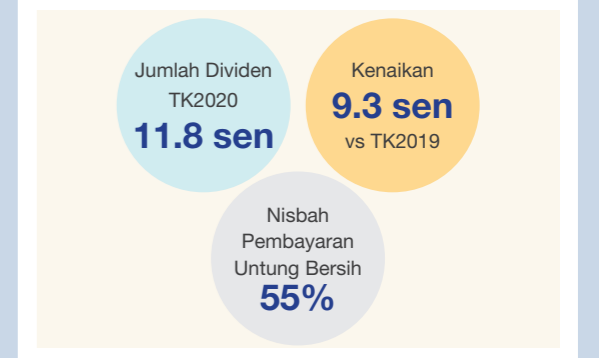
Kami komited sepenuhnya untuk menyampaikan dan meningkatkan nilai pemegang saham, dan terus bekerja keras agar kami sentiasa berada dalam kedudukan yang baik untuk memberi penghargaan kepada para pemegang saham kami secara konsisten dengan murah hati.

Polisi Dividen Top Glove yang ditetapkan memastikan nisbah pembayaran dividen tinggi yang berterusan tidak kurang daripada 50% Keuntungan Selepas Cukai dan Kepentingan Minoriti (PATAMI).

Pada TK2021, Kumpulan juga akan beralih kepada pembayaran dividen suku tahunan dari separuh tahunan, untuk memberi ganjaran kepada pemegang saham kami lebih kerap, yang juga akan membantu pelabur institusi kami dalam pengagihan dividen.

Berikutan prestasi syarikat yang sangat baik pada TK2020, kami gembira dapat memberi ganjaran kepada para pemegang saham, dengan jumlah dividen tahunan 11.8 sen, mewakili kenaikan 9.3 sen atau 372% berbanding TK2019, dan nisbah pembayaran untung bersih 55%.

Berikutan prestasi syarikat yang baik yang telah kami sampaikan pada TK2020, harga saham Top Glove di Bursa Malaysia juga telah meningkat sekitar 447% Tahun Hingga Kini (YTD) dan 39,773% sejak disenaraikan pada tahun 2001, sementara di SGX ia telah meningkat sekitar 440% Tahun Hingga Kini (YTD) dan 957% sejak disenaraikan dalam 2016 pada 30 Oktober 2020. Kami percaya ini adalah bentuk ganjaran terbaik kepada pemegang saham dan pelabur kami.



Perbualan bersama Pengerusi Eksekutif  
Tan Sri Dr Lim Wee Chai

## Q4

Kedudukan tunai bersih Top Glove adalah positif. Bagaimana Tan Sri berhasrat memanfaatkan aliran tunai yang baik?

## A

Aliran tunai yang kuat dari operasi kami membolehkan kami menyelesaikan pinjaman sindiket yang semasa dan pada 31 Ogos 2020, Kumpulan berada pada kedudukan tunai bersih yang positif sebanyak RM2.34 bilion.

Kedudukan tunai bersih Kumpulan yang kuat akan dimanfaatkan untuk membiayai perbelanjaan modal (CAPEX) organik yang berterusan yang merangkumi pengembangan kapasiti, membina kemudahan teknologi baru dan peningkatan kemudahan pembuatan yang sedia ada.

Untuk tujuan ini, kami telah memperuntukkan RM10 bilion untuk pelaburan CAPEX dalam tempoh 5 tahun yang akan datang, membawa kapasiti tambahan sebanyak 100 bilion keping sarung tangan, dari mana RM2 bilion diperuntukkan untuk tahun 2021. Selain itu, aliran tunai akan disalurkan ke arah kemajuan digitalisasi Industri 4.0 di seluruh operasi kami dan peningkatan kemudahan pekerja kami.

Selain itu, jumlah yang diperuntukkan juga akan digunakan untuk pembinaan loji pensterilan pembedahan, penggabungan dan pengambilalihan (M&A) di masa depan, dan juga pemerolehan bank tanah untuk pengembangan perniagaan.

Akhirnya, wang tunai juga akan digunakan untuk pembayaran dividen.



**Kedudukan tunai bersih yang positif sebanyak RM2.34 bilion pada 31 Ogos 2020**



**Memperuntukkan RM10 bilion untuk pelaburan CAPEX dalam tempoh 5 tahun yang akan datang**

## Q5

Tan Sri telah menetapkan matlamat yang tinggi untuk Top Glove menjadi Syarikat *Fortune Global 500* menjelang tahun 2035. Bagaimana Tan Sri merancang untuk mencapainya?

## A

Di Top Glove, kami selalu bertanya “apa selanjutnya?”. Kami “bermimpi besar demi mencapai yang besar” dan sasaran besar kami yang seterusnya adalah menjadi Syarikat *Fortune Global 500* menjelang 2035. Namun, untuk mencapainya, kami perlu berkembang 20 kali ganda, menjana pendapatan jualan sebanyak USD35 bilion, dan meningkatkan skala sehingga 350 kilang dengan 200,000 pekerja. Ini bukan pencapaian yang mudah, tetapi kami tidak menetapkan matlamat yang mudah dicapai; kami menetapkan matlamat yang baik untuk syarikat dan baik untuk pihak berkepentingan kami. Untuk mencapai sasaran ini, kami akan terus melabur secara strategik dalam teknologi canggih, penyelidikan dan pengembangan serta kecerdasan buatan dan manusia. Untuk menyokong agenda pertumbuhan yang bercita-cita tinggi, kami juga perlu merekrut 20,000 bakat, penyelidikan dan lulusan universiti.



**Sasaran besar kami yang seterusnya adalah menjadi Syarikat Fortune Global 500 menjelang 2035**



Untuk mencapai ini, kami perlu:

- Pendapatan Jualan sebanyak USD35 bilion
- 350 kilang
- 200,000 kakitangan

## Q6

Sejauh mana pertimbangan kelestarian tertanam dalam strategi syarikat?

## A

Kelestarian selalu terjalin dalam strategi korporat Top Glove, dengan 3 bidang fokus utama kami adalah Ekonomik, Alam Sekitar dan Sosial. Sepanjang menjalankan perniagaan, yang merangkumi 3 dekad, kami terus memperhatikan tanggungjawab besar kami terhadap pelbagai pihak yang berkepentingan. Kami sedar bahawa aktiviti kami mempunyai kesan terhadap kehidupan dan komuniti kami dan memastikan bahawa impak kami positif.

Pada TK2019, kami memulai jalur transformatif, secara formal menubuhkan Lembaga Jawatankuasa Kelestarian, untuk mendorong usaha kelestarian kami ke hadapan sebagai sebuah syarikat global yang bertanggungjawab. Kami terus terlibat aktif dengan pihak berkepentingan kami, dengan tujuan untuk tidak hanya memberikan prestasi kewangan yang lebih baik tetapi juga untuk menjalankan bisnes dengan lebih kelestarian.

Kami telah mencapai kemajuan yang besar dalam amalan kelestarian kami dan terus berkomitmen untuk memberikan standard tadbir urus korporat tertinggi, mengurangkan jejak persekitaran kami, mewujudkan tempat kerja yang selamat, sihat dan inklusif, serta meningkatkan taraf hidup masyarakat.



Untuk perincian kemajuan yang telah kami catitkan di bidang ini, sila rujuk bahagian *Creating Sustainable Value* di halaman 80.

Kami sedar bahawa masih banyak yang harus dilakukan dan akan terus bekerja keras, dibimbing dengan tekad dan keinginan untuk selalu melakukan yang terbaik.

## 3 Tonggak Kelestarian Kami:



Ekonomik



Alam Sekitar



Sosial



Tan Sri Dr Lim Wee Chai dan Dato' Lee Kim Meow menyampaikan Anugerah Kilang Terbaik 2019/2020 kepada Majlis Pembuatan Bersama (JMC) Encik Wong Chong Ban (ke-3 dari kanan) diiringi oleh Ketua Kilang (HOF), Encik Kelvin Lee (ke-5 dari kanan) (mewakili Kilang 32). Anugerah naib juara pertama diberikan kepada Kilang 11, diterima oleh Encik Wong Chong Ban (JMC) dan disertai oleh Cik Ng Seow Wei (HOF) (ke-2 dari kanan) dan anugerah naib juara kedua diberikan kepada Kilang 14, yang diterima oleh Encik Lew Sin Chiang (JMC) dan ditemani oleh Encik Ravi (HOF). Selanjutnya, Anugerah Peningkatan Kilang Terbaik diberikan kepada Kilang 15 dan Kilang 12, yang diterima oleh Encik Hue Kon Fah (JMC) (ke-2 dari kiri) diiringi oleh Encik Ong Ah Chye (HOF mewakili Kilang 12) (barisan kedua, paling kiri).

与执行主席的对话  
丹斯里林伟才博士与执行主席的对话  
丹斯里林伟才博士

## Q&amp;A

与顶级手套执行主席

## 展望未来更佳的表现

顶级手套重大成就背后的功臣——丹斯里林伟才博士，分享了他对2020财年关键议题的看法。正如丹斯里林伟才常言，尽管历史扮演着重要的角色，未来的发展更不可忽略；我们必须时刻展望未来，不因现有的成就而感到得意忘形。丹斯里林伟才亦在本篇文章中透露了本身为集团所设定的重大目标，以及顶级手套的乐观前景。

## Q1

外籍劳工一直是贵集团充满争议的课题之一。您对此事有何看法？

## A

无论过往或现在，顶级手套持续秉持着公平的劳工实践，并遵守各个国家的法定需求，同时采取适当的措施以维护和保障员工的安全与福利。作为一家国际企业，本集团将不断提升水准以达至国际社会标准、指南及最高水平。

外界对于我们剥削劳工福利的指控极其不准确，自2019年1月以来，本集团集中精力为这一方面做出了很大的改进，大多问题也已得到妥善解决。我们的社会责任审核报告也进一步核实了集团于此方面所做出的重大改进。

本集团所做的一切事务，皆以顶级手套的企业价值观作为指标，简称 R.I.V.E.R，提倡：尊重 Respect、诚信 Integrity、价值 Value、赋权 Empowerment 及关系 Relationship。顶级手套自创办以来建立于良好和正面的价值观上，并将持续实践这些正向理念。我们亦会不断寻找方法以创建人人都受包容、被重视及获得赏识的工作环境。

与此同时，集团亦持续于业务方面投资自动化及数字化，此倡议在顶级手套已经开始了三年，引领我

们迈向工业4.0的步伐。实质上，这为集团带来更佳的成本及生产效率。本集团目前已提升了80%的生产率，而生产手套所需人工（WPM）亦由8.4人（每百万只）大幅度下降至1.8人（每百万只）。反言之，这为集团减少了对劳力的依赖，并推广我们走向精英化的未来，尤其于研发及工程领域。

预知更多有关本集团如何于劳工福利方面取得巨大改进的详细说明，请参考于第80页的 *Creating Sustainable Value* 章节。

对于美国海关和边境保护局（CBP）对顶级手套施加的“暂扣令”（WRO），本集团非常乐意地承担补偿外籍劳工先前所支付于代理商或其他机构的招聘费。随着独立顾问完成全面的核查后，补偿金目前为大约马币1亿3600万。从2020年11月起，外籍劳工将在接下来的9个月内按月获得补偿金。顶级手套较早前已于2020年8月起完成了三次的补偿金付款。

顶级手套也及时向美国CBP一方提交了相关的资料，并正密切接洽中，以尽快地撤销“暂扣令”。

## Q2

目前全球手套需求量激增，很大程度上是因疫情所致。您预计此现象将会维持多久？疫苗的面世又将对此现象带来什么改变？

## A

在新型冠状病毒爆发前，全球手套需求量已在各地区强劲市场需求的推动下，以每年10%的增长率稳定上升。此现象基于：

- 手套乃医疗保健领域中不可或缺的物品，除了作为医护人员的防护屏障，发展中国家的客户意识亦日益增强。
- 作为一次性用品，手套价格相对廉价，为此需求不断增加。
- 卫生标准和保健意识于非医疗领域（先进国）及医疗领域（发展中国家）中不断提升。
- 人口老化现象，年迈人士更容易患上疾病。
- 逐步严格的卫生法则，例如：美国及中国的卫生改革。
- 新增的流行性疾病，如：新型冠状病毒肺炎、甲型H1N1流感病毒、严重急性呼吸道综合征、禽流感、埃博拉病毒、生物恐怖主义、炭疽病等。

随着新型冠状病毒的来袭，本集团预计手套需求量将于2020年、2021年及疫情缓和后分别增长20%、25%及15%。我们的交货期由原先的40日增加至目前的690日之多。因此，我们有充分的理由相信市场仍拥有极大的进步空间，并展望在未来创下更佳的表现。

我们衷心盼望疫苗早日面世，以阻止新型冠状病毒的传播及减轻生命和生计的流失。然而，疫苗面世后，其生产方面将花上一些时日，才能被派发与施行于大众。此外，即便有了疫苗，手套仍是测试及注射疫苗的必需品。

无论如何，尽管手套的需求量将于新型冠状病毒后期逐渐稳定，我们相信其需求量并不会恢复至病毒前的水平，这有鉴于社会各阶层人士对公共卫生意识的提升，由医务人员、医疗保健人员、前线人员、护理人员至广大民众。

## Q3

凭借贵集团于2020财年出色的表现，您有什么计划以回馈忠实的股东及投资者们？

## A

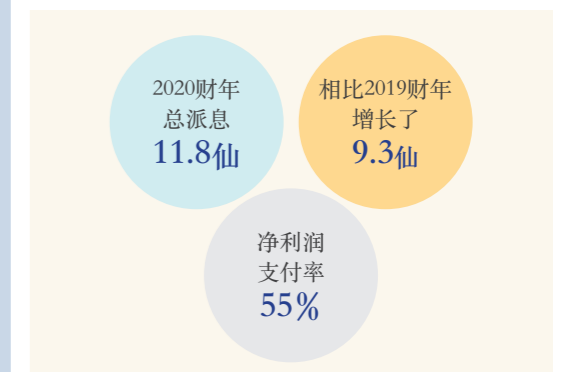
我们承诺于全心全意创造及提升股东价值，并努力地工作，以确保本集团有能力持续地回馈股东们。

顶级手套的股息政策既定了可持续性的高股息支付率，该比率不低于扣除少数股东权益后的净利润的50%。

于2021财年，本集团亦将从半年制股息支付转变成季度制股息支付，以更高频率地奖励其股东，这也为本集团的机构投资者在分配股息的当下给予帮助。

凭借顶级手套在2020财年的优越表现，我们很高兴能够回报于股东们总值11.8仙的派息，相比2019财年，此次股息增长了9.3仙或372%，而净利润支付率为55%。

截至2020年10月30日，顶级手套的股价在过去的一年里在马来西亚股票交易所增长了447%，此股价相比2001年上市至今增长了39,773%；而在新加坡交易所，该股价则在过去的一年里增长了440%，此股价相比2016年二次上市至今增长了957%。我们相信，这是本集团回馈于股东及投资者最佳的方式。



与执行主席的对话  
丹斯里林伟才博士

与执行主席的对话  
丹斯里林伟才博士

# Q4

顶级手套净现金流状态良好。您打算如何善用此良好的现金流？

# A

强劲的业务与现金流让本集团得以偿还现有的银团贷款，截至2020年8月31日，顶级手套净现金流为马币23.4亿。

良好的净现金流状况也将资助本集团持续性的资本支出（CAPEX），包括扩大产能、新建先进科技设施以及增强现有生产设施。

为此，本集团已拨出马币100亿的资金用于未来5年的资本支出，这将为我们提供额外1,000亿只的手套产量，其中的马币20亿也已被分配用于2021年。此外，该现金流亦将用于集团在工业4.0里的科技提升以及改善工人的基本设施。

另外，指定数额的现金流也将被用于建设外科手术手套的消毒工厂、未来的并购、以及土地收购来扩大本集团的业务。

最后，现金流亦将被用于支付股息。



净现金流为马币23.4亿  
截至2020年8月31日



马币100亿的资金用于  
未来5年的资本支出

# Q5

您已为顶级手套设定了一个雄心壮志的目标：于2035年前挤进财富世界500强。您打算如何实现这一目标？

# A

于顶级手套，我们不断地问自己一个问题：“下一步是什么？”。我们时刻提醒员工要先有伟大的梦想，才能成就更大的企业，而我们接下来的重大目标便是于2035年前迈入财富世界500强公司之榜单。然而，为了达至此目标，本集团还须增长20倍、创造350亿美元的销售额及增加至350间工厂，并拥有200,000名员工。这并非轻而易举之事，但我们特意设下艰难的目标，因为这些目标将在长远的旅程上有利于本集团及我们的权益持有者。为了实现这愿景，我们将持续地投资于先进科技、研发以及人工和人类智能。除此之外，我们还需新聘20,000名优秀人才、研究人员及大学毕业



我们接下来的重大目标便是于  
2035年前迈入财富世界500强  
公司之榜单



为了达至此目标，本集团需要：

- 350亿美元的销售额
- 350间工厂
- 200,000名员工

# Q6

如何将永续发展纳入于集团的策略中？

# A

永续发展一直是顶级手套企业策略之一，凭着三大重点领域：经济、环境及社会支柱。经过长达3个世纪的业务经营过程，本集团不曾忘记我们对于权益持有者们巨大的责任。我们清楚明白本集团的一切行为将会对我们所服务的社区环境带来直接的影响，并确保我们能作出正面的贡献。

于2019财年，我们步上了转型之路，正式成立了永续发展董事委员会，负责领导我们以一家富有责任与使命感的全球公司，并致力于永续发展做出努力。我们将积极地维持与权益持有者的关系，以取得更卓越的财务业绩，并使其业务更具有可持续性。

本集团于永续发展实践方面取得了重大的进步，并不停地致力于提供最顶尖水准的公司治理、减少对环境的影响、创造一个既安全又健康，并充满包容性的工作环境、及提升社区的生活水平。



预知有关这些领域阶段性进展的详细资料，可参考于第80页的 *Creating Sustainable Value* 章节。

我们清楚明白，顶级手套仍有许多使命必须完成，我们将不断地努力工作，在决心及愿景的指引下，以行善得福的方式做好业务。

集团永续发展三大支柱：



经济



环境



社会



上图于顶级手套董事会于2020年1月8日出席位于顶级手套大楼举办的零贪污宣誓签字仪式。（左起）Puan Azrina Arshad、Ms. Sharmila Sekarajasekaran、丹斯里林伟才博士、拿督林汉文、拿督李金谋、丹斯里 Rainer Althoff、新委任独立非执行董事林殷先生、及林将源先生（最右侧）。

## LETTER TO STAKEHOLDERS AND MANAGEMENT DISCUSSION & ANALYSIS



## Letter to Stakeholders and Management Discussion & Analysis

The Group's exceptional results were attained despite having to manage several challenges, which included the imposition of a Withhold Release Order (WRO) by the U.S. Customs and Border Protection (CBP) on 2 of the Group's subsidiaries, Top Glove Sdn. Bhd. and TG Medical Sdn. Bhd. on 15 July 2020.

Top Glove has made great improvements in its labour-related issues and there is no child labour, no excessive overtime, no working on rest days and no confiscation of passports across its operations. In this regard, Top Glove's compliance with labour and social compliance standards, as well as international best practices has also been verified by an independent consultant.

Top Glove remains committed to remediating its migrant workers with respect to recruitment fees previously paid by the migrant workers to agents or other parties. The remediation will be based on the sum of RM136 million, in accordance with recommendations by the independent consultant, following the completion of the independent consultant's comprehensive verification work. Remediation payment already commenced in August 2020 and will continue as scheduled until July 2021.

In the meantime, Top Glove has duly submitted all necessary information to the U.S. CBP and continues to follow up closely with them towards an expeditious revocation of the WRO.

The Group is aware that in business, challenges cannot be averted altogether. It believes in maintaining the "3 Healths" namely mental health, physical health and financial health, which position it to overcome these challenges and emerge even stronger.

### Management Discussion & Analysis

For the full financial year 2020, Top Glove's Sales Revenue amounted to a new record-high of RM7.24 billion, up an astounding 51% from FY2019. Meanwhile, the Group's Profit After Tax soared to RM1.79 billion, a spike of 384% from the previous financial year. Sales Volume also grew by 17% versus FY2019. The Group's FY2020 performance is summarised in the following charts.

DEAR FELLOW STAKEHOLDERS,

### AN UNSURPASSED PERFORMANCE IN AN UNPRECEDENTED YEAR

In Financial Year 2020, Top Glove achieved its most sterling financial and corporate performance to date, delivering new highs in a new normal.

At a time of extraordinary difficulty arising from the COVID-19 pandemic, we count it a privilege to be in a position to help protect and save lives all over the world with our gloves. Our results demonstrate that indeed, we do well by doing good. These accomplishments also speak to the effectiveness of the Group's time-tested approach of not allowing external circumstances to dictate performance. Rather, Top Glove concentrates on internal factors within its control, focusing on the key areas of quality, efficiency, innovation, R&D, advanced technology and most importantly, its people.

### Multiple record-breaking achievements in FY2020

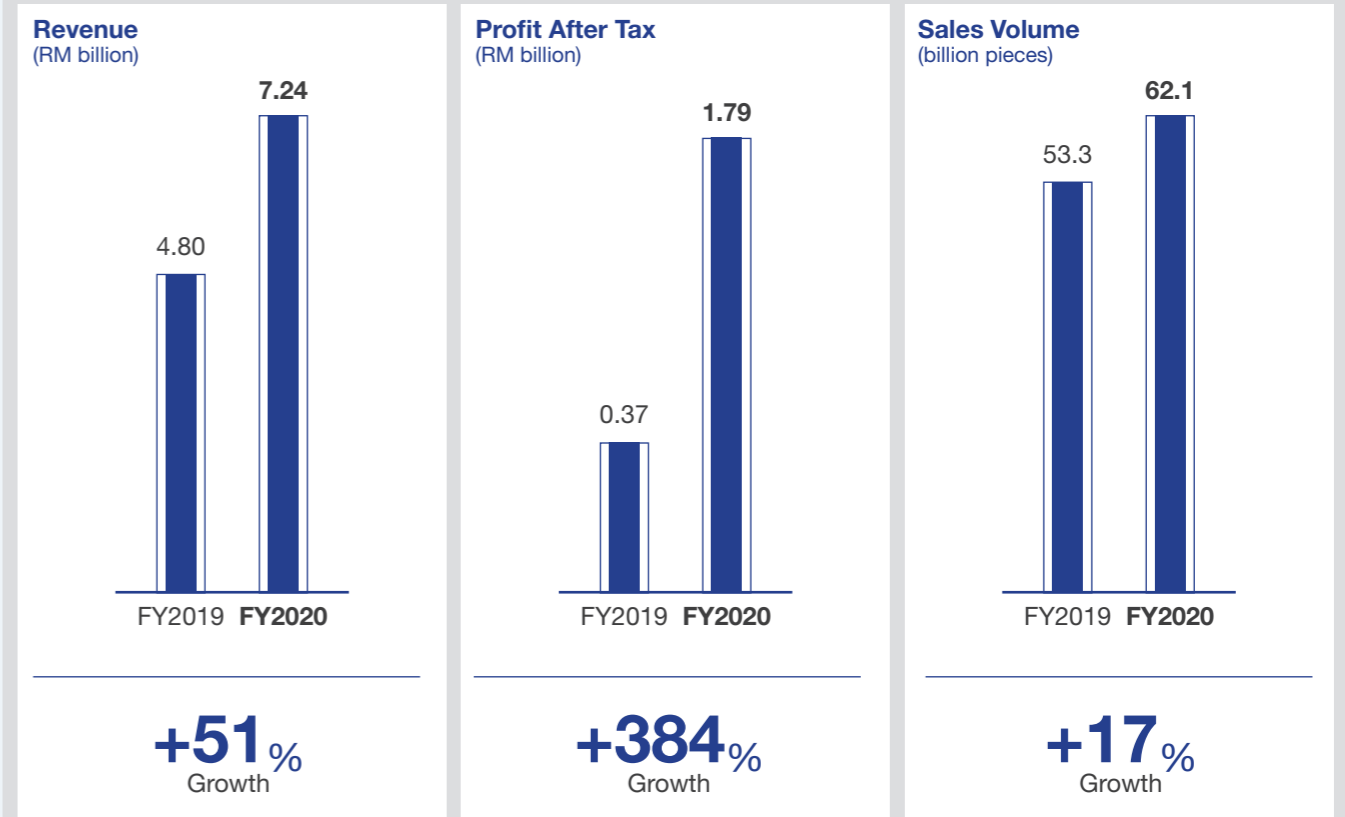
Unparalleled Sales Revenue of  
**RM7.24 billion**  
(up 51% versus FY2019)

Unmatched Profit After Tax (Net Profit) of  
**RM1.79 billion**  
(up 384% versus FY2019)

Emerged **the world's largest manufacturer of nitrile gloves** in addition to being the world's largest manufacturer of rubber gloves and surgical gloves

**Ranked the 2<sup>nd</sup> largest company** by market capitalisation on Bursa Malaysia with a value of about RM70.2 billion as at 30 October 2020.

### TOP GLOVE'S FY2020 SALES REVENUE, PROFIT AFTER TAX AND SALES VOLUME VERSUS FY2019

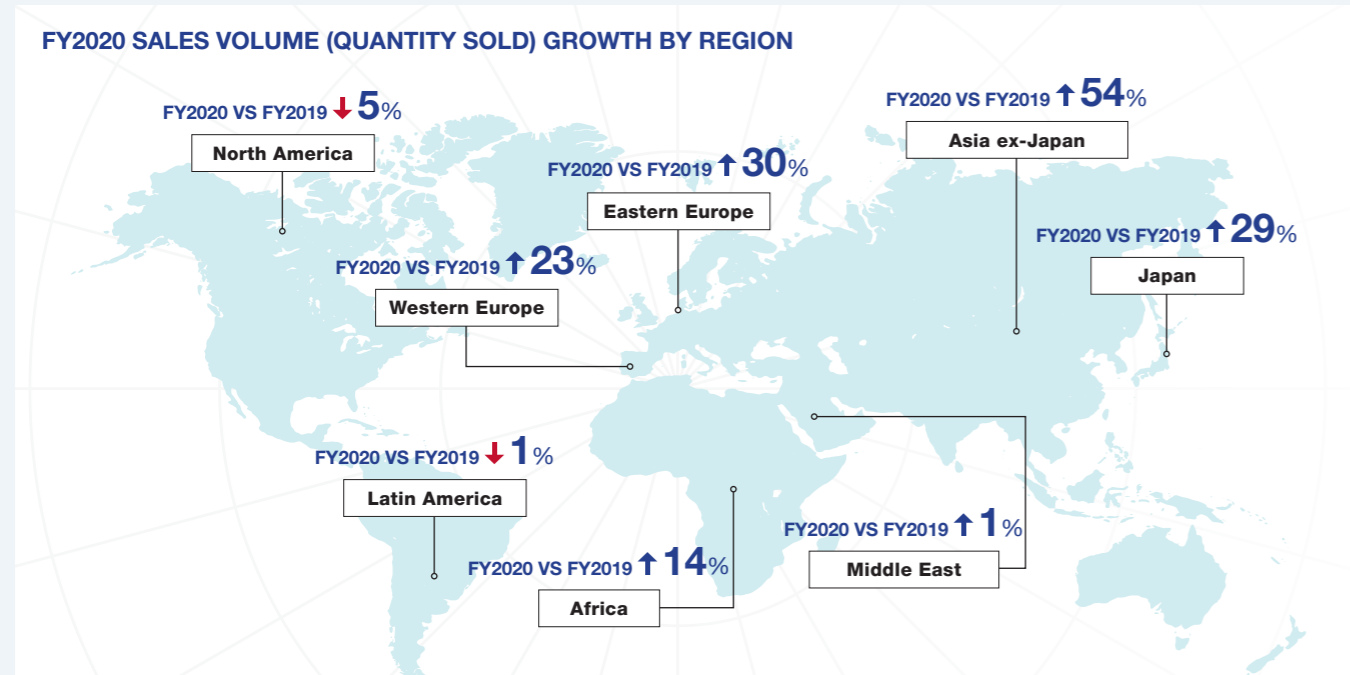


**Letter to Stakeholders and Management Discussion & Analysis**

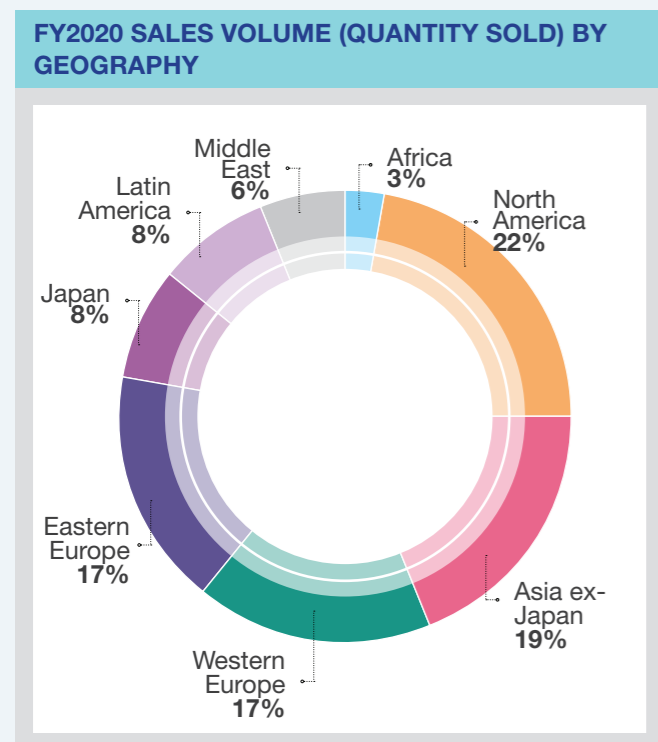
The tremendous growth stemmed from a global surge in demand for gloves on the back of the COVID-19 pandemic. FY2020 demand growth was especially strong in Asia ex-Japan, Eastern Europe and Western Europe rising by 54%, 30% and 23% respectively compared with FY2019.

Most robust was demand for nitrile gloves which grew by 31% year-on-year, while natural rubber examination gloves also saw growth of 7% versus the corresponding period in FY2019. Reflecting market demand, average selling prices (ASPs) were also adjusted upwards.

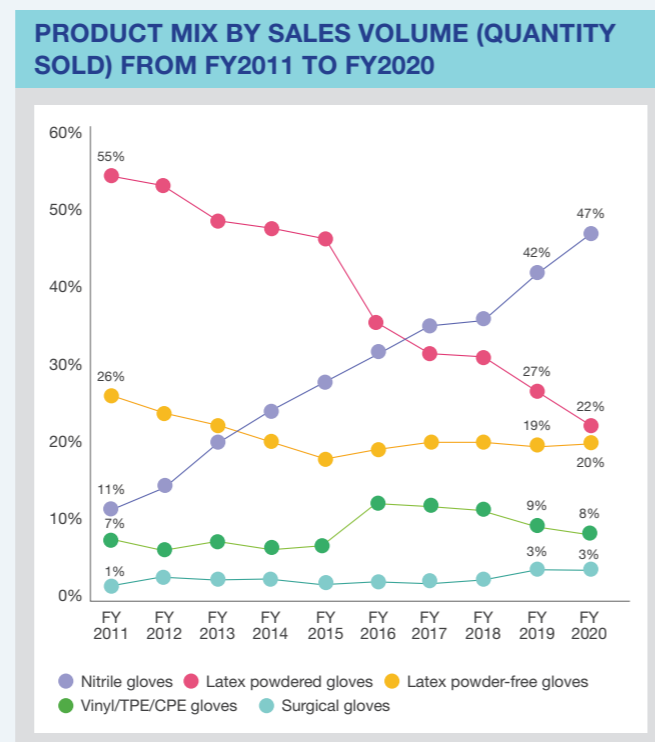
FY2020 Sales Volume (Quantity Sold) growth by region is depicted below.



The geographical breakdown of Sales Volume (Quantity Sold) for FY2020 is depicted below.



Our product mix by Sales Volume (Quantity Sold) from FY2011 to FY2020 is depicted below.

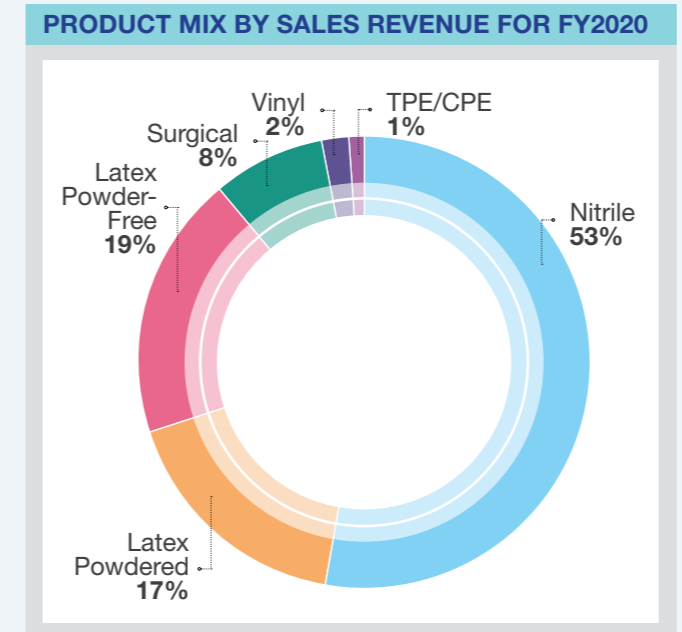


**Letter to Stakeholders and Management Discussion & Analysis**

syndicated loans in entirety which amounted to RM654 million. As at 31 August 2020, the Group was in a positive net cash position of RM2.34 billion.

Furthermore, the Group also achieved improvements in working capital cycle which decreased to 15 days in FY2020 from 55 days in FY2019. The diagrams below depict the working capital cycle for FY2020.

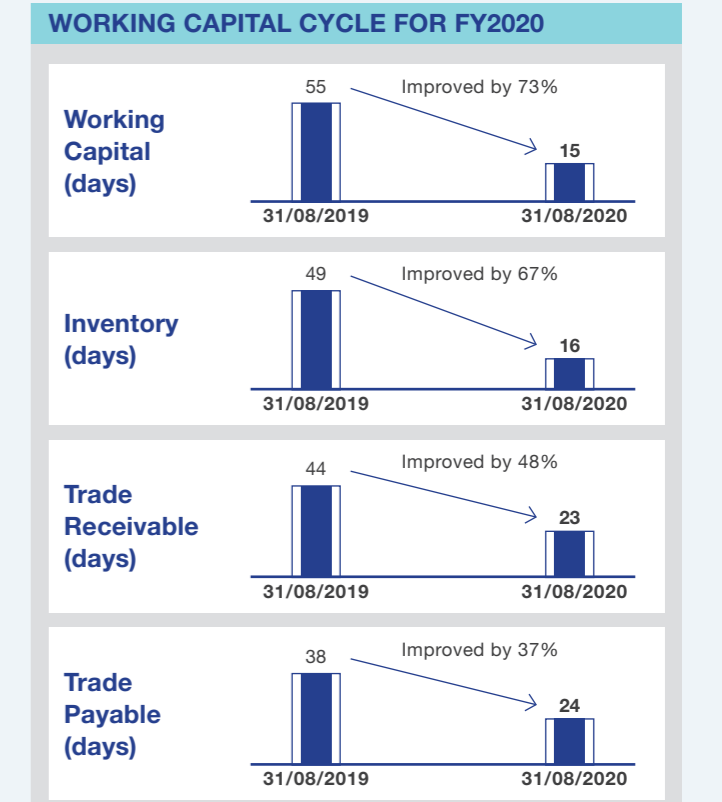
Our product mix by Sales Revenue for FY2020 is depicted below:



Meanwhile, the Group's improved profit was attributed to productivity enhancements which it continued to embark on, while utilisation levels which remained at close to 100% amplified production efficiency and reaped superior economies of scale. In particular, high utilisation helped lower overheads significantly, notably the cost of labour and natural gas.

Further contributing to the phenomenal results was Aspion with a Profit Before Tax of RM111.8 million, as the Group started to reap the fruits of its acquisition. The additional capacity provided also helped position Top Glove to meet the upturn in glove demand.

The strong profit performance contributed cashflow of RM3.46 billion, enabling the company to retire its



The above charts are based on Revenue generated as at 31 August 2020

**Sustainability**

As the undisputed industry leader, we remain wholly committed to doing well by doing good across the economic, environment and social (EES) pillars of sustainability.

[Learn how the Group is forging a more sustainable future for the business and the planet in the section titled Creating Sustainable Value on page 80.](#)

**Corporate Developments**

Amidst a VUCA (volatile, uncertain, complex and ambiguous) environment fraught with challenges, Top Glove defied the odds to emerge the world's largest manufacturer of nitrile gloves, in addition to being firmly entrenched as the world's largest manufacturer of rubber gloves and surgical gloves.

Further bucking the trend, Top Glove rose to become the 2<sup>nd</sup> largest company by market capitalisation on Bursa Malaysia and the 9<sup>th</sup> largest company on the Singapore Exchange valued at RM70.2 billion and SGD23 billion respectively as at 30 October 2020.

Top Glove also continued to roll out expansion plans steadily to cater to the burgeoning glove demand, which was already growing at approximately 10% per year pre-COVID. Notably, the Group saw Factory 41, its vinyl glove factory in Binh Duong come onstream in October 2020, representing Top Glove's first glove factory to be established in Vietnam. The factory's initial production capacity is approximately 4.8 billion pieces of gloves from its 20 production lines, with the majority of its output intended for the export market particularly U.S. and Europe.

## Letter to Stakeholders and Management Discussion & Analysis

Detailed as follows are the company's blueprints for expansion, which it continues to review and adapt, towards ensuring it is always well-positioned to meet prevailing market demand:

Factory	To commence production by (Calendar Quarter)	Country	Glove type	Number of production lines	Capacity (pcs per annum)	
<b>Current: 36 glove factories</b>				All	750 Equivalent Single Former (SF) Lines	90.0 bil
F40 2 <sup>nd</sup> Phase	1st qtr 2021	Klang, Malaysia	Nitrile	16 SF lines	2.3 bil	
F8A 1 <sup>st</sup> Phase <b>NEW FACTORY</b>	1st qtr 2021	Sadao, Thailand	Nitrile	28 SF lines	4.0 bil	
F35 Block A <b>NEW FACTORY</b>	1st qtr 2021	Klang, Malaysia	Surgical/ Nitrile	12 SF lines	1.7 bil	
F36 Lines Refurbishment	1st qtr 2021	Kota Bharu, Malaysia	Surgical/ Latex	3 SF lines	0.4 bil	
F38 Block A2 1 <sup>st</sup> Phase <b>NEW FACTORY</b>	2nd qtr 2021	Kulim, Malaysia	Nitrile	16 SF lines	2.3 bil	
F31 Block C New Lines	2nd qtr 2021	Klang, Malaysia	Nitrile	14 SF lines	1.9 bil	
F37 Block A New Lines	3rd qtr 2021	Kluang, Malaysia	Nitrile	8 SF lines	1.1 bil	
F41 1 <sup>st</sup> Phase Block 2	3rd qtr 2021	Binh Duong, Vietnam	PVC	20 SF lines	2.4 bil	
Total new capacity in CY2021				117 SF lines	16.1 bil	
<b>Grand total by December 2021 : 39 glove factories</b>				<b>867 Equivalent Single Former Lines</b>	<b>106.1 bil</b>	
F38 Block A2 2 <sup>nd</sup> Phase	1st qtr 2022	Kulim, Malaysia	Nitrile	8 SF lines	1.1 bil	
F42 1 <sup>st</sup> Phase Block 1 <b>NEW FACTORY</b>	1st qtr 2022	Banting, Malaysia	Nitrile	24 SF lines	3.4 bil	
F45 1 <sup>st</sup> Phase <b>NEW FACTORY</b>	1st qtr 2022	Ipoh, Malaysia	Nitrile	32 SF lines	4.5 bil	
F37 Block D New Lines	2nd qtr 2022	Kluang, Malaysia	Nitrile	6 SF lines	0.8 bil	
F46 <b>NEW FACTORY</b>	2nd qtr 2022	Klang, Malaysia	Nitrile	26 SF lines	3.6 bil	
F41 2 <sup>nd</sup> Phase Block 3	3rd qtr 2022	Binh Duong, Vietnam	PVC	20 SF lines	2.4 bil	
Total new capacity in CY2022				116 SF lines	15.8 bil	
<b>Grand total by December 2022 : 42 glove factories</b>				<b>983 Equivalent Single Former Lines</b>	<b>121.9 bil</b>	

\* As at 31 October 2020

\* Over the period from FY2021 to FY2025, we will be investing in expansion to scale up to a production capacity of 100 billion pieces of gloves per annum

## Letter to Stakeholders and Management Discussion & Analysis

To reward its loyal shareholders whilst inviting participation from a broader range of investors, the company completed a 2-for-1 bonus share issue on 7 September 2020. The exercise entailed the issuance of up to 5.48 billion bonus shares in Top Glove on the basis of 2 bonus shares for every 1 existing Top Glove share held on the entitlement date of 4 September 2020.

In appreciation of its 57,000 public shareholders (which has since increased to about 92,000 shareholders as at October 2020), the Board declared a final dividend of 8.5 sen per share amounting to a payout of about RM691.8 million. This brings the total FY2020 dividend payout to 11.8 sen per share, an increase of 9.3 sen or 372% over FY2019, which is a net profit payout ratio of 55%.

Top Glove's present Dividend Policy ensures a sustainable high dividend payout ratio of not less than 50% of Profit After Tax and Minority Interests. Going forward, the Group is also pleased to establish payment of dividends on a quarterly basis in line with its continued commitment to enhance shareholder value.

Attesting to its high standards of corporate governance, Top Glove was on 13 October 2020 presented with the **MSWG-Asean Corporate Governance Award 2019** under the Industry Excellence Award (Healthcare)

category. It also garnered an accolade at the **Asia Recruitment Awards 2020** for Best Use of Recruitment Technology Tools. It also remains a member of the MSCI Global Standard Index, FTSE Bursa Malaysia KLCI Index and Dow Jones Sustainability Indices (DJSI) for Emerging Markets.

Mindful that our duty as a corporate citizen extends beyond delivering value to our shareholders to include the wider society, Top Glove has earmarked RM5 million for corporate social responsibility (CSR) initiatives, which at this critical time includes COVID-19 related initiatives. Top Glove donated RM300,000 worth of medical equipment and supplies to the Ministry of Health Malaysia as part of a joint initiative with Tropicana Corporation Berhad and also pledged RM800,000 in support of a PEMANDU initiative on a COVID-19 tracking software (Global COVID-19 Index). The Group had earlier donated 3 million pieces of medical gloves worth RM700,000 to Malaysian hospitals, various government ministries, the Royal Malaysia Police and Malaysian charity organisations, as well as Tzu Chi Foundation Kuala Lumpur for distribution and another 3 million pieces of medical gloves to China at the initial stage of the outbreak in January 2020, as part of a joint effort between the Malaysian government and Malaysian glovemakers.



Top Glove was conferred the MSWG-ASEAN Corporate Governance Award 2019 under the category of Industry Excellence Award (Healthcare) by the Minority Shareholders Watch Group (MSWG). The award was presented by Mr. Devanesan Evanson, Chief Executive Officer of MSWG to Tan Sri Dr Lim Wee Chai accompanied by Dato' Lee Kim Meow (left) and Mr. Lim Cheong Guan (right) on 13 October 2020 at Top Glove Tower.



**Letter to Stakeholders and Management Discussion & Analysis**

**R&D Breakthroughs For Sustainable Success**

Research and Development (R&D) is integral to Top Glove's continued success. Underscoring the importance of R&D at Top Glove, our R&D Centre boasts a staff strength of 845 researchers, including 34 PhD holders, 93 Master's Degree holders and 687 Bachelor's Degree holders as at 15th October 2020. This vast human capital enables the performance of multidisciplinary research across 5 pillars of focus namely: product and material development; sustainable technologies; engineering and automation; former research; and IP and collaboration services.

At present, Top Glove has established 7 R&D Centres across Peninsular Malaysia, each specialising in a different area. In the pipeline are regional R&D Centres: 1 in China, 1 in Vietnam and 2 in Thailand.

The Top Glove Innovation Campus (TGIC) at Factory 42 in Banting, is the Group's new manufacturing and research centre of excellence facility. A smart and digitalised manufacturing plant, it leverages Industry 4.0 technology, big data analytics for optimum productivity and process efficiency, towards reducing dependency on manual labour for routine and repetitive tasks. It represents a pivotal shift to Industry 4.0 connecting the Group's factories together, which all future factories will be modelled after. Phase 1 of the TGIC is expected to be completed by 2<sup>nd</sup> quarter of CY2022.

TG Academy was established to drive mutually beneficial R&D collaborations with leading local and international academic institutions, which currently include University of Malaya (UM), Universiti Teknologi Malaysia (UTM), Tunku Abdul Rahman University College (TARUC), Universiti Tunku Abdul Rahman (UTAR) and Multimedia University (MMU). A Talent Development Program is also in place, with scholarships offered to students for projects in Top Glove towards obtaining their Master's degrees, with Taylor's University, Monash University, AIMST University and Universiti Kebangsaan Malaysia (UKM).

An important area of focus for R&D is in environment sustainability research, following which the R&D Centre has identified 7 relevant United Nations Sustainable Development Goals (UNSDGs) to address:



As a manufacturing waste reduction initiative, we launched a "Reclaim Rubber Plant" located at Factory 25AW4 in November 2019. Aimed at eliminating the disposal of torn nitrile gloves to landfills, the plant is designed for studies involving development of low temperature reclaiming process and processing rejected nitrile gloves into value added products such as rubber gaskets, rubber floor mats and rubber shoe soles.

Ensuring our products are safe for both humans and the environment, Top Glove continuously works at improvement and innovation. For example, towards enhancing our biodegradable nitrile gloves which were launched in FY2019, we have on 2 September 2020 successfully obtained a 510(K) FDA certification (Class I) verifying the glove's safety and effectiveness.

Addressing the shortage of raw materials following the global surge in glove demand from the COVID-19 pandemic, we also introduced a patent-filed technological study through blending of alternative latexes without compromising the physical and mechanical properties of the gloves. In line with our move towards greener manufacturing, the R&D Centre has also initiated a study on reducing and eliminating chemicals in the manufacturing process to produce cleaner gloves.

**Letter to Stakeholders and Management Discussion & Analysis**



In light of COVID-19, Top Glove goes virtual and conducted its first Fully Virtual Extraordinary General Meeting on 18 August 2020.

**Our Industry 4.0 Journey**

We continue to progress well on our journey towards Industry 4.0, which commenced in 2017. We are reaping good returns from our pilot investments into automation and digitalisation of our production lines, raw material batching and Overall Equipment Efficiency (OEE), resulting in higher operating efficiencies in metrics like lower energy, material, labour and operating cost per glove, as well as higher outputs from all our production facilities.

In light of the pandemic, our technology R&D strategy has been refocused, to further enhance production efficiency. As gloves are an essential item to the healthcare industry, all the more at this crucial juncture, we have accelerated our efforts in developing Artificial Intelligence systems to enhance capabilities, in terms of visually screening gloves and augmenting with Big Data Analytics to create a feedback loop of continuous quality improvement. With product hygiene as a major consideration, we are also investing in developing "contactless" automated packing and handling systems to ensure that our gloves transit from the production line into packaging without human intervention, thereby eliminating potential for contamination.

In progress is also a "digital workplace" for the production floor, which enables tasks like equipment repair or runner

jobs, to be assigned to workers automatically or taken up on a voluntary basis. This benefits our workers by enabling them to take up more tasks if desired and also to explore tasks suited to their capabilities, while also providing floor managers with a better overview of workers and tasks at hand, ensuring jobs are completed effectively while preventing work overload.



Top Glove is named 'The BrandLaureate Iconic Brand of the Decade' while Tan Sri Dr Lim Wee Chai receives the award for 'The Master Brand Founder of the Decade' at The BrandLaureate Brand Icon Leadership Awards held on 17 December 2019.

**Letter to Stakeholders and Management Discussion & Analysis**



The Board of Directors and Management of Top Glove at the 29<sup>th</sup> Anniversary & Appreciation Dinner on 25 September 2020.

**And miles to go before we peak**

FY2020 has been a defining year for Top Glove and the world at large. However, the outlook for the company and glove industry remains very promising on the back of increased glove demand. With the advent of COVID-19, Top Glove estimates that glove demand will grow by 20% per annum in 2020, 25% in 2021 and 15% post-COVID. The continuous increase in sales orders from across the globe, coupled with rapid growth in capacity and significant improvements in productivity through technology, augurs well for the Group's results even in the quarters ahead.

The challenging environment notwithstanding, we remain on track to becoming a Fortune Global 500 company. We are in fact optimistic of achieving this by 2035, ahead of our initial 2040 target, owing to the good performance and progress we have made. We also aspire towards a listing on the Hong Kong Exchange in 2021.

However, central to the attainment of our ambitious goals and indeed, to the continued growth of our business, are good people, to which end our efforts to attract and retain high-performing, high calibre talents have been intensified.

To ensure we are well-positioned to meet the robust global demand for gloves and achieve our Fortune Global 500 vision, Top Glove will also continue to expand its operations through a strategic combination of organic expansion, joint ventures and M&As. Keeping in pace with evolving customer needs, we also continue to expand our product range to include more specialised gloves as well as non-glove healthcare products.

In tandem with our exciting growth agenda, we are deepening our commitment to sustainability, particularly in the area of our labour practices and will continue to work hard to ensure compliance not only with local standards but international best practices.



Tan Sri Dr Lim Wee Chai receives the Global Lifetime Achievement Award at the Top Asia Corporate Ball 2019 held on 22 November 2019, organised by the Top 10 of Malaysia and Top 10 of Asia Initiative presented by YB Tuan Muhammad Bakhtiar Wan Chik, Deputy Minister of Tourism, Arts & Culture Malaysia, and accompanied by YBhg Dato R Rajendran, CEO of RHA Media Group.

**Letter to Stakeholders and Management Discussion & Analysis**

**In Appreciation**

Our remarkable achievements in FY2020 are matched only by the extraordinary commitment of our people. On this note, we would like to put on record our deepest appreciation to:



**OUR EMPLOYEES**

affectionately known as Top Glovers, who make every workday so rewarding and our achievements more meaningful. Your unrelenting efforts and commitment particularly during this crisis are inspiring and truly praiseworthy. You, particularly our people on the production floor, are heroes and frontliners in the fight against COVID-19. Your diligence and dedication have enabled the production of our lifesaving gloves to proceed uninterrupted so they may be delivered to people and places most in need.



**OUR BOARD OF DIRECTORS**

whose collective experience and wisdom have astutely guided the pursuit of our ambitious growth agenda, while holding us to the highest standards of corporate governance.

We also take this opportunity to express our heartfelt thanks to Mr. Tay Seong Chee, Simon our Independent Director, who retired at our AGM in January 2020. We warmly welcome our new Independent Director, Mr. Lim Andy, whose timely addition will certainly serve to enrich and fortify our board composition.



**OUR LOYAL STAKEHOLDERS**

who continue to both inspire and challenge us to be all we can be and do all we can do, as a business and as a corporate citizen. Rest assured, your trust is well-placed and we will continue striving to exceed your expectations in every way.

**TAN SRI DR LIM WEE CHAI**  
Executive Chairman  
Top Glove Corporation Bhd  
3 November 2020

**DATO' LEE KIM MEOW**  
Managing Director  
Top Glove Corporation Bhd  
3 November 2020

## PERUTUSAN KEPADA PIHAK BERKEPENTINGAN DAN PERBINCANGAN & ANALISIS PIHAK PENGURUSAN



Top Glove menyumbangkan peralatan dan bekalan perubatan bernilai RM300,000 kepada Kementerian Kesihatan Malaysia pada 3 Julai 2020 sebagai sokongan perjuangan berterusan menghadapi COVID-19. Syarikat menyumbangkan 3 juta keping sarung tangan perubatan bernilai RM700,000 ke hospital Malaysia, kementerian kerajaan, Polis Diraja Malaysia dan badan amal. (Dari kiri) Dato' Lee Kim Meow, Perdana Menteri Tan Sri Muhyiddin Yassin dan Tan Sri Dr Lim Wee Chai.

### KEHADAPAN PARA PIHAK BERKEPENTINGAN

## PRESTASI CEMERLANG DALAM TAHUN YANG LUAR BIASA

Pada Tahun Kewangan 2020 (TK2020), Top Glove menyampaikan prestasi kewangan dan korporatnya yang paling hebat sehingga kini, mencapai kemuncak baru dalam norma baru.

Pada masa kesukaran yang luar biasa timbul dari pandemik COVID-19, kami berbesar hati dapat membantu melindungi dan menyelamatkan nyawa di seluruh dunia dengan sarung tangan kami. Keputusan cemerlang kami menunjukkan bahawa kami terus menampilkan yang terbaik dengan berbuat baik. Pencapaian ini juga menunjukkan keberkesanan pendekatan Kumpulan, yang tidak membenarkan keadaan luaran menentukan prestasi. Sebaliknya, Top Glove menumpukan perhatian pada faktor dalaman yang dikendalikannya, terutama fokus yang tidak tergoyah pada kualiti, kecekapan, inovasi, R&D, teknologi canggih dan yang paling penting, kakitangan kami.

Keputusan Kumpulan yang luar biasa dicapai walaupun terpaksa menangani beberapa cabaran, termasuk

### Pelbagai pencapaian yang memecah rekod pada TK2020

Pendapatan Jualan yang mengagumkan sebanyak  
**RM7.24 bilion**  
(meningkat 51% berbanding TK2019)

Keuntungan Selepas Cukai (Untung Bersih) yang tiada tandingan sebanyak  
**RM1.79 bilion**  
(meningkat 384% berbanding TK2019)

**Mencapai status pengeluar sarung tangan nitril terbesar di dunia** selain menjadi pengeluar sarung tangan getah dan sarung tangan pembedahan terbesar di dunia

**Muncul sebagai syarikat ke-2 terbesar berdasarkan permodalan pasaran** di Bursa Malaysia dengan nilai RM70.2 bilion, pada 30 Oktober 2020.

## Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan

pengenaan Perintah Menahan Pelepasan (WRO) oleh U.S. Customs Border and Protection (CBP) pada 2 anak syarikat Kumpulan iaitu Top Glove Sdn. Bhd. dan TG Medical Sdn. Bhd. pada 15 Julai 2020.

Top Glove telah membuat peningkatan yang besar dalam isu-isu berkaitan dengan pekerja buruh dan tiada buruh kanak-kanak, tiada kerja masa yang berlebihan, tiada bekerja pada hari rehat dan tiada perampasan pasport di seluruh operasinya. Dalam hal ini, pematuhan Top Glove dengan standard pematuhan buruh dan sosial, serta amalan terbaik antarabangsa juga telah disahkan oleh perunding bebas.

Top Glove tetap komited untuk mengembalikan pekerja migrannya berkenaan dengan yuran pengambilan yang sebelumnya dibayar oleh pekerja migran kepada ejen atau pihak lain. Pembayaran yuran pengambilan akan dibuat berdasarkan jumlah RM136 juta, selaras dengan cadangan oleh perunding bebas, berikutan selesai kerja pengesahan komprehensif perunding bebas. Pembayaran yuran pengambilan telah dimulakan pada bulan Ogos 2020 dan akan berterusan seperti yang dijadualkan hingga Julai 2021.

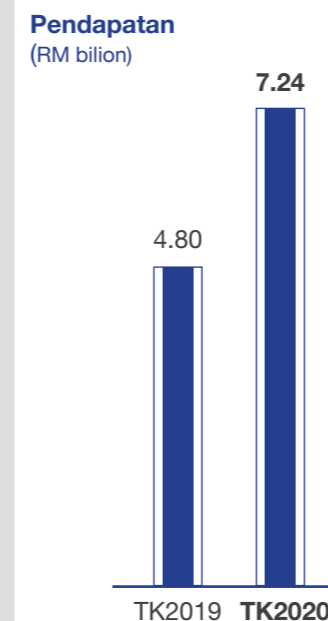
Sementara itu, Top Glove telah menyerahkan semua maklumat yang diperlukan kepada U.S. CBP dan terus menindaklanjuti mereka secara dekat untuk menyelesaikan WRO secepat mungkin.

Kumpulan sedar bahawa dalam perniagaan, cabaran tidak dapat dihindari sama sekali. Ia percaya mengekalkan "3 Kesihatan" iaitu kesihatan mental, kesihatan fizikal dan kesihatan kewangan, yang menempatkannya untuk mengatasi cabaran ini dan muncul dengan lebih kuat.

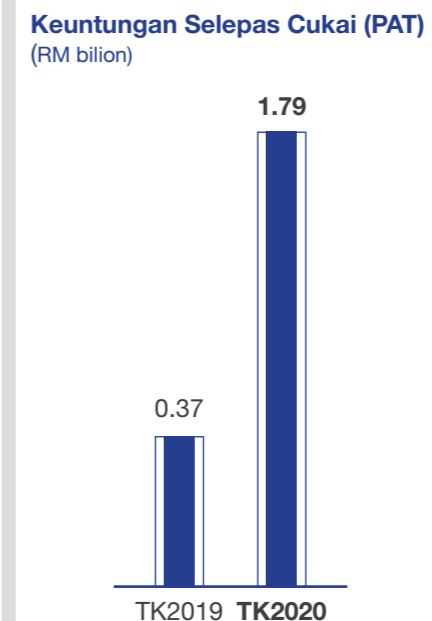
### Perbincangan dan analisis pengurusan

Untuk tahun kewangan penuh 2020, Top Glove mencapai rekod baru dalam Pendapatan Jualannya iaitu RM7.24 bilion, meningkat 51% dari TK2019. Sementara itu, Keuntungan Selepas Cukai Kumpulan meningkat kepada RM1.79 bilion, lonjakan 384% daripada tahun kewangan sebelumnya. Volum Jualan juga meningkat 17% berbanding TK2019. Prestasi Kumpulan bagi TK2020 diringkaskan seperti berikut:

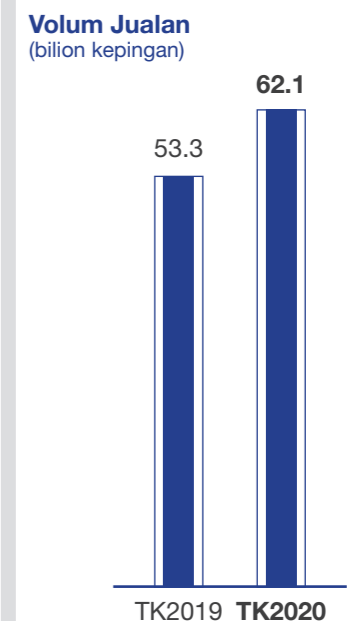
### PENDAPATAN JUALAN, KEUNTUNGAN SELEPAS CUKAI (PAT) DAN VOLUM JUALAN TOP GLOVE TK2020 BERBANDING TK2019



Peningkatan  
**+51%**



Lonjakan  
**+384%**



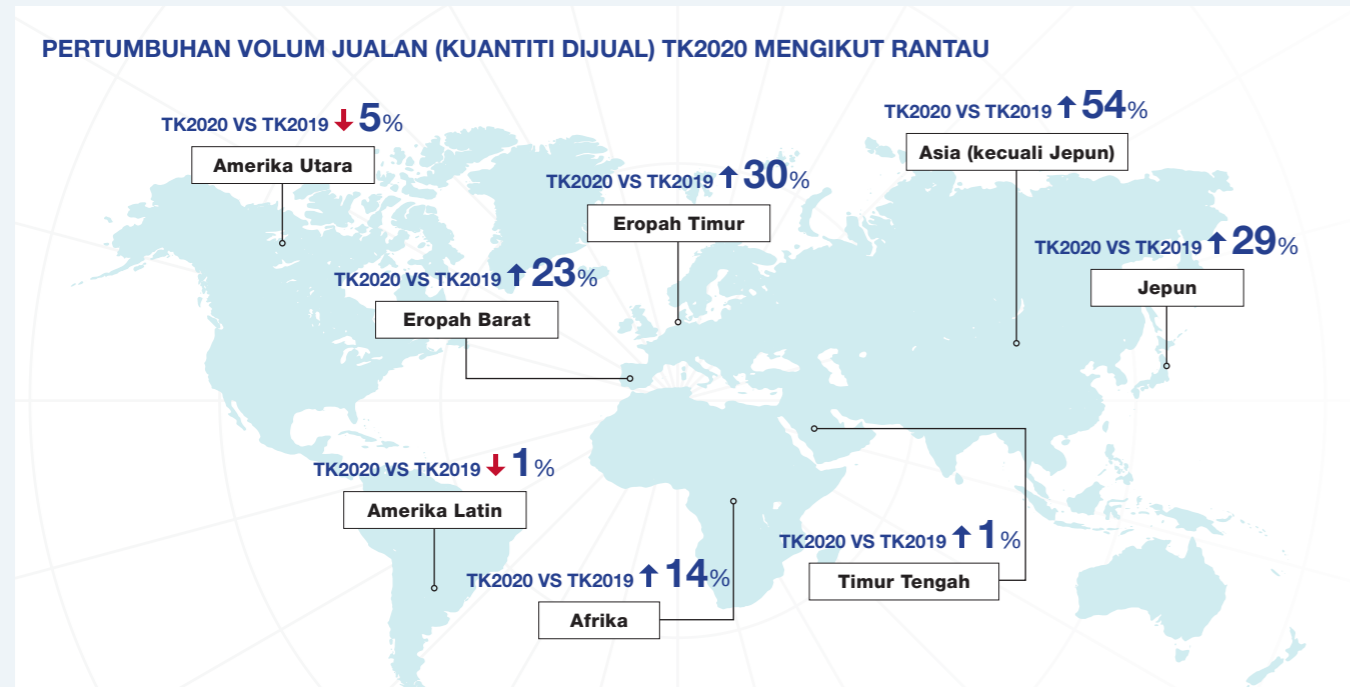
Peningkatan  
**+17%**

**Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan**

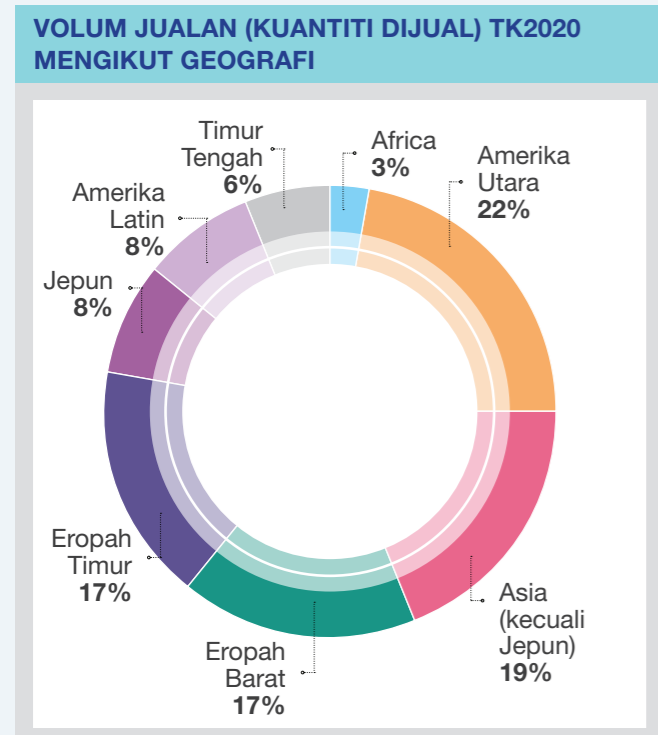
Pertumbuhan luar biasa ini berpunca dari lonjakan permintaan global untuk sarung tangan berikutan pandemik COVID-19. Pertumbuhan permintaan TK2020 sangat kuat di Asia (kecuali Jepun), Eropah Timur dan Eropah Barat masing-masing meningkat kepada 54%, 30% dan 23% berbanding dengan TK2019.

Yang paling kuat adalah permintaan untuk sarung tangan nitril yang tumbuh 31% tahun ke tahun, sementara sarung tangan pemeriksaan getah asli juga menyaksikan pertumbuhan 7% berbanding TK2019. Mencerminkan permintaan pasaran, harga jualan purata (ASP) juga disesuaikan ke atas.

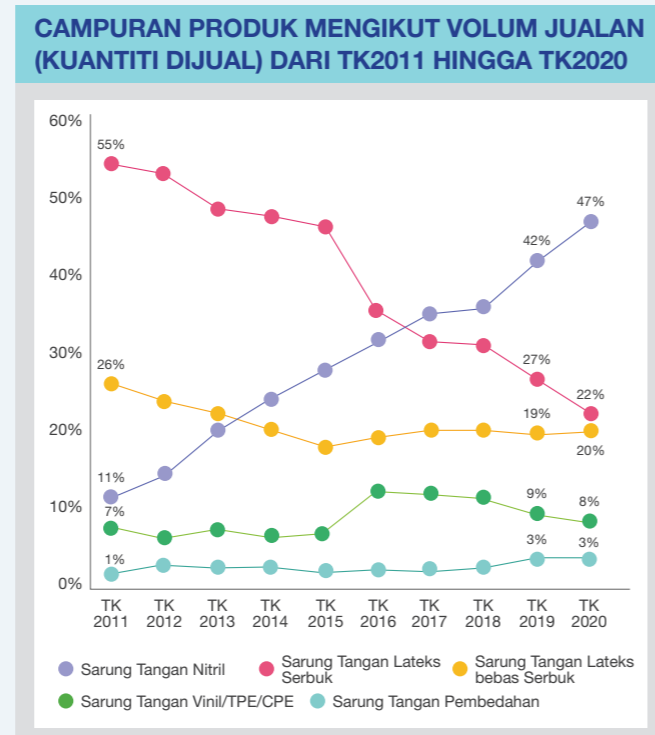
Pertumbuhan Volum Jualan (Kuantiti Dijual) TK2020 mengikut rantau digambarkan di bawah.



Volum Jualan (Kuantiti Dijual) TK2020 mengikut geografi adalah seperti berikut:

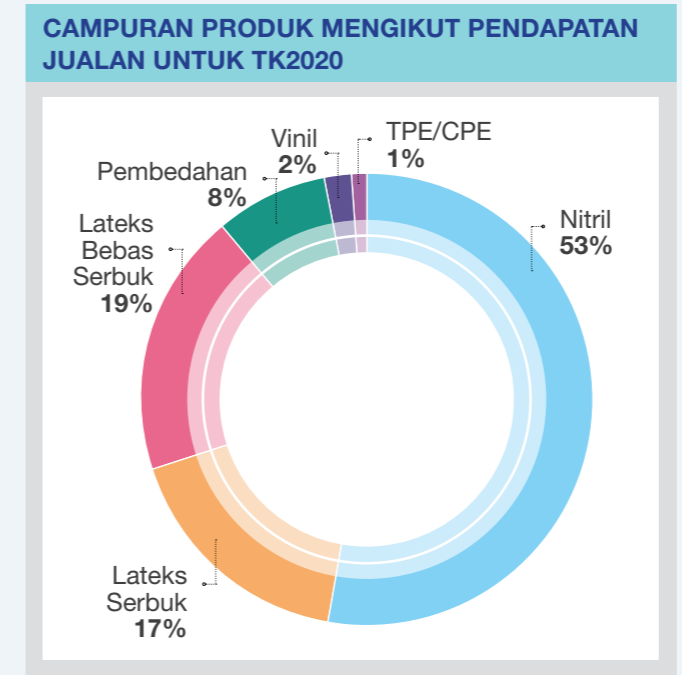


Campuran produk kami mengikut Volum Jualan (Kuantiti Dijual) dari TK2011 hingga TK2020 digambarkan di bawah:



**Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan**

Campuran produk kami mengikut Pendapatan Jualan untuk TK2020 digambarkan di bawah:

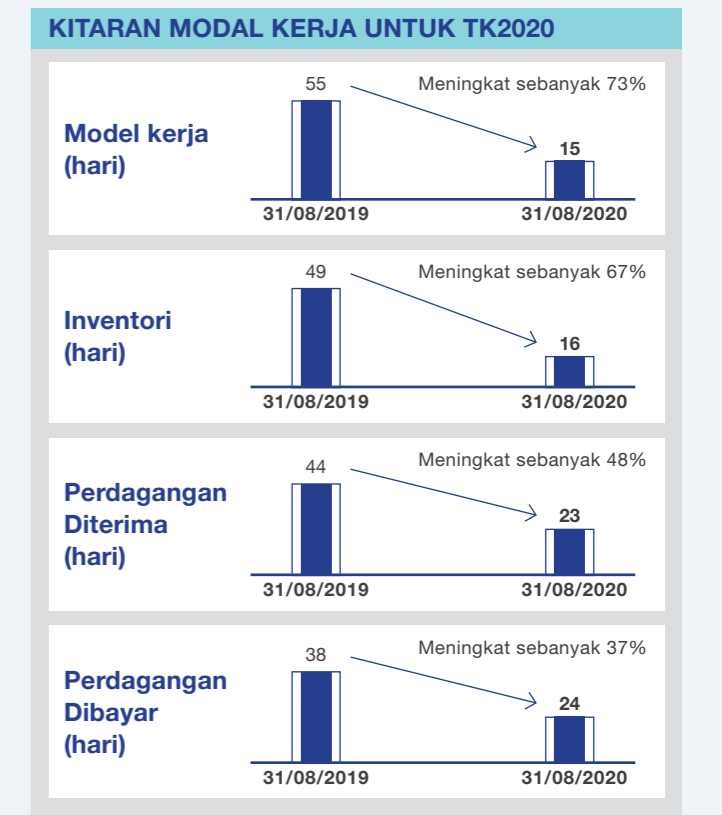


Keuntungan Kumpulan yang meningkat juga disebabkan oleh peningkatan produktiviti yang terus dilakukannya, sementara tahap penggunaan Kumpulan yang tetap berada pada tahap hampir 100% meningkatkan kecekapan pengeluaran dan memperoleh skala ekonomi yang unggul. Penggunaan yang tinggi membantu mengurangkan perbelanjaan secara signifikan, terutamanya kos tenaga kerja dan gas asli.

Aspion juga menyumbang kepada keputusan cemerlang dengan Keuntungan Sebelum Cukai sebanyak RM111.8 juta, ketika Kumpulan mulai menuai hasil pemerolehannya. Kapasiti Aspion yang sedia ada juga membolehkan Top Glove untuk memenuhi kenaikan permintaan sarung tangan.

Prestasi keuntungan yang tinggi menyumbang aliran tunai sebanyak RM3.46 bilion, yang membolehkan syarikat itu menyelesaikan pinjaman sindiketnya secara keseluruhan yang berjumlah RM654 juta. Pada 31 Ogos 2020, Kumpulan berada pada kedudukan tunai bersih yang positif sebanyak RM2.34 bilion.

Selanjutnya, Kumpulan juga mencapai peningkatan dalam kitaran modal kerja yang menurun kepada 15 hari pada TK2020 dari 55 hari pada TK2019. Gambar rajah di bawah menggambarkan kitaran modal kerja:



Carta di atas berdasarkan Pendapatan yang dijana pada 31 Ogos 2020

**Kelestarian**

Sebagai peneraju industri yang tidak dipertikaikan, kami tetap sepenuhnya berkomitmen untuk menampilkan yang terbaik dengan berbuat baik berkenaan 3 tonggak kelestarian iaitu ekonomik, alam sekitar dan sosial (EES).

*Ketahui bagaimana Kumpulan menjalin masa depan yang lebih lestari untuk perniagaan dan planet ini dalam bahagian Creating Sustainable Value di halaman 80.*

**Pembangunan Korporat**

Di tengah persekitaran VUCA (*volatile, uncertain, complex and ambiguous*) yang penuh dengan cabaran, Top Glove muncul sebagai pengeluar sarung tangan nitril terbesar di dunia, selain kukuh sebagai pengeluar terbesar sarung tangan getah dan sarung tangan pembedahan di dunia.

Selanjutnya, Top Glove telah muncul sebagai syarikat ke-2 terbesar berdasarkan permodalan pasaran di Bursa Malaysia dan syarikat ke-9 terbesar di Bursa Singapura masing-masing bernilai RM70.2 bilion dan SGD23 bilion, pada 30 Oktober 2020.

Top Glove juga terus melancarkan rancangan pengembangan dengan stabil untuk memenuhi permintaan sarung tangan yang berkembang, yang sudah berkembang sekitar 10% setiap tahun pra-COVID. Terutama, Kumpulan melihat Kilang 41,

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Kilang sarung tangan vinilnya di Binh Duong mula beroperasi pada bulan Oktober 2020, mewakili kilang sarung tangan pertama Top Glove yang ditubuhkan di Vietnam. Kapasiti pengeluaran awal kilang adalah sekitar 4.8 bilion keping sarung tangan dari 20 barisan pengeluarannya, dengan sebahagian besar keluarannya ditujukan untuk pasaran eksport terutamanya A.S. dan Eropah.

Terperinci seperti berikut adalah rangka tindakan pengembangan syarikat, yang terus dikaji dan disesuaikan, untuk memastikan ia sentiasa berada dalam posisi yang baik untuk memenuhi permintaan pasaran semasa:

Kilang	Beroperasi Menjelang (Suku Kalendar)	Negara	Jenis Sarung Tangan	Bilangan Barisan Pengeluaran	Kapasiti (helai setahun)	
<b>Semasa:</b>						
36 kilang sarung tangan				Semua	750 Barisan SF Bersamaan	90.0 bil
F40 Fasa Kedua	Suku Pertama 2021	Klang, Malaysia	Nitril	16 Barisan SF	2.3 bil	
F8A Fasa Pertama <b>KILANG BAHARU</b>	Suku Pertama 2021	Sadao, Thailand	Nitril	28 Barisan SF	4.0 bil	
F35 Blok A <b>KILANG BAHARU</b>	Suku Pertama 2021	Klang, Malaysia	Pembedahan/ Nitril	12 Barisan SF	1.7 bil	
F36 Pengubahsuaian Barisan	Suku Pertama 2021	Kota Bharu, Malaysia	Pembedahan/ Lateks	3 Barisan SF	0.4 bil	
F38 Blok A2 Fasa Pertama <b>KILANG BAHARU</b>	Suku Kedua 2021	Kulim, Malaysia	Nitril	16 Barisan SF	2.3 bil	
F31 Blok C Barisan Baharu	Suku Kedua 2021	Klang, Malaysia	Nitril	14 Barisan SF	1.9 bil	
F37 Blok A Barisan Baharu	Suku Ketiga 2021	Kluang, Malaysia	Nitril	8 Barisan SF	1.1 bil	
F41 Fasa Pertama Blok 2	Suku Ketiga 2021	Binh Duong, Vietnam	PVC	20 Barisan SF	2.4 bil	
Jumlah kapasiti baharu pada tahun kalendar 2021				117 Barisan SF	16.1 bil	
<b>Jumlah keseluruhan menjelang Disember 2021: 39 kilang sarung tangan</b>				<b>867 Barisan SF Bersamaan</b>	<b>106.1 bil</b>	
F38 Blok A2 Fasa Kedua	Suku Pertama 2022	Kulim, Malaysia	Nitril	8 Barisan SF	1.1 bil	
F42 Fasa Pertama Blok 1 <b>KILANG BAHARU</b>	Suku Pertama 2022	Banting, Malaysia	Nitril	24 Barisan SF	3.4 bil	
F45 Fasa Pertama <b>KILANG BAHARU</b>	Suku Pertama 2022	Ipoh, Malaysia	Nitril	32 Barisan SF	4.5 bil	
F37 Blok D Barisan Baharu	Suku Kedua 2022	Kluang, Malaysia	Nitril	6 Barisan SF	0.8 bil	
F46 <b>KILANG BAHARU</b>	Suku Kedua 2022	Klang, Malaysia	Nitril	26 Barisan SF	3.6 bil	
F41 Fasa Kedua Blok 3	Suku Ketiga 2022	Binh Duong, Vietnam	PVC	20 Barisan SF	2.4 bil	
Jumlah kapasiti baharu pada tahun kalendar 2022				116 Barisan SF	15.8 bil	
<b>Jumlah keseluruhan menjelang Disember 2022: 42 kilang sarung tangan</b>				<b>983 Barisan SF Bersamaan</b>	<b>121.9 bil</b>	

\* Pada 31 Oktober 2020

\* Sepanjang tempoh dari FY2021 hingga FY2025, kami akan terus melabur dalam pengembangan untuk meningkatkan kapasiti pengeluaran sehingga mencapai kapasiti 100 bilion helai sarung tangan setahun

## Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan

Untuk memberi ganjaran kepada pemegang saham yang setia serta mengundang penyertaan dari pelbagai pelabur, syarikat menyelesaikan penerbitan saham bonus 2-untuk-1 pada 7 September 2020. Latihan ini membabitkan penerbitan sehingga 5.48 bilion saham bonus Top Glove berdasarkan 2 saham bonus untuk setiap 1 saham Top Glove sedia ada yang dipegang pada tarikh kelayakan 4 September 2020.

Sebagai penghargaan kepada 57,000 pemegang saham awamnya (yang sejak itu telah meningkat ke sekitar 92,000 pemegang saham pada Oktober 2020), Lembaga mengisytiharkan dividen akhir sebanyak 8.5 sen sesaham berjumlah pembayaran sekitar RM691.8 juta. Ini menjadikan jumlah pembayaran dividen TK2020 kepada 11.8 sen sesaham, meningkat 9.3 sen atau 372% berbanding TK2019, yang merupakan nisbah pembayaran untung bersih 55%.

Dasar Dividen Top Glove yang ada memastikan nisbah pembayaran dividen tinggi yang berterusan tidak kurang daripada 50% Keuntungan Selepas Cukai dan Kepentingan Minoriti (PATAMI). Melangkah ke hadapan, Kumpulan juga dengan senang hati membuat pembayaran dividen setiap suku tahunan sejajar dengan komitmen berterusannya untuk meningkatkan nilai pemegang saham.

Menampilkan standard tadbir urus korporatnya yang tinggi, Top Glove pada 13 Oktober 2020 disajikan dengan **MSWG-Asean Corporate Governance Award** 2019 dalam kategori Anugerah Kecemerlangan Industri (Penjagaan Kesihatan). Ia juga mendapat penghargaan di **Asia Recruitment Awards 2020** untuk Penggunaan Alat Teknologi Rekrut yang Terbaik. Ia juga kekal sebagai ahli Indeks MSCI Piawai *Global*, Indeks FTSE Bursa Malaysia KLCI dan Indeks Kelestarian Dow Jones (DJSI) bagi Pasaran Membangun.

Kami sedar tugas kami sebagai warga korporat bukan sekadar menyampaikan nilai kepada pemegang saham kami malah kepada masyarakat yang lebih luas. Top Glove telah memperuntukkan RM5 juta untuk inisiatif tanggungjawab sosial korporat (CSR), yang pada masa kritikal ini merangkumi inisiatif berkaitan COVID-19. Top Glove menyumbangkan peralatan dan bekalan perubatan bernilai RM300,000 kepada Kementerian Kesihatan Malaysia sebagai inisiatif bersama dengan Tropicana Corporation Berhad dan juga berkomit RM800,000 terhadap inisiatif PEMANDU bagi perisian pengesanan COVID-19 (*Indeks Global COVID-19*). Sebelum ini, Kumpulan telah menyumbangkan 3 juta sarung tangan perubatan bernilai RM700,000 kepada hospital Malaysia,

pelbagai kementerian kerajaan, Polis Diraja Malaysia dan organisasi amal Malaysia, serta Yayasan Tzu Chi Kuala Lumpur untuk diedarkan dan 3 juta lagi sarung tangan perubatan ke China pada tahap awal wabak pada Januari 2020, sebagai sebahagian daripada usahasama antara Kerajaan Malaysia dan pengeluar sarung tangan Malaysia yang lain.

### Penemuan Penyelidikan & Pembangunan (R&D) untuk kejayaan yang berterusan

Penyelidikan dan Pembangunan (R&D) adalah penting untuk kejayaan berterusan Top Glove. Menggariskan kepentingannya R&D di Top Glove, Pusat R&D kami mempunyai kekuatan staf 845 penyelidik, termasuk 34 pemegang *PhD*, 93 pemegang Ijazah Sarjana dan 687 pemegang Ijazah Sarjana Muda pada 15 Oktober 2020. Modal insan yang luas ini membolehkan prestasi penyelidikan dalam pelbagai disiplin merangkumi 5 tonggak fokus iaitu: pengembangan produk dan bahan; teknologi lestari; kejuruteraan dan automasi; penyelidikan berkenaan acuan; dan IP dan perkhidmatan kolaborasi.

Pada masa ini, Top Glove telah menubuhkan 7 Pusat R&D di seluruh Semenanjung Malaysia, khusus dalam bidang yang berbeza. Dalam perancangan adalah Pusat R&D serantau: 1 di China, 1 di Vietnam dan 2 di Thailand.

Top Glove Innovation Campus (TGIC) di Kilang 42 di Banting, merupakan pusat kecemerlangan pembuatan dan penyelidikan baru Kumpulan. Sebuah kilang pembuatan pintar dan digital, ia memanfaatkan teknologi Industri 4.0, analisis data besar untuk produktiviti dan kecekapan proses yang optimum, ke arah mengurangkan kebergantungan kepada buruh manual untuk tugas rutin dan berulang. Ia mewakili peralihan penting ke Industri 4.0 yang menghubungkan kilang-kilang Kumpulan bersama, yang mana semua kilang masa depan akan dimodelkan selepas itu. Fasa 1 TGIC dijangka siap pada suku kalendar kedua 2022.

TG Academy ditubuhkan untuk mendorong kerjasama R&D yang saling bermanfaat dengan institusi akademik tempatan dan antarabangsa terkemuka, yang kini merangkumi Universiti Malaya (UM), Universiti Teknologi Malaysia (UTM), Kolej Universiti Tunku Abdul Rahman (TARUC), Universiti Tunku Abdul Rahman (UTAR) dan Universiti Multimedia (MMU). Program Pembangunan Bakat juga dilaksanakan, dengan biasiswa yang ditawarkan kepada pelajar untuk menyertai projek di Top Glove bagi memperolehi Ijazah Sarjana mereka, dengan Universiti Taylor, Universiti Monash, Universiti AIMST dan Universiti Kebangsaan Malaysia (UKM).

**Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan**

Bidang fokus penting untuk R&D adalah dalam penyelidikan kelestarian persekitaran. Pusat R&D telah mengenalpasti 7 Matlamat dari United Nations Sustainable Development Goals (UNSDGs) yang relevan untuk menangani:



Sebagai inisiatif pengurangan sisa pembuatan, kami melancarkan “Reclaim Rubber Plant” yang terletak di Kilang 25AW4 pada bulan November 2019. Bertujuan untuk menghapuskan pembuangan sarung tangan nitril yang terkoyak ke tapak pelupusan sampah, kilang ini dirancang untuk kajian yang melibatkan pengembangan “low temperature reclaiming” dan peningkatan sarung tangan nitril yang ditolak dijadikan produk bernilai tambah seperti gasket getah, tinar lantai getah dan tapak kasut getah.

Memastikan produk kami selamat untuk manusia dan alam sekitar, Top Glove terus berusaha dalam peningkatan dan inovasi. Sebagai contoh, untuk meningkatkan sarung tangan nitril berbiodegradasi yang dilancarkan pada TK2019, pada 2 September 2020 kami berjaya memperoleh sijil FDA 510 (K) (Kelas I) yang mengesahkan keselamatan dan keberkesanan sarung tangan tersebut.

Mengatasi kekurangan bahan mentah berikutan lonjakan permintaan global sarung tangan dari pandemik COVID-19, kami juga memperkenalkan kajian teknologi melalui pencampuran lateks alternatif tanpa menjejaskan sifat fizikal dan mekanikal sarung tangan dimana patent telah difailkan. Sejajar dengan langkah kami ke arah pembuatan yang lebih hijau, Pusat R&D juga telah memulai kajian untuk mengurangi dan menghilangkan bahan kimia dalam proses pembuatan untuk menghasilkan sarung tangan yang lebih bersih.



Lawatan Raja Muda Selangor, Yang Mulia Tengku Amir Shah Ibni Sultan Sharafuddin Idris Shah Alhaj ke Top Glove Tower pada 12 Ogos 2020.

**Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan**

**Pengembaraan Industri 4.0 Kami**

Kami terus maju dengan baik dalam perjalanan menuju Industri 4.0, yang bermula pada tahun 2017. Kami memperoleh pulangan yang baik dari pelaburan perintis kami dalam automasi dan digitalisasi barisan pengeluaran kami, pengumpulan bahan mentah dan Kecekapan Peralatan Keseluruhan (OEE), menghasilkan kecekapan operasi yang lebih tinggi dalam metrik seperti tenaga, bahan, tenaga kerja dan kos operasi sehelai sarung tangan yang lebih rendah, serta pengeluaran yang lebih tinggi dari semua kemudahan pengeluaran kami.

Memandangkan pandemik, strategi teknologi R&D kami telah ditumpukan kembali, untuk meningkatkan efisiensi dalam pengeluaran. Oleh kerana sarung tangan adalah barang keperluan bagi industri penjagaan kesihatan, lebih-lebih lagi pada saat yang sangat penting ini, kami telah mempercepatkan usaha kami dalam mengembangkan sistem Kecerdasan Buatan (AI) untuk meningkatkan keupayaan, dari segi pemeriksaan sarung tangan secara

visual dan peningkatan Analisis Data Besar untuk membuat gelung maklum balas peningkatan kualiti berterusan. Dengan kebersihan produk sebagai pertimbangan utama, kami juga melabur dalam mengembangkan sistem pembungkusan dan pengendalian automatik “tanpa sentuhan” untuk memastikan sarung tangan kami berpindah dari barisan pengeluaran ke dalam pembungkusan tanpa campur tangan manusia, lalu menghilangkan potensi pencemaran.

Sedang dijalankan juga “tempat kerja digital” untuk lantai pengeluaran, yang membolehkan tugas-tugas seperti pembaikan peralatan atau runner jobs, ditugaskan kepada pekerja secara automatik atau dilakukan secara sukarela. Ini memberi manfaat kepada pekerja kita dengan membolehkan mereka memikul lebih banyak tugas jika dikehendaki dan juga untuk meneroka tugas yang sesuai dengan kemampuan mereka. Ini juga memberikan gambaran keseluruhan pekerja dan tugas kepada pengurus untuk memastikan pekerjaan diselesaikan dengan berkesan sambil mencegah beban kerja yang berlebihan.



Pengarah Top Glove, pengurusan kanan dan tetamu terhormat dari Microsoft di ‘Leadership Talk’ oleh Microsoft yang diadakan pada Januari 2020 di Top Glove Tower.

**Prestasi terbaik bakal datang**

TK2020 telah menjadi tahun yang menentukan bagi Top Glove dan dunia pada amnya. Walau bagaimanapun, prospek syarikat dan industri sarung tangan masih sangat cerah berikutan peningkatan permintaan sarung tangan. Dengan COVID-19, Top Glove menganggarkan bahawa permintaan sarung tangan akan meningkat sebanyak 20% setahun pada tahun 2020, 25% pada tahun 2021 dan 15% pasca-COVID. Dengan peningkatan pesanan penjualan yang berterusan dari seluruh dunia, ditambah dengan pertumbuhan pesat dalam kapasiti dan peningkatan produktiviti yang ketara melalui teknologi, Kumpulan terus menjangkakan keputusan yang baik pada suku yang akan datang.

Walaupun persekitaran yang mencabar, kami tetap berada ke arah yang betul untuk menjadi syarikat Fortune Global 500. Kami optimis untuk mencapai matlamat ini pada tahun 2035, lebih awal dari tarikh asal iaitu tahun 2040, kerana prestasi dan kemajuan yang baik telah kami capai. Kami juga berhasrat untuk membuat penyenaian di Bursa Hong Kong pada tahun 2021.

## Perutusan Kepada Pihak Berkepentingan dan Perbincangan & Analisis Pihak Pengurusan

Kami memerlukan kakitangan yang berkualiti tinggi untuk mencapai matlamat kami yang bercita-cita tinggi dan memastikan pertumbuhan berterusan. Demi ini, kami terus mempergiatkan usaha kami dalam menarik dan mengekalkan bakat berkaliber tinggi.

Untuk memastikan kami berada dalam posisi yang baik untuk memenuhi permintaan global sarung tangan yang kuat dan mencapai visi *Fortune Global 500* yang bercita-cita tinggi, Top Glove juga akan terus mengembangkan operasinya melalui kombinasi strategik pengembangan organik, usaha sama dan penggabungan dan pengambilalihan (M&A). Selaras dengan keperluan pelanggan yang terus berkembang, kami juga memperluaskan rangkaian produk kami untuk merangkumi sarung tangan yang lebih khusus dan juga produk penjagaan kesihatan bukan sarung tangan.

Bersama dengan agenda pertumbuhan kami, kami memperdalamkan komitmen kami untuk kelestarian, terutama di bidang amalan buruh kami dan akan terus bekerja keras untuk memastikan pematuhan tidak hanya dengan standard tempatan tetapi juga amalan terbaik antarabangsa.

### Tanda Penghargaan

Pencapaian luar biasa kami pada TK2020 hanya ditandingi oleh komitmen luar biasa dari kakitangan kami. Dengan ini, kami ingin merakamkan setinggi-tinggi penghargaan kepada:

#### KAKITANGAN KAMI

yang dikenali sebagai *Top Glovers*, yang menjadikan setiap hari bekerja begitu bermanfaat dan pencapaian kami lebih bermakna. Usaha dan komitmen anda yang tidak terhenti-henti terutama semasa krisis ini memberi inspirasi dan sungguh terpuji. Anda, terutama kakitangan kami yang bekerja di kilang pengeluaran, adalah pahlawan dan *frontliners* dalam memerangi COVID-19. Ketekunan dan dedikasi anda telah membolehkan pengeluaran sarung tangan kami untuk terus berjalan tanpa gangguan supaya boleh dihantar kepada orang dan lokasi yang memerlukan.

#### AHLI LEMBAGA PENGARAH KAMI

yang pengalaman dan kebijaksanaan kolektifnya telah dengan tegas membimbing mencapai agenda pertumbuhan kami, sambil memegang pada tahap tertinggi tadbir urus korporat.

Kami juga mengambil kesempatan ini untuk mengucapkan terima kasih yang tulus kepada Encik Tay Seong Chee, Simon, Pengarah Bebas kami, yang telah bersara di AGM kami pada bulan Januari 2020. Kami juga sangat mengalu-alukan Pengarah Bebas kami yang baru, Encik Lim Andy, yang pasti akan memperkayakan dan memantapkan komposisi lembaga kami.

#### PIHAK BEKEPENTINGAN SETIA KAMI

yang terus memberi inspirasi dan cabaran kepada kami untuk menjadi semua yang kami mampu dan melakukan semua yang boleh kami lakukan, sebagai perniagaan dan sebagai warga korporat. Yakinlah, kami tidak akan menghampakan anda dan kami akan terus berusaha untuk melebihi jangkaan anda.

**TAN SRI DR LIM WEE CHAI**  
Pengerusi Eksekutif  
Top Glove Corporation Bhd  
3 November 2020

**DATO' LEE KIM MEOW**  
Pengarah Urusan  
Top Glove Corporation Bhd  
3 November 2020

## 致权益持有人的信函及管理层讨论与分析



2020年1月，顶级手套董事、高级管理层及尊贵的来宾参与集团于霹靂州怡保举办的第三届外出会议。

诸位权益持有人，

### 卓越表现刷新历史

顶级手套在2020财年取得创办以来最出色的财务及企业表现，于“新常态”创下新高业绩。

在新型冠状病毒大流行的艰难时期，本集团深感荣幸能通过我们的产品于世界各地保护及挽救生命。集团取得的成就也印证了所推行的绩效管理非常有效。集团排除外部因素，专注于掌控范围内的内部因素，如：产品质量、效率、创新、研发、先进技术、以及员工等关键领域。

集团在应对种种挑战下，包括了美国海关和边境保护局 (CBP) 于2020年7月15日对集团旗下两家子公司：Top Glove Sdn. Bhd. 和 TG Medical Sdn. Bhd. 施加的“暂扣令” (WRO)，仍然取得优异的成绩。

顶级手套已解决了有关劳工方面的问题，并证实无涉及强迫劳动、童工、过度超时工作、于休息日上班、及在整体运营过程中没收劳工护照。于此方面，顶级手套谨遵劳工及社会合规标准，以及受独立顾问验证的国际社会高水平。

### 2020财年多项创纪录的成就

营业额达  
**马币 72.4亿**  
历史新高  
(相比2019财年增长51%)

净利润创  
**马币 17.9亿**  
新高  
(相比2019财年增长384%)

荣升  
**全球最大的  
丁腈手套制造商**  
同时亦是全球最大的橡胶  
手套和手术手套制造商

截至2020年10月30日  
以马币702亿的市值  
**于马来西亚  
股票交易所  
排名第2**

致权益持有人的信函及  
管理层讨论与分析

致权益持有人的信函及  
管理层讨论与分析

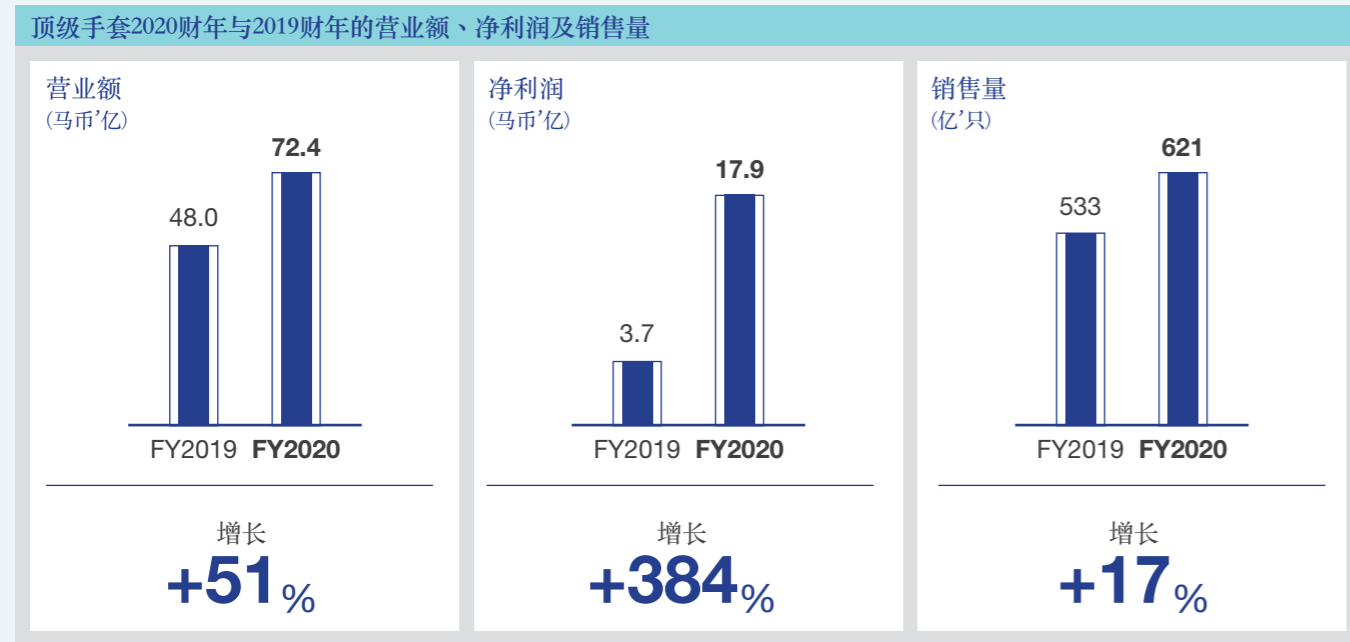
顶级手套将承担补偿外籍劳工先前所支付于代理商或其他机构的招聘费。随着独立顾问完成全面的核查后，补偿金为马币1亿3600万。于2020年8月，集团已完成了首次的补偿金付款，并计划持续至2021年7月。

与此同时，顶级手套已及时向美国CBP一方提交了相关的资料，并正密切接洽中，以尽快地撤销“暂扣令”。

集团深知在此行业中，重重挑战在所难免。集团亦坚信秉持着“三大健康”，即：心理、身理及财务三方面的健康，方能克服种种挑战及变得更加强大。

管理层讨论与分析

于2020财年，顶级手套营业额创新纪录，达至马币72.4亿，与2019财年相比则取得了51%惊人的增长率。同时，集团净利润亦激增至马币17.9亿，相比上个财年飙升384%。销售量相比2019财年亦增长了17%。以下图表总结了集团2020财年的表现。

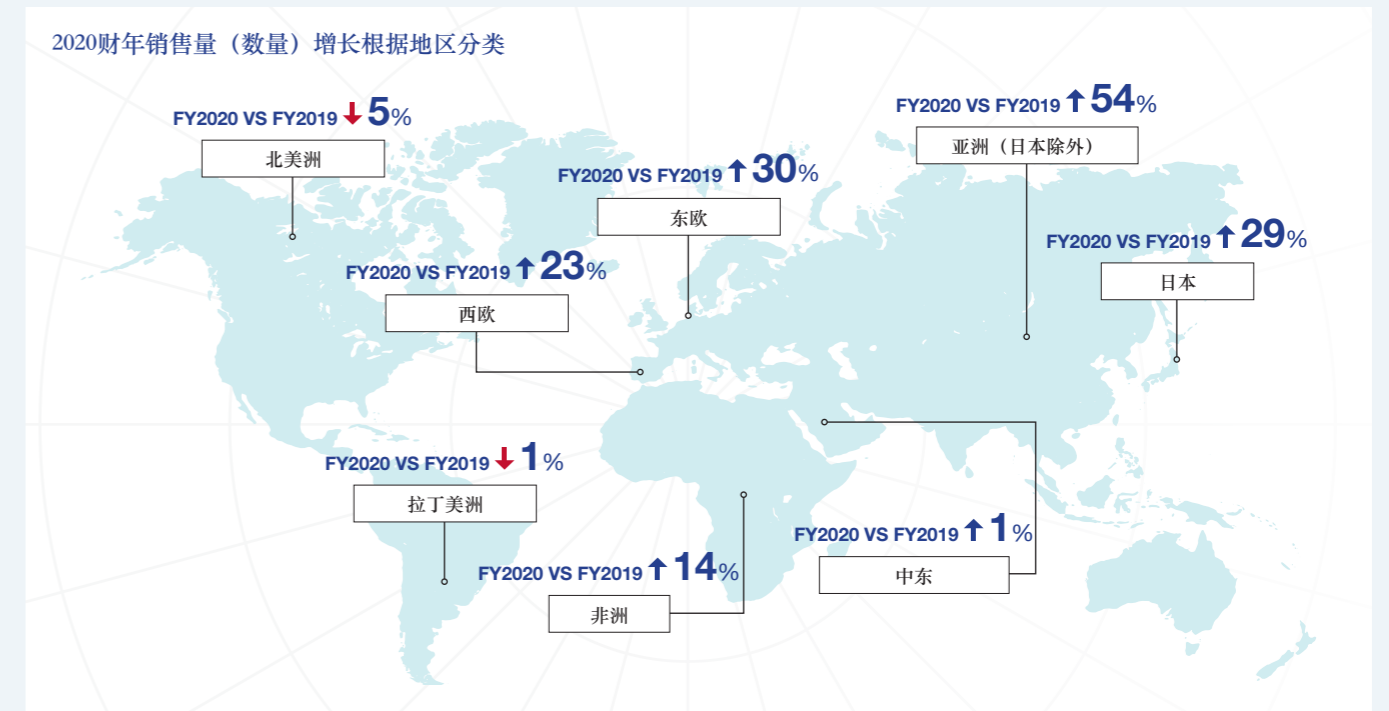


中国第15厂各部门主管合影。

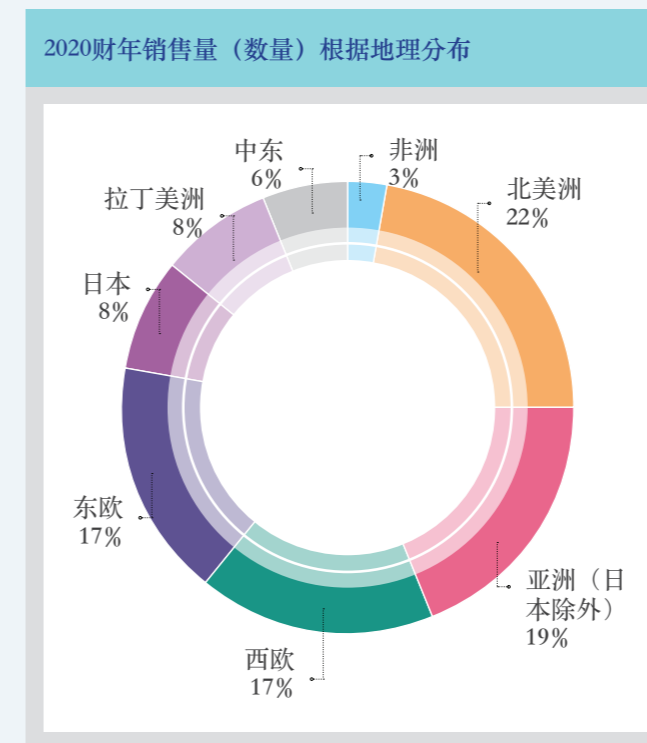
该增长因新型冠状病毒大流行而导致全球手套需求量爆增。此财年需求量增长于亚洲（日本除外）、东欧和西欧尤为强劲，相比2019财年，分别提升54%、30%及23%。

其中，丁腈手套需求量的增长最为强劲，相比去年增长了31%；而天然乳胶检验手套需求量相比去年亦大幅度增长了7%。根据市场需求状况，平均销售价亦有所调涨。

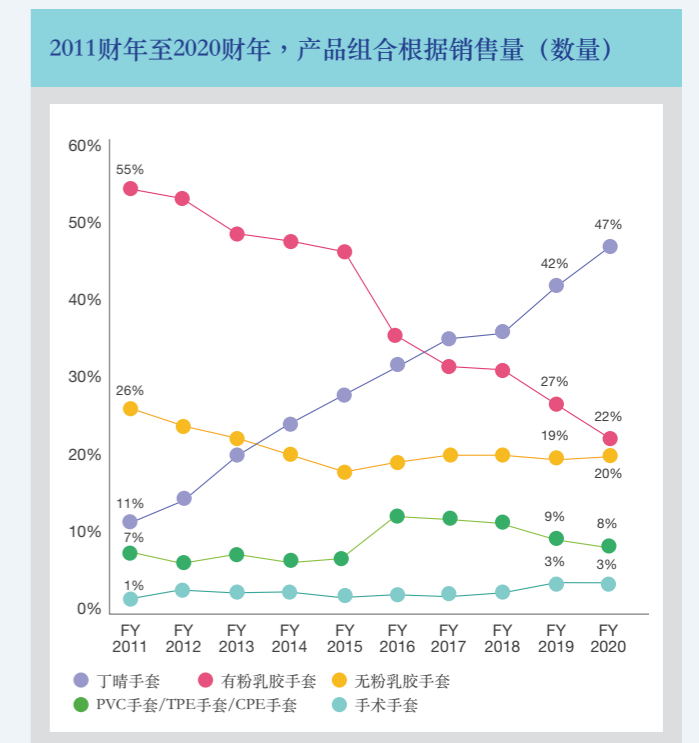
2020财年的销售量（数量）增长根据地区分类如下。



2020财年，根据地理分布的销售量（数量）如下。



2011财年至2020财年，产品组合根据销售量（数量）如下。

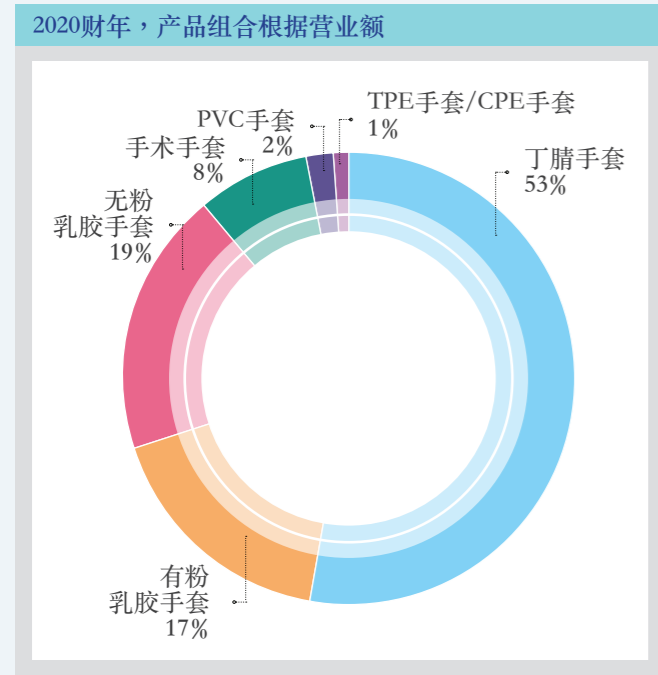




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2020财年，产品组合根据营业额如下。

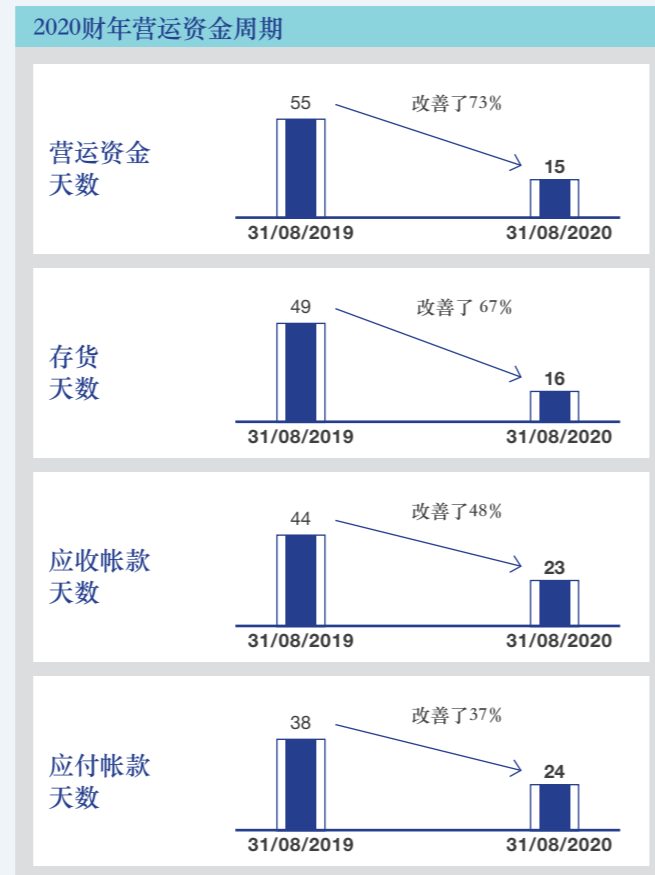


与此同时，集团不断改进生产流程，进而提升生产效率及其利润。此外，集团的产能使用率维持在接近100%的水平，从而获得规模经济优势，大大地降低了开销，尤其于劳动力及天然气成本。

另外，集团开始从稳利的收购中获益，稳利以马币1亿1180万的税前利润贡献了惊人的业绩。额外产能亦使顶级手套得以应付持续上升的手套需求量。

强劲的盈利表现为集团贡献了马币34.6亿的现金流，让集团得以偿还其现有马币6亿5400万的银团贷款。截至2020年8月31日，顶级手套净现金流为马币23.4亿。

此外，集团于营运资金周期方面亦取得改善，由2019财年原先的55日减至2020财年的15日。以下图表显示2020财年的营运资金周期。



以上图表依据截至2020年8月31日的销售额

永续发展

身为领域领导者，集团始终致力于通过永续发展，为环境、经济及社会做出贡献。

欲知更多关于集团如何为企业及地球打造更永续的未来，请参考第80页的 *Creating Sustainable Value* 章节。

集团发展

身处于易变性、不确定性、复杂性及模糊性 (VUCA) 的环境中，顶级手套排除万难，成为全球最大的丁腈手套制造商，也巩固其全球最大的橡胶手套和手术手套制造商的地位。

截至2020年10月30日，顶级手套凭着马币702亿及新币230亿的市值，荣升马来西亚股票交易所和新加坡交易所排名第2位和第9位的集团。

顶级手套积极推出扩展计划以满足迅速增长的手套需求量。在新型冠状病毒爆发前，手套需求量的增长率约为10%。值得一提的是，集团位于越南平阳省的首间工厂，为一间生产PVC手套的第41厂，于2020年10月投入运作。该工厂首20条生产线的产能约为48亿只手套，大部分产量出口至美国和欧洲。

集团扩展蓝图如下，将适时进行审核及调整，以确保集团始终具有优势以满足当前的市场需求：

工厂	投入运作于 (历季度)	国家	手套类别	生产线数量	年产量 (只)
目前：36间手套工厂				750 条相等单生产线	900 亿
F40 次阶段	2021 年首季度	巴生，马来西亚	丁腈	16 条 (单)	23 亿
F8A 首阶段 新厂	2021 年首季度	沙道，泰国	丁腈	28 条 (单)	40 亿
F35 A座 新厂	2021 年首季度	巴生，马来西亚	手术 / 丁腈	12 条 (单)	17 亿
F36 生产线翻新	2021 年首季度	哥打巴鲁，马来西亚	手术 / 乳胶	3 条 (单)	4 亿
F38 A2座 首阶段 新厂	2021 年次季度	居林，马来西亚	丁腈	16 条 (单)	23 亿
F31 C座 新生产线	2021 年次季度	巴生，马来西亚	丁腈	14 条 (单)	19 亿
F37 A座 新生产线	2021 年第三季度	居銮，马来西亚	丁腈	8 条 (单)	11 亿
F41 首阶段 第2座	2021 年第三季度	平阳，越南	PVC	20 条 (单)	24 亿
2021 年新产量				117 条 (单)	161 亿
截至2021年12月总数：39间手套工厂				867 条相等单生产线	1,061 亿
F38 A2座 次阶段	2022 年首季度	居林，马来西亚	丁腈	8 条 (单)	11 亿
F42 首阶段 首座 新厂	2022 年首季度	万津，马来西亚	丁腈	24 条 (单)	34 亿
F45 首阶段 新厂	2022 年首季度	怡保，马来西亚	丁腈	32 条 (单)	45 亿
F37 D座 新生产线	2022 年次季度	居銮，马来西亚	丁腈	6 条 (单)	8 亿
F46 新厂	2022 年次季度	巴生，马来西亚	丁腈	26 条 (单)	36 亿
F41 次阶段 第3座	2022 年第三季度	平阳，越南	PVC	20 条 (单)	24 亿
2022 年新产量				116 条 (单)	158 亿
截至2022年12月总数：42间手套工厂				983 条相等单生产线	1,219 亿

\* 截至2020年10月31日  
\* 由2021财年至2025财年，我们将投入资金于扩展业务，以达至每年1,000亿只的手套产量。

为了回馈股东的忠诚与支持，同时邀请更多投资者参与，集团于2020年9月7日完成以1送2比例红股的发行。顶级手套发送了高达54.8亿的红股，过户于2020年9月4日，即持有每一股现有股，将获得二红股。

为表感谢于57,000名公众股东（截至2020年10月，股东人数已增至92,000名），董事会宣布派发每股8.5仙的终期股息，派息额约为马币6亿9180万。这使全年总派息为每股11.8仙，相比上个季度，增长了9.3仙或372%，而净利润支付率为55%。

顶级手套的股息政策既定了可持续性的高股息支付率，该比率不低于扣除少数股东权益后的净利润的50%。集团亦很高兴能履行对股东的承诺，按季度支付股息，致力于提高股东的价值。

顶级手套就其高水准的公司治理而受表扬，于2020年10月13日获颁2019 MSWG - 东盟公司治理的企业卓越（医疗保健类）奖项。此外，顶级手套亦荣获2020亚洲招募大奖的最佳招募科技模式的荣誉。截至今日，本集团仍身为MSCI全球标准指数、大马交易所富时KLCI指数及道琼斯永续发展的新兴市场指数成员之一。

本集团谨记身为企业公民的责任不仅仅局限于提升股东价值，更涵盖了对社会大众的责任。为此，顶级手套已拨出马币500万用于企业社会责任 (CSR) 计划，这包括与新型冠状病毒相关的举措。透过与丽阳机构联合的计划，本集团向马来西亚卫生部捐赠了价值马币300,000的医疗设备和用品，以及承诺拨款马币800,000，以示对表现管理及传递单位 (PEMANDU) 开发新型冠状病毒径迹软件 (全球

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新型冠状病毒指数)的支持。此外,本集团较早前已捐赠了总值马币700,000共300万只的医疗手套至马来西亚各大医院、各政府部门、马来西亚皇家警察及马来西亚慈善组织,以及吉隆坡慈善基金会。除此之外,本集团亦在2020年1月疫情爆发初期,向中国捐赠了300万只的医疗手套,以响应马来西亚政府与马来西亚手套生产商共同抵抗新型冠状病毒的努力。

## 研发突破带来的永续成就

研究与开发(R&D)对顶级手套的成功扮演着重要的角色。截至2020年10月15日,集团的研发中心拥有845名研究人员,其中包括34名博士学位持有者、93名硕士学位持有者及687名学士学位持有者。此庞大的人力资本使集团能够实现多项学科研究,并涵盖五个重点领域,既产品和材料开发、永续科技、工程和自动化、原先的研究、以及知识产权和协作服务。

目前,顶级手套已在马来西亚半岛设立了7所研发中心,每所中心专攻不同领域。正如火如荼筹备中的区域研发中心分别位于:中国(1所)、越南(1所)及泰国(2所)。

位于万津第42厂的顶级手套创新园区(TGIC),乃集团新的卓越生产及研究中心。此工厂于生产中采用智能及数字化,并利用工业4.0技术、大数据分析来达至最佳生产及流程效率,从而减少例行及重复性工作对于劳力的依赖。这亦象征着集团迈向工业4.0的重大转变,不仅连接了集团工厂,而未来所有工厂将以此为蓝本。TGIC首阶段预计将于2020年次季度落成。

顶级学院的成立主要为了推动与领先的本地及国际学术机构之间互利的研发合作,这些机构包括了马来亚大学(UM)、马来西亚工艺大学(UTM)、拉曼大学学院(TARUC)、拉曼大学(UTAR)及多媒体大学(MMU)。此外,集团也实行人才培养计划,为学生提供奖学金到泰莱大学、蒙纳士大学、AIMST大学及马来西亚国立大学(UKM)攻读硕士学位,专门对顶级手套的项目进行研究。

## 集团迈向工业4.0的步伐

集团自2017年以来,在迈向工业4.0的道路上取得良好的进展。我们通过对生产线的自动化和数字化、原材料配料和整体设备效率(OEE)进行试点投资而获得了丰厚的回报,从而提升了运营效率于指标如:较低的每只手套成本于能源、材料、人力和运营方面,以及所有生产设施更高的产量。

基于疫情肆虐,集团在这紧要关头重新调整技术研发策略,以提升生产效率。手套属医疗保健领域中不可或缺的物品,因此我们更加积极地开发人工智能系统,如在视觉上对手套进行筛查,通过大数据分析建立反馈循环,以持续改进质量。优先考量到产品的卫生因素,我们也投资开发“非接触式”自动包装和处理系统,以确保我们的手套无需经过人工即可从生产线转移到包装中,从而排除了受到污染的可能性。

正在进行当中的亦有于生产间实行的“数据化工作单位”,能将一些器材维修或信差等任务自动分配给工人。这让员工能够根据自身需求来承担更多责任及探索适合其能力的任务,同时还能让经理更加了解属下员工当下的任务,确保员工有效率地完成工作,同时避免工作量超出负荷。

## 感言

集团于2020财务年取得的非凡成就归功于集团相关人员的贡献。在此我们谨表示最深切的感谢于:

## 迈向巅峰的路程

2020财务年对于顶级手套甚至对全球而言是非常紧要的一年。然而,集团在手套领域的前景依然非常乐观。新型冠状病毒来袭,手套需求量不停增长,集团估计其需求量将于2020年、2021年及疫情缓和后分别增长20%、25%及15%。随着全球销售订单持续上升,再加上先进技术使得产能增长快速及生产率显著提高,预示着集团接下来的数个季度会有更佳的发展。

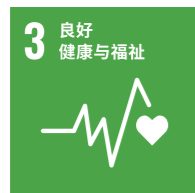
尽管环境充满挑战,我们仍然努力迈向成为财富世界500强公司之一。实际上,集团卓越的表现及以目前的进展来看,我们有望于2035年前实现这一壮举,比原先制定的2040年目标提前了。集团亦立志在2021年在香港交易所上市。

无疑,人才对集团的业务增长以及实现宏伟目标扮演重要的角色,为此,我们努力吸引并留住高绩效及高素质的人才。

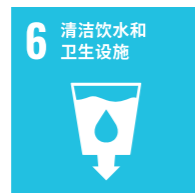
为了确保集团具有竞争力迎合全球强劲的手套需求量,并且实现跻身财富世界500强的目标,顶级手套将通过有机扩张、合资企业和并购来持续扩张其业务。集团亦将不断扩大产品范围,包括更多专用手套以及非手套保健产品,以满足客户的需求。

为实现集团的发展壮志,我们着重在永续发展,尤其在劳工实践方面不断努力以确保遵守当地条例,同时遵循国际最佳实践。

研发的重点领域着重在于对环境进行永续性研究,研发中心鉴定了7个相关的联合国永续发展目标,以解决:



目标 3



目标 6



目标 12



目标 13



目标 14



目标 15



目标 17

配合集团减少生产废料的举措,集团于2019年11月在第25AW4厂启动了“再生橡胶厂”。此项举措针对避免将撕裂的丁腈手套丢弃于垃圾填埋场,因此该工厂专门进行此些研究:开发低温回收工艺及将报废的丁腈手套再生为增值产品,例如橡胶垫片、橡胶地板垫与橡胶鞋垫。

为了确保集团产品对于人类及环境皆安全无害,顶级手套持续致力于改进及创新。例如,集团于2019财务年推出的生物可降解丁腈手套已于2020年9月2日成功获得510(K)FDA认证(1级),验证了该手套的安全性和有效性。

新型冠状病毒大流行使全球手套需求量激增,从而导致原材料短缺。为解决原材料短缺问题,集团亦进行通过混合替代胶乳的同时不影响手套的物理及机械性能的专利技术研究。此外,研发中心也发起了一项关于在生产过程中减少和消除化学药品,以生产更干净手套的研究,逐步迈向绿色生产的使命。

## 我们的员工

又称为“Top Glovers 顶级手套成员”,您们使每个工作日和达到的成就更具意义。尤其于此次危机中,您们不懈的努力和奉献的精神令人鼓舞并值得赞扬。您们,尤其于生产线前拼搏的员工,是与新型冠状病毒奋力抗战的英雄及前线人物。您们勤奋敬业的精神确保集团不间断地生产救生手套以送至最需要的人们手中。

## 我们的董事会

您们的经验及智慧,指导着我们远大的理想和抱负,同时亦确保我们始终遵循最高标准的公司治理。

我们也借此机会对集团的独立董事戴尚志先生(Mr. Tay Seong Chee, Simon)表示衷心的感谢,他于2020年1月举办的年度股东大会上退休。在此,我们热烈欢迎集团新独立董事林殷先生(Mr. Lim Andy),他的加入将丰富及强化董事会。

## 我们的忠实权益持有人

感谢您们不断给予我们启发及挑战,让集团能尽我们所能做到最好。请放心,您们的信任促使我们不断奋进以便超越您们对我们的期望。



丹斯里林伟才博士  
执行主席  
顶级手套集团  
2020年11月3日

拿督李金谋  
董事经理  
顶级手套集团  
2020年11月3日

## THE MARKET AND TRENDS THAT SHAPE US

## The Market and Trends That Shape Us

The performance of our business is affected by commodity prices, economics cycles and customers' demand. These outlooks are taken into consideration when developing our business strategies. Because our core products involve natural rubber and nitrile, we are strongly affected by fluctuations in raw materials' prices.



### Natural Rubber Market

Notes:

- <sup>1</sup> Megat Fais, CFA. "Malaysia Glove Manufacturers: Strong Demand, Tighter Supply Could See More Earnings Upside." Citi Research, 13 April 2020.
- <sup>2</sup> "World Rubber Industry Outlook - July 2020 Edition." International Rubber Study Group, 17 July 2020.

Malaysia is among the major producers of natural rubber in the world, standing alongside Thailand and Indonesia. In 2013, following a surge in price and excessive planting of rubber trees between 2010 and 2012, the price of natural rubber suffered a devastating blow due to oversupply. Prices have been stable since then until a recent spike in prices in October 2019 to early January 2020. The increase was attributed to concerns over damage to rubber trees' output from a fungal disease, leading to a supply decline but has since returned to normal. According to the International Rubber Study Group (IRSG), surplus of natural rubber is expected over the next 3 years<sup>1</sup>.

With the recent COVID-19 pandemic, natural rubber demand has been adversely impacted. Over 70% of the global natural rubber is used heavily in the tyre industry<sup>1</sup>. With the automotive industry's sales in Asia, particularly in China and South Korea, being lacklustre, demand took a turn for the worse. The IRSG predicted that natural rubber demand will decline by 11% in 2020<sup>2</sup>; factors contributing to the decline are lockdowns, closure of factories and businesses and limited flow of labour and goods. Overall, world demand for natural rubber is expected to recover by 7.8% in 2021 following growth in the tyre and non-tyre sectors<sup>2</sup>.



### Petroleum Market

Notes:

- <sup>3</sup> Domm, Patti. "Oil prices likely to continue to struggle in the fourth quarter as demand lags." CNBC, 2 October 2020, <https://www.cnbc.com/2020/10/02/oil-prices-likely-to-continue-to-struggle-in-q4-as-demand-lags.html>. Accessed 22 October 2020.
- <sup>4</sup> Dale, Spencer. "Energy Outlook." BP plc, 14 September 2020, <https://www.bp.com/en/global/corporate/energy-economics/energy-outlook.html>. Accessed 22 October 2020.
- <sup>5</sup> "Short-Term Energy Outlook." U.S. Energy Information Administration, 6 October 2020, <https://www.eia.gov/outlooks/steo/report/index.php>. Accessed 22 October 2020.

Petroleum is used to produce butadiene which is used to produce nitrile butadiene rubber (NBR) latex. Butadiene prices move in tandem with petroleum prices. This means the price of NBR latex, a core raw material in our industry, is indirectly affected by the petroleum market. In 2019, Brent crude oil averaged about USD64 per barrel, USD7 lower than its 2018 average. However, average prices began to depreciate as news of the discovery of COVID-19 started making headlines. In a matter of weeks, the COVID-19 pandemic rapidly decrease global demand for crude oil as countries implemented lockdowns to curb the COVID-19 spread. In addition, the petroleum market is oversupplied following increased production by OPEC+ countries causing average prices to hit below zero.

Prices have gradually improved since OPEC+ countries pledged on 12 April 2020 to cut production to curb the supply glut. Besides the production cuts, global demand has gradually increased as countries lift lockdowns and reopen their economies, prompting a rise in petroleum prices. As at 31 August 2020, Brent crude oil stood at USD45.28 per barrel. The biggest consumer in the oil market is the aviation industry, which means that demand would see little change if the aviation industry does not recover<sup>3</sup>.

In fact, demand will probably never fully recover from the COVID-19 impact, according to BP plc<sup>4</sup>. The U.S. Energy Information Administration (EIA) expects global oil demand to average 92.8 million barrels/day for 2020 before increasing by 6.3 million barrels/day in 2021<sup>5</sup>. EIA further forecasted Brent crude oil to average USD42 per barrel in the fourth quarter of 2020 and an average of USD47 per barrel in 2021<sup>5</sup>. Factors that could affect the forecasted demand and price are future waves of COVID-19 infections and Libya's compliance to OPEC+ supply cuts<sup>3</sup>.



### NBR Latex Market

Notes:

- <sup>6</sup> Yan, Helen. "ICIS Butadiene Asia-Pacific - Pricing & Insight." Independent Commodity Intelligence Services, 9 October 2020, <https://subscriber.icis.com/commodity/314/4/1/report/pricing-insight>. Accessed 22 October 2020.
- <sup>7</sup> Cheah, Stephanie. "Top Glove: An integrated supply chain." CLSA, 8 October 2020.

NBR latex is a core component in the production of nitrile gloves. NBR latex prices move in correlation to petroleum prices. Globally, the COVID-19 pandemic is driving down global demand for crude oil. In addition, the crude oil market is oversupplied following increased production by OPEC+ countries, resulting in oil prices hitting below zero on 20 April 2020. Butadiene prices have also dropped but has recovered gradually since July 2020 in Asia-Pacific<sup>6</sup>.

Following a faster-than-expected recovery of the automotive sector and a robust healthcare industry, demand has quickly overtaken supply, with demand in Asia to remain firm in the near future<sup>6</sup>. Production has hit the limit but demand for NBR latex is still high, mostly driven by glove manufacturers to produce nitrile gloves. With such strong demand and tight supply, supply shortage is expected to continue throughout 2021<sup>7</sup>. Additional capacity is forecasted to be available in the third quarter of 2021 once Synthomer completed capacity expansion, adding 60,000 tonnes to the NBR latex market<sup>7</sup>. A recent agreement between LG Chem and Petronas Chemical will add another 200,000 tonnes to the market in 2023<sup>7</sup>.

The Market and Trends That Shape Us

The Market and Trends That Shape Us



**Foreign Exchange Rate**

Notes:

<sup>8</sup> Megat Fais, CFA. "Top Glove: Alert: Remediation Amount Finalized, Another Step towards a Resolution on CBP Ban." Citi Research, 7 October 2020.

Recent times have seen volatile fluctuations of the Ringgit against the US Dollar, placing the Ringgit at a much weaker spot than before. Slowing global growth, the trade conflict between the US and China and most recently, the COVID-19 pandemic have only worsened the Ringgit position. The Ringgit dropped to its year-to-date weakest level of RM4.447/USD as at 23 March 2020. Malaysia's unstable political climate also likely contributed to our depreciating currency.

Since then, the Ringgit has strengthened against the US Dollar, backed by the improvement in crude oil prices and release of pent-up demand for oil as countries reopen. Foreign direct investment and improved sovereign rating outlook also contributed to the Ringgit strengthening. As at 31 August 2020, the Ringgit stood at RM4.17/USD, which is 6.2% stronger compared to that on 23 March 2020.

With the pandemic expected to last until 2021, the exchange rate outlook is uncertain as safe-haven currencies, such as the US Dollar and Yen would be in high demand during periods of high-risk aversion. Our revenue is in US Dollar while our costs are in Ringgit. The current trend shows that the US Dollar is generally depreciating against the Ringgit. According to Citi Research, every 1% depreciation in the US Dollar would lower our earnings by 1 to 2%<sup>8</sup>.



**Global Expenditure in Healthcare Sector**

Notes:

<sup>9</sup> "COVID-19: the impact on healthcare expenditure." The Economist Intelligence Unit, 27 May 2020, <https://www.eiu.com/nl/campaigns/covid-19-the-impact-on-healthcare-expenditure/>. Accessed 25 August 2020.

In recent years, global healthcare expenditure has seen an accelerated growth. This growth can be attributed to a growing population in developing countries and growth in aging population in developed countries. Other factors include rise in healthcare prices and personal disposable income, allowing for more allocation to healthcare.

The general positive trends in the healthcare sector such as rising healthcare expenditure, participation of private sectors in healthcare and the development of national health insurance schemes are seen to be positive contributors to medical gloves demand. Considering that the healthcare sector is among the most resilient sectors in most recessions, the Economist Intelligence Unit (EIU) calculated that during the 2009 Global Financial Crisis, healthcare spending rose by 2.8% in US Dollar terms in the world's 60 biggest countries<sup>9</sup>.

However, the recession caused by the COVID-19 pandemic has reduced the overall healthcare expenditure in 2020, which seems counterintuitive considering the global health emergency caused by the pandemic. While governments have channelled funds and resources into managing the pandemic, they have also reduced or cancelled other non-essential health services. Patients are reluctant to go to hospitals or clinics for fear of contracting the coronavirus and putting additional burden on already overworked healthcare workers. Overall, with respect to the world's 60 biggest economies, healthcare spending will drop by 1.1% in US Dollar terms in 2020<sup>9</sup>. The EIU further forecasted that spending will increase later in the year as lockdowns are lifted and patients start to catch up on their medical appointments. Combined with spending on the coronavirus vaccines, gaps to fill in the healthcare systems and a weakening US Dollar, EIU projects global spending will increase up to 5.5% in US Dollar terms in 2021<sup>9</sup>.



**COVID-19 Pandemic**

Notes:

<sup>10</sup> Megat Fais, CFA. "ASEAN Glove Manufacturers: Structural Step Up in Demand; ASP to Stay High Amid Tight Supply." Citi Research, 11 August 2020.

The COVID-19 pandemic that began in December 2019 and as at 31 August 2020, has infected about 25.1 million of the global population. The pandemic has pushed our government to impose the Movement Control Order (MCO) on 18 March 2020 and the MCO has severely impacted business activities and consumer confidence. However, the pandemic has pushed the demand for personal protective equipment (PPE), including gloves, to extraordinary levels. Demand started to spike on 20 February 2020 at the earliest, especially in the US and Europe, which have seen the higher percentage of global cases.

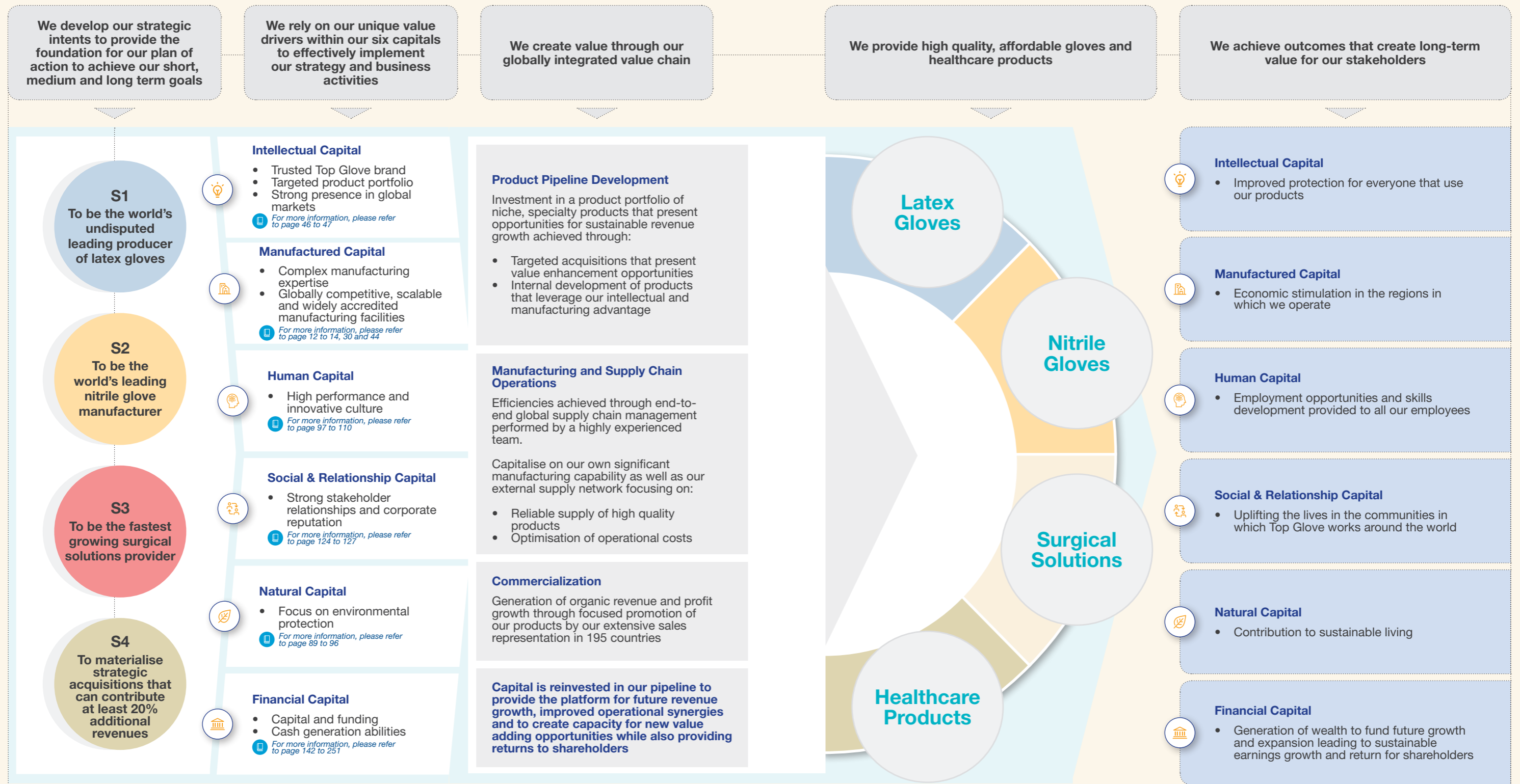
The unprecedented demand is reflected especially in the average selling prices (ASPs) and the lead times. With spot order enquiries on the rise, mainly from developed countries, due to the second wave of COVID-19 infections globally and governments stocking up on inventories for potential future waves, industry ASPs have experienced a sharp upward movement in tandem with the global glove shortage. Currently, spot orders can cost at least USD60 up to USD100<sup>10</sup>.

As some customers are willing to incur significant premium to secure products, with some already secured products for next year's deliveries, the market is most likely to underappreciate ASPs as higher prices are highly unlikely to curb demand, especially during this unprecedented global health crisis.

# OUR VALUE CREATION MODEL

## Our Value Creation Model

We use our six capitals and our unique value drivers to provide high quality, affordable gloves and healthcare products to create value for our stakeholders in a responsible and sustainable way.



### Our Values

**R** ESPECT  
We earn respect by treating everyone with respect.

**I** NTEGRITY  
We do the right thing every time.

**V** ALUE  
We add value every day.

**E** MPOWERMENT  
We entrust our people with appropriate responsibility.

**R** ELATIONSHIP  
We foster collaboration for mutual good.

# OUR BUSINESS STRATEGIES

## Our Business Strategies

We recognise that doing business in a sustainable and responsible manner is integral to ensuring our future viability. Sustainability considerations underpin our strategy and are integrated into the way we do business.

### OUR VISION

#### Our vision unites us in our purpose

To be your world class partner in gloves and healthcare products

### OUR MISSION

#### Our mission drives our purpose

Ensuring safe human protection globally

#### Our shared values are the foundation as we work toward achieving our vision

- 1 Respect
- 2 Integrity
- 3 Value
- 4 Empowerment
- 5 Relationship

### STRATEGIC POSITIONING

#### Our strategic positioning supports delivery of our vision.

We seek to achieve this through developing a differentiated portfolio of relevant intellectual property (IP), creating value through our manufacturing capabilities and enabling access through our globally integrated supply chain.

Our market positioning is focused on leveraging opportunities presented by emerging markets, balanced with presence in more established, stable developed markets.

Through our dynamic portfolio management model, we build, maximise and reshape our basket of products to achieve a global product portfolio of niche, specialty products complemented by leading regional brands, aligned to our manufacturing capability.

We implement our strategy by applying the resources we have available in execution of our business model to achieve sustainable growth and value creation.

**Our four strategic intents provide the foundation to deliver our strategy of creating long-term value for all of our stakeholders. These strategic intents are enabled by our four focus areas to achieve our overall strategic objectives.**

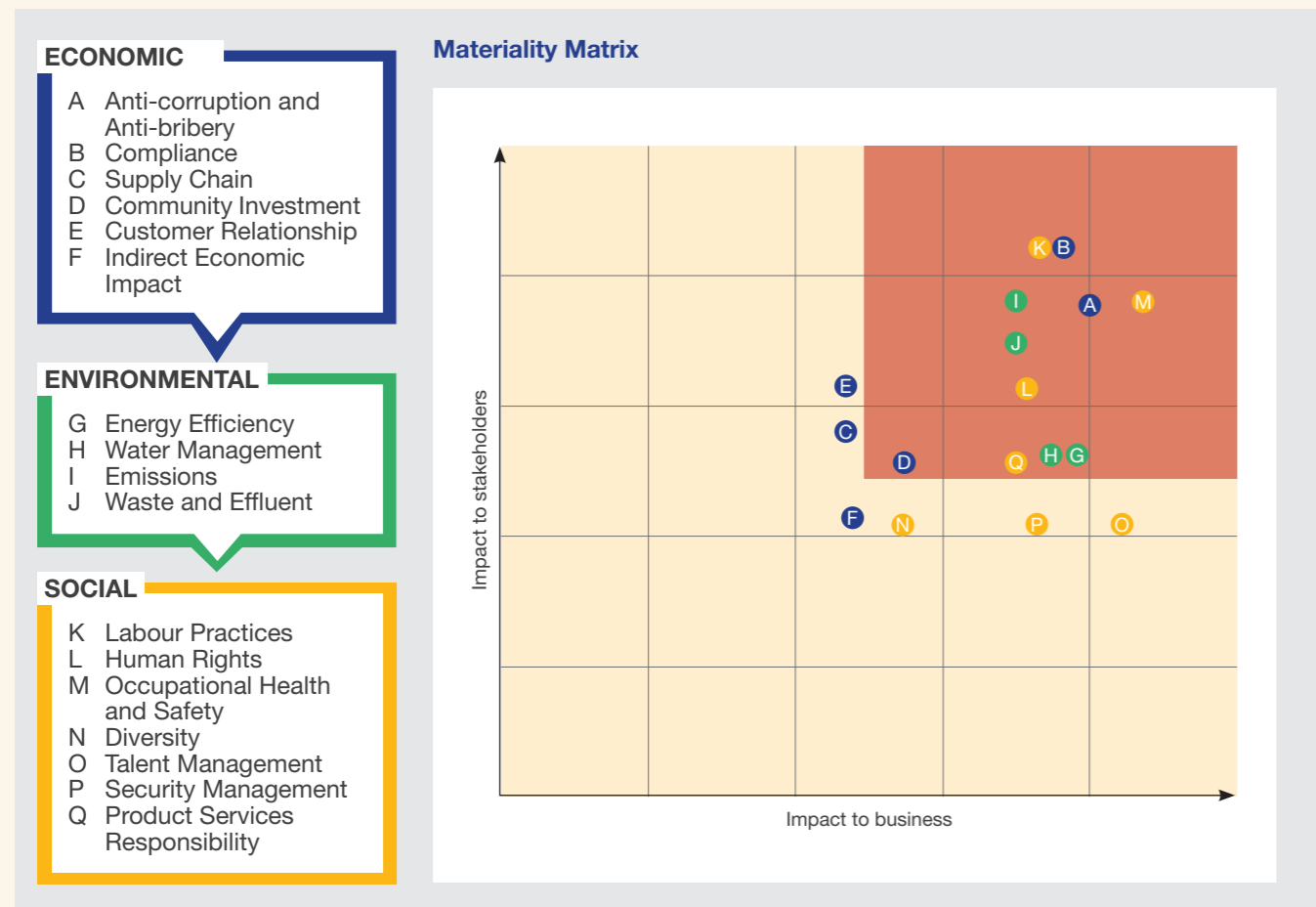
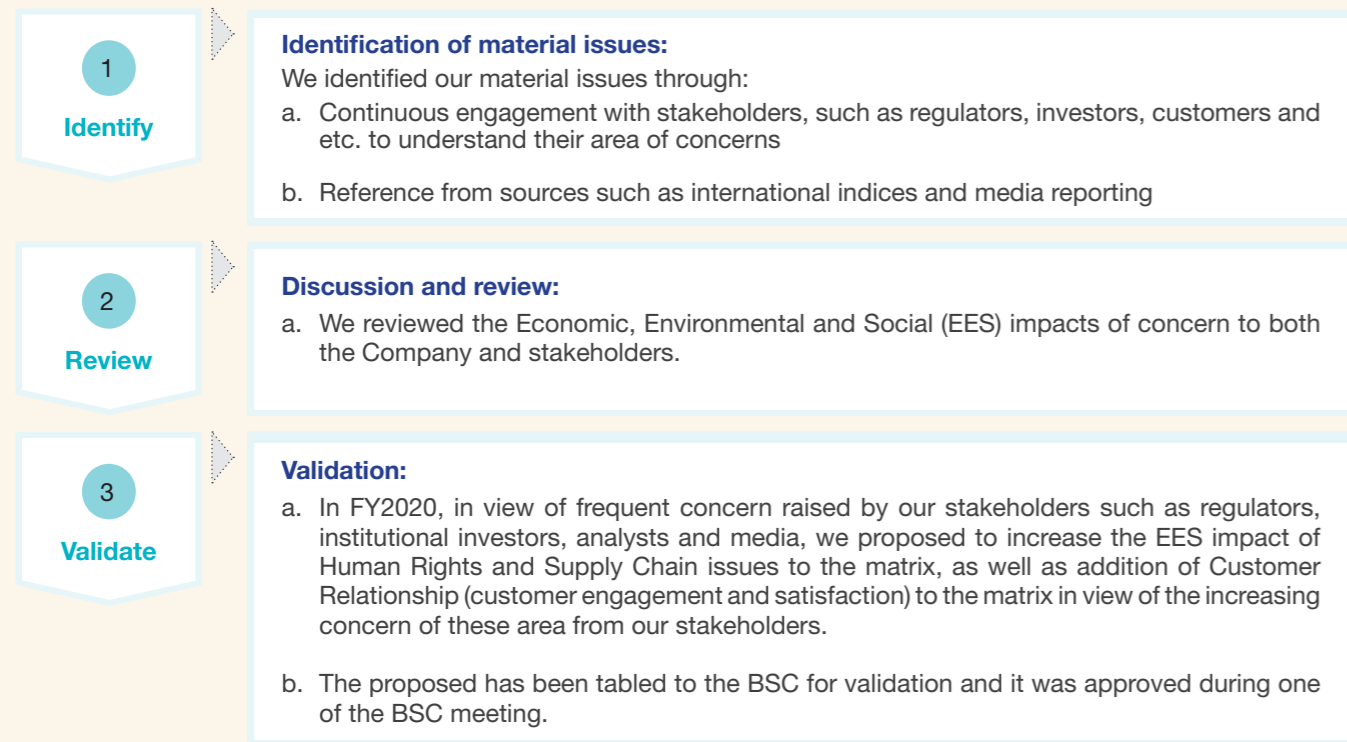


# IDENTIFYING OUR MATERIAL MATTERS

## Identifying Our Material Matters

### Materiality Review

In FY2020, the Board Sustainability Committee (“BSC”) conducted a materiality review in order to better reflect the Company’s key sources of long-term value creation and significant risks & opportunities. Our review process as below:



### Materiality Analysis

All the material issues in the Materiality Matrix are highly related to the Company as the Company contributes to the impacts directly. As we are committed to an ongoing response to the material topics, all material issues’ management approaches, initiatives, progress and achievement will be discussed in the *Creating Sustainable Value* from page 80 to 110 in this Integrated Annual Report. Please refer to the page reference for each material issues below for further details of the approach’s progress and its effectiveness.

EES area	Key material issues	Why this issue is important	Page reference	Alignment with Sustainable Development Goals (SDGs)
<b>Economic</b>	Anti-corruption and anti-bribery	That our business is free of corruption and bribery is a fundamental expectation of all our stakeholders. Doing business with integrity creates recognition as an ethical corporation, attract talents, customers and investors. Failure to do so leads to business and financial loss, and reputational damage.	81 to 82	16: PEACE, JUSTICE AND STRONG INSTITUTIONS
	Compliance	Adherence to the laws and regulations is important especially for an international business. Conversely, non-compliances will result in higher cost of conducting business.	83	16: PEACE, JUSTICE AND STRONG INSTITUTIONS
	Supply Chain	Our procurement practices and the supply chain’s ESG behaviour will have a significant socio economic impact.  We have stringent processes in place to ensure a sustainable supply chain. Improper supply chain management may cause product supply interruption and customer dissatisfaction.	84	8: DECENT WORK AND ECONOMIC GROWTH, 12: RESPONSIBLE CONSUMPTION AND PRODUCTION
	Community Investment	Uplifting community wellbeing results in for socio-economic benefits.	85 to 86	3: GOOD HEALTH AND WELL-BEING, 4: QUALITY EDUCATION, 17: PARTNERSHIPS FOR THE GOALS
	Customer Relationship	Meeting customer expectations is crucial to generate sustainable revenue while and effective customer engagement serves as a channel to identify areas for improvement. Poor customer relationships may result in reputational damage and loss of income.	87	8: DECENT WORK AND ECONOMIC GROWTH
	Indirect Economic Impact	Investment in our business operations and facilities generates positive impacts and value to the economy, our employees and community.	88	3: GOOD HEALTH AND WELL-BEING, 11: SUSTAINABLE CITIES AND COMMUNITIES
<b>Environment</b>	Energy Efficiency	Efficient energy management is required for a sustainable planet, which also enables the Company to save cost and attract investors, especially investments in green energy. Higher consumption leads to higher cost and more emissions, which is unfavourable to both environment and business.	91 to 92	7: AFFORDABLE AND CLEAN ENERGY, 13: CLIMATE ACTION
	Water Management	Water is an important resource in glove manufacturing. Investment in water recycling reduces dependency on external supply for which there is a possibility of shortage.	93	6: CLEAN WATER AND SANITATION, 13: CLIMATE ACTION
	Emission	Managing emission intensity effectively prevents adverse impacts on the climate and whole eco-system.	94 to 95	13: CLIMATE ACTION
	Waste and Effluent	Proper waste and effluent management, in compliance with the laws and regulations will prevent severe environmental pollution.	96	11: SUSTAINABLE CITIES AND COMMUNITIES, 13: CLIMATE ACTION
<b>Social</b>	Labour Practices	Employees are the backbone of the Company. Fair labour practices can leads to high employee morale and engagement.	98 to 99	8: DECENT WORK AND ECONOMIC GROWTH, 10: REDUCED INEQUALITIES
	Human Rights	Respect for Human Rights creates a conducive working environment and prevents reputational damage.	100 to 102	8: DECENT WORK AND ECONOMIC GROWTH, 10: REDUCED INEQUALITIES
	Occupational Health and Safety	Taking care of our employees’ health and safety is a foremost priority. Effective implementation of safety and health measures increases productivity and reduces workplace accidents and injuries, as well as reputational damage and queries by authorities.	103 to 104	3: GOOD HEALTH AND WELL-BEING
	Diversity	A respectful and diverse workforce increases workplace morale and improves innovation and creativity.	105 to 106	8: DECENT WORK AND ECONOMIC GROWTH, 10: REDUCED INEQUALITIES
	Talent Management	Employees’ skills and knowledge enhancement through trainings improves personal growth and contributes to the Company’s growth.	107 to 109	8: DECENT WORK AND ECONOMIC GROWTH
	Security Management	Investment in security to ensure the safety of our employees & facilities, prevents reputation damage and additional costs.	110	3: GOOD HEALTH AND WELL-BEING
	Product Services Responsibility	Quality products provide protection to our user. Continuously innovating new high quality products may improve revenue and reputation. Poor product services responsibility will lead to reputational damage and incur additional costs.	110	12: RESPONSIBLE CONSUMPTION AND PRODUCTION

## MANAGING OUR RISKS AND OPPORTUNITIES

## Managing Our Risks and Opportunities

As depicted in the Group's risk management framework, risks are broadly categorized into the aspects of Business, Operational, Market, Human Resources, Information Technology, Reputational, Legal and Sustainability Risks. Identified individual risk under the broad risk categories have undergone comprehensive reviews in line with the Group's risk management methodology.

For financial year ended 31 August 2020, the significant risks to the Group are as follows:

**BUSINESS**

Risks Context	Mitigation
Top Glove continues to have vertical and horizontal expansion by building more gloves factories as well as venturing into non-glove sectors such as face masks and health care products. The Group also pursues a strategy of international expansion by entering into overseas markets to ensure business growth. By extending the businesses global footprint, it will expose the Group to sovereign risk, compliance risk, political and economic uncertainties such as a change in government, laws, regulations, and fiscal policies of the host countries.	Various effective measures such as enhancing the Due Diligence by conducting detailed business analysis on the prospect country, setting up of an Executive Committee, assessing of investment projects by Board Investment Committee and Board Risk Management Committee and engaging external experienced and capable advisers to assist in mitigating the risks.
<b>Opportunities:</b> The expansion of the Group's domestic and global footprint would accelerate the Group's business growth. In addition, the Group's diversification into related segments of its core glove business will ensure that it is always adding value in its business ventures and staying ahead of its competitors.	

**OPERATION**

Risks Context	Mitigation
The Group's exposure to operation risk arises primarily from the potential equipment breakdown, insufficient raw materials, fire outbreak, electricity interruption, water shortage or gas curtailment which could cause unplanned downtime at the factory production lines.	The Group addresses these risks by maintaining sound risk management policies and a high standard and cost-efficient preventive maintenance regime coupled with technical and operating efficiency of its assets.
<b>Opportunities:</b> The Group would be able to scale in its core operations, provide a stable and cost-effective platform that enhance its operational capabilities and efficiency.	

**INFORMATION SYSTEM**

Risks Context	Mitigation
With the Group's initiatives to increase automation and digitalisation, it also increases the complexity on integrating the production at factories with the information management system. The Group's business may be vulnerable to security breaches to key systems, assets and facilities resulting from cyber-attacks or sabotage. Potential disruptions to operational systems or destruction of facilities from such security breaches can adversely affect the Group's reputation, business and financial results.	To mitigate the risk, the Group is always vigilant in identifying and addressing any potential cyber threats. In addition, the Group is continuously upgrading and enhancing the Group's security system.
<b>Opportunities:</b> In embracing automation and digitalisation, the Group is able to increase its efficiency with the use of technology to further automate the factories production lines, reducing manual labour and improve the quality of its products.	

**FINANCIAL**

Risks Context	Mitigation
As an export-oriented manufacturing entity, the Group's financial performance is exposed to the risks of fluctuation in foreign currency exchange rates and volatility in commodity prices; particularly the main raw material in glove manufacturing which are natural rubber latex and nitrile latex. Major movements in key foreign currency exchange rates, such as US Dollar, and the related commodity prices will create a short-term impact on the Group's financial performance due to time lag effect of the cost pass-through mechanism.	The Group is constantly monitoring these risk factors and endeavours to achieve an effective and efficient cost pass-through mechanism to minimize the impact on its financial performance caused by macro factors.
<b>Opportunities:</b> An optimal capital structure will enable the Group to properly manage its funds and maximizing its market value while minimizing the cost of capital.	

**POLITICAL, ECONOMIC, ENVIRONMENTAL AND REGULATORY**

Risks Context	Mitigation
Adverse developments in political, economic and regulatory conditions including changes in environmental legislation and regulations in Malaysia, and over 195 countries overseas markets in which the Group has business dealings or/and operations could materially and adversely affect the financial and business prospects of the Group. This may impact the markets for the Group products which may result in a loss or reduction in revenue to the Group.	The Group has put in sufficient efforts to mitigate the effects of these risks through in-depth due diligence assessments prior to the commitment to any project as well as an in-house Legal and Regulatory Affairs Department, which proactively advise the Group and identify the applicable laws and regulatory obligations to ensure that compliance is met. The Group has also established the Board Sustainability Committee in March 2019 to oversee the processes, standards and strategies designed to manage social and environmental risks on behalf of the Board.
<b>Opportunities:</b> Regular monitoring of changes in requirements to ensure adherence to the political, economic and regulatory conditions that would provide reasonable assurance that the Group's operations and activities are conducted in line with key regulatory requirements in all of its operating countries. This will also ensure the Group's reputation is protected from any adverse impact.	

**HUMAN RESOURCES**

Risks Context	Mitigation
Labour issues highlighted in some media reporting could also expose the Group to human resources risk and reputational risk. As disclosed in all the media & investors enquiry as well as the Group's press statements, all the allegations on labour practise raised have been resolved since January 2019. The Group is committed in the welfare of its workers and is constantly upgrading its labour welfare practices and initiatives.	The Group is constantly monitoring and improving its labour practise and committed to comply to the International Labour Organisation's best labour practices. The Group has implemented a Zero Cost Recruitment Policy since January 2019 in addition to due diligence on recruitment agents to ensure recruitment fees are not collected directly from workers at any stage and any condition of the hiring process. The Group has also ensured that no forced or excessive overtime by workers as per regulatory requirement, decent accommodation and facilities for workers are provided and regular social compliance audits are conducted to ensure compliance to the labour requirements.
<b>Opportunities:</b> Regular and continuous improvement of the Group labour practise in line with the Group's commitment to respect and protect human rights and the employees' welfare. The Group also continuously adhere to the Human Rights & Ethical Conduct, which stipulates fair and ethical labour practices in accordance to the Business Social Compliance Initiative (BSCI) Code of Conduct which is applicable to the Group's employees and supply chain such as suppliers, business partners and customers.	



## FUTURE OUTLOOK



Given the COVID-19 pandemic and the likelihood of a potential vaccine taking at least a year to be developed and approved for use, we expect strong global demand for gloves to continue in the coming financial year. According to the Malaysian Rubber Glove Manufacturers Association (MARGMA), the global demand in 2020 for rubber gloves, given the ongoing pandemic, is estimated to be at 330 billion pieces<sup>1</sup>. MARGMA further added that the Malaysian glove industry is projected to produce an additional 20 billion pieces contributing to a total of 220 billion pieces of gloves being produced in Malaysia<sup>2</sup>.



Surgical Gloves Auto Packing Machine

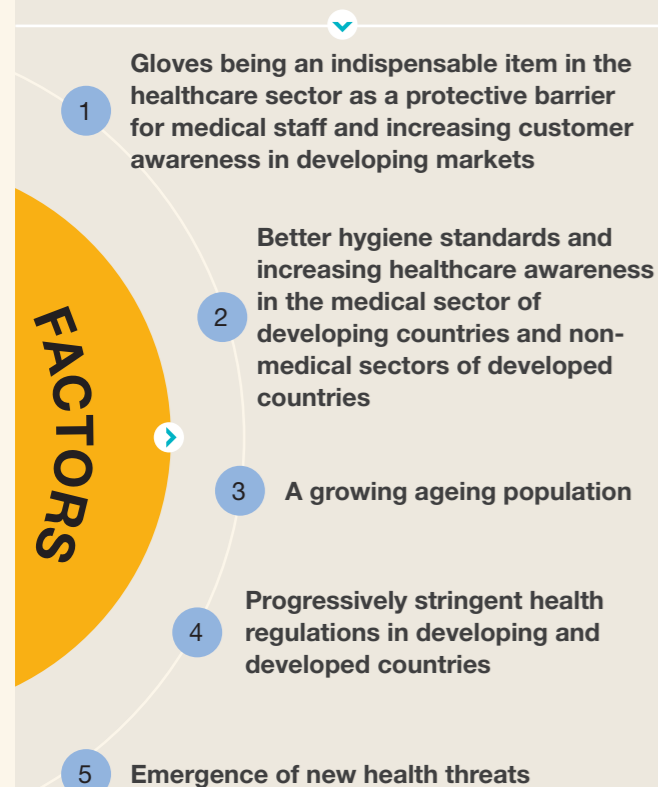


Advanced Auto Packing System



AI Vision Inspection System

The global demand is further compounded by these factors:



Global demand for gloves will continue to remain robust due to several factors:

1. The COVID-19 high infectivity and the high number of asymptomatic cases imply a high risk of future waves making mass testing a necessity to lower the number of infections. The high intensity of mass testing globally and under-testing in developing countries are seen as signs of further incremental demand. Vaccine development is progressing well but mass availability is unlikely until mid-calendar year (CY) 2021. Until then, mass testing will still be necessary and unlikely to subside as some countries including Australia are facing the second wave of infections<sup>3</sup>.
2. The flu season usually occurs from September onwards every year and will reach peak activity between December and February, though the flu season can last until May. The United States healthcare system will stock up on personal protective equipment (PPE) such as medical gloves in preparation for the flu season<sup>4</sup>.
3. In China, a new type of swine flu has been discovered and researchers have considered it to be a potential cause of a future pandemic. The G4 virus, as it is called, is not an immediate threat; however, the Chinese government will take the precautionary measures to make sure the G4 virus does not cause an outbreak<sup>4</sup>.

The demand is so strong that our production lines have been operating at near full capacity with lead times of 620 days and 400 days for nitrile gloves and natural rubber gloves respectively<sup>5</sup>. In line with the current global

environment, the Group expects the strong global demand to grow by an estimated 25% and 15% year-on-year for CY2021 and CY2022 respectively<sup>5</sup>. Even after a vaccine has been developed, testing and administering it would still require gloves. We also expect a structural step-up in glove usage as the pandemic will accelerate the gap narrowing between developed and emerging markets' gloves consumption<sup>3</sup>.

Given supply constraints, higher raw materials' costs will translate to higher ASPs. With the vaccine expected to be available mid-CY2021 as well as demand-supply balance unlikely to be fulfilled within the next year or so, ASPs are expected to rise until 1QCY2021 before levelling off and declining as supply catches up<sup>3</sup>. ASPs are expected to normalised mid-CY2022 with average ASPs for nitrile and latex gloves to settle at USD30/1,000 pieces and USD22/1,000 pieces respectively<sup>6</sup>. However, according to Citi Research, if the ASPs experience a 10% decline which is sharper than expected, earnings would lower by an estimated 16% for financial year 2021<sup>7</sup>.

With the glove industry bringing lucrative profits, new players are joining the industry and our Chinese counterparts are expanding production capacity aggressively, namely adding 20 billion capacity every year for three years<sup>8</sup>. However, this will prove to be challenging to meet because it will take time to get the production lines up and running and are likely to face issues in raw materials' procurement. Thus, oversupply of gloves is not likely to happen in the near future due to additional capacities being available from late 2QCY2021 onwards and will roll out on a staggered basis<sup>4</sup>. Thus, we will still see shortages in CY2021; in CY2022,

an oversupply of gloves scenario is likely as additional capacities will already be absorbed by the market.

With gloves being an essential in the fight against COVID-19, the continued shortage in 2021 and our recent ASPs appreciation, we are hopeful that the coming financial year 2021 will be another successful year for us. Challenges will be waiting for us, not just economically but also politically; however, we see challenges as drivers for us to improve our standing as the number one manufacturer of gloves in the world and eventually as a Fortune Global 500 company.

<sup>1</sup> AFP. "Malaysia's glove makers struggle to meet booming demand." *New Straits Times*, 5 September 2020, <https://www.nst.com.my/world/world/2020/09/622064/malaysias-glove-makers-struggle-meet-booming-demand>. Accessed 19 October 2020.

<sup>2</sup> Ayisy Yusof. "Malaysia's glove sector to produce 20b more pieces this year." *New Straits Times*, 20 July 2020, <https://www.nst.com.my/business/2020/07/610090/malaysias-glove-sector-produce-20b-more-pieces-year>. Accessed 14 September 2020.

<sup>3</sup> Megat Fais, CFA. "ASEAN Glove Manufacturers: Structural Step Up in Demand; ASP to Stay High Amid Tight Supply." *Citi Research*, 11 August 2020.

<sup>4</sup> Soon, Denise. "Malaysia Rubber Gloves: 2nd wave is coming; Get ready for the ride." *Macquarie Research*, 3 July 2020.

<sup>5</sup> Megat Fais, CFA. "Top Glove: 4Q20 a Clean Beat, Best is Still Yet to Come; Reaffirm Top Pick." *Citi Research*, 18 September 2020.

<sup>6</sup> Cheah, Stephanie. "Malaysia gloves: Dialling back to the basics." *CLSA*, 14 September 2020.

<sup>7</sup> Megat Fais, CFA. "Top Glove: Alert: Remediation Amount Finalized, Another Step towards a Resolution on CBP Ban." *Citi Research*, 7 October 2020.

## CREATING VALUE THROUGH ECONOMIC ACTIVITIES

## Creating Value Through Economic Activities



**Management approach:** As a global industry leader, we are committed to delivering a strong performance consistently, in order to continue creating value for our stakeholders especially our employees, investors, shareholders as well as the country's economy.



Upholding the principles of Honesty, Integrity and Transparency, Top Glove held the Ikrar Bebas Rasuah or Corruption Free Pledge with its board of directors following the conclusion of its first Fully Virtual EGM 18 August 2020. The pledge reflects Top Glove's ongoing commitment to continue to combat corruption on all fronts.



Our analysis on Top Glove's FY2020 financial performance and direction moving forward is clearly stated under the Management Discussion & Analysis from page 40 to 49 in this Integrated Annual Report.



To ensure sustainable economic performance, we adopt the highest standards of corporate governance and business ethics in our business dealings, including procurement practices in our value chain, while delivering top quality products and services to our customers. Details of our corporate governance practices can be found at the Corporate Governance Overview Statement from page 111 to 132 in this Integrated Annual Report.

### ANTI-CORRUPTION AND ANTI-BRIBERY



**Management approach:** Corruption and bribery are economic crimes that have adverse impacts on the Company's intangible assets such as reputation, staff morale and business relationships. Anti-corruption is overseen by the Group's Managing Director, who is also the Chairman of the Top Glove Prevention and Anti-Corruption Committee (TGPAC) and spearheads the Corporate Integrity Unit at Top Glove. Over the years, we have been guided by the Group's Anti-Corruption Policy and continuously enhance our anti-corruption practices and support the government's initiatives in combating corruption and bribery in business activities, such as compliance with the Corporate Liability Act as well as taking the initiative to be certified with ISO 37001: 2016 Anti Bribery Management System (ABMS).

Our approaches to embedding anti-corruption and anti-bribery practices within the Group:

ISO37001 ABMS Certification

Anti-Bribery & Anti-Corruption Policy

No Gift Policy

Corruption-Free Pledge (Ikrar Bebas Rasuah, IBR) by management and staff

Whistleblowing Policy  
*Details can be found under the Respect for Human Rights section on page 102.*

Corruption risk management in supply chain

Awareness events and programmes

Top Glove's zero tolerance for corruption is articulated in our Code of Conduct, Anti-Bribery and Anti-Corruption (ABAC) Policy, No Gift Policy and other governing documents which are applicable across all business units, including our suppliers and customers.

#### Zero tolerance towards corruption and bribery

Employees are expected to uphold the highest standards of integrity when doing business with external parties. To achieve this, anti-corruption talks, trainings and tests are conducted for employees frequently to raise awareness. All new employees will be briefed on our anti-corruption practices upon joining the Company.

The Company does not make any monetary contributions towards political campaigns, political organisations, lobbyists, lobbying organisations or other groups whose role is to influence political campaigns or public policy and legislation.

Our anti-corruption and anti-bribery practices are not only limited to employees, but also extended to our supply chain to further reduce corruption risk. We embarked on our anti-corruption journey for our supply chain way back in 2002, with the introduction of the Letter of Enforcement of Corporate Culture (LECC) for all suppliers, in which suppliers affirm their adherence to our practice of no-corruption. Corruption and bribery is part of the pre-qualification self-assessment criteria during the supplier selection process. Suppliers are required to acknowledge their adherence of the LECC half-yearly. In FY2020, all group departments under Top Glove Corporation Bhd also performed a corruption risk assessment.

Creating Value Through Economic Activities

Creating Value Through Economic Activities

**ANTI-CORRUPTION AND ANTI-BRIBERY**

**Top Glove's anti-corruption and anti-bribery journey**

**2002**

- Introduction of Letter of Enforcement of Corporate Culture (LECC) to all suppliers, in which suppliers affirm their adherence to our no-corruption practice

**2009**

- Establishment of the Top Glove Prevention and Anti-Corruption Committee (TGPAC), led by the Group's Managing Director

**2011**

- First company to sign the Corporate Integrity Pledge and Anti-Corruption Principles for Corporations by the Malaysian government
- Launching of No Gift Policy Guidelines

**2017**

- Our Factory 9 in Meru, Klang was the first manufacturing facility in Malaysia to be certified with ISO 37001: 2016 Anti Bribery Management System (ABMS)

**2018**

- Management performed The Corruption-Free Pledge (better known as Ikrar Bebas Rasuah or IBR), an initiative introduced by the Malaysian Anti-Corruption Commission (MACC)
- Enhanced No Gift Policy with more procedures

**2019**

- IBR is taken by all employees
- Introduction of Letter of Enforcement of Corporate Culture & Business Ethics (LECCBC) to all customers
- Digitalise gift declaration under No Gift Policy

**2020**

- Launch of the Anti-Bribery and Anti-Corruption Handbook
- Compliance with the Corporate Liability Provision S17A

**COMPLYING WITH THE MALAYSIAN ANTI-CORRUPTION COMMISSION (MACC) CORPORATE LIABILITY PROVISION SECTION 17A**

In FY2020, we continued to pursue our journey in anti-corruption and anti-bribery which MACC Adequate Procedures and ISO 37001:2016 ABMS has covered Top Glove Corporation Bhd in which we oblige to comply with Corporate Liability Provision S17A that was enforced in 1<sup>st</sup> June 2020.

With endorsement from the Board of Directors and Top Management, the Anti-Bribery and Anti-Corruption Management System was implemented to corporate and operational groups in Top Glove Corporation Bhd.

Our awareness initiatives to cater MACC Amendment Act 2018, Corporate Liability Provision S17A:

1. W.H.I.T.E. (5 Wells, Honesty, Integrity, Transparency, Educate) Integrity Roadshow which covered Top Glove Corporation Bhd's Malaysia and Thailand factories
2. Launching of Anti-Bribery and Anti-Corruption eBook (ABAC)
3. Awareness Talk on Section 17A of MACC Act 2009, Corporate Liability on Corruption for Board of Directors and senior management
4. Corruption Free Pledge (IBR) by Board of Directors and Senior Management
5. Malaysian Institute of Corporate Governance (MICG), MICG Debrief Session

**Top Glove was ranked 11<sup>th</sup> out of 100 Malaysian public listed companies for Transparency in Corporate Reporting, an assessment by an independent party appointed by MICG.**

**No. of corruption cases**

Financial year	FY2018	FY2019	FY2020
No. of cases	0	1	0

No corruption-related cases in FY2020:

✓ **No fines imposed in relation to corruption, bribery, anti-competitive business practices**

✓ **Zero political contributions made**

✓ **Zero facilitation payments made**



For detailed information about the Group's anti-corruption and anti-bribery practices, please visit to our corporate website: <https://www.topglove.com/corporate-integrity/>

**COMPLIANCE TO HIGHEST CORPORATE GOVERNANCE STANDARDS**



**Management approach: Top Glove fully complies with all corporate governance practices of all countries we operate in and strives to prevent all forms of illegal or wrongful acts in order to sustain our business in lawful and ethical manner. To ensure the Company is managed in the interests of stakeholders, we observe the highest standards of corporate governance and are committed to be in compliance with all related rules and regulations throughout our business activities. The Group's corporate governance practice can be found from page 111 to 132 of Corporate Governance Overview Statement in this Integrated Annual Report, which include our commitment on board leadership & effectiveness, ethical standards, Codes & Policy, audit & risk management etc.**

The Company-wide risk management is overseen by the Board Risk Management Committee.

Besides, it is crucial that network access, IT systems and data is assured at all times. To manage information security risks in order to ensure business continuity, we enhance our IT system and raise awareness among employees to prevent IT system failures and major information security incidents.

**Ethics & conduct**

Highest standards of ethics and conduct is the foundation of business dealings in Top Glove. All employees and the Board of Directors adhere to the Employee's Code of Conduct and Director's Code of Conduct respectively. The Codes of Conduct cover all social and governance requirements such as anti-corruption, anti-discrimination, confidentiality of information etc. that every Director and employee must observe when acting for, or on behalf of Top Glove.

In August 2019, the Company has launched its new corporate values R.I.V.E.R. (Respect, Integrity, Value, Empowerment and Relationship) and instilled the values among employees via awareness training.

In FY2020, there were 8 cases of breaches against Code of Conduct. The misconduct involved cheating such as alteration of medical certification, forging of superior's signature on overtime form etc. These employees were required to explain their actions for the Company's further investigation.

Total of **108 sessions of R.I.V.E.R. awareness trainings** were conducted from August 2019 to December 2019 at all Top Glove factories, including overseas factories

**Data Privacy & Information Security**

Investing in data science and analytics allows Top Glove to harness the potential of technology to deliver greater work efficiency, better quality products and services.

The information security is governed by the General Manager of the IT team, who oversees the cybersecurity

**Invested more than RM2 million in cyber security enhancement** in FY2020

strategy as well as leads the Company to be more advanced in its digitalisation journey.

Information security plays a vital role as this does not only help us to enhance our business efficiency, but also protects our internal and customers' data. Policies and procedures are implemented for all employees to raise awareness on information security:

- a. All employees are guided by the Group's Cyber Security Policy. The Policy states the Code of Conduct in IT resources usage and clear escalation process on step-by-step guidelines for suspicious information security matters
- b. Frequent awareness training to staff through email, regular tests and talks by IT experts to build employees' capabilities to recognise and deal with potential cybersecurity issues they may encounter in their work.

We have processes in place to prevent IT system interruptions and cyberattacks to ensure data protection from malware and malicious threats, business continuity and test the system on a yearly basis.

Zero incidences over the past 4 financial years in the following area:

- Information security breaches or other cybersecurity incidents
- Information security breaches involving customers' personally identifiable information
- Customers affected by Company's data breach
- Fine/ penalty paid in relation to information security breaches or other cybersecurity incident

**Budgeted more than RM10 million in cyber security enhancement** over the next 5 years

Creating Value Through Economic Activities

Creating Value Through Economic Activities

SUSTAINABLE SUPPLY CHAIN



**Management approach:** We recognise the increasing risks in supply chain management and the negative consequences if it is poorly managed. The Top Glove Business Partners' Code of Conduct, which is available in our corporate website, sets forth the behaviour expected of Top Glove and its Business Partners to adopt the Principles of Business Social Compliance set out by Foreign Trade Association, which include ESG areas such as human rights, labour practices, occupational health & safety, environmental and business ethics.

**Stringent procurement practices**

The selection of new suppliers will undergo several stages before officially becoming Top Glove's approved supplier. There are over ten criteria which will be used to appraise the supplier. Primarily, the material or service provided by suppliers must meet the minimum requirement set by Top Glove.

We identified our direct suppliers and classified them into 4 level of criticalness. To effectively access and manage the sustainability risks in the supply chain, we conduct supplier audits and supplier visits on all ESG aspects. Suppliers whose performance are below Top Glove's expectation will be requested to take remediation action to rectify to ensure continuous business relationship with the Company. Besides, we adopt various approaches to reduce corruption risks in our supply chain.

Our practices in mitigating corruption risks in our supply chain are articulated in our website: <https://www.topglove.com/economic/>

**TOWN HALL SESSIONS WITH SUPPLIERS**

Besides annual audits, in FY2020, we held 5 town hall sessions with packaging material, manpower agents, chemical, latex suppliers and canteen operators from 240 companies. Suppliers were briefed on the Company's labour practices, safety and environmental compliance and expectations. Following the town hall, 10 supplier audits were conducted on suppliers as monitoring measures.

Suppliers who did not meet our requirements were given a timeline to rectify and we conducted follow-up audits to verify the corrective actions.

**Critical supplier data as at FY2020**

**279 critical suppliers** accounting for **8%** of our total suppliers

**67% of procurement spending** for critical suppliers in FY2020

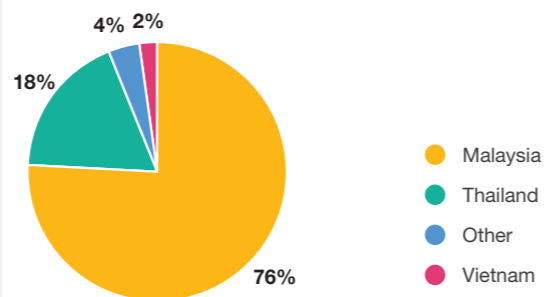
**100% critical suppliers** required to be **assessed** in FY2020

**50% procurement budget spent on Malaysian suppliers** in FY2020

**NUMBER OF SUPPLIER AUDITS INITIATED IN FY2020:**

2017	157
2018	152
2019	205
2020	279

**Percentage of suppliers based on geographical location as at FY2020 (%)**



To further enhance our supply chain sustainability, we have embarked on FSC (Forest Stewardship Council) certification initiatives with our factories. This is in demonstration of our focus on ethical practices in our supply chain in accordance to globally recognised Environmental, Social & Governance (ESG) standards. Our latex concentration factory in Thailand, F16L was FSC certified since 2019. Another 2 factories, F17L and F13 located in Thailand and Malaysia respectively are in the progress of being FSC certified.

MAKING A DIFFERENCE IN THE COMMUNITY (COMMUNITY INVESTMENT)



**Management approach:** At Top Glove, community engagement and investment initiatives are driven by the Company's charity arm, Top Glove Foundation (TGF). Launched in 2009 by the Company's Executive Chairman, Tan Sri Dr Lim Wee Chai and his wife Puan Sri Tong Siew Bee, TGF focuses on 3 pillars to create value in the community by uplifting their well-being and living standards.



As at FY2020, TGF has invested a total of RM30 million to support various causes under the TGF pillars.

FY2020, of which 10,516 hours were volunteer hours for glove packing to drive glove donation campaign during the pandemic.

Employees are always encouraged to give back to the community by volunteering in TGF's activities, which range from community engagement activities to environmental conservation activities. However, due to the COVID-19 pandemic in FY2020, TGF has reduced physical activities to reduce risk and focused on a crucial mission: glove donation. A total of 16,488 volunteer hours were contributed by the employees in

**A total of 16,488 volunteer hours** were contributed by employees in FY2020

**Community development**

We deliver aid to communities through various means such as philanthropic giving, awareness campaigns and internship opportunities. In FY2020, TGF has contributed more than RM480,000 donation to over 60 needy families, schools and charity organisations.

Top Glove does not only contribute through philanthropic giving but also by being hands-on in improving the community's living standards. For instance, 41 of our employees spent 19 hours in total to repaint 3 therapeutic rooms for special needs children at PDK Meru.

**DOING WELL BY DOING GOOD: TOP GLOVE'S ROLE IN FIGHTING THE COVID-19 PANDEMIC**

As the world largest manufacturer of gloves, Top Glove reacted immediately to the COVID-19 pandemic by donating life-saving medical gloves to front liners. Since the pandemic, the Company's initiatives include:

**c. Medical Equipment Contribution**  
Contributed RM300,000 worth of ventilators & medical suits to the Ministry of Health Malaysia for frontline medical professionals

**a. Glove Donation to China**  
3 million pieces of medical gloves were donated to China as part of a joint initiative between the Malaysian government and Malaysian glovemakers

**d. Dedicated CSR Fund**  
RM5 million earmarked for CSR initiatives to assist those impacted by the pandemic

**b. Glove Donation to Malaysian Authorities**  
More than 4 million pieces of medical gloves were donated to Malaysian hospitals, various government ministries, the Royal Malaysia Police & Malaysian charity organisations

**10,516 volunteer hours** were contributed by staff for **glove packing**

Creating Value Through Economic Activities

Creating Value Through Economic Activities

**MAKING A DIFFERENCE IN THE COMMUNITY (COMMUNITY INVESTMENT)**

**Education Support**

We believe quality education is the key driver for transformation. Through TGF, we support quality education opportunities through scholarships, advancement of education and other education related funding.

27 scholarship opportunities offered with total value of

**RM 824,000** in FY2020

A total of **107 scholarships** offered as at FY2020. These talents will join Top Glove after their graduation to contribute their knowledge and skills to the Company and the industry

Other education related support:

- UTAR Engineering Society Leadership and Teambuilding Camp 2020
  - o UTAR Engineering Society collaborated with Top Glove for the second time for this event with the aim to allow students to take on leadership roles and enhance their teambuilding skills which are important when they start working.
- S.A.V.E. 2019 with Universiti Teknologi Petronas (UTP)
  - o Top Glove teamed up with UTP students in organizing S.A.V.E. (Support Affirm Value Educate) to provide education and engage with children from the Praised Home Girls and Boys located in Ipoh, Perak with educational modules focused on Science, Technology, Engineering and Mathematics (STEM).
- Mouth Cancer Awareness Week with Malaysian Dental Student Association
  - o TGF supported the Malaysian Dental Student Association's event Mouth Cancer Awareness Week with the aim to create public awareness regarding mouth cancer.

As a young talent oriented corporation, we are committed to provide a platform for university and college students to enhance their skills and gain exposure to the corporate world. We identify suitable interns from various tertiary education institutions, offer them suitable roles in the company and assist them to sharpen their skills and improve their knowledge throughout their internship journey.

Total of

**1,654 internship placements**

in FY2020

**Environmental Conservation**

It is our responsibility to conserve the environment especially in the vicinity of our core operation area. Our employees volunteered for TGF's environmental conservation programmes to make the community a better place to live in. However, the number of environmental conservation activities conducted in FY2020 is relatively lesser due to the COVID-19 pandemic which required a reduction in physical activities.

**TGF SAVE THE FOREST PROJECT**



An initiative to conduct maintenance works and construction of park benches at Peak Garden, Setia Alam. This included assembling and painting of park benches, picking up rubbish and clearing the hiking trail to ensure good and safe condition for the community.

*As part of its focus on environmentalism and in support of the Setia Alam Community, Top Glove Foundation together with staff volunteers' carry out maintenance works and construction of park benches at Peak Garden, Setia Alam in the months of July and August 2020.*

**10 programmes**

**369 volunteers** from Top Glove

**1,591 volunteer hours** clocked

**TGF BEACH COMBING PROJECT**

A "Gotong-Royong" project together with local community members from Trash Hero Banting to clean up Morib Beach & Kelanang Beach in Selangor, Malaysia.

**4 programmes**

**217 volunteers** from Top Glove

**1,085 volunteer hours** clocked

**CUSTOMER RELATIONSHIP**



**Management approach:** We engage frequently with our customers, who are one of our key stakeholders, to understand their needs, identify shortfalls and create more value. Effective customer relationship tools provide important data which allows us to target relevant customer groups and develop specific products. Strong relationship with customers leads to increased customer loyalty. Our approach to customer relationship is providing customer satisfaction, which entails not only high quality products but also ethical marketing practices as well as data protection.

**Customer engagement**

We engage our customers through email communications, marketing offices in Malaysia, USA & Brazil, customer portal and trade shows. Adhering to the Group's Code of Ethics & Conduct and Anti-Corruption Policy, we practice ethical marketing in business dealings with our business partners. We are committed to practice ethical interaction with customers and provide accurate and balanced information about our products. There were no legal actions or fines related to anti-competitive practices in the past 4 financial years.

**Customer satisfaction**

Customer satisfaction survey is conducted half yearly via an online questionnaire the scope for which includes price competitiveness, product quality, delivery, responsiveness, new product development and corporate website. For each scope, we analyse the data gathered, identify areas of improvement and market demand trends from the survey results to further improve our marketing strategies and practices.



We engage with our customers via various channels, including trade shows.

**Customer satisfaction results:**

Financial year	FY2017	FY2018	FY2019	FY2020
Customer satisfaction (%)	94	93	80	<b>89</b>
Percentage of total customers responded (%)	11	12	20	<b>19</b>

Note: Customer satisfaction in FY2019 was lower as we revised our survey questionnaire and weightage of the various areas surveyed in order to better reflect customer expectation.

Customer data is protected under the Personal Data Protection Act 2010 (PDPA). There was no complaint with regards to breaches of customer privacy and losses of customer data for the past 4 financial years.

Creating Value Through Economic Activities

CREATING INDIRECT ECONOMIC IMPACT IN LINE WITH OUR HEALTHCARE AND COMMUNITY APPROACH



Management approach: Besides investment in our operations, we create value through with several initiatives to improve socio economic wellbeing. This includes:

<p><b>1</b></p> <p>Health infrastructure investment in our key operation area, Klang with 24-hour clinic and gymnasium</p>	<p><b>2</b></p> <p>Facilities improvement: Flood mitigation project</p> <p><i>Please refer to Managing Flood Risk section, page 90 in this Report for details</i></p>	<p><b>3</b></p> <p>Healthy vegetarian meal subsidy</p> <p><i>Please refer to Healthy Vegetarian Meals to Reduce Carbon Footprint section, page 95 in this Report for details</i></p>	<p><b>4</b></p> <p>Job opportunities to the local community</p> <p><i>Please refer to New Recruitment section, page 108 in this Report for details</i></p>
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**Health infrastructure investment**

**a. TGGD (Top Glove Global Doctors) Medical and Dental Clinic**

Established in 2017, TGGD Medical and Dental Clinic is a joint venture formed between Top Glove and Global Doctors continue to serve all Top Glove employees in Klang as well as the Setia Alam community. TGGD is a 24-hour Multidisciplinary, Multi-Specialty 'Ambulatory Care Centre' which comprises Family and Specialist Practice, Emergency Medical Services with a fully equipped 24-hour ambulance, Full Tiered Dental Facilities, Diagnostics such as Ultrasound, X-ray, Stress Test, In-house laboratory and Physiotherapy services.

In view of the increasing importance of mental health in recent years, in 2020, TGGD extended its services to include psychological healthcare by having a mental health counsellor stationed at TGGD to serve employees and community.

TGGD has expended its services with an additional 3 on-site clinics at Top Glove Factory 2, Top Glove Factory 18 and Peninsula International School. Medical Programs implemented such as Staff Health Management Program (SHMP), Workers Health Protection Program (WHPP) and Safety Health & Emergency Preparedness Program (SHEPP) and Zero Harm and Safety Health Emergency Preparedness Program. TGGD's staff capacity can be found under *Occupational Health and Safety* Section in this Report.

**b. Gymnasium facilities**

Top Glove invested in comprehensive gymnasium facilities in 2016 with total investment cost of more than RM340,000. This gym facility not only provides the basic gym equipment but also various classes such as Zumba, yoga, cardio boxing, Bollywood dance, Kpop dance and belly dance. It is currently serving more than 2,200 Top Glove employees and the Setia Alam community.



TGGD Medical and Dental Clinic is one of our initiatives in demonstration of our commitment to provide better healthcare services to our employees and community.

**MANAGING OUR ENVIRONMENTAL IMPACT: COMBATING CLIMATE CHANGE**



Management approach: We are mindful of the adverse impact of not effectively identifying, assessing and managing environmental related risks and the global issue: climate change. The financial risks and reputational cost linked to environmental litigation has increased. Aligned with our commitment to support UN SDG 13: Climate Change, we are committed to mitigate the negative impacts to the environment by reducing carbon footprint through the following approaches:

<p><b>1</b></p> <p><b>Environmental governance</b></p>	<p><b>2</b></p> <p><b>Environmental risk management</b></p>	<p><b>3</b></p> <p><b>Operational eco-efficiency monitoring and improvement, which includes energy efficiency, water management, waste and effluent management as well as emissions</b></p>
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In FY2020, the solar power system at our Factory 18 supplied 1.26GWh of green energy to glove manufacturing, representing savings of 874.44 tonnes of CO<sub>2</sub> and RM500,000 per annum.

**LEVERAGING PARTNERSHIP IN ENVIRONMENTAL CONSERVATION:**

Through a 9-month campaign with Mr. D.I.Y. and WWF Malaysia, where Top Glove donated RM0.42 to WWF Malaysia for every box of Biogreen Biodegradable nitrile gloves sold at Mr. D.I.Y., Top Glove successfully collected RM30,000 for WWF Malaysia's environmental conservation funding.

**Managing Our Environmental Impact:  
Combating Climate Change**

**Managing Our Environmental Impact:  
Combating Climate Change**

**Environmental Governance**

Producing more products with lesser resources is crucial in view of the growing scarcity of natural resources. As environmental related issues are part of the Group's sustainability areas of concerns, the Chairman of the Board Sustainability Committee oversees climate change in the Company and reports to the Board of Directors. The Sustainability Steering Group, especially the Group Engineering and Industrial Effluent Treatment System (IETS) Department manage and implement environmental initiatives to improve operational eco-efficiency and reduce carbon footprint from our business activities. We recognise the importance of enhancing operational eco-efficiency as it improves competitiveness in terms of cost reduction and reduces environmental liabilities.

We adhere to the Group's Environmental Policy and are committed to proactively work towards minimising environmental pollution and fully comply with to the Environmental Management System (EMS) under ISO 14001 in a comprehensive, systematic, planned and documented manner. This promotes continuous improvement in environmental performance, clean manufacturing, green technology and automation.

In FY2020, 2 factories were certified with ISO 14001 in addition to existing 5 factories which have already been certified.

**Total of 7 factories certified with ISO 14001** as at FY2020


In FY2020, the Company did not receive any fines or penalty due to non-compliance (NC) on our environmental aspect.

In January 2020, we enhanced and revised our audit assessment to include environmental criteria in our supplier audit checklist. Since the revision in January 2020, 100% (279 in number) of our critical suppliers were requested to be assessed with the additional environmental criteria. No supplier was identified to have significant actual or potential negative environmental impacts from the audit process during the financial year under review.

**Environmental Risk Management**

Other than water risk and flood risk, we identified climate risk as one of the key risks for the Company and incorporated it into the Company's Risk Management Framework in FY2020.

In FY2020, we voluntarily responded to our investors request on Carbon Disclosure Project (CDP), a global environmental disclosure platform on our climate change and water security data, to provide investors a better understanding on our practices in managing climate change and water security issues.

 Please refer to the Water Management section in page 93 of this Report to understand further on our initiatives in managing water risks.

**MANAGING FLOOD RISK:**

**Climate Management: Flood Mitigation Project**

In FY2020, with our improved flood management initiatives, we **successfully mitigated damage from 6 instances of heavy rain**, preventing floods and subsequent interruption to our operations

- Total investment in FY2020: RM 2.1million.

We improved the drainage system within the vicinity of our Klang factories as well as the nearby residential area. Besides, the following has also been implemented to prevent flooding:

- Harvest 100 % rainwater, use more recycled water and reduce municipal water usage as much as possible to reduce the release of huge amount of water into drain.
- Keep drains of surrounding factories clean and unobstructed to ensure stormwater flows smoothly.
- Report any flooding to the person in-charge.
- Stay alert and assess flood risk during heavy rain.

**ENERGY EFFICIENCY**



**Management approach: With business activities in the manufacturing industry and steady annual capacity expansion, we are concerned about the energy consumption which is a cost factor and also impacts on the environment. In our operations, we monitor electricity and natural gas efficiency, improve its intensity with the objective to decrease the consumption intensity amidst expansion. Meanwhile, we continue to emphasise on green energy, namely solar power and implement it in stages into our factories.**

**Electricity**

Target: To reduce electricity consumption intensity by 12% (kWh/1,000 pcs gloves) to 6.29 kWh/1,000 pcs gloves by FY2024 (base year: FY2019)

**ELECTRICITY CONSUMPTION INTENSITY** (kWh/1,000 pcs gloves)



Year	Absolute electricity consumption (kWh)
FY2017	248,626,368
FY2018	332,170,929
FY2019	381,972,387
FY2020	416,348,887

**Progress:** 6% reduction in electricity consumption intensity in FY2020 compared with FY2019

**Savings of RM9.7 million in FY2020**

Low reduction is due to increase in electrical usage and compressed air consumption in automation initiatives. These include:

1. Robots (e.g. Online Autostacking Machines)
2. Automated instruments (e.g. Autonomous Shutdown Valves)

3. Pneumatic driven pumps (e.g. Diaphragm Pumps)
4. Replacement of manpower with compressed air in online quality inspection process (e.g. AI Vision Glove Rejection System)

As electrical motors, air compressors and chillers contribute 90% of electrical consumption in glove production, continuous research of new technologies enables improvement in overall efficiency of compressed air system, chilled water system, motors and drives in the glove production factories. As of FY2020, these initiatives led to overall electrical energy reduction by 3,000MWh/year, which is equivalent to reduction of indirect greenhouse gas emissions by 1,755 tonnes CO<sub>2</sub>-eq/year.

**GREEN ENERGY**

A Solar Power System has been introduced in Factory 18 with a capacity of 1.14MW in FY2019. As at FY2020, with the completion of F18 Solar Project, Top Glove has utilised a total of 1.26 GWh of green energy to manufacture gloves which is equivalent to offsetting 874.44 Tonnes of CO<sub>2</sub> and 22,421.5 trees planted. This also represented RM500,000 of savings in electricity per annum.

With the success of the F18 solar power system project, we aim to expand the project to our factories located in Meru (Phase 1 and 2) and one of our largest factories, F42 (Phase 3) over the next 5 years.

Solar Power System Phase 1 with Capacity of 5.5 MWp which is currently being installed at our factories located at Meru while Phase 2 with estimated capacity of 4.0MWp is currently in the designing stage. We target to implement solar project approximately 10MWp onto one of our largest factories, F42 which consists of 3 Blocks of Hostel, 1 Block of Office, 4 Blocks of Warehouses and 8 Blocks of Production which allows Top Glove save up to 17,592.90 tonnes of CO<sub>2</sub>, equivalent to 451,000 of trees planted and utilisation of 25.35 GWh of green energy per annum by the end of FY2025 from solar power system.

Besides Solar Power System, Top Glove is also looking into other renewable energy sources such as Biomass Power Plant which is currently in the planning stage. The 5 MW Biomass power plant is targeted to be implemented at our factories located at Meru area to support the electricity consumption of the glove manufacturing plant. Annually, the biomass power plant targets to supply a total of 40GWh of electricity per annum for production.

**Managing Our Environmental Impact:  
Combating Climate Change**

**Managing Our Environmental Impact:  
Combating Climate Change**

**NATURAL GAS EFFICIENCY**

**Natural gas**

Target: To reduce gas consumption intensity by 21% (MMBTU/1,000 pcs gloves) to 0.242MMBTU/1,000 gloves by FY2024 (base year: FY2019)

**NATURAL GAS CONSUMPTION INTENSITY**  
(MMBTU/1,000 pcs gloves)



Year	Absolute natural gas consumption (MMBTU)
FY2017	9,667,380
FY2018	11,120,386
FY2019	12,669,638
FY2020	14,275,201

**Progress:**  
**8% reduction** in natural gas consumption intensity in FY2020 compared with FY2019

The decrease is due to more on-going gas saving projects implemented intensively, such as automated former temperature control at main oven and coagulant oven as well as conversion of old burners to immersion burners with higher efficiency.

**Savings of RM41 million in FY2020**

Energy efficiency initiatives in various areas such as:

- Heat recovery system via:
  - combined heat and power plant (CHP) system
  - 3Rs water system
- Improvements in equipment efficiency:
  - In the midst of converting the biomass combustion facilities to greener ones with the use of cleaner fuel, namely natural gas, which in turn will generate lower carbon emissions
  - Replacement of low performance burners with advanced technology equipment

**WATER MANAGEMENT**



**Management approach:** Water is an important resource in the glove manufacturing process. Sufficient and clean water supply is critical for our business. We continuously monitor our water consumption intensity and implemented initiatives to recycle and reuse water in all our factories to decrease dependency on municipal water supply.

Target: To reduce water consumption intensity by 12% (m<sup>3</sup>/1,000 pcs gloves) to 0.297 m<sup>3</sup>/1,000 pcs gloves by FY2024 (base year: FY2019)

Financial Year	FY2017	FY2018	FY2019	FY2020
<b>Water Consumption Intensity (m<sup>3</sup>/1,000 pcs gloves)</b>	0.317	0.333	0.338	<b>0.280</b>
<b>Water Consumption at Headquarters (m<sup>3</sup>)</b>	35,024	37,389	38,929	<b>35,436</b>
Grand total of HQ corporate office users (including tenants)	1,374	1,279	1,345	<b>1,843</b>
Water consumption intensity (per occupant)	25	29	29	<b>19</b>
<b>Total water recycled and reused (m<sup>3</sup>)</b>	1,810,944	2,514,063	4,851,912	<b>2,431,382</b>
ROTP Water	N/A	510,735	1,044,525	<b>1,129,229</b>
IETS	1,810,944	2,003,328	3,807,387	<b>1,302,153</b>
<b>Source of Water Consumption (Total, m<sup>3</sup>)</b>	13,932,321	18,453,741	22,142,768	<b>18,456,616</b>
Municipal	9,515,296	12,042,759	12,792,175	<b>12,498,389</b>
Pond water	2,606,081	3,787,095	4,294,071	<b>3,305,478</b>
Rainwater	N/A	109,824	204,610	<b>221,366</b>
Recycled water (ROTP & IETS)	1,810,944	2,514,063	4,851,912	<b>2,431,382</b>

**Progress:**  
**18% reduction** in water consumption intensity in FY2020 compared with FY2019 due to the increase of output during COVID-19 pandemic

**THE GROUP'S WATER MANAGEMENT PLAN TO MITIGATE WATER RISK AS BELOW:**

**Reverse Osmosis Water Treatment Plant**

- Total investment: RM42 million
- Advantage: ensuring continuous water supply for factories operation and alleviation of flood issue
- Maximal capability: treating & producing 400m<sup>3</sup>/hr of clean water (for 2 phases of this project)
- Beneficiary factories: 9 factories
- Flood event can be alleviated by diverting approximately 120 m<sup>3</sup>/hr (phase 1) and 450 m<sup>3</sup>/hr (phase 2, commenced in June 2020) water from drain to pond to be treated and supplied to factories

**Water recycling**

- Water recycling & reuse approach via:
  - In-house water recycling facilities at every factory to treat, recycle and reuse the water in our factories, making it possible for housekeeping purpose such as flushing
  - ROTP initiative
- Total water recycled & reused in FY2020: **2,431,382 m<sup>3</sup>**
- Saving of RM5.5 million** in FY2020

**Rainwater harvesting**

- 221,366 m<sup>3</sup>** of water saved from rainwater harvesting
- Saving of RM504,717** in FY2020



**Managing Our Environmental Impact:  
Combating Climate Change**

**Managing Our Environmental Impact:  
Combating Climate Change**

**REDUCING CARBON EMISSIONS**



**Management approach:** We track and monitor Scope 1, 2 and 3 emissions and are committed to reduce carbon emissions, especially by managing different resources efficiency and investment in renewable energy in our operations, as the Scope 1 and 2 emissions are the key emission contributors throughout the manufacturing process. Besides the manufacturing activities initiatives, we reduce our carbon footprint for example, through product innovation, promoting vegetarian meals, being mindful with our key material consumption as well as reducing plastic usage.

Target: to reduce GHG emission intensity by 23% (tonnes CO<sub>2</sub>-eq/1,000 pcs gloves) to 0.024 tonnes CO<sub>2</sub>-eq/1,000 pcs gloves by FY2024 (base year: FY2019)

		CO <sub>2</sub> -eq emission (metric ton)			
		FY2017	FY2018	FY2019	FY2020
Scope 1	Natural gas	572,212	658,216	749,934	<b>844,938</b>
	Biomass	523,856	768,068	623,465	<b>676,790</b>
	Coal	61,934	56,791	34,853	<b>0</b>
	<b>Total</b>	<b>1,158,002</b>	<b>1,483,075</b>	<b>1,408,253</b>	<b>1,521,728</b>
Scope 2	Electricity	172,547	230,527	265,089	<b>288,946</b>
Scope 3	Flight	80	156	253	<b>175</b>
<b>Total</b>		<b>1,330,628</b>	<b>1,173,758</b>	<b>1,673,595</b>	<b>1,810,849</b>
Intensity (MT/1,000 pcs gloves)		0.0346	0.0347	0.0313	<b>0.0292</b>
Variance (over year)		N/A	0.29%	- 9.78%	<b>-6.88%</b>

**Progress:**  
**7% reduction** in carbon emission intensity in FY2020 compared with FY2019

Over the years, we are committed to reduce carbon emissions especially with the construction of our new factories. All efficiency improvement projects are rolled out to all factories to be implemented as much as possible to improve the overall group energy efficiency and reduce the CO<sub>2</sub>-eq emission intensity. As stipulated in the Energy section, the Group is currently expanding solar power system at factories as green energy to reduce dependency on non-renewable energy.

**Product innovation**

Through our R&D team, we innovate and produce more green products to diversify our product range. Following our first Biogreen Biodegradable nitrile gloves launched in FY2019, we have increased our green product range to 4 products in total in FY2020, which includes biobased CPE gloves, biodegradable CPE gloves and gaskets.

**RUBBER RECLAIM PROJECT**

Commenced in September 2020, the rubber reclaim project aims to reclaim nitrile torn gloves into other value-added rubber products.

As at September 2020, we developed in-house former gaskets, for which projected sales revenue generated will be more than RM16,000 in October 2020. Other ongoing developments include safety shoe outsoles, rubber mats and nitrile reclaim rubber bales.

**REDUCING CARBON EMISSIONS**

**Producing more with less material**

We are mindful to avoid wastage in our material consumption in view of increasing scarcity of resources and to ensure cost efficiency. We constantly monitor our glove weight in the manufacturing process and are committed to produce lighter weight gloves.

**LATEX CONSUMPTION**

(kg/1,000 pcs gloves)



Increase of latex consumption in FY2020 due to more order from European customers, which size ratio is bigger

**NITRILE CONSUMPTION**

(kg/1,000 pcs gloves)



**Healthy vegetarian meals to reduce carbon footprint**

To advocate being vegetarian to reduce carbon footprint as well as promote a healthy diet amongst employees and our stakeholders, 100% of Top Glove corporate events such as daily management lunch, birthday lunch celebration, annual dinner, meeting refreshment etc. serve vegetarian meals since March 2019. The menus are reviewed by our corporate nutritionist team. 3 of our Board of Directors, Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee and Dato' Lim Han Boon are vegetarian, setting a great example for the Company's workforce.

Besides, since the implementation of the Movement Control Order (MCO) in Malaysia due to the COVID-19 pandemic, with the objective of minimizing employees' potential risk of travelling outside working premises for food, the Company has since 20th March 2020 launched a Subsidised Vegetarian Meal Programme for all employees Top Glove. Under this Programme, the company subsidises RM5 and RM3 for each lunch and breakfast meal respectively.

**273,083 healthy vegetarian meals have been subsidised**

for staff and workers since the Movement Control Order due to the COVID-19 pandemic

**RM1.6 million investment**

in both complimentary and subsidised vegetarian meals in FY2020

**Reducing plastic**

Since FY2019, we no longer provide bottled water for all events and meetings in the Company to reduce plastic usage. In FY2020, we encourage staff to bring their own lunch boxes and utensils for their Birthday Lunch meals.

**27,855 complimentary healthy vegetarian meals** have been provided to staff during Birthday Lunches in FY2020

**Reduce usage of single-use plastic containers by 27,855** in FY2020

**Managing Our Environmental Impact:  
Combating Climate Change**

**PROPER WASTE AND EFFLUENT MANAGEMENT**



**Management approach:** We recognise the severe impact of improper and inefficient waste and effluent management. Guided by the EMS ISO 14001, we are committed to comply with regulatory laws to ensure our waste and discharge does not harm the eco-system.

Target: to reduce generation of scheduled waste by 5% by 2029 (base year: FY2019)

Financial Year	FY2017	FY2018	FY2019	FY2020
Scheduled waste generated (tonnes)	3,301.78	5,362.78	6,401.86	<b>7,786.04</b>
Total Water Discharged (m <sup>3</sup> )	5,460,480	7,886,592	15,229,547	<b>9,854,505</b>
Discharge intensity (m <sup>3</sup> /1000pcs gloves)	0.178	0.202	0.342	<b>0.159</b>

**Progress:**  
**54% discharge intensity reduction** in FY2020 compared with FY2019

The significant reduction is due to all factories implementing more chemical and water recycling system.

We manage scheduled waste in compliance with the Malaysian Department of Environment's (DOE) regulations, where disposal methods include incineration, sanitary landfill, on-site storage, recovery and recycle by DOE certified scheduled waste collectors. No waste has either been imported or exported in FY2020. There were 2 cases of chemical spillage incidents at our factories in the financial year. Immediate remediation action was taken and preventive measures enhanced to avoid possible occurrence in future. There were no legal cases involving non-compliance of discharge in the same reporting year.

Discharge is treated using chemical treatment and carbon filter. The discharge quality meets the Department of Environment's (DOE) Standard B parameter and is discharged to the drain which flows to Pintu Air Klang.

**CREATING VALUE THROUGH SOCIAL ENGAGEMENT**



**Management approach:** We recognise the importance of social engagement and compliance as there is no business which can sustain without social involvement. As a caring corporate citizen, we are responsible for the social well-being of our employees, who are the backbone of the Company's achievements. We are committed to comply with the International Labour Organisation's best practices, respect for human rights through putting emphasis on occupational health and safety, a diverse workplace which champions equal treatment, talent management, security management as well as impact of our products towards society's or user's safety.



*We are committed to ensure our employees, who are the backbone of the Group's success work in an inclusive, respectful, safe and healthy workplace.*

Creating Value through Social Engagement

Creating Value through Social Engagement

COMMITTED TO BEST LABOUR PRACTICES IN ACCORDANCE WITH INTERNATIONAL STANDARDS







**Management approach: We are committed to fair labour practices in accordance with the international labour standards throughout our business operations and corporate activities. We recognise the importance of fair labour practices as it will improve employee morale and engagement.**




**Complying to best practices**

As disclosed in all media and investor enquiries as well as our press statements, we have made improvements in various areas and will continue to comply with international best practices.

Detail of our robust labour practices are as below:

No.	Labour practice	Key aspects
1	 <b>Implementation of Zero Cost Recruitment Policy since Jan 2019</b> + <b>Remediation payment to foreign workers</b>	<ul style="list-style-type: none"> <li>Top Glove bears all recruitment-related fees for our foreign workers who joined from January 2019 onwards.</li> <li>The policy also stipulates that Top Glove will conduct pre-departure orientations and interviews at the source country, post-arrival orientations in Malaysia, as well as monthly interviews with workers towards ensuring they have not paid any hidden fees to recruitment agents.</li> <li>Workers who have been made to pay recruitment fees to agents in their source country will be reimbursed.</li> <li>Workers also sign a Letter of Undertaking committing that they must not pay recruitment fees during the recruitment process.</li> <li>On 10th Aug 2020, Top Glove made the first remediation payment to foreign workers who joined prior to the implementation of the Zero Cost Recruitment Policy.</li> <li>We are committed to make remediation payment of RM136 million to more than 11,000 workers for 12 months from August 2020 to July 2021.</li> <li>The appointed independent consultant has verified our implementation of Zero Cost Recruitment Policy and that remediation payment has commenced.</li> </ul>
2	 <b>Absolutely no forced or excessive overtime (OT) by workers</b>	<ul style="list-style-type: none"> <li>Our workers do not perform excessive OT and are given rest days in line with Malaysian labour law, which is 104 hours OT per month and 1 rest day per week respectively.</li> <li>OT is solely performed on a voluntary basis. Workers are only allowed to perform OT if they have not exceeded the daily maximum allowable working hours.</li> <li>Strict monitoring via digital tools with regards to rest days and overtime hours clocked was implemented, to ensure full compliance with labour law.</li> </ul>
3	 <b>Decent accommodation and facilities for workers</b>	<ul style="list-style-type: none"> <li>Decent accommodation with proper facilities and sufficient spacing is provided to all workers.</li> <li>Our workers' accommodation is fitted with cooking facilities. Cooking is allowed at all hostels, except for 1 hostel where there is no centralised kitchen. At this particular hostel, a 24-hour canteen which offers 2 types of native cooking is operational for the convenience of its workers.</li> <li>In addition, this hostel provides various amenities including a barber shop, prayer halls, mini market, Automatic Teller Machines (ATM), laundromat, money transmission operators and recreational areas.</li> </ul>
4	 <b>Continuous compliance with Malaysian labour authorities on payment of wages</b>	<ul style="list-style-type: none"> <li>Top Glove pays its workers in accordance with Malaysian labour law on wages, which is a basic monthly salary of RM1,200 per month. However, the worker's take-home pay is more than RM1,600 per month. Workers' wages are always paid in a timely manner and salaries are never withheld.</li> <li>In addition, the company in June 2020 made an ex-gratia payment to its workers in appreciation of their contributions during the COVID-19 pandemic.</li> <li>The appointed independent consultant has verified that the Group is in compliance with local laws and regulations on payment of wages.</li> </ul>

COMMITTED TO BEST LABOUR PRACTICES IN ACCORDANCE WITH INTERNATIONAL STANDARDS

5	 <b>Workers have full custody of their passports</b>	<ul style="list-style-type: none"> <li>Implementation of Passport Safekeeping Policy to raise awareness among workers on passport safekeeping.</li> <li>We provide workers the option to keep their passport in a personal locker (with key) at their respective hostel rooms, or keep their passport in a passport locker (with key) at the factory office.</li> <li>The appointed independent consultant has verified that workers have full custody of their passports.</li> </ul>
6	 <b>Freedom of association &amp; collective bargaining</b>	<ul style="list-style-type: none"> <li>All employees have the right to form unions and conduct collective bargaining with the Company to negotiate on the employment entitlement. In FY2020, 1.14% of employees covered by collective bargaining agreements.</li> <li>External auditors have verified that workers have freedom of association and collective bargaining rights.</li> </ul>
7	 <b>Freedom of movement</b>	<ul style="list-style-type: none"> <li>There is no restriction of movement at workplace as well as no curfew imposed at worker's hostels.</li> <li>The appointed independent consultant has verified that workers have freedom of movement.</li> </ul>
8	 <b>No child labour</b>	<ul style="list-style-type: none"> <li>We comply with recruitment laws and regulations and do not recruit child labour.</li> <li>The appointed independent consultant has verified there is no child labour.</li> </ul>

**Detention Order by the U.S. Customs and Border Protection (CBP)**

In July 2020, the U.S. Customs and Border Protection (CBP) placed a detention order on disposable gloves manufactured by Top Glove Sdn. Bhd. and TG Medical Sdn. Bhd. We are committed to make remediation payment of RM136 million from August 2020 to July 2021, which covers more than 11,000 foreign workers, including those who have left the Company.

As at 3<sup>rd</sup> November 2020, we continue to actively engage with the U.S. CBP towards an expeditious revocation of the detention order (Withhold Release Order). This will enable us to continue delivering our gloves especially to first respondents, whose safety and lives are on the line during the COVID-19 pandemic.

**Developments**

**15<sup>th</sup> Jul 2020**

- The U.S. Customs and Border Protection (CBP) placed a detention order on disposable gloves manufactured by Top Glove Sdn. Bhd. and TG Medical Sdn. Bhd.

**30<sup>th</sup> Jul 2020**

- Appointed an independent consultant and committed to commence remediation payment

**10<sup>th</sup> Aug 2020**

- Made first remediation payment of RM4.4 million in respect of the Company's migrant workers who joined prior to the implementation of its Zero Cost Recruitment Policy in January 2019. The total remediation fee to be paid was estimated at RM53 million.

**28<sup>th</sup> Aug 2020**

- The independent consultant appointed by Top Glove to verify labour practices at our manufacturing facilities and accommodation, completed the verification work.

**7<sup>th</sup> Sept 2020**

- Top Glove submitted independent auditor's report to U.S. CBP

**6<sup>th</sup> Oct 2020**

- Top Glove revised sum of remediation payment to RM136 million, in accordance with recommendations by the independent consultant, following the completion of the independent consultant's comprehensive verification work. All foreign workers are covered under the remediation payment.

Besides immediately addressing the relevant social compliance issues, we have established a Correction Action Plan (CAP) to ensure all labour practices are being implemented ethically in the long term.

Creating Value through Social Engagement

Creating Value through Social Engagement

RESPECT FOR HUMAN RIGHTS



**Management approach:** As a business with diversified employees especially foreign workers, we are committed to respect and protect human rights. We adhere to the Human Rights & Ethical Conduct, which stipulates fair and ethical labour practices in accordance to Business Social Compliance Initiative (BSCI) Code of Conduct. The Human Rights & Ethical Conduct is not only applicable to our employees but also our supply chain such as suppliers, business partners and customers.

**Human rights risks assessment & management**

As the majority of our workforce comprises foreign workers who are recognised as a vulnerable group for human rights risk, we proactively identify related risks and manage them through our mitigation initiatives. The human rights issues include debt bondage, excessive overtime, passport retention and abusive living conditions which could occur at both our own operations and value chain (recruitment agents and suppliers).

We extend our human rights practices to our supply chain, to ensure no forced labour throughout our value chain. Social compliance is one of the evaluation criteria for all our new critical suppliers. The outcome of all the suppliers that were assessed based on social impact was positive. No potential negative social impacts were seen or identified. Staff welfare and amenities were well taken care of. Nonetheless, areas of improvement were duly relayed for better work environment.

Identification, assessment and mitigation of human rights risks at all our factories are as follow:

No.	Mitigation measures	Details
1	<p><b>Due diligence on recruitment agents</b></p>	<p>Recruitment agents are strictly prohibited from collecting recruitment fees directly from workers at any stage as a condition for being hired.</p> <p>We have terminated 2 recruitment agents after our due diligence assessment and currently we are working with 11 recruitment agents from Malaysia and overseas.</p> <ol style="list-style-type: none"> <li><b>Due diligence procedure</b> <ul style="list-style-type: none"> <li>Guided by the Group's Recruitment System, we conduct due diligence on all our recruitment agents</li> <li>Potential recruitment agent shall be assessed on their background in relation to recruitment experiences, legal documentation, recruitment terms and cost, social performance and blacklisted record at source country immigration</li> <li>Responsible Business Alliance (RBA)/International Recruitment Integrity Scheme (IRIS) certification is an added advantage</li> <li>Prohibited to engage independent and unlicensed sub agent</li> <li>Approval of engagement of recruitment agents will be recommended by the Head of HR and approved by key management, ie: Managing Director and/or Chairman</li> </ul> </li> <li><b>Qualified agents should:</b> <ul style="list-style-type: none"> <li>Attend Top Glove Social Compliance Initiatives (TGSCI) briefing</li> <li>Acknowledge and sign on Top Glove Business Partners' Code of Conduct</li> <li>Undertake social performance assessment</li> <li>Present a transparent and clear recruitment cost breakdown</li> <li>All active recruitment agents are subject to annual surveillance checks to ensure adherence to TGSCI</li> </ul> </li> </ol>

RESPECT FOR HUMAN RIGHTS

2



**Social compliance audit**

Various categories of social compliance audit conducted:

- Appointed independent third party consultant to audit our social compliance practices, who interviewed more than 1,100 of our workers
- Monthly internal audit conducted by HR Compliance Team
- Audit initiated by the Company or customers

The social compliance audits are based on the following international standards:

- Business Social Compliance Initiative (BSCI) by amfori
- Sedex Members Ethical Trade Audits (SMETA) by Sedex

In FY2020, 100% of our glove factories and our packaging material factory were audited on social compliance based on the above 2 standards.

**Scope of audit:**

- Labour practices
- Safety & Health
- Environmental
- Business ethics

The management of the company is subject to merits and demerits for compliance and non-compliance respectively.

Total BSCI & SMETA audits attended in FY2020: 33 (Lesser number of audit in FY2020 due to restriction by the COVID-19 pandemic)

Total announced audit:	27	Total audit initiated (paid) by customers:	7
Total semi-announced audit:	1	Total audit initiated (paid) by Top Glove:	26
Total unannounced audit:	5	Total audit initiated (jointly paid) by both customers and Top Glove:	0

**Audit results:**

We have closed 77% of the non-conformance raised based on SMETA standard

**Audit finding & remedial action:**

According to our latest audit finding report, issues such as working hours, rest day, overtime, passport retention have all been resolved.

3



**Grievance Mechanism**

A grievance SOP is in place which requires corrective action for issues raised to be taken within 5 days. Our reliable and anonymous grievance channels include:

- Centralised Worker Helpline
- Email
- Whatsapp
- Human Resources personnel
- Worker Representatives
- Grievance forms and boxes which are placed inside factory and hostel compound
- Independent Grievance Helplines (the helpline receivers of which are our third party auditors) are established for workers in their native languages for workers to raise grievances.
  - Established on 28<sup>th</sup> Sept 2020
  - As at the reporting date (23<sup>rd</sup> Oct 2020), the Helpline has received 486 calls, 475 of it are from resigned workers on remediation payment issue and 11 calls on other issues.
  - Out of the 11 calls, 3 issues closed, 7 in progress and 1 pending for worker's acceptance (opened)
- Every factory will have worker representatives from each nationality (including Malaysian) and gender who are elected by the workers. Once the worker representatives are appointed, HR will issue them letter of appointment for a 2-year tenure.
- Monthly meetings with worker representatives on the following areas of concern are held:
  - HR practices (attended by operation team and HR personnel)
  - Safety & health (attended by the Safety and Health Team)






**FY2020 grievance-relation data:**

- 84.8% satisfaction from our annual grievance mechanism satisfaction survey implementation, compared with 90% from the preceding year
- Number of cases raised: 994 cases
- Type of cases: Living condition (hostel), canteen, transportation, workplace condition
- Status of action: 99.3% (remediation action has been taken for 987 cases)

Creating Value through Social Engagement

Creating Value through Social Engagement

**RESPECT FOR HUMAN RIGHTS**

<p>4</p>  <p><b>Whistleblowing Policy and Procedure</b></p>	<p>The Top Glove Whistleblowing Policy and Procedure is publicly available on the Company's website. It provides established channels through which our stakeholders may report or disclose genuine concerns about bribery and corruption, fraud, grievances, unethical behaviour, malpractices, illegal acts, policies and procedures malfunction or failure to comply with local and foreign bribery laws on the part of the company, of which they have become aware.</p> <p>All information provided by whistleblower will be taken seriously and treated confidentially in accordance with the law under the Whistleblower Protection Act 2010.</p> <p>In FY2020, we enhanced our Whistleblowing procedures by appointing an external service provider as case receiver. Service provider will act as the first hand case receiver and forward the anonymous complaint raised to 3 senior designated officers in the Whistleblowing Committee for the Company's further investigation. This resource enables better transparency and improves efficiency in resolving concerns. It also provides the Company with meaningful feedback on areas for improvement.</p> <p><b>Whistleblowing channels:</b></p> <ul style="list-style-type: none"> <li>• whistleblowing form</li> <li>• email</li> <li>• mail box</li> </ul> <p>FY2020 whistleblowing-relation data:</p> <ul style="list-style-type: none"> <li>• Number of cases raised: 2 cases</li> <li>• Type of cases: cases revolved around inadequacy of policy and procedures and conflict of interest</li> </ul> <p>Status of action: Swift action has been taken to resolve the root causes and improve further by Whistleblowing Committee</p>
<p>5</p>  <p><b>Employee awareness</b></p>	<p>To raise awareness among employees on labour rights and social compliance best practices, we conduct human rights training to employees. A total of 272 employees were trained with total 824 training hours.</p>
<p>6</p>  <p><b>Town hall with suppliers</b></p>	<p>As disclosed in the Supply Chain sessions in this Report, we conduct town hall session with our suppliers to emphasise our stand on our robust labour practices. Site audits were conducted after the town hall sessions to assess and monitor human rights risks.</p>
<p>7</p>  <p><b>Audit on critical suppliers</b></p>	<p>100% (279 in number) of our critical suppliers are screened through social compliance criteria. There was no supplier being identified to have significant actual and potential negative social impacts from the audit process during the reporting financial year.</p>
<p>8</p>  <p><b>Social Compliance Committee (SSC)</b></p>	<p>The SSC, which consists of various departments was formed to implement, monitor and review the effectiveness of various measures on social compliance.</p>

**OCCUPATIONAL HEALTH AND SAFETY (OHS)**



**Management approach: Employees health and safety remains the Company's foremost priority. Poor OHS performance has a direct negative impact on labour costs through lower productivity. Lower performance not only poses a threat to our reputation and staff morale but also results in increased operation costs in the form of fines and other contingent liabilities. The Group's health and safety initiatives are helmed by the Corporate Health unit and Safety unit respectively. The Corporate Health unit aims to improve employees' physical and mental health, focusing on nutrition advice and BMI management, meanwhile the Safety unit focuses to prevent and reduce occupational safety risks, especially in our operation.**

**During the COVID-19 pandemic, while we are delivering our life-saving gloves to customers globally, we ensure the safety and health of our employees is well taken care of.**

 For our initiatives in this area, please visit <https://www.topglove.com/covid-19-preventive-measures/>

Scan for Top Glove's COVID-19 Preventive Measures Video



**Health is Wealth**

As a health-centric Company, we invest in managing and improving employees' health to prevent employees from falling sick, thereby maintaining productivity. Top Glove's aim is to ensure all its employees are always at their optimum health and fitness physically, mentally and financially, and able to contribute positively. Top Glove has established several in-house healthcare and wellness systems, including an ambulatory medical center, fitness center, and full-time Corporate Wellness team which offers various progressive and innovative wellness programs.

**TOP GLOVE WELLNESS TEAM CONSISTS OF 42 FULL TIME STAFF AS AT 20<sup>TH</sup> OCT 2020:**

**13 wellness professionals**  
under Corporate Health Unit

- 8 nutritionists
- 2 dietitians
- 1 naturopathy wellness consultant
- 1 food services executive
- 1 health admin executive

**26 medical professionals**  
under TGGD Unit

- 6 contract medical doctors
- 4 permanent medical doctors
- 4 medical assistants
- 3 nurses
- 3 clinic admin
- 2 paramedics
- 1 dentist
- 1 radiographer
- 1 mental health counselor
- 1 assistant pharmacist

**3 fitness professionals**  
under Top Healthy Fitness (Gymnasium)

- 1 fitness trainer
- 2 fitness assistants

Average of **1.9 days of sick leave** per employee in FY2020

Average of **0.16 days of hospitalisation leave** per employee in FY2020

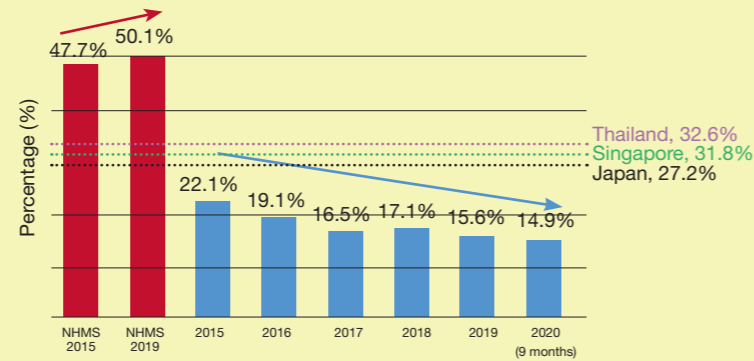
Creating Value through Social Engagement

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OCCUPATIONAL HEALTH AND SAFETY (OHS)

**5-Year Comparison: Malaysians versus Top Glove Staff in Overweight and Obese category (BMI >25.0 kh/m<sup>2</sup>)**

As at September 2020, Top Glove staff is 70.3% lower in overweight and obese category as compared to NHMS 2019.



Remark:  
1. Data is based on unpaired data to depict the overall population in Top Glove but paired data is used for year 2015, 2016 and 2017.  
2. BMI Malaysia benchmark from National Health & Morbidity Survey (2015), (2019), other countries from WHO (2016).

In FY2020, we implemented a series of health initiatives which included the following:

- 8 Health talks on various topics
- 45 Health workshops on various topics
- 17 Wellness Funstastic Booth
- 8 BookDoc Activ Walking steps Challenges
- 3 batches of Mission Slim Possible weight management programme for overweight staff
- 3 batches of Gain It Right weight management programme for underweight staff
- Daily fitness classes (Yoga, Zumba, Piloxing etc)
- Weekly e-health info circulation
- 7 E-learning health modules

**Safety as our foremost priority**

The Group's safety management and initiatives are led by the Safety Department and Committee and guided by the Top Glove Safety & Health Policy. The Safety Committee consists of 885 members from management, staff and worker representatives.

Throughout FY2020, 15 initiatives were carried out to raise safety awareness. These included various quizzes, safety talks, Safety Booths during the Company Birthday Lunches and 84 forklift safety training session.

Staff attended safety training (category)	Safety Committee & Officers	Non-Safety Committee & Non-Safety Officers
Percentage (%)	22	78

**Zero employee and contractor fatalities over the past 4 financial years**

Financial Year	FY 2017	FY 2018	FY 2019	FY 2020
Lost-Time Injury Frequency Rate (LTIFR) (number/million hours worked)	1.3	1.0	0.9	1.1
Percentage of employees covered for LTIFR (%)	100	100	100	100

Increase of LTIFR resulted from new factories and factories we acquired (previously known as Aspion)

Safety measures have been taken extensively throughout our business operations especially in our factories to ensure all employees are working in a safe environment. These include:

- Conducting accident review meetings with PIC and sharing of Corrective Actions & Preventive Actions (CAPA) with other factories.
- Machine safety improvement by conducting awareness training and site inspection to mitigate hazards relating to machines.
- Digitalising the monitoring of unsafe acts and unsafe conditions via online TG Good Safe System.

None of our workers are involved in work activities which will lead to high risk of occupational disease.

EMBRACING DIVERSITY



**Management approach: Headquartered in Malaysia, a multiracial country as background, we are well adapted to a diverse and inclusive culture. Top Glove does not engage in discrimination based on gender, ethnicity, nationality, cultural background, marital status, disabilities, religion, sexual orientation, political inclination, age or union membership.**

**Embracing diversity and inclusivity**

At Top Glove, opportunities for career advancement are based on meritocracy. Every Top Glover has an equal opportunity as long as they are capable of delivering results. We foster a diverse and inclusive workplace that values the contribution of all employees, attracts and grows the world's top talent. We have zero tolerance for discrimination, workplace bullying and harassment and are committed to creating a respectful workplace for everyone in the Company.

We respect people with differing abilities and recruited 18 staff with disabilities in FY2020.

In FY2020, a total of 23 harassment incidents were reported and resolved. Throughout the investigation process, we ensured that the affected employees' safety was well protected at all times, which includes concealing their identity. As a responsible employer, we constantly look for ways to go above and beyond in supporting the wellbeing of our employees. In line with our efforts, we have also proactively engaged with professional counselling service providers to assist our employees during these difficult times. At the same time, stern disciplinary actions, including dismissal, will be taken against the perpetrators if proven guilty upon investigation.

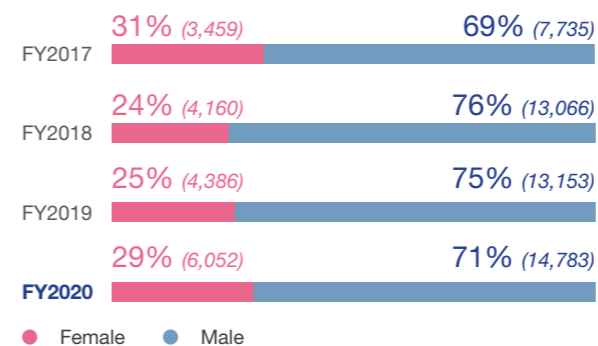
To bring down the number of cases, Top Glove also constantly rolls out initiatives to prevent and combat harassment, such as establishing several highly confidential grievance and whistleblowing mechanisms for reporting, regularly conducting prevention of harassment briefings and trainings for employees, as well as periodically reviewing and enhancing our Sexual Harassment Policy.

**Gender diversity**

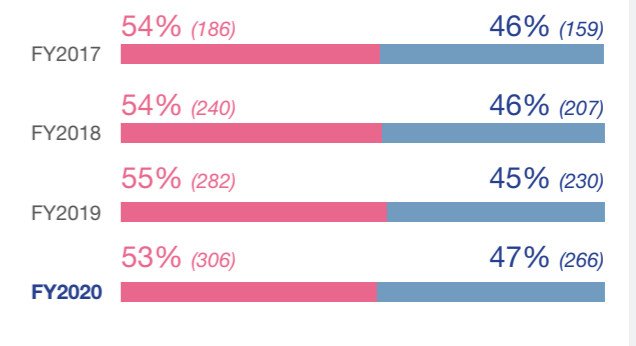
We recognise women's contributions in the workplace and are committed to achieve a gender balanced workforce. In FY2020, we closed the gap between female and male employees, where the percentage of females in our workforce increased compared with the preceding year.

- Female employees in top management position in FY2020 (Executive management & senior management): 41%
- Female employees in a management position in the Marketing Department: 72%
- Basic salary ratio of men to women: 1:1
- Male employee ratio of entry level wage to minimum wage: 1:1
- Female employee ratio of entry level wage to minimum wage: 1:1

**Employees breakdown by gender (percentage & number)**



**Leadership position (managers & above) held (percentage & number)**

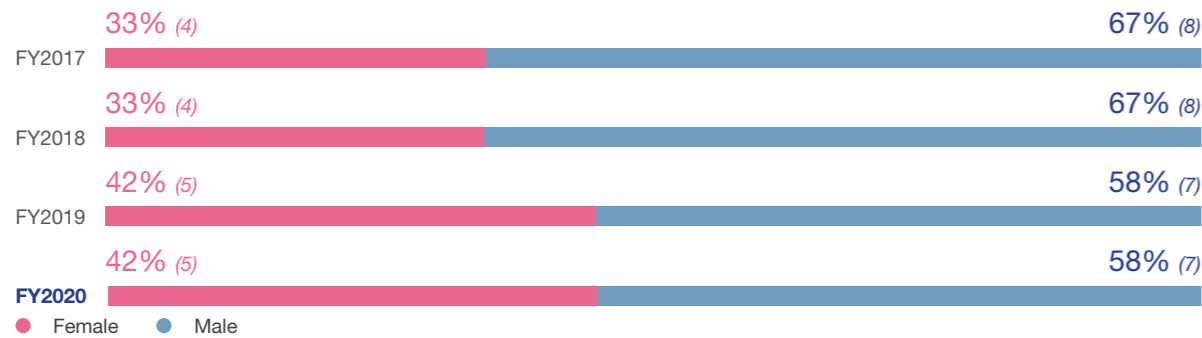


Creating Value through Social Engagement

Creating Value through Social Engagement

**EMBRACING DIVERSITY**

**Board of Directors' gender diversity**  
(percentage & number)



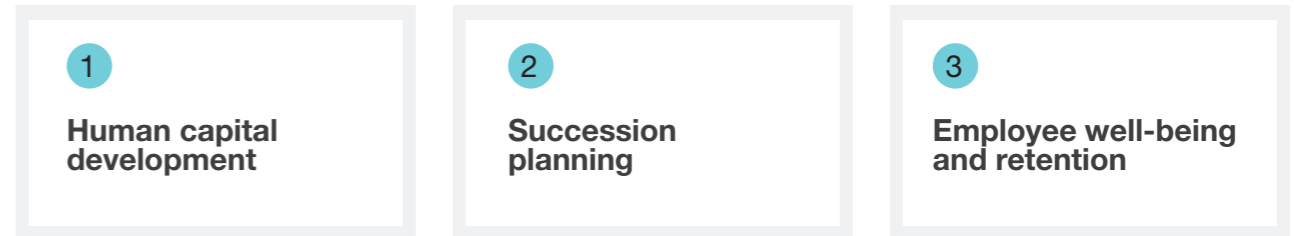
Employee demographic data:

No	Group	Category	FY2017	FY2018	FY2019	FY2020
1	<b>Total no. of employees</b>		11,194	17,226	17,539	<b>20,835</b>
2	<b>By Country</b>	Malaysia	2,162	3,600	4,380	<b>7,590</b>
		Thailand	787	924	953	<b>409</b>
		China	340	351	256	<b>290</b>
		Vietnam	313	165	95	<b>164</b>
		Myanmar	398	445	472	<b>1,218</b>
		Indonesia	222	139	542	<b>939</b>
		Nepal	4,866	5,968	4,779	<b>4,555</b>
		Bangladesh	1,656	5,095	5,677	<b>5,447</b>
		Others	450	539	385	<b>223</b>
3	<b>By employment type</b>	Permanent	2,728	4,879	5,588	<b>19,750</b>
		Contract	8,466	12,347	11,951	<b>333</b>
		Interns	512	548	1,029	<b>752</b>
4	<b>By category</b>	Lower management	8,634	13,813	13,340	<b>15,441</b>
		Junior management	991	1,289	1,497	<b>2,047</b>
		Middle management	1,224	1,671	2,190	<b>2,775</b>
		Upper management	299	398	453	<b>506</b>
		Senior management	36	47	53	<b>52</b>
		Executive management	10	8	6	<b>14</b>
5	<b>By age group</b>	Below 30	7,294	10,410	10,523	<b>13,559</b>
		30 - 50	3,688	6,399	6,665	<b>6,888</b>
		Above 50	212	417	351	<b>388</b>
6	<b>By region (based on Malaysia)</b>	Local	2,153	3,592	4,378	<b>7,589</b>
		Non-local	7,234	11,575	12,472	<b>11,459</b>
7	<b>By ethnicity (Malaysia only)</b>	Malay	1,158	N/A	2,741	<b>4,837</b>
		Chinese	645	N/A	958	<b>1,569</b>
		Indian	335	N/A	619	<b>1,051</b>
		Others	7,249	N/A	56	<b>120</b>

**TALENT MANAGEMENT**



**Management approach:** Talent management not only ensures that the Company has the appropriate skill sets to execute the business strategy, but also improves talent attraction and retention as well as employee motivation, ultimately resulting productivity and positive branding. We appreciate quality talents as we believe these talents are able to help level up the Company's performance. To ensure business continuity, we invest in talent management via several approaches below:



**Human capital development**

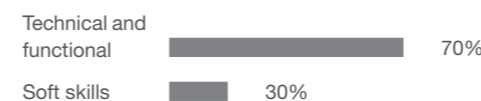
We believe continuous learning is the key for transformation. Keeping the employees' skills and knowledge up-to-date will definitely help to increase the Company's competitiveness in the industry. To achieve this, we provide various physical and virtual in-house and external trainings to our employees and set 45 training hours as part of their Key Performance Indicators (KPIs). Besides, we encourage staff to be involved in charity events as volunteers to give back to the society. As part of their KPIs, employees have to achieve 5 Community Engagement Hours (CEH) which they earn for volunteering in community programmes.

Training data in FY2020:

**Total training investment: RM1.77 million**

**Total of 190,076.52 training hours achieved**

**CATEGORIES OF TRAINING:**



**TRAINING HOURS BY EMPLOYEE CATEGORIES:**

Management category:	Hours:
Lower	0.17
Junior	44,857.45
Middle	119,721.80
Upper	22,853.07
Senior	2,437.09
Executive	206.94

- Average training hours per employee: 58.94 hours
- Average days of training per employee: 6.17 days
- Average training hours per female employee: 54.26 hours
- Average training hours per male employee: 44.19 hours
- Effectiveness of training (percentage of training has met its objective): 96.1%
- Total voluntary hours clocked in FY2020 by staff: 16,488 hours

**Succession planning**

Under the Group's Succession Planning Programme, we identified the number of Mission Critical Positions and Key Positions, as well as the number of successors for these 2 categories. Subsequently, we implemented a series of relevant succession training programmes for the successors. Currently our coverage ratio for Mission Critical Positions and Key Positions are at 2.87: 1 and 2.22:1 respectively.

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Creating Value through Social Engagement

**TALENT MANAGEMENT**

**Employee well-being and retention**

In this competitive industry, talent retention remains challenging. The Company is committed to cultivate a young and dynamic working culture with attractive well-being packages to attract quality talents.

**Recruitment and turnover**

We recruit our talents via various platform such as Jobstreet, LinkedIn, Career and Campus Fair. Since the COVID-19 pandemic, we transformed our career fairs into virtual career fairs, thereby reducing the risks of exposure for both candidates and recruiters.

**New Recruitment:**

Financial Year	FY 2017	FY 2018	FY 2019	FY 2020
Total new recruits (number)	1,226	5,342	4,570	<b>6,264</b>
<b>Breakdown by age group (percentage, %)</b>				
Below 30	74	77	78	<b>87</b>
30 to 50	22	22	21	<b>12</b>
Above 50	4	1	1	<b>1</b>
<b>Breakdown by gender (percentage, %)</b>				
Female	53	16	33	<b>40</b>
Male	47	84	67	<b>60</b>
<b>Breakdown by locality (based on Malaysia, percentage, %)</b>				
Local	76	23	44	<b>81</b>
Non-local	24	77	56	<b>19</b>

**641 TVET (Technical and Vocational Education and Training) students recruited** in FY2020

**277 internal replacements** in FY2020

**Employee Turnover:**

Financial Year	FY2017	FY2018	FY2019	FY2020
Turnover rate	12.30%	17.73%	16.30%	<b>18.60%</b>
Manufacturing industry turnover rate (based on calendar year)	26.04% (year 2016)	17.76% (year 2017)	16.68% (year 2018)	<b>15.78% (year 2019)</b>
<b>Breakdown by age group</b>				
Below 30	76.45%	79.71%	74.51%	<b>78.80%</b>
30 to 50	22.10%	17.42%	20.78%	<b>17.70%</b>
Above 50	1.45%	2.86%	4.71%	<b>3.40%</b>
<b>Breakdown by locality (based on Malaysia)</b>				
Local	93.12%	97.14%	86.53%	<b>89.78%</b>
Non-local	6.88%	2.86%	13.47%	<b>10.22%</b>

**TALENT MANAGEMENT**

**Transparent communication culture**

As our recruitment direction is focusing on recruiting creative and innovative young talents, it is crucial to have an open-minded culture to attract and retain quality talents. At Top Glove, we embrace open communication regardless of position in the Company. Everyone is encouraged to speak up, to provide feedback and comments, in confidence and without fear of retaliation.

Employee engagement survey is a crucial tool for developing policies to attract, retain and develop the best talents. It is essential for us to collect and measure feedback from employees, who are significant stakeholders and the backbone of the Company's success. We conduct annual employee survey to identify areas for improvement from the employees' perspective. In FY2020, the survey results showed 75.23% of employees are satisfied with the Company, while the key shortfall is in the areas of facilities, healthcare benefits, recognition, reward system and workload. We have put more focus on these areas in the coming financial year and plan to conduct a feasibility study on improving healthcare benefits and recognition initiatives.

Employee Engagement Survey	FY2017	FY2018	FY2019	FY2020
Survey results with Above Average Satisfaction	47.67%	58.79%	70.83%	<b>75.23%</b>
Percentage of total employees covered	90%	90%	90%	<b>90%</b>

To ensure effective management of employee performance, we conduct mid-year reviews and annual appraisals for all staff, as well as multi-dimensional performance appraisal such as 360-degree feedback where they review their subordinates, peers and superiors. 13% of staff are involved in 360-degree feedback.

**Work-life balance**

The Company provides benefits to recognise and appreciate employees' contribution and commitment. All full time employees are entitled to medical benefits, insurance coverage, various categories of annual leave and stock ownership such as share grants and Employee Share Option Scheme (ESOS). In FY2020, the Company implemented flexi-working hours, giving more room for work-life balance enabling employees to set their own working schedule. These also enable the Company to retain talents.

**Parental leave (maternity and paternity leave)**

Scope	Gender	FY2020 (number)
Total no. of employees that were entitled to parental leave	Female	<b>3,906</b>
	Male	<b>3,683</b>
Total no. of employees that took parental leave	Female	<b>151</b>
	Male	<b>134</b>
Total no. of employees that returned to work in the reporting period after parental leave ended	Female	<b>151</b>
	Male	<b>134</b>



Creating Value through Social Engagement

SECURITY MANAGEMENT



**Management approach:** At Top Glove, security management encompasses the security of our people and premises including factories and hostels. We are also one of few Malaysian companies with our own ancillary police.

Security

We have a pool of 82 ancillary police to keep our employees and premises safe. These ancillary police patrol our HQ, factories and hostels areas in Klang, Malaysia. All ancillary police are trained by the Royal Malaysia Police's *Latihan Dalam Perkhidmatan* on the standard procedures, do's and don'ts, as well as human rights knowledge.

In FY2020, we leveraged technology and launched a mobile app namely TG ResQ which employees may use to make crime related reports to our ancillary police.

PRODUCT SERVICES RESPONSIBILITY



**Management approach:** As a manufacturer of personal protective equipment (PPE), we export our gloves to 195 countries globally and adhere to a stringent quality assurance process to ensure we comply with each country's requirements in terms of labelling and product quality.

In FY2020, there were no incidents of non-compliance with regulations concerning product labeling or marketing communications for our in-house brands.

Financial year	FY2017	FY2018	FY2019	FY2020
No. of product recalls	0	0	0	0
No. of regulatory agency inspections	0	0	0	0
Number of Form 483 Observations and FDA Warning Letters received	0	0	0	0

Scan for TG Sustainability Video



FORGING AHEAD WITH SUSTAINABILITY

Though sustainability has been embedded widely throughout the Group's operations as well as our supply chain, we will not be content with our present achievements and seek to mark more milestones on our sustainability journey, creating more positive impacts and value for our stakeholders. We are committed to continuously make meaningful contributions across all the pillars of EES.

Link for TG Sustainability Video: [https://www.youtube.com/watch?v=XHVbo2aMBKI&t&ab\\_channel=TopGlove](https://www.youtube.com/watch?v=XHVbo2aMBKI&t&ab_channel=TopGlove)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GOOD CORPORATE GOVERNANCE IS THE FOUNDATION OF OUR SUCCESS

Our governance practices underpin the way we manage our business and support the successful delivery of our strategy. It guides our ability to operate in a way that is both legally compliant and responsible and is embedded in our day-to-day business operations.

We take our governance role seriously and recognise that, as guardian of our culture, the Board plays a vital role in defining the way in which we do business and leading by example. We pride ourselves on operating in an open, honest and responsible way that welcomes constructive challenge and debate. Our approach fosters a culture of appropriate risk taking and effective decision making, which is promoted beyond the boardroom by the close involvement of the Executive Directors in day-to-day operations.

We remain committed to upholding the principles of good governance and have complied fully with the provisions of the MCCG throughout the year. In the following pages, you will read how we put our governance practices into action and how we have applied the principles and listing requirements from Bursa Securities Main LR.

*This Corporate Governance Overview Statement is to be read together with our Corporate Governance Report, which is available on our website at <https://www.topglove.com/governance-manual/>*

This Statement makes reference to the three (3) broad principles :

**PRINCIPLE A :**  
Board Leadership and Effectiveness

**PRINCIPLE B :**  
Effective Audit and Risk Management

**PRINCIPLE C :**  
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

Overall, the Company has applied all the Practices encapsulated in MCCG for the FY2020 except Practice 5.1.

The Company had provided explanations for the departures from the said practice and measures that the Company will take to achieve the intended outcome of the departed Practice in the Corporate Governance Report.

1 WE ARE GUIDED BY THE FOLLOWING FRAMEWORKS:

- Companies Act 2016 ("CA 2016")
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities Main LR")
- Malaysian Code on Corporate Governance ("MCCG")
- Corporate Governance Guide (3<sup>rd</sup> Edition) issued by Bursa Malaysia Securities Berhad

2 OUR GOVERNANCE PRACTICES EXCEED WHAT IS GENERALLY REQUIRED:

**Winner of MSWG-ASEAN Corporate Governance Award 2019: Industry Excellence Award (Healthcare)**

**Rank No. 24** in the list of top 100 companies for Corporate Governance Disclosure

**Rank No. 14** in the list of top 100 companies for overall corporate governance and performance

3 WE ARE COMPONENT STOCKS OF:

- MSCI Global Standard Index
- FTSE Bursa Malaysia ("FBM") KLCI Index
- FBM Top 100 Index
- FBM EMAS Index
- FBM EMAS Shariah Index
- FBM Hijrah Shariah Index

OUR BALANCED AND EXPERIENCED BOARD DELIVERS AND DRIVES OUR STRATEGY

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

**ROLES**

**Executive Chairman (“EC”)**

The Executive Chairman, Tan Sri Dr Lim Wee Chai leads the Board and manage the interface between the Board and Management. Responsible for the orderly conduct and effective function of the Board.

**Managing Director (“MD”)**

The Managing Director, Dato’ Lee Kim Meow spearheads the business and day-to-day management of the Company in accordance with the business plans and within the budgets approved by the Board.

**Executive Directors (“ED”)**

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

**Senior Independent Non-Executive Director (“SINED”)**

Our Senior Independent Non-Executive Director, Dato’ Lim Han Boon, serves as a designated contact between Non-Executive Directors and EC as well as shareholders.

**Independent Non-Executive Directors (“INED”)**

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

**Non-Independent Non-Executive Director (“NINED”)**

The Non-Independent Non-Executive Director functions to provide in-depth knowledge and insight from the Group’s perspective. The NINED is to ensure that the knowledge and insight contributed will lead to a comprehensive, balanced and unbiased decision-making process that serves in the best interests of the Group.

**BOARD OF DIRECTORS (“BOARD”)**

Led by the Chairman, the Board takes primary responsibility in defining the Group’s strategic objectives, risk appetite and control environment; monitoring delivery of strategy by the Executive Directors; and shaping the resourcing, culture and values by which the wider business delivers targeted performance.

The Board Charter duly adopted by the Board clearly established the functions reserved for the Board and those delegated to Management. It is a reference and induction literature in providing the Board members and Management insight into the functions of the Board.

 The Board Charter is accessible through the Company’s website: <https://www.topglove.com/governance-manual/>

**EXECUTIVE COMMITTEE**

The Executive Committee (“EXCO”) assists the Board in ensuring that the Board’s decision, strategies set, business plans, budgets, policies, procedures, daily business and operational issues approved by the Board are implemented and/or monitored efficiently and effectively by the Group’s Management.

**COMPANY SECRETARY**

The Company Secretaries play an advisory role to the Board and support the Board in ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. The Board is regularly updated by the Company Secretaries on changes in the relevant statutory and regulatory requirements, particularly in areas relating to the duties and responsibilities and disclosure requirements of the Directors.

The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and the Group’s Management.

**Board Audit Committee (“BAC”)**

Assists the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Group.

**Members**

1. Dato’ Lim Han Boon (Chairman)
2. Datuk Noripah Kamso
3. Sharmila Sekarajasekaran
4. Azrina Arshad

  
Internal Audit Department & External Auditors

**Board Risk Management Committee (“BRMC”)**

Assists the Board to identify, assess, monitor key business risks and oversee the Risk Management activities of the Group.

**Members**

1. Datuk Noripah Kamso (Chairman)
2. Tan Sri Rainer Althoff
3. Dato’ Lim Han Boon
4. Datuk Dr. Norma Mansor
5. Dato’ Lee Kim Meow
6. Lim Cheong Guan

  
Integrity Unit  
  
Risk Management Department

**Board Nomination & Remuneration Committee (“BNRC”)**

Assists the Board in nominating new candidates to the Board and Board Committees and assessing their performance and remuneration packages.

**Members**


1. Datuk Dr. Norma Mansor (Chairman)
2. Dato’ Lim Han Boon
3. Datuk Noripah Kamso
4. Sharmila Sekarajasekaran

**Board Investment Committee (“BIC”)**

Assists the Board in reviewing, monitoring, recommending and advising in investment and funding related matters.

**Members**

1. Tan Sri Dr Lim Wee Chai (Chairman)
2. Dato’ Lim Han Boon
3. Datuk Noripah Kamso
4. Lim Cheong Guan
5. Azrina Arshad


  
Investment Department

**Board Sustainability Committee (“BSC”)**

Assists the Board to oversee the Group’s sustainability strategy and initiatives covering environmental, social and economical aspect.

**Members**

1. Sharmila Sekarajasekaran (Chairman)
2. Dato’ Lim Han Boon
3. Puan Sri Tong Siew Bee
4. Datuk Noripah Kamso
5. Azrina Arshad

  
Sustainability Department

**BOARD COMMITTEES**

Presently, the Board is supported by five (5) Board Committees with delegated responsibilities to oversee the Group’s affairs and authorise to act on behalf of the Board in accordance with their respective Terms of Reference (“TOR”). Each Board Committee will review, report and make recommendations to

the Board during the Board meeting on matters relevant to their roles and responsibilities. The Chairman of the respective Board Committee will provide highlights to the Board and the minutes of the respective Board Committees meeting will also be tabled at the quarterly Board meetings so as to keep the Board abreast of the decision and deliberation made by each Board Committee. Similar to the Board, each Board Committee is supported by the Company Secretary and has access to independent advice as required for the performance of its duties.

Corporate Governance Overview Statement

Corporate Governance Overview Statement

OUR BOARD REMAINS COMMITTED AND DILIGENT IN ENSURING OUR STRATEGY PROGRESSES

Board Meetings

The Board meets at least seven (7) times in each financial year to review its quarterly performance and discuss new strategies, budget and business plan. Additional meetings may be convened as special Board meetings, as and when necessary. In the intervals between Board meetings, any matters requiring urgent Board's decisions or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made and the same applies to the Board Committees.

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

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

In FY2020, the Board has adopted the 75% Board Meeting Attendance requirement to be in line with good governance practices, having viewed that technology has made it more convenient for meeting participation.

Board's Key Focus Areas for FY2020

Eight (8) Board meetings were held to deliberate, amongst others, on the following:

- 1) The Group's strategic plans and progress updates on implementation
- 2) Annual budget setting and review
- 3) Quarterly, half-yearly and yearly financial performance reports
- 4) Business plans and developments
- 5) Highlights from the Board Committees, Independent Directors Committee and Executive Committee
- 6) Corporate proposals such as Mergers and Acquisitions, Bonus

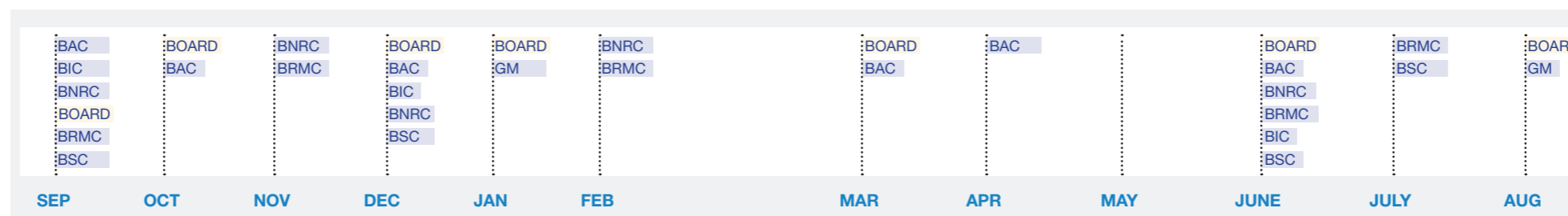
Directors' attendance at Board, Board Committees and General Meetings held during the FY2020

Name of Directors	Designation	Board Meeting	General Meeting ("GM")	Board Committees				
				BAC	BRMC	BNRC	BIC	BSC
1. Tan Sri Dr Lim Wee Chai (Executive Chairman)	EC	8/8	2/2	-	-	-	3/3	-
2. Dato' Lee Kim Meow	MD	8/8	2/2	-	5/5	-	-	-
3. Dato' Lim Han Boon	SINED	8/8	2/2	9/9	5/5	5/5	3/3	4/4
4. Tan Sri Rainer Althoff	INED	8/8	2/2	-	5/5	-	-	-
5. Lim Hooi Sin	ED	8/8	2/2	-	-	-	-	-
6. Lim Cheong Guan	ED	8/8	2/2	-	5/5	-	3/3	-
7. Puan Sri Tong Siew Bee	NINED	8/8	2/2	-	-	-	-	3/4
8. Datuk Noripah Kamso	INED	7/8	2/2	7/9	5/5	5/5	3/3	4/4
9. Sharmila Sekarajasekaran	INED	8/8	2/2	9/9	-	5/5	-	4/4
10. Datuk Dr. Norma Mansor	INED	7/8	2/2	-	4/5	5/5	-	-
11. Azrina Arshad	INED	8/8	2/2	7/9	-	-	2/3	4/4
12. Lim Andy*	INED	4/5	1/1	-	-	-	-	-
13. Tay Seong Chee, Simon**	INED	2/3	0/1	-	0/2	-	-	1/2
<b>Total no. of Meetings:</b>		<b>8</b>	<b>2</b>	<b>9</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>4</b>

\*Lim Andy was appointed as INED with effect from 8 January 2020.

\*\*Tay Seong Chee, Simon has retired as INED on 8 January 2020.

FY2020 Board and Board Committees' Meeting Calendar



- 7) Risk management and Internal Control compliance
- 8) Share performances on Bursa Securities and Singapore Exchange
- 9) Capital structure review and balance sheet management
- 10) Journey towards Digital Transformation and Industry 4.0 updates
- 11) Sustainability initiatives and goals and its achievements
- 12) Dividend proposal
- 13) Board and Board Committees' size and composition
- 14) Board remuneration

- 15) Board and Board Committees' performance assessment
- 16) Corporate Governance review
- 17) Reappointment of Auditors
- 18) Business units strategic plan and projects progress updates
- 19) Revision to the Board Charter and Directors' Code of Ethics and Conducts
- 20) Legal case updates
- 21) Change in Boardroom
- 22) Directors' insurance coverage
- 23) Adoption of 75% Board Meeting Attendance
- 24) Board and Senior Management Team succession planning

Board Committees' Key Focus Areas for FY2020

Board Investment Committee

Three (3) BIC meetings were held to deliberate, amongst others, on the following:

- 1) Investment assessment on potential Mergers and Acquisitions
- 2) Investment assessment on new business ventures
- 3) Bond investment portfolios
- 4) Money Market Fund Investment Briefed on the global market outlook by bankers.
- 5) Revision to the BIC's Terms of Reference

Independent Directors Committee ("IDC")

Three (3) IDC meetings were held to deliberate, amongst others, on the following:

- 1) Adoption of IDC's Terms of Reference
- 2) Industry 4.0 and digitalisation gap analysis
- 3) Effectiveness of yearly Board Offsite Meeting
- 4) Company's short, medium and long-term strategy
- 5) Company's transformation journey
- 6) SWOT analysis

Board Risk Management Committee

Five (5) BRMC meetings were held to deliberate, amongst others, on the following:

- 1) Revision to the Risk Management Framework and BRMC's Terms of Reference
- 2) Risk assessment of corporate proposals on Mergers and Acquisitions
- 3) Risk assessment of new business ventures and projects undertaken
- 4) Risk assessment on fund raising projects
- 5) Risk assessment on credit control and foreign exchange exposure
- 6) New Risk Management Plans
- 7) Risk Management Reports
- 8) Risk Matrix and Risk Register review
- 9) Social Audit Compliance and Mitigation Plan
- 10) Compliance with Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018 and the adequate procedures implementation
- 11) Adoption of Business Continuity Plan
- 12) Covid-19 preventive measures undertaken
- 13) Action plans for Withhold Release Order by US Custom Border and Protection



Please refer to Page 136 for BAC's Key Focus Areas for FY2020.

Please refer to Page 117 for BNRC's Key Focus Areas for FY2020.

Please refer to Page 139 for BSC's Key Focus Areas for FY2020.

**Corporate Governance Overview Statement**

**Corporate Governance Overview Statement**

**SUPPLY OF INFORMATION**

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

Any proposals and recommendations by Management will be discussed at the Executive Committee (“EXCO”) level and then the EXCO’s recommendation will be put forth to the relevant Board Committees for deliberation and endorsement. Thereafter, the Chairman of the respective Board Committees will brief the Board and seek an approval from the Board. All matters raised, deliberations, decisions and conclusions including dissenting views made at the Board meetings with clear actions to be taken by responsible parties are recorded in the minutes.

Notices on the closed period for dealing in Top Glove’s securities are served to Directors, key management personnel and principal officers who are deemed to be privy to any sensitive information for the applicable periods especially the regular annual scheduled Board meetings to approve the quarterly financial results. This is to comply with Bursa Securities Main LR and the Capital Markets and Services Act 2007 requirements where Directors, key management personnel and principal officers of the Company and the Group are prohibited from dealing in securities based on price sensitive information which have not been publicly announced within 30 calendar days before the targeted date of announcement of the quarterly financial results up to the date of announcement. In FY2020, none of the Directors dealt in Top Glove’s securities during the closed period, except for the allotment of shares to Executive Directors via exercise of ESOS options which fall under the exemptions pursuant to para 14.06 of the Bursa Securities Main LR.

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

**DIVING DEEPER STRATEGY DAY**

Since 2018, the Board and Senior Management meet at a two-days Offsite Meeting to deliberate the Group’s long-term strategy and prospects. The Offsite Meeting will provide the Board with an opportunity to gain a deeper understanding into our business environment and our operations and to help refine our strategy. The strategy discussion will be in-depth and dynamic, centered on topics that are imperative to our business. During the Offsite Meeting in 2020, the Board has concluded the strategic statements focusing on key strategic areas as the Group’s strategy and plan to support the Group’s long-term value creation and sustainability businesses. The Board has also identified the key management personnel responsible for each key strategic area and they have to provide progressive report on its milestone achievements to the Board. The Board will review, monitor and oversee the implementation of the key strategic areas at its quarterly Board meeting.

**HAVING THE RIGHT INDIVIDUALS ON OUR BOARD AND ENSURING THERE ARE SUITABLE PLANS FOR SUCCESSION ARE KEY TO DELIVERING OUR LONG-TERM OBJECTIVES**

**BOARD NOMINATION AND REMUNERATION COMMITTEE**

The members of BNRC, comprising four Independent Non-Executive Directors, are as follows:

1. Datuk Dr. Norma Mansor (Chairman)
2. Dato’ Lim Han Boon
3. Datuk Noripah Kamso
4. Sharmila Sekarajasekaran

Five (5) BNRC meetings were held to assess and deliberate, amongst others, the following:

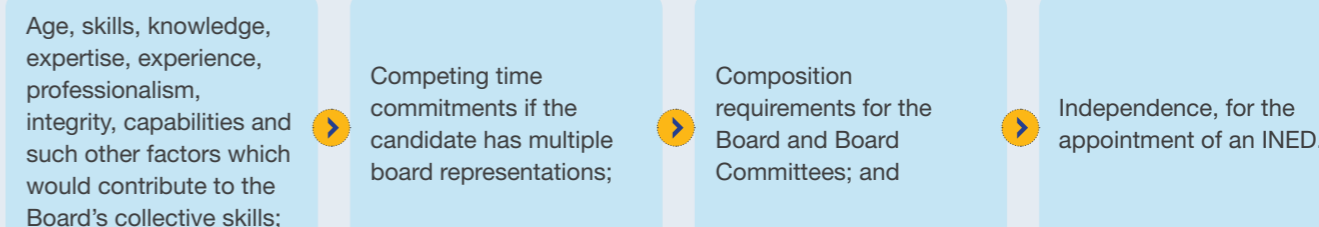
1. Appointment of Independent Non-Executive Director
2. Changes in Board and Board Committees’ size and composition
3. Board skills matrix and level of competency to meet the current and future needs of the organisation
4. Directors’ training needs and development plan
5. Independent Director’s Tenure Policy
6. Future organisation chart and Human Resource Blueprint of the Group
7. Reviewed the need of setting up Top Glove International Advisory Council
8. Remuneration package of Executive Directors, Non-Executive Directors and Key Senior Management for FY2020, benchmarked with industry practice
9. Formulation of Directors’ Training Policy
10. Outcome of the Board’s and Board Committees’ assessments
11. Recommended the re-election and retention of Directors
12. Reviewed and recommended the amendments made in the manual and policies adopted by the Board to reflect the latest development of the rules and regulations and best practices
13. Directors’ service tenure renewal
14. Adoption of Board Effectiveness Evaluation Framework
15. Outcome of Employee Engagement and Job Satisfaction Survey
16. Board governance structure
17. Board and Board Committee Chairman’s succession planning
18. Expected roles of Executive Chairman, Managing Director and Executive Directors
19. Reviewed the need of setting up Board Transformation and Decarbonisation Committee
20. Employees’ Share Scheme allocation updates
21. Reviewed corporate membership with various establishments

**Boardroom Appointments**

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

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

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



## Corporate Governance Overview Statement

Top Glove's Boardroom appointment process is as follows:



### DIRECTORS' INDUCTION & PROFESSIONAL DEVELOPMENT

Training policy for Directors was adopted by the Board on 26 September 2019 with the aim to ensure all the Directors have access to learning, development and training opportunities to better equip them with the skills and knowledge required to fulfill their fiduciary duties and carry out their roles and responsibilities.

The Board's Induction/ Orientation is a programme co-ordinated by the Company Secretaries together with the Executive Director and head of business units with the objectives of providing newly appointed Directors the necessary information and overview to assist them in understanding the operations, corporate strategies, current issues and challenges, structure and the management of the Company, as well as on-site briefings or site visits for better understanding of the operations aspect of the Company. During FY2020, the Induction Programme was conducted for Mr. Lim Andy who was appointed to the Board during the year.

Ongoing training in both business-related and regulatory matters is provided to the Board during the year. Directors may also request training on specific issues with some attending external courses (which is often provided by the Company's professional advisers) which are specific to their area of expertise, such as remuneration or audit. This helps to ensure that the Board keeps up to date with evolving regulatory and legal matters. From time to time, meetings with specialists in the business are arranged for Directors who may wish to gain a deeper insight into a particular topic. The Directors may also raise any training needs with the Chairman who helps to ensure that the training programme meets the needs of the Board, Directors and the business.



*During FY2020, all the Board members attended various training programmes; the list of training attended by each Director can be found on page 12 to 14 of the Corporate Governance Report.*

## Corporate Governance Overview Statement

### INDEPENDENCE

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

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

During FY2020, the Board was satisfied that none of the INEDs had any relationship that could materially interfere with, or be perceived to materially interfere with their unfettered and independent judgement and ability to act in the best interests of the Company. The Independent Directors Committee ("IDC") led by the SINED had met periodically without the presence of Executive Directors and/or the Management during FY2020. The IDC's recommendation will be put forth to the Board for deliberation and endorsement.

The Board has adopted a Tenure Policy to limit the tenure of independent directors to nine (9) years. The Board may, in exceptional cases, subject to the assessment of the BNRC on annual basis, recommend and subject to valid justifications and obtaining shareholders' approval, retain an independent director beyond the nine (9) years' term.

Our SINED, Dato' Lim Han Boon, has served on the Board for more than nine (9) years. The Board, via the BNRC, had reviewed and assessed his independence as INED and recommended to seek shareholders' approval at the 22<sup>nd</sup> AGM to be held on 6 January 2021 to retain him as an INED.

### GREATER TRANSPARENCY ON REMUNARATION

A Remuneration Policy was updated by the Board in June 2019 to reflect the current component of the remuneration packages and current structure of the Board and Senior Management. The Remuneration Policy comprised remuneration guiding principles, remuneration framework as well as remuneration procedures. The remuneration of Executive Chairman, Executives Directors and Key Senior Management is determined based on, amongst others, their scope of duties, responsibilities, skills and experience, corporate and individual performances and achievement of annual key performance indicators as well as prevailing market practice and economic situation. The remuneration of the INEDs and NINED is determined based on experience and level of responsibilities undertaken, extent of contributions, effort and time spent, number of committees served as well as prevailing market practice and economic situation.

The Company rewards its employees and the Executive Directors with options under the Employees' Share Option Scheme ("ESOS") and shares under the Employees' Share Grant Plan ("ESGP"). The Executive Directors are not entitled to receive meeting allowances for the Board and Board Committees meetings they have attended. The details of the vesting of options under the ESOS and awards of shares under the ESGP are set out on page 146 of this Integrated Annual Report under the Directors' Report of the Audited Financial Statements for FY2020.

The ESOS and ESGP committees as below comprised majority INEDs continued to oversee the administration as well as to ensure proper implementation of ESOS and ESGP according to the respective By-Laws:

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

## Corporate Governance Overview Statement

## Corporate Governance Overview Statement

During FY2020, the ESOS and ESGP Committees had considered and approved the ESOS and ESGP allocation factors to the eligible employees of the Group.

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

The details of the Directors' remuneration comprising remuneration received/ receivable from the Company and subsidiaries respectively in FY2020 are as follows:

## 1) Received from Top Glove

	Salaries RM	Fees RM	Bonus RM	ESOS RM	Other Emolument RM	Benefit- in-kind RM	Total RM
<b>Executive Directors</b>							
1. Tan Sri Dr Lim Wee Chai	2,766,238	150,000	153,275	335,097	328,558	57,887	3,791,055
2. Dato' Lee Kim Meow	-	130,000	-	-	-	-	130,000
3. Lim Hooi Sin	-	120,000	-	232,794	-	-	352,794
4. Lim Cheong Guan	695,153	120,000	70,830	28,665	80,838	18,840	1,014,326
<b>Non-Executive Directors</b>							
5. Dato' Lim Han Boon	-	191,700	-	-	36,400	-	228,100
6. Tan Sri Rainer Althoff	-	165,000	-	-	19,975	-	184,975
7. Datuk Noripah Kamso	-	184,000	-	-	37,275	-	221,275
8. Sharmila Sekarajasekaran	-	173,000	-	-	27,575	-	200,575
9. Datuk Dr. Norma Mansor	-	169,000	-	-	23,050	-	192,050
10. Azrina Arshad	-	173,000	-	-	23,950	-	196,950
11. Lim Andy (Appointed on 8/1/2020)	-	275,000	-	-	1,500	-	276,500
12. Tay Seong Chee, Simon (Retired on 8/1/2020)	-	133,900	-	-	750	-	134,650
<b>Non-Independent Non-Executive Director</b>							
13. Puan Sri Tong Siew Bee	-	124,000	-	-	15,650	-	139,650
<b>Total</b>	<b>3,461,391</b>	<b>2,108,600</b>	<b>224,105</b>	<b>596,556</b>	<b>595,521</b>	<b>76,727</b>	<b>7,062,900</b>

## 2) Received on Group Basis

	Salaries RM	Fees RM	Bonus RM	ESOS RM	Other Emolument RM	Benefit- in-kind RM	Total RM
<b>Executive Directors</b>							
1. Tan Sri Dr Lim Wee Chai	2,766,238	150,000	153,275	335,097	328,558	57,887	3,791,055
2. Dato' Lee Kim Meow	696,699	130,000	80,270	32,396	30,616	33,412	1,003,393
3. Lim Hooi Sin	759,528	120,000	-	232,794	-	-	1,112,322
4. Lim Cheong Guan	695,153	120,000	70,830	28,665	80,838	18,840	1,014,326
<b>Non-Executive Directors</b>							
5. Dato' Lim Han Boon	-	191,700	-	-	36,400	-	228,100
6. Tan Sri Rainer Althoff	-	165,000	-	-	19,975	-	184,975
7. Datuk Noripah Kamso	-	184,000	-	-	37,275	-	221,275
8. Sharmila Sekarajasekaran	-	173,000	-	-	27,575	-	200,575
9. Datuk Dr. Norma Mansor	-	169,000	-	-	23,050	-	192,050
10. Azrina Arshad	-	173,000	-	-	23,950	-	196,950
11. Lim Andy (Appointed on 8/1/2020)	-	275,000	-	-	1,500	-	276,500
12. Tay Seong Chee, Simon (Retired on 8/1/2020)	-	133,900	-	-	750	-	134,650
<b>Non-Independent Non-Executive Director</b>							
13. Puan Sri Tong Siew Bee	193,288	124,000	-	19,238	23,418	35,200	395,144
<b>Total</b>	<b>5,110,906</b>	<b>2,108,600</b>	<b>304,375</b>	<b>648,190</b>	<b>633,905</b>	<b>145,339</b>	<b>8,951,315</b>

Corporate Governance Overview Statement

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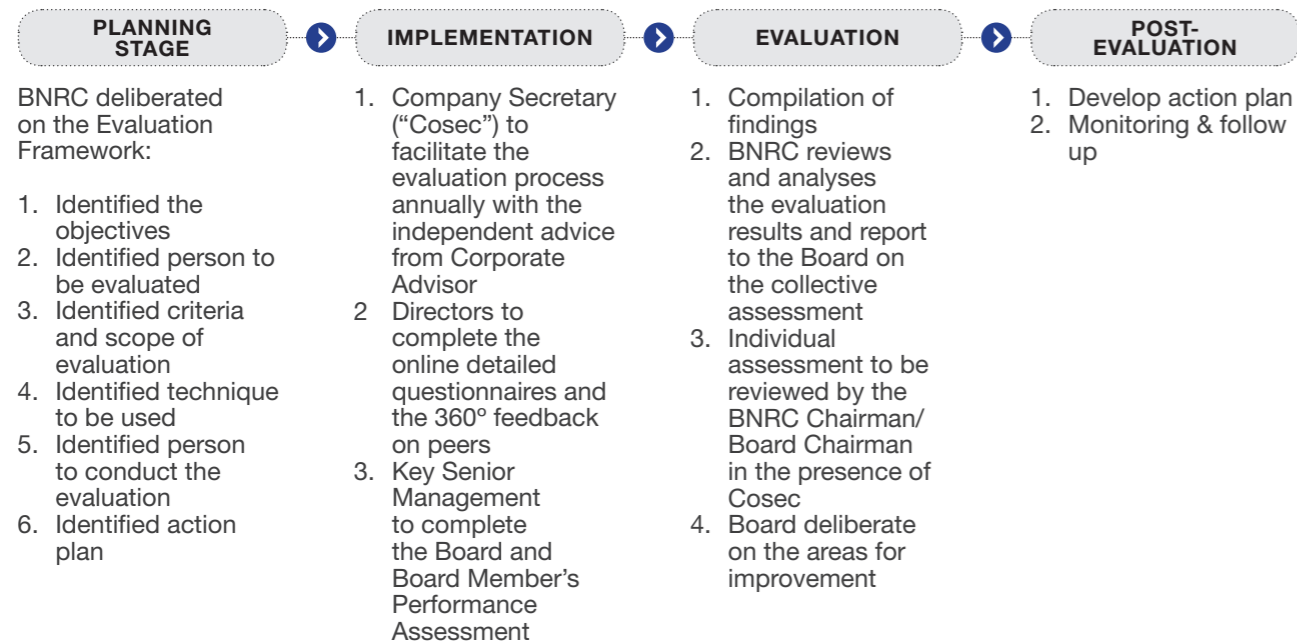
**BOARD EFFECTIVENESS EVALUATION**

The Board conducts evaluation of the Board members and the Board Committees on an annual basis. The Board evaluation for FY2020 was conducted via an online assessment system to review their own performance, the effectiveness of the Board as a whole, the contribution of each individual Director and peers and independence of the INEDs.

Respective Board Committees also carried out the evaluation to assess the Committee’s effectiveness as a whole and the performance of each Committee Member and their peers. The effectiveness of Internal Audit function and the External Auditors performance and independence were assessed by the BAC.

In FY2020, the Board performance assessment as well as the Board Members 360° performance evaluation were also extended to the Key Senior Management for evaluation.

A Board Effectiveness Evaluation (“BEE”) Framework has been adopted by the Board in FY2020 with the aim to establish proper guidelines for the Board to enhance the effectiveness of their interactions, particularly by strengthening Board practices and processes.



 The detailed BEE framework is available on the Company’s website at <https://www.topglove.com/governance-manual/>

Based on the assessment, the Board is satisfied with the overall performance of the individual Director, effectiveness of the Board and Board Committees as well as independence of Independent Directors.

**SUCCESSION PLANNING**

The Board, with assistance from the BNRC, is responsible for succession planning for the Executive Chairman, Managing Director, Executive and Non-Executive Directors and Key Senior Management (“Key Business Leaders”). The succession planning is to ensure the stability and accountability of the Group by preparing for an eventual permanent change in leadership, either planned or unplanned, so as to ensure continuous support in operation and service when the above Key Business Leaders leave their positions. The Board have updated and adopted a Succession Planning Policy in June 2019 to reflect the current structure and practice of the Group.

 The Succession Planning Policy is accessible through the Company’s website: <https://www.topglove.com/governance-manual/>

**MAINTAINING OVERSIGHT OF RISK AND ENSURING THE INTEGRITY OF OUR BUSINESS AND OUR FINANCIAL STATEMENTS ARE ESSENTIAL FOR THE COMPANY**

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

**INTERNAL CONTROL AND RISK MANAGEMENT**

The Board Audit Committee (“BAC”) had been entrusted by the Board to execute its governance and oversight responsibilities in ensuring transparent financial reporting within the Group. The Board also delegated the risk oversight responsibility to the Board Risk Management Committee (“BRMC”). In accordance with provisions of the MCCG 2017, the Board monitors and regularly reviews the effectiveness of the Group’s risk management and internal control systems, including controls related to the material financial, operational, reputational, cyber security, sustainability and regulatory compliance performance.

A risk management framework has been developed for all business processes by Risk Management Department and approved by the BRMC. The Risk Management Framework ensures that a structured risk management process is adopted across the Group. The Risk Management Framework incorporates key process relating to the identification, assessment, mitigation, monitoring and reporting of the Group’s risks and controls.

The Board, BAC and BRMC are assisted by in-house Internal Audit Department, Risk Working Committee and Risk Management Department in the effective discharge of their responsibilities in establishing cost-effective controls, assessing risks, recommending measures to mitigate those risks and assuring proper control and governance process.

The Board reviews the effectiveness of the risk management and internal control system through the following monitoring and assessment mechanisms:

- BAC deliberates the Summary of Internal Audit Reports and the external auditors’ reports relating to financial, operational, governance, risk management and control matters every quarter during BAC meeting. The status of preventive and corrective actions for issues discussed are updated to the BAC to ensure that the actions are being monitored; and
- The Risk Management Department presents the Risk Management Report to the BRMC every quarter to provide an overview of the Group’s significant risks and action plans to mitigate the risks. The BRMC provides its views which are then communicated to the respective risk owners. The significant risks are then escalated to the Board upon deliberation by BRMC.

The system of internal control therefore provides only reasonable, not absolute, assurance against material misstatement or loss. The system of internal control does, however, provide reasonable assurance that potential issues can be identified promptly and appropriate remedial action taken.

The Board has not identified, nor been advised of, any failures or weaknesses which it has determined to be significant. Therefore, a confirmation of necessary actions has not been considered appropriate.

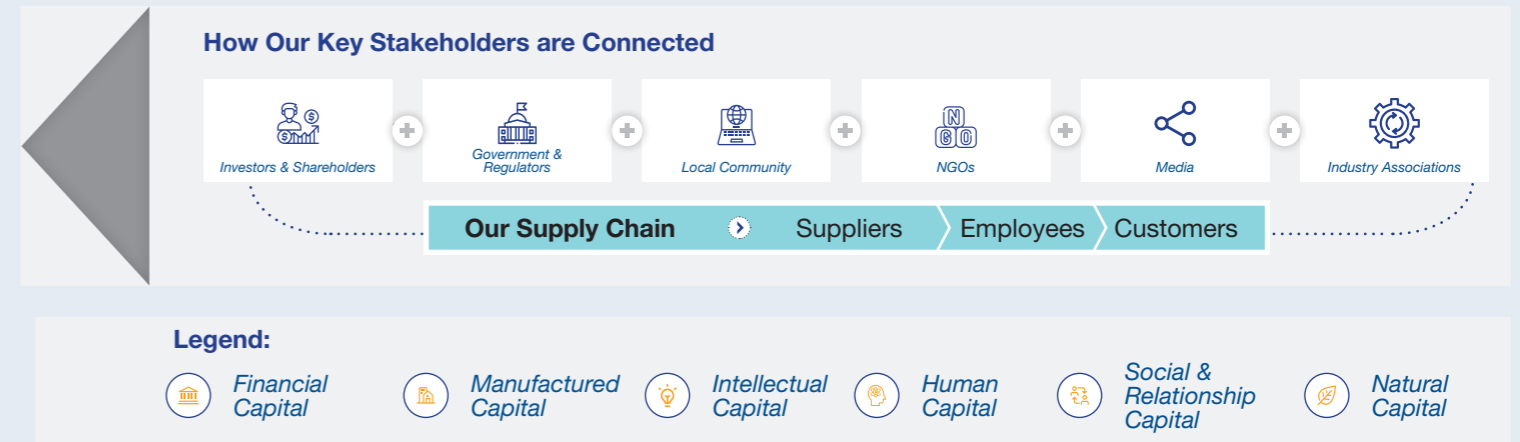
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**PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

Stakeholders are defined to be individuals or groups that have a significant impact on our business or those whose actions could affect our ability to create value. The relationship with our stakeholders is symbiotic; they provide us their expectations and needs in their feedback and we develop the strategic responses as well as refine our business processes to meet their standards. We engage through formal and informal means to gather information on issues associated with our stakeholders and also to identify and confirm any new stakeholders.

We recognise our accountability to our stakeholders and are obligated to engage effectively and regularly with them and to report the business's performance. We frequently engage with our stakeholders to keep track of their concerns as their concerns could change and we wish to improve our relationships with the various stakeholders, hence we are committed to being well prepared to response to any changes.

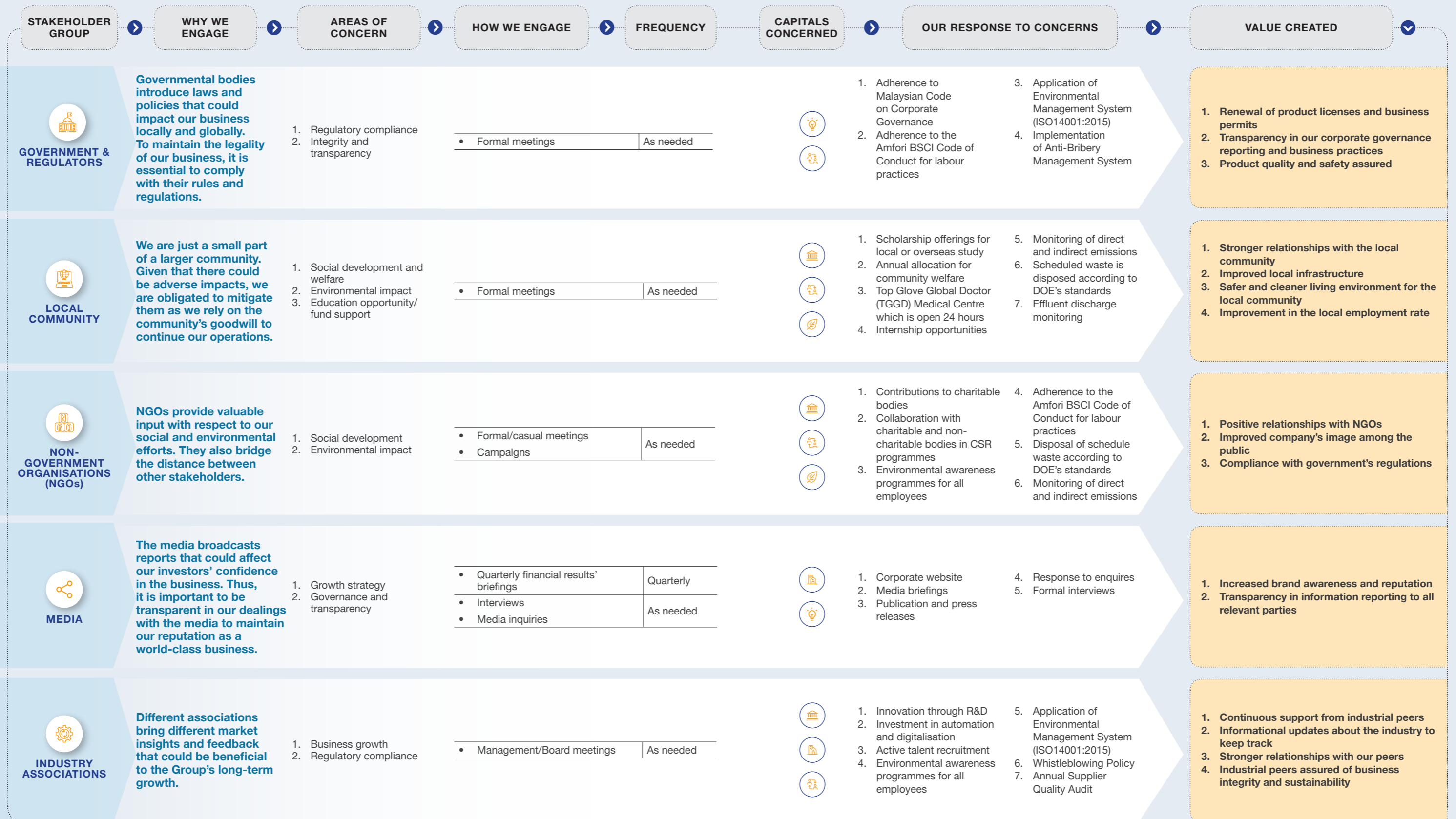


STAKEHOLDER GROUP	WHY WE ENGAGE	AREAS OF CONCERN	HOW WE ENGAGE	FREQUENCY	CAPITALS CONCERNED	OUR RESPONSE TO CONCERNS	VALUE CREATED								
<b>EMPLOYEES</b>	They are the backbone of the Group's business. Their knowledge and experience contribute to the daily operations and ensure Top Glove's global market share is maintained.	<ol style="list-style-type: none"> <li>High level of health and wellbeing</li> <li>Performance recognition and competitive compensation</li> <li>Safety and security</li> <li>Sufficient training and development</li> <li>Diverse and respectful workplace</li> </ol>	<ul style="list-style-type: none"> <li>Vegetarian birthday lunches</li> <li>Employee satisfaction survey</li> <li>Appraisal review</li> <li>Recreational activities</li> <li>Training</li> <li>Newsletter</li> <li>Corporate events</li> </ul>	<table border="1"> <tr> <td>Weekly</td> <td>Vegetarian birthday lunches</td> </tr> <tr> <td>Annually</td> <td>Employee satisfaction survey</td> </tr> <tr> <td>Bi-annually</td> <td>Appraisal review</td> </tr> <tr> <td>As needed</td> <td>Recreational activities, Training, Newsletter, Corporate events</td> </tr> </table>	Weekly	Vegetarian birthday lunches	Annually	Employee satisfaction survey	Bi-annually	Appraisal review	As needed	Recreational activities, Training, Newsletter, Corporate events	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Intellectual Capital</li> </ul>	<ol style="list-style-type: none"> <li>Subsidised medical check-up, free yearly blood screening and dental check-up for employees</li> <li>Quarterly BMI measurement</li> <li>Meritocracy based performance appraisal system</li> <li>Leadership development programme</li> <li>Ancillary police force</li> <li>Minimum of 45 training hours for staff</li> <li>Ethical recruitment practices</li> <li>Grievance mechanism</li> <li>Subsidised healthy vegetarian meals to all employees</li> </ol>	<ol style="list-style-type: none"> <li>Strong relationships with employees</li> <li>Greater health awareness among employees</li> <li>Stronger motivation to improve productivity</li> <li>Safer work environment leading to lower incident rate</li> <li>Continuous future leaders supply</li> </ol>
Weekly	Vegetarian birthday lunches														
Annually	Employee satisfaction survey														
Bi-annually	Appraisal review														
As needed	Recreational activities, Training, Newsletter, Corporate events														
<b>CUSTOMERS</b>	Our customers in different industries rely on our products to carry out their daily duties. Our market share comprises our customers around the globe.	<ol style="list-style-type: none"> <li>Product safety and quality</li> <li>Exceptional customer service</li> <li>Regulatory compliance</li> </ol>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Social audits by customers</li> <li>Customer portal</li> <li>Business trips</li> <li>Tradeshows</li> </ul>	<table border="1"> <tr> <td>As needed</td> <td>Meetings, Social audits by customers, Customer portal</td> </tr> <tr> <td>Annually</td> <td>Business trips, Tradeshows</td> </tr> </table>	As needed	Meetings, Social audits by customers, Customer portal	Annually	Business trips, Tradeshows	<ul style="list-style-type: none"> <li>Manufactured Capital</li> <li>Intellectual Capital</li> <li>Human Capital</li> <li>Social &amp; Relationship Capital</li> </ul>	<ol style="list-style-type: none"> <li>Product inspections prior to delivery to customers</li> <li>Quality testing of random samples from finished products by Quality Assurance team</li> <li>Customer satisfaction survey</li> <li>Fair marketing practices</li> <li>BSCI and SMETA social audits initiated by customers</li> <li>Application of the Environmental Management System</li> <li>Implementation of the Anti-Bribery Management System</li> <li>eCommerce Platform</li> </ol>	<ol style="list-style-type: none"> <li>Stronger customer relationships, leading to larger customer base and retention</li> <li>Increased brand relevance globally</li> <li>Renewal of product licenses and business permits</li> <li>Customers' satisfaction guaranteed</li> </ol>				
As needed	Meetings, Social audits by customers, Customer portal														
Annually	Business trips, Tradeshows														
<b>SHAREHOLDERS &amp; INVESTORS</b>	They provide the financial resources for the Group's business and we are obligated to share our financial performance for the past years and strategic decisions for future outlook.	<ol style="list-style-type: none"> <li>Financial returns</li> <li>Growth strategy</li> <li>Governance and transparency</li> </ol>	<ul style="list-style-type: none"> <li>Analysts' briefings</li> <li>Annual survey form</li> <li>General meetings</li> <li>Analysts/fund managers/investors meetings</li> <li>Roadshows and conferences</li> <li>Social media platform</li> </ul>	<table border="1"> <tr> <td>Quarterly</td> <td>Analysts' briefings</td> </tr> <tr> <td>Annually</td> <td>Annual survey form</td> </tr> <tr> <td>Annually &amp; As needed</td> <td>General meetings</td> </tr> <tr> <td>As needed</td> <td>Analysts/fund managers/investors meetings, Roadshows and conferences, Social media platform</td> </tr> </table>	Quarterly	Analysts' briefings	Annually	Annual survey form	Annually & As needed	General meetings	As needed	Analysts/fund managers/investors meetings, Roadshows and conferences, Social media platform	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> <li>Human Capital</li> <li>Social &amp; Relationship Capital</li> </ul>	<ol style="list-style-type: none"> <li>Dynamic business strategies</li> <li>Adaptable value creation model</li> <li>Innovation through R&amp;D</li> <li>Investment in automation and digitalisation</li> <li>Active talent recruitment</li> <li>Announcements in Bursa Securities and SGX</li> <li>Updated corporate website</li> <li>Implementation of the Anti-Bribery Management System</li> <li>Adoption of Corporate Disclosure Policy</li> </ol>	<ol style="list-style-type: none"> <li>Assured and continuous investors' confidence</li> <li>Transparency in corporate governance reporting</li> <li>Greater product range</li> <li>Consistent product quality and lower production cost</li> </ol>
Quarterly	Analysts' briefings														
Annually	Annual survey form														
Annually & As needed	General meetings														
As needed	Analysts/fund managers/investors meetings, Roadshows and conferences, Social media platform														
<b>SUPPLIERS</b>	They provide the necessary raw materials for our production process. To ensure that our supply chain is stable, it is essential to maintain good relations with them.	<ol style="list-style-type: none"> <li>Profitability</li> <li>Transparency of procurement process</li> <li>Regulatory compliance</li> </ol>	<ul style="list-style-type: none"> <li>Audits and site visits</li> <li>Meetings</li> <li>Electronic procurement network</li> </ul>	<table border="1"> <tr> <td>Annually</td> <td>Audits and site visits</td> </tr> <tr> <td>As needed</td> <td>Meetings, Electronic procurement network</td> </tr> </table>	Annually	Audits and site visits	As needed	Meetings, Electronic procurement network	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> <li>Human Capital</li> <li>Social &amp; Relationship Capital</li> </ul>	<ol style="list-style-type: none"> <li>Long-term business partnerships with suppliers who meet ESG compliance standards</li> <li>Regular meetings and interactions on issues encountered</li> <li>Supplier audits after meetings and interactions</li> <li>Biannual acknowledgement of Letter of Enforcement of Corporate Culture by suppliers</li> <li>Compliance with the Environmental Management System (ISO14001:2015)</li> </ol>	<ol style="list-style-type: none"> <li>Sustainable supply source process</li> <li>Business reputation assured</li> <li>Stronger business relationships with suppliers</li> </ol>				
Annually	Audits and site visits														
As needed	Meetings, Electronic procurement network														



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## Corporate Governance Overview Statement

## Corporate Governance Overview Statement

**HAVING REGULAR AND TRANSPARENT COMMUNICATION WITH STAKEHOLDERS**

- **Corporate Disclosure**

The Board reviews and approves all quarterly and other important announcements. The Company announces its quarterly and full year results within the mandatory period. The financial statements and press releases including material and price-sensitive information are disseminated and publicly released via Bursa LINK on a timely basis to ensure effective dissemination of information relating to the Group. The Board has formalised a Corporate Disclosure Policy to ensure that communications to the public regarding the Group are timely, factual, accurate and complete. The said Policy outlines the central principles and practices in communicating with the investors, shareholders, medias and regulators.

- **Effective Dissemination of Information**

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

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

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

- **Annual Report**

The Annual Report remains as a major channel of communication disclosing information not only on the Group's businesses, financials and additional information such as the Company's Mission and Vision, but also on operations performance, outlooks and senior management team. The Board constantly improves the contents of the Annual Report to incorporate developments, amongst others, in corporate governance and reports of Board Committees and ensures the accuracy of the information as the Annual Report is a vital and convenient source of essential information for investors, shareholders and other stakeholders.

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

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

Corporate related queries may be referred to the Company Secretary, Ms. Kassy Lim

Contact no.: +603-3362 3098

Fax no. : +603-3362 3860

Email : kslim@topglove.com.my

- **Announcements to Bursa Securities**

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

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

Announcements-related queries may be referred to the Company Secretary, Ms. Kassy Lim

Contact no.: +603-3362 3098

Fax no. : +603-3362 3860

Email : kslim@topglove.com.my

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

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

**Release Date of Annual Report and Quarterly Financial Results and Holding Date of Annual General Meeting ("AGM") and Analyst Briefings**

	Date of Issue/ Release	No. of Days after end of Year/ Quarter	Bursa Securities Deadline for the Issue/ Release	Date of AGM/ Analyst Briefings	No. of Days after date of Issue/ Release
<b>Annual Report 2019</b>	13 November 2019	74	31 December 2019	8 January 2020	55
<b>Annual Report 2018</b>	14 November 2018	75	31 December 2018	8 January 2019	54
<b>2020 Quarterly Results</b>					
First Quarter	17 December 2019	17	31 January 2020	17 December 2019	Same day
Second Quarter	19 March 2020	20	30 April 2020	26 March 2020	7
Third Quarter	11 June 2020	11	31 July 2020	11 June 2020	Same day
Fourth Quarter	17 September 2020	17	31 October 2020	17 September 2020	Same day

Note: All Analyst Briefings FY2020 were held through tele-conferencing

- **Investor Relations**

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

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

## Corporate Governance Overview Statement

Some of the investor conferences and roadshows attended by our IR team in FY2020 are as follows:

No.	Event	Date
1.	2019 Mizuho Investment Conference, Tokyo	2 to 3 September 2019
2.	CLSA Investors' Forum 2019, Hong Kong	9 to 10 September 2019
3.	Daiwa Investment Conference 2019, Hong Kong	13 to 14 November 2019
4.	Morgan Stanley 18th Annual Asia Pacific Summit, Singapore	20 to 21 November 2019
5.	CGS-CIMB 12th Annual Malaysia Corporate Day, Kuala Lumpur	6 January 2020
6.	Equities Tracker Investor Community, Malaysia	27 February 2020
7.	Credit Suisse ASEAN Corporate Days (Virtual)	10 March 2020
8.	Daiwa Investment Conference, US (Virtual)	15 to 17 April 2020
9.	Citi Pan-Asia Regional Investor Conference 2020 (Virtual)	20 May 2020
10.	Nomura Investment Forum Asia 2020 (Virtual)	4 June 2020
11.	ICA Asia Pacific Opportunities Summit (Virtual)	5 June 2020
12.	UBS Virtual Malaysia Corporate Day 2020	11 to 12 June 2020
13.	Bursa-Daiwa-Affin Hwang Malaysia Corporate Day (Virtual)	16 June 2020
14.	Invest Malaysia 2020, Kuala Lumpur (Virtual)	7 July 2020
15.	Macquarie Asean Conference (Virtual)	25 August 2020

Investor queries pertaining to financial performance or developments may be directed to the Executive Director, Mr. Lim Cheong Guan


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Fax no. : +603-3362 3860

Email : invest@topglove.com.my

### • Company Website

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

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

To better serve our stakeholders of the Group, a feedback page on the website provides an avenue for stakeholders to suggest improvements to the Group via email: [invest@topglove.com.my](mailto:invest@topglove.com.my).

### ENCOURAGE SHAREHOLDERS' PARTICIPATION AT GENERAL MEETINGS


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

The AGM is the principal forum for dialogue with shareholders. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

## Corporate Governance Overview Statement

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

Outcome of the AGM on all resolutions proposed at the AGM is submitted to Bursa Securities at the end of the meeting day. The Board has ensured that each item of special businesses included in the notice of the AGM is accompanied by a full explanation of the effects of the proposed resolution.

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

### USING TECHNOLOGY TO FACILITATE VOTING AND SHAREHOLDERS PARTICIPATION AT GENERAL MEETINGS

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

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

At its first fully virtual Extraordinary General Meeting held on 18 August 2020, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution.

### EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENT

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

The Chairman of the BAC, BNRC, BRMC, BSC and the External Auditors were present at the last AGM and will endeavour to be present at the forthcoming fully virtual AGM to assist the Directors in addressing queries raised by the shareholders. Based on the past, the Company's AGM has been well attended. It has always been the practice for the Chairman to provide ample time for the Questions and Answers session during the AGM.

Shareholders were given a suggestion form to provide their valuable feedback and comments to the Management for any further improvement and consideration. Shareholders were also invited to submit any additional questions via the help desk counter at the venue of the general meeting so that these could be responded in writing after the meeting. Officers of the Company were present to assist and answer any queries raised by shareholders.

During FY2020, the Company also had regular meetings with analysts and institutional fund managers, participated in roadshows and investors conferences, both domestically and internationally, and hosted teleconferences with investors and analysts. As part of the stakeholders' engagement activities, the shareholders' satisfaction survey was also carried out during FY2020 to seek the shareholders' suggestion or feedback on various areas such as service quality of our service providers, governance matters etc. concerning the Company.

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

The Company has been using formal channels to communicate with shareholders and stakeholders via Annual Report, announcements to Bursa Securities and SGX, quarterly financial results and analyst and media briefings, IR and Company's website as mentioned above.

## Corporate Governance Overview Statement

## OTHER COMPLIANCE INFORMATION

## 1. Utilisation of Proceeds

TG Excellence Berhad ("TGE"), a wholly-owned sub-subsidiary of the Company had established a Perpetual Sukuk Programme of RM3 billion in nominal value based on the Shariah Principle of Wakalah Bi Al-Istithmar in February 2020. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 5 years with an initial periodic distribution rate of 3.95% per annum.

On 27 February 2020, TGE completed the first issuance of Perpetual Sukuk with a nominal value of RM1.3 billion. All the proceeds raised therefrom were utilised for working capital requirements.

## 2. Audit &amp; Non-Audit Fees

Details of statutory audit, audit-related and non-audit fees paid/payable in the FY2020 to Ernst & Young PLT and its affiliates are as follows :

Type of Fees	Top Glove (RM)	Top Glove Group (RM)
a) Audit fees	80,000	499,000
b) Non-Audit fees	112,000	192,000
c) Tax compliance fees	0	57,000
<b>Total:</b>	<b>192,000</b>	<b>748,000</b>

## 3. Recurrent Related Party Transactions

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

## 4. Material Contracts

During FY2020, there were no material contracts entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests.

## 5. Material Contracts Relating to Loans

During FY2020, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests.

## 6. Insider Trading

During FY2020, there was no insider trading reported.

## 7. Employees' Share Option Scheme ("ESOS")

During FY2020, a total of 31,896,100 new ordinary shares were issued and allotted pursuant to the exercise of the ESOS. The details of the issued and paid-up share capital of the Company as at 31 August 2020 are as follows:

	No. of Shares	RM
As at 1 September 2019	2,560,589,348	788,326,057.56
Ordinary shares issued pursuant to the ESOS	31,896,100	167,230,437.00
Ordinary shares issued pursuant to conversion of exchangeable bond	116,339,801	709,672,786.10
ESOS Compensation reserve	-	10,892,488.84
ESOS Cost	-	(417,547.60)
<b>As at 31 August 2020</b>	<b>2,708,825,249</b>	<b>1,675,704,221.90</b>

During the financial year, the number of ESOS option granted under ESOS III was 13,599,400 options. The percentage of ESOS option granted to the Directors and senior management was 27.15% of the total ESOS option granted.

Other than the above, there were no issuance of convertible securities during FY2020. The number of ESOS option granted and exercised by the Directors are disclosed on page 146 of this Integrated Annual Report.

## 8. Employees' Share Grant Plan ("ESGP")

The Company had established the ESGP of up to ten per centum (10%) 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 for a duration of ten (10) years from 12 January 2016 to 11 January 2026. During the financial year, 114,000 shares were awarded to the eligible employees under the ESGP. The percentage of shares awarded to the senior management was 1.84% of the total shares awarded. No share was awarded to the Directors pursuant to the ESGP in FY2020.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of Top Glove Corporation Berhad is committed to embed an effective risk management and internal control system into Top Glove Corporation Berhad and its subsidiaries ("the Group"). The Statement on Risk Management and Internal Control is made in accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the revised guidelines on the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers. This Statement outlines the nature and scope of the risk management and internal control systems within the Group during the year under review.

## BOARD RESPONSIBILITY

The Board is committed to establishing and maintaining a sound, effective and efficient system of risk management and internal control to safeguard shareholders' investment and the Group's asset. As such, continuous reviews of processes are undertaken by the Board to ensure adequacy and integrity of the system mentioned.

The system of risk management and internal control is designed to identify and manage the Group's risk within the acceptable risk tolerance in order to achieve the Group's corporate objective in accordance with the Group's strategy. The Board is aware that the risk management and internal control system can only provide reasonable and not absolute assurance against the risk of material loss or occurrences of unforeseeable circumstances.


## RISK MANAGEMENT GOVERNANCE

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

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

The members of BRMC, comprising four (4) Independent Non-Executive Directors and two (2) Executive Directors, are as follows:

1. Datuk Noripah Kamso (Chairman)
2. Tan Sri Rainer Althoff
3. Dato' Lim Han Boon
4. Datuk Dr. Norma Mansor
5. Dato' Lee Kim Meow
6. Lim Cheong Guan
7. Tay Seong Chee, Simon (Retired on 8 January 2020)

 Refer to page 114 to 115 for the meeting attendance record of BRMC members.

The BRMC had discharged its functions and carried out its duties as set out in the Terms of Reference ("TOR") of the BRMC.

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

In addition, a Risk Working Committee ("RWC") was formed in May 2013 to facilitate the group-wide risk management initiative at the Management level. RWC serves as the driving force behind the routine risk management activities. Its main functions encompass provision of regular feedback on status of risk factors to facilitate informed management decision making, execution of appropriate risk mitigation measures and progress monitoring thereof, as well as identification of new and emerging risk factors.

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

## RISK MANAGEMENT SYSTEM

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

Progress updates on the mitigation measures will be furnished on a quarterly basis for deliberation at the RWC meeting. Adequacy and effectiveness of the mitigation measures will be assessed and further enhanced where necessary. In addition, any identified emerging critical risk factors will be incorporated into the risk register and managed in accordance to the Group's risk management methodology. Outcome of the RWC meetings will subsequently be brought to the BRMC for further deliberation. Direction of mitigation measures will be fine-tuned to ensure action plans are on track in addressing the significant risk factors.

The BRMC will subsequently report the major risks to the Board of Directors to ensure the risk exposures are acceptable and appropriate level of risk mitigation are being implemented. This approach creates a robust risk management system that is self-sustaining and will continue to evolve in response to changing business environment.

## INTERNAL CONTROL GOVERNANCE

The Management team, led by the Executive Chairman, Managing Director and Executive Directors, comprises experienced personnel who are subject matter experts in their own specialized fields. These individual members in

## Statement on Risk Management and Internal Control

the Management team are held accountable for the conduct and performance within their assigned business units and support functions. Internal control principles are strongly advocated and embedded into the various day-to-day operational policies and procedures of the business units and support functions concerned. These assigned business units and support functions will conduct its management meetings at regular interval to monitor its performance, action plan progress and gather further feedback for improvement purposes.

To fulfil its oversight responsibility, the Board Audit Committee (“BAC”) is committed to review the adequacy and effectiveness of the Group’s internal control system. In this respect, the Group’s Internal Audit Department (“IAD”) has been set up in financial year ended 31 August 2003 to undertake the obligation of providing control assurance services to the Group.

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

### INTERNAL AUDIT FUNCTION

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

The work scope of the IAD encompasses the examination and evaluation of the adequacy, existence and effectiveness of the system of internal control, risk management framework and corporate governance of the Group, which includes, inter alia, the following:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Evaluating the system established to ensure compliance with policies, plans, procedures, laws and regulations which could have significant impact on operations;
- Examining the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Assessing the economy and efficiency with which resources are employed;
- Appraising operations to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned;
- Reporting significant issues related to the business and operational processes for controlling the activities of the Group together with recommendations for improvements by issuing periodic audit reports summarizing results of audit activities and follow-up reports on a timely basis to the BAC and management; and
- Assisting in the investigation of significant suspected fraudulent activities and notifying the BAC and top Management of the results.

The audit reports are presented and tabled at the quarterly BAC meetings to preserve its independence and objectivity. Significant internal audit findings and status update on outstanding management action plan will be brought to the

attention of the BAC. If deemed necessary, a management representative will be required to attend the BAC meeting to provide explanation and propose an action plan on the unresolved issues.

### REVIEW OF EFFECTIVENESS

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

The process for identifying, evaluating and managing risks as outlined in this Statement has been in place for the year under review and up to the date of approval of this statement. During the financial year ended 31 August 2020, a number of improvements to internal control gaps has been implemented. There has been no adverse material impact to the financial performance of the Group as a result of the internal control gaps detected.

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

This statement does not include the state of internal control in associate companies, which has not been dealt with as part of the Group and is made in accordance with a resolution of the Board of Directors dated 17 September 2020.

### REVIEW OF THE STATEMENTS BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Integrated Annual Report of the Group for the FY2020, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement included in this Integrated Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

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

## BOARD AUDIT COMMITTEE REPORT

The Board Audit Committee (“BAC”) of Top Glove Corporation Bhd (“Top Glove” or “the Company”) is pleased to present the BAC Report for the financial year ended 31 August 2020 (“FY2020”).

### COMPOSITION

The BAC comprises four (4) members as follows, all of whom are Independent Non-Executive Directors, which is in line with the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”) and the Malaysian Code on Corporate Governance:

1. Dato’ Lim Han Boon (Chairman)
2. Datuk Noripah Kamso
3. Sharmila Sekarajasekaran
4. Azrina Asrhad

### MEETINGS AND ATTENDANCE

In FY2020, the BAC had met nine (9) times, two (2) of which were meetings with the External Auditors, without the Executive Directors’ and Management’s presence and one (1) of which was a meeting with the Head of Internal Audit, without the Executive Directors’ and Management’s presence.

The Executive Director, Head of Internal Audit, Senior Management, External Auditors, other Board members and the Company Secretary will attend the BAC meetings upon invitation, as and when necessary.

 Refer to page 114 to 115 for the attendance record of BAC members.

During FY2020, the BAC had constantly engaged with the External Auditors and the Head of Internal Audit to keep abreast with the key audit issues and audit concerns affecting the Company.

The minutes of each BAC meeting was duly noted by the Board via distribution to each Board member and the Chairman of the BAC highlights on key issues discussed during the BAC meeting.

### ANNUAL PERFORMANCE ASSESSMENT

The performance and effectiveness of the BAC is assessed annually with the BAC assessing the Committee as a whole and its members, self and peer. The Board Nomination and Remuneration Committee (“BNRC”) will then review the evaluation results. The BNRC also reviews the term of office and performance of the BAC members annually. During FY2020, the Board is satisfied that the BAC and its members have been able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference (“TOR”) of the BAC.


### TERMS OF REFERENCE (“TOR”) OF THE BAC

The BAC had discharged its functions and carried out its duties as set out in the TOR of the BAC. The TOR of the BAC had been revised and was last updated in September 2019.

 The TOR of the BAC is available for reference on the Company’s website at <https://www.topglove.com/governance-manual/>

### PROFESSIONAL DEVELOPMENT PROGRAMMES

 During FY2020, all the BAC members have attended various seminars, professional development programmes and conferences. The list of programmes attended is disclosed in the Corporate Governance Report on page 12 to 14.

 The Corporate Governance Report is available for reference on the Company’s website at <https://www.topglove.com/governance-manual/>

## Board Audit Committee Report

## Board Audit Committee Report

### SUMMARY OF ACTIVITIES FOR THE FY2020

#### 1. Financial Reporting

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

(b) Reported its findings on the financial and Management's performance and other material matters to the Board.

#### 2. Internal Audit

(a) Reviewed the Internal Audit Plan proposed by the Head of Internal Audit to ensure the adequacy of the scope, and that it has the necessary authority to carry out its works.

(b) Reviewed salient audit issues together with recommendations from the Internal Audit. BAC considered the highlighted issues, taking into account Management's responses, upon which approved the internal auditors' proposal for rectification and implementation of the agreed remedial actions for improvement.

(c) Reviewed and approved the revised Internal Audit Terms of Reference and Internal Audit Charter.

(d) Reviewed the adequacy and competency of the Internal Audit resources required to carry out Internal Audit engagement works.

(e) Undertook the performance assessment of the Internal Audit Function, reviewed the effectiveness of its audit processes and assessed the performance of the overall Internal Audit Department ("IAD").

(f) Held separate meeting with the Head of Internal Audit to discuss the results of the assessment and other areas of concern, without the presence of the Executive Directors and Management.

#### 3. External Audit

(a) Discussed with the External Auditors, before the audit commences, the audit plan, nature and scope of the audit, emphasised areas of audit and ensured co-ordination where more than one (1) audit firms are involved as well as the External Auditors'

evaluation of the system of internal controls and audit reports.

(b) Discussed and deliberated the External Auditors' reports and recommendations regarding opportunities for improvement of the significant risk areas, internal controls and financial matters areas based on observations made in the course of interim and final audits.

(c) Held two (2) private meetings with the External Auditors without the presence of the Executive Directors and Management to discuss the areas of audit concern.

(d) Discussed the results of the annual assessment on the suitability and the independence of the External Auditors pursuant to the Company's External Auditors' Assessment Policy.

(e) Reviewed the performance of the External Auditors and recommended its re-appointment and remuneration to the Board.

(f) Reviewed and approved the provision of non-audit services rendered by the External Auditors.

#### 4. Related Party Transactions

(a) Reviewed and recommended on a quarterly basis the related party transactions presented by Management to the Board for approval, to ensure that these transactions are undertaken in the Company's best interests and not detrimental to the minority shareholders' interests and are done under fair and reasonable grounds and normal commercial terms.

(b) Monitored the thresholds of the related party transactions and recurrent related party transactions to ensure compliance with Bursa Securities Main LR.

#### 5. Annual Reporting

Reviewed the Integrated Annual Report, covering the Value Creation Report, BAC Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement and Report to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement, followed by recommendation for the Board's approval.

#### 6. Others

(a) Reviewed the progress of all investment projects of the Company.

(b) Reviewed the investment portfolios of the Company.

(c) Deliberated the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements.

(d) Considered and discussed new business ventures of the Company for the Board's approval.

(e) Verified the share buy-back of the Company.

(f) Verified and ensure the allocation of Employees' Share Option Scheme ("ESOS") and Employees Share Grant Plan ("ESGP") complied with the criteria as stipulated in the By-Laws of ESOS and ESGP of the Company respectively.

(g) Reviewed the Whistleblowing Policy and Procedures and cases of the Company.

(h) Reviewed the Anti-Bribery and Anti-Corruption initiatives of the Company.

(i) Reviewed and deliberated the corporate governance compliance of the Company and areas for improvement.

(j) Reviewed the compliance with Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018 and the implementation of adequate procedures carried out by the Integrity Unit Department.

(k) Reviewed and approved the Credit Control Policy of the Company.

(l) Discussed the Professional Indemnity Insurance Coverage for Directors & Officers.

(m) Briefed the BAC members by Ernst & Young PLT on Section 17A of Corporate Liability Provision of the Malaysian Anti-Corruption Commission Amendment Act 2018.

(n) Reviewed the Group's compliance with Covid-19 Movement Control/Restriction Order.

(o) Reviewed Social Audit Compliance of the Group and the implementation of mitigation plans.

(p) Reviewed revision made to the Code of Conduct and Ethics and recommended the revised version for the Board's approval.

### INTERNAL AUDIT DEPARTMENT

The Internal Audit Department ("IAD") comprises twelve (12) members, led by Mr. Lim Lung Fui @ Jack, a member of the Malaysian Institute of Accountants who has over twenty (20) years of experience in operational and financial audit. IAD reports directly to the BAC and is guided by its Internal Audit Charter and Terms of Reference.

The principal objective of the IAD is to undertake regular reviews of the systems of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and satisfactory. The function of the IAD is to provide the BAC with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures and the regulatory requirements of the relevant authorities. The BAC reviews and approves the Internal Audit plan of the Group submitted by the Head of Internal Audit.

During FY2020, the areas audited included audits of the various departments covering factories and subsidiaries within the Group. Summary of Internal Audit reports were issued to the BAC quarterly and tabled in the BAC meetings. The reports were also issued to the respective operations management, incorporating audit recommendations and Management's responses with regards to any audit finding on the weaknesses in the systems and controls of the operations after completion of audit. The IAD conducted a follow-up audit to ensure the agreed audit recommendations were implemented appropriately.

The total cost incurred for the in-house Internal Audit Function for FY2020 was RM1,325,794 (2019: RM1,419,910).

## BOARD SUSTAINABILITY COMMITTEE REPORT

## Board Sustainability Committee Report

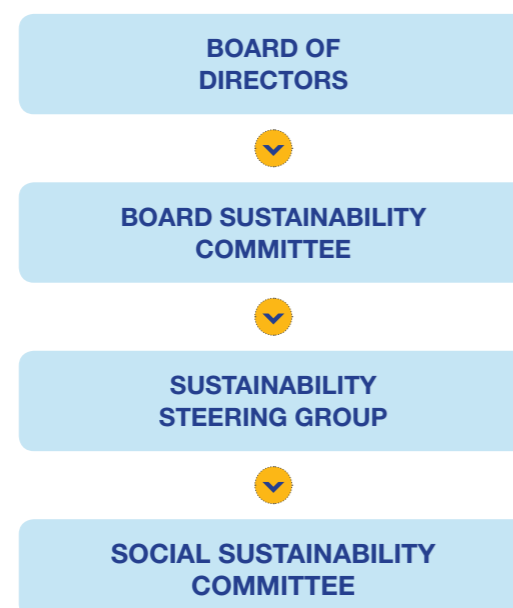
### THE BOARD'S COMMITMENT TO SUSTAINABILITY

The Board recognised the importance of adopting a sound business model which incorporating economic, environmental and social, governance and financial considerations. Board Sustainability Committee ("BSC") has been formed in March 2019 to provide advice and assistance to the Board in monitoring the decisions and actions of Management in achieving Top Glove's goal to be a sustainable organisation.

Sustainability encompasses how Top Glove conducts its businesses, now and in the future, including the pursuit of workplace safety, a commitment to the community and social responsibility, minimising the Company's impact on the environment and maintaining Top Glove's reputation as one of Malaysia's leading companies.

### COMPOSITION

The governance of sustainability is integrated in our corporate governance structures throughout the Group, from board-level committees to management-level group functions and business units. In supporting the BSC, the Sustainability Steering Group and the Social Sustainability Committee have the strategic and operational responsibility to assess and manage sustainability issues.



Refer to page 114 to 115 for the attendance record of BSC members.

The members of BSC, comprising all Non-Executive Directors, are as follows:

1. Sharmila Sekarajasekaran (Chairman)
2. Puan Sri Tong Siew Bee
3. Dato' Lim Han Boon
4. Datuk Noripah Kamso
5. Azrina Arshad
6. Tay Seong Chee, Simon (Retired on 8 January 2020)

### RESPONSIBILITIES

The BSC responsibilities are as follows:

- a. To have full responsibility for reviewing the sustainability strategy and performance at the Board level.
- b. To establish a Sustainability Steering Group to ensure smooth coordination and implementation of the Sustainability Strategy.
- c. To oversee the processes, standards and strategies designed to manage social and environmental issues, such as safety, health, employment practices, community relations, human rights, which covers:
  - The adoption of all sustainability-related policies/standards and their effectiveness
  - The management processes to ensure compliance with policies/standards
  - The review of annual periodic reports from Sustainability Steering Group
  - The review of Sustainability Statement
- d. To provide oversight and input on management's implementation, operation and assurance of policies and standards to ensure that the Group's strategies and goals pertaining to sustainability are aligned with.
- e. To monitor the Sustainability Key Performance Indicators of the Group and their implementation in accordance to the Blueprint and Roadmaps.
- f. To drive engagement on sustainability amongst senior management of the Company, as well as mobilizing the support of the workforce through adoption of a mindset in favour of sustainability.
- g. To perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board.

The terms of reference of the BSC is available for reference on the Company's website at <https://www.topglove.com/governance-manual/>

### AREAS OF FOCUS IN FY2020

- 1) Adoption of the revised BSC's Terms of Reference and Charter
- 2) Formation of the Sustainability Steering Committee
- 3) Adoption of the Sustainability Framework
- 4) Report from the Sustainability Steering Committee on the sustainability initiatives undertaken by the Group
- 5) Discussed the sustainability goals covering environmental, economical, governance and social goals
- 6) Reviewed the Sustainability Statement for inclusion in the Integrated Annual Report
- 7) Discussed the climate-related risks, opportunities and financial impacts
- 8) Reviewed the industrial rating of the Group's sustainability performance and discussed the areas for improvement

### LOOKING AHEAD

BSC will continue its role in supporting the Board and overseeing the development, implementation, measurement and reporting of the Group's social, environmental and ethical performance. In addition, the Committee will strengthen its role and place a stronger emphasis on overseeing the impact of the Group's long-term strategy on emerging sustainability issues. This will ultimately support the Group's objective to operate on a sustainable basis for the benefit of current and future generations.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the Financial Statements of the Group are drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and provision of the Companies Act 2016 ("CA 2016"). The Financial Statements to be drawn up must be able to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

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

- (a) Adopted appropriate accounting policies and applied them consistently;
- (b) Made judgements and estimates that are reasonable and prudent; and
- (c) Prepared the financial statements on a going concern basis.

It is the responsibility of the Directors to ensure that the Group and the Company keep accounting records that disclose with reasonably accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the CA 2016.

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



Top Glove's Board of Directors.

## FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

## Directors' Report (cont'd)

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2020.

### Principal activities

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

The principal activities and other information of the subsidiaries are described in Note 20 to the financial statements.

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

### Results

	Group RM'000	Company RM'000
Profit net of tax	1,788,830	1,637,122
Profit attributable to:		
Owners of the parent	1,752,584	1,637,122
Holder of Perpetual Sukuk	25,605	-
Non-controlling interests	10,641	-
	1,788,830	1,637,122

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

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

### Dividends

The amount of dividends paid by the Company since 31 August 2019 were as follows:

	RM'000
<b>In respect of the financial year ended 31 August 2020:</b>	
First tax exempt interim single tier dividend of 10 sen per share on 2,694,050,000 ordinary shares, declared on 11 June 2020 and paid on 9 July 2020	269,411
<b>In respect of the financial year ended 31 August 2019:</b>	
Final tax exempt single tier dividend of 4 sen per share on 2,559,814,000 ordinary shares, declared on 26 September 2019 and paid on 23 December 2019	102,393
	371,804

Further details on dividends recognised during the financial year are disclosed in Note 47.

A single tier final dividend in respect of the financial year ended 31 August 2020, of 8.5 sen per share on 8,134,100,000 ordinary shares amounting to RM691,399,000 had been declared on 23 September 2020. The final dividend will be paid on 3 November 2020. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 August 2021.

### Directors

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

Tan Sri Dr Lim Wee Chai\*  
 Tan Sri Rainer Althoff  
 Dato' Lee Kim Meow\*  
 Puan Sri Tong Siew Bee\*  
 Lim Hooi Sin\*  
 Lim Cheong Guan\*  
 Dato' Lim Han Boon  
 Datuk Noripah Binti Kamso  
 Sharmila Sekarajasekaran  
 Datuk Dr. Norma Mansor  
 Azrina Binti Arshad  
 Lim Andy (Appointed on 8 January 2020)  
 Tay Seong Chee, Simon (Retired on 8 January 2020)

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

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report, not including those directors listed above are:

Dato' IR Haji Ahmad Bin Hassan  
 Dr. Navindra A/L Nageswaran  
 Dr. Pongsak Kerdvonbudit  
 Choh Ai Ying  
 Chookiad Usaha  
 Galuh Faradisa  
 Ho Chee Meng Edmund  
 Ho Kim Nam  
 Hue Kon Fah  
 Lam Yat Hing  
 Law Eng Lim  
 Lee Shin Hwai  
 Leong Chew Mun  
 Lew Sin Chiang  
 Liew Say Keong  
 Lim Hwa Chuan  
 Lim Jin Feng  
 Marcelo Nastromagario  
 Masato Katayama  
 Ng Yong Lin  
 Oh Teik Chye  
 Phattaraporn Fueangthong  
 Puon Tuck Seng  
 Ravi A/L Supramaniam  
 Saw Eng Kooi  
 See So Kim Huat  
 Siow Chun Min  
 Svami Utama Batang Taris  
 Tan Chee Hoong  
 Tan Puay Choo  
 Thomas Petermoeller  
 Tio Thiam Boon  
 Wilawan Sakulsongboonsiri  
 Wong Chong Ban  
 Koek I Long (Appointed on 3 December 2019)  
 Lim Keuw Wei (Appointed on 3 January 2020)  
 Seah Chong Shew (Resigned on 19 October 2019)  
 Faisal Bin Abd Rahman (Resigned on 9 December 2019)  
 Max Som Chai A/L Putian (Resigned on 24 April 2020)  
 Ng Wee Chong (Resigned on 1 September 2020)

## Directors' Report (cont'd)

## Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the Note 40 to the financial statements.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	9,656	3,879
Fees	2,160	2,109
Defined contribution plan	719	400
Social security contributions	12	1
Share granted under ESOS	742	597
Share granted under ESGP	1	-
Benefits-in-kind	249	77
	13,539	7,063

\* The Company maintains a liability insurance for the directors and officers of the Group. The total amount of sum insured for the directors and officers of the Group for the financial year amounted to RM10,000,000 whilst the total amount of premium paid was RM22,800. The directors or officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of law or breach of trust proven against them.

## Directors' Report (cont'd)

## Directors' interests

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

	← Number of ordinary shares →			
	At 1.9.2019	Acquired	Sold	At 31.8.2020
Tan Sri Dr <u>Lim</u> Wee Chai				
- direct	686,050,552	10,471,200	-	696,521,752
- indirect	230,043,216	5,233,100	133,000	235,143,316
Puan Sri Tong Siew Bee				
- direct	7,230,392	300,000	100,000	7,430,392
- indirect	908,863,376	15,404,300	33,000	924,234,676
Dato' Lee Kim Meow				
- direct	982,200	-	100,000	882,200
- indirect	40,000	-	-	40,000
Lim Hooi Sin				
- direct	39,163,648	2,590,100	-	41,753,748
- indirect	876,896,120	12,944,800	100,000	889,740,920
Lim Cheong Guan				
- direct	297,600	300,000	285,000	312,600
Tan Sri Rainer Althoff				
- direct	1,500	3,000	-	4,500
Dato' Lim Han Boon				
- direct	50,000	30,000	-	80,000
Sharmila Sekarajasekaran				
- direct	10,010,000	2,500	-	10,012,500
- indirect	200,000	200,000	-	400,000
Datuk Dr. Norma Mansor				
- indirect	4,000	2,300	1,000	5,300
Datuk Noripah Binti Kamso				
- direct	-	5,000	-	5,000
Lim Andy				
- direct	-	2,500	-	2,500

## Directors' Report (cont'd)

### Directors' interests (cont'd)

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

	← Number of options over ordinary shares →			
	At 1.9.2019	Granted	Exercised	At 31.8.2020
Tan Sri Dr <u>Lim</u> Wee Chai	1,393,400	751,600	2,145,000	-
Puan Sri Tong Siew Bee	73,600	50,300	-	123,900
Dato' Lee Kim Meow	437,000	35,600	-	472,600
Lim Hooi Sin	655,700	484,400	1,140,100	-
Lim Cheong Guan	521,900	31,500	300,000	253,400

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

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

### Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM788,326,000 to RM1,675,704,000 by way of:

- issuance of 31,896,100 ordinary shares pursuant to the Company's ESOS at an option price between RM4.63 to RM12.75 per ordinary share; and
- conversion of 116,339,801 units of 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM709,673,000 based on the settlement rate of USD1.00:RM4.0703) exchangeable into 116,339,801 new ordinary shares at the adjusted exchange price of RM6.10.

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

### Employee share options scheme ("ESOS")

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

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

The salient features and other terms of the ESOS are disclosed in Note 39(i) to the financial statements.

During the financial year, the Company granted 13,599,400 share options under ESOS. These options will expire on 31 May 2028 and are exercisable if the employee has not served a notice of resignation or receive a notice of termination from the date of grant and certain conditions as detailed in Note 39(i) to the financial statements are met.

### Employee share options scheme ("ESOS") (cont'd)

Details of the options exercised to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 August 2020 are as follows:

Expiry date	Exercise price RM	Number of options '000
31 May 2028	5.06	4,218.0
31 May 2028	4.90	9,916.3
31 May 2028	4.90	106.7
31 May 2028	4.63	9,231.5
31 May 2028	4.72	5,628.7
31 May 2028	4.76	90.1
31 May 2028	9.89	2,604.8
31 May 2028	12.75	100.0
		<b>31,896.1</b>

Details of share options granted to directors are disclosed in the section on Directors' interests in this report.

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

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

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

The salient features and other terms of the ESGP are disclosed in Note 39(ii) to the financial statements.

During the financial year, the Company granted 114,000 share grant under ESGP amounted to RM1,128,000 to eligible employees and executive directors.

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

### Treasury shares

During the financial year, the Company transferred 114,000 treasury shares to eligible employees under employee share grant scheme at average market price of RM9.89 per share. The total transferred treasury shares net of transaction costs were RM1,128,000. The difference between the transferred treasury shares and the cost of the treasury shares amounted to RM866,000 was recognised in equity.

As at 31 August 2020, the Company held as treasury shares a total of 661,600 of its 2,708,825,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,519,000 and further relevant details are disclosed in Note 35 to the financial statements.

## Directors' Report (cont'd)

### Perpetual sukuk

On 22 January 2020, the Company's wholly owned subsidiary, TG Excellence Berhad ("TGE") lodged the Perpetual Sukuk Programme with the Securities Commission Malaysia ("SC"). The Perpetual Sukuk Programme, under the Shariah principle of Wakalah Bi Al-Istithmar, is guaranteed by the Company via a subordinated guarantee. The Perpetual Sukuk Programme provides TGE with the flexibility to issue unsecured and subordinated perpetual sukuk from time to time, subject to the aggregate outstanding nominal amount not exceeding RM3.0 billion at any point in time.

On 27 February 2020, TGE completed the first issuance with a nominal value of RM1.3 billion under the Perpetual Sukuk Programme. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 5 years with an initial periodic distribution rate of 3.95% per annum.

### Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit loss and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for expected credit loss; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the expected credit loss in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## Directors' Report (cont'd)

### Significant events

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 20 and Note 50 to the financial statements.

### Subsequent events

Details of subsequent events are disclosed in Note 51 of the financial statements.

### Auditors

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

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	499	80
Other auditors	551	-
	1,050	80

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 August 2020.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 November 2020.

Dato' Lee Kim Meow

Dato' Lim Han Boon

## STATEMENT BY DIRECTORS

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

We, Dato' Lee Kim Meow and Dato' Lim Han Boon, being two of the directors of Top Glove Corporation Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 155 to 251 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 November 2020.

Dato' Lee Kim Meow

Dato' Lim Han Boon

## STATUTORY DECLARATION

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

I, Dato' Lee Kim Meow, being the director primarily responsible for the financial management of Top Glove Corporation Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 155 to 251 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, Dato' Lee Kim Meow at Shah Alam on 3 November 2020.

Dato' Lee Kim Meow

Before me,

Sirendar Singh  
Commissioner for Oaths

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TOP GLOVE CORPORATION BHD. (INCORPORATED IN MALAYSIA)

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Top Glove Corporation Bhd., which comprise the statements of financial position as at 31 August 2020 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 155 to 251.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for opinion

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

#### Independence and other ethical responsibilities

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

#### Key audit matters

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

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

#### Review of costing of inventories

(Refer to Note 4.16, 7.2(a) and Note 25 to the financial statements)

As at 31 August 2020, the Group held RM531 million of inventories which represented 6% of total assets of the Group. Total cost of inventories charged to the consolidated income statement for the year ended 31 August 2020 amounted to RM4,387 million, accounting for 86% of total expenditure of the Group.

Inventories are carried at the lower of cost and net realisable value. The cost of production comprises the cost of purchase of raw materials, labour costs, plus conversion costs such as variable and fixed overhead costs. Significant estimates are involved in determining the basis of allocating the costs of production to the products produced by the Group. The Group relies heavily on the information technology system ("IT System") to ensure that the costs of raw materials, labour costs and overhead costs are correctly allocated to the respective products. Due to the significant estimation involved in the valuation of inventories, we considered this a key area of audit focus.

## Independent Auditors' Report

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

### Key audit matters (cont'd)

Our audit procedures include, amongst others, the following:

- a) Obtained an understanding of the Group's current inventories valuation policy, production processes and the types of costs included in the valuation of inventories.
- b) Evaluated the general and logical access controls surrounding the data input process to the IT system by involving our IT audit professionals.
- c) Obtained an understanding of and tested the internal controls over the IT system in respect of the allocation of costs of raw materials, labour costs, and overhead costs to the respective products.
- d) Agreed, on a sampling basis, the costs of raw materials to suppliers' invoices.

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

(Refer to Note 4.1, 7.2(b) and Note 24 to the financial statements)

As at 31 August 2020, the Group recorded a goodwill of RM934 million arising from the acquisition of Aspion, which represented 11% of the Group's total assets. The goodwill amount has been allocated to cash generating unit ("CGU") for impairment testing purposes. The Group estimated the recoverable amount of the CGU to which the goodwill is allocated based on value-in-use ("VIU").

Given its magnitude and the significant judgement involved in the impairment assessment, we consider this to be an area of audit focus.

Our audit procedures include, amongst others, the following:

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

### Information other than the financial statements and auditors' report thereon

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

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

## Independent Auditors' Report

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

### Information other than the financial statements and auditors' report thereon (cont'd)

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

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

### Responsibilities of the directors for the financial statements

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

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

### Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

## Independent Auditors' Report

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 20 to the financial statements.

### Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
 202006000003 (LLP0022760-LCA) & AF 0039  
 Chartered Accountants

Ng Kim Ling  
 No. 03236/04/2022 J  
 Chartered Accountant

Kuala Lumpur, Malaysia  
 3 November 2020

## STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Revenue</b>	8	7,237,427	4,801,139	1,636,614	220,964
Cost of sales		(4,387,010)	(3,917,144)	-	-
<b>Gross profit</b>		2,850,417	883,995	1,636,614	220,964
<b>Other items of income</b>					
Interest income	9	23,889	10,611	9,741	41
Other income	10	33,116	38,552	7	2,064
<b>Other items of expense</b>					
Distribution and selling costs		(155,021)	(133,357)	-	-
Administrative and general expenses		(551,023)	(293,938)	(9,016)	(13,847)
Finance costs		(34,399)	(79,601)	(7)	-
Share of results of an associate		(1,428)	(2,674)	-	-
<b>Profit before tax</b>	11	2,165,551	423,588	1,637,339	209,222
Income tax expenses	14	(376,721)	(56,042)	(217)	(4)
<b>Profit net of tax</b>		1,788,830	367,546	1,637,122	209,218
<b>Profit attributable to:</b>					
Owners of the parent		1,752,584	364,678	1,637,122	209,218
Holders of Perpetual Sukuk		25,605	-	-	-
Non-controlling interests		10,641	2,868	-	-
		1,788,830	367,546	1,637,122	209,218
<b>Earnings per share attributable to owners of the parent (sen):</b>					
<b>Before issuance of bonus shares</b>					
- Basic	15	67.60	14.27		
- Diluted	15	67.28	14.21		
<b>After issuance of bonus shares</b>					
- Basic	15	21.88	4.57		
- Diluted	15	21.86	4.57		

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

**STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit net of tax	1,788,830	367,546	1,637,122	209,218
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net movement on debt instrument at fair value through other comprehensive income	(2,084)	3,247	-	-
Cash flow hedge (Note 36)	77,601	(38,787)	-	-
Foreign currency translation differences of foreign operations	(7,521)	17,423	-	-
<b>Other comprehensive income/(loss) for the year, net of tax</b>	67,996	(18,117)	-	-
<b>Total comprehensive income for the year</b>	1,856,826	349,429	1,637,122	209,218
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,821,022	345,444	1,637,122	209,218
Holders of Perpetual Sukuk	25,605	-	-	-
Non-controlling interests	10,199	3,985	-	-
	1,856,826	349,429	1,637,122	209,218

**STATEMENT OF FINANCIAL POSITION (GROUP)**

AS AT 31 AUGUST 2020

	Note	2020	2019	As at
		RM'000	(Restated) RM'000	1.9.2018 (Restated) RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	16	3,010,233	2,480,026	2,104,762
Land use rights	17	-	178,495	127,029
Right-of-use assets	18	201,425	-	-
Investment property	19	163,900	163,900	163,900
Investment in an associate	21	10,425	11,853	14,527
Deferred tax assets	22	19,589	58,472	19,271
Biological assets		28	-	-
Investment securities	23	392	392	392
Intangible assets	24	1,012,319	1,015,970	1,019,635
		4,418,311	3,909,108	3,449,516
<b>Current assets</b>				
Inventories	25	530,729	629,896	505,862
Trade and other receivables	26	798,805	832,623	877,715
Other current assets	27	74,884	63,511	105,346
Investment securities	23	1,674,631	87,285	193,714
Derivative financial instruments	28	45	-	-
Cash and bank balances	29	1,208,559	165,782	165,197
		4,287,653	1,779,097	1,847,834
<b>Total assets</b>		8,705,964	5,688,205	5,297,350
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	30	314,199	1,041,325	882,575
Trade and other payables	31	810,824	492,414	500,151
Contract liabilities	32	879,386	55,610	59,248
Lease liabilities	33	1,442	-	-
Income tax payable		126,673	789	8,741
Derivative financial instruments	28	-	1,653	856
		2,132,524	1,591,791	1,451,571
<b>Net current assets</b>		2,155,129	187,306	396,263

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



**Statement of Financial Position (Group)**

As at 31 August 2020 (cont'd)

	Note	2020 RM'000	2019 (Restated) RM'000	As at 1.9.2018 (Restated) RM'000
<b>Non-current liabilities</b>				
Loans and borrowings	30	226,340	1,379,369	1,330,359
Lease liabilities	33	9,672	-	-
Deferred tax liabilities	22	141,988	159,714	116,305
Provisions		4,557	3,190	719
		382,557	1,542,273	1,447,383
<b>Total liabilities</b>		2,515,081	3,134,064	2,898,954
<b>Net assets</b>		6,190,883	2,554,141	2,398,396
<b>Equity attributable to owners of the parent</b>				
Share capital	34	1,675,704	788,326	787,709
Treasury shares	35	(1,519)	(1,781)	(9,325)
Other reserves	36	65,040	(1,553)	6,663
Retained earnings	38	3,131,530	1,751,963	1,597,999
		4,870,755	2,536,955	2,383,046
Perpetual Sukuk	37	1,295,262	-	-
Non-controlling interests		24,866	17,186	15,350
<b>Total equity</b>		6,190,883	2,554,141	2,398,396
<b>Total equity and liabilities</b>		8,705,964	5,688,205	5,297,350

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

**STATEMENT OF FINANCIAL POSITION (COMPANY)**

AS AT 31 AUGUST 2020

	Note	2020 RM'000	2019 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	20	1,617,656	1,031,056
Right-of-use assets	18	434	-
		1,618,090	1,031,056
<b>Current assets</b>			
Trade and other receivables	26	605,844	4,724
Other current assets	27	11	2,614
Tax recoverable		-	10
Investment securities	23	709,075	1
Cash and bank balances	29	257,481	74
		1,572,411	7,423
<b>Total assets</b>		3,190,501	1,038,479
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	31	2,571	1,542
Lease liabilities	33	72	-
Income tax payable		219	-
		2,862	1,542
<b>Net current assets</b>		1,569,549	5,881
<b>Non-current liability</b>			
Lease liabilities	33	366	-
<b>Total liabilities</b>		3,228	1,542
<b>Net assets</b>		3,187,273	1,036,937
<b>Equity attributable to owners of the Company</b>			
Share capital	34	1,675,704	788,326
Treasury shares	35	(1,519)	(1,781)
Other reserves	36	5,319	8,995
Retained earnings	38	1,507,769	241,397
<b>Total equity</b>		3,187,273	1,036,937
<b>Total equity and liabilities</b>		3,190,501	1,038,479

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

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

**Statements of Changes in Equity**  
 For the financial year ended 31 August 2020 (cont'd)

2020 Group	← Attributable to owners of the parent →		← Attributable to owners of the parent →		← Attributable to owners of the parent →		Non-controlling interests ("NCI") RM'000
	Total equity attributable to owners of parent RM'000	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Perpetual Sukuk RM'000	
<b>Opening balance at 1 September 2019</b>	2,554,141	2,536,955	(1,781)	(1,553)	1,751,963	-	17,186
Effect of adoption of MFRS 16 (Note 5)	(564)	(436)	-	(17)	(419)	-	(128)
<b>Adjusted balance at 1 September 2019</b>	2,553,577	2,536,519	(1,781)	(1,570)	1,751,544	-	17,058
Profit net of tax	1,788,830	1,752,584	-	-	1,752,584	25,605	10,641
Other comprehensive income/(loss)	67,996	68,438	-	68,438	-	-	(442)
<b>Total comprehensive income</b>	1,856,826	1,821,022	-	68,438	1,752,584	25,605	10,199
<b>Transactions with owners</b>							
Issuance of ordinary shares pursuant to Employee Share Options Scheme ("ESOS") (Note 39)	167,230	167,230	-	-	-	-	-
Share options granted under ESOS (Note 36)	7,404	7,404	-	7,404	-	-	-
Issuance of shares to NCI	75	-	-	-	-	-	75
Transfer from share option reserve (Note 34 and Note 36)	-	-	-	(11,080)	188	-	-
Transfer from retained earnings	-	-	-	1,848	(1,848)	-	-
Transfer to Employee Share Grant Plan ("ESGP") (Note 35)	1,128	1,128	262	-	866	-	-
Transaction cost	(417)	(417)	-	-	-	-	-
Conversion of exchangeable bonds	709,673	709,673	-	-	-	-	-
Distribution to holders of Perpetual Sukuk	(25,605)	-	-	-	-	(25,605)	-
Issuance of Perpetual Sukuk (Note 37)	1,295,262	-	-	-	-	1,295,262	-
Dividends on NCI	(2,466)	-	-	-	-	-	(2,466)
Dividends on ordinary shares (Note 47)	(371,804)	(371,804)	-	-	(371,804)	-	-
<b>Total transactions with owners</b>	1,780,480	513,214	887,378	(1,828)	(372,598)	1,269,657	(2,391)
<b>Closing balance at 31 August 2020</b>	6,190,883	4,870,755	1,675,704	65,040	3,131,530	1,295,262	24,866

2019 Group	← Attributable to owners of the parent →		← Attributable to owners of the parent →		← Attributable to owners of the parent →		Non-controlling interests ("NCI") RM'000
	Total equity attributable to owners of parent RM'000	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Perpetual Sukuk RM'000	
<b>Opening balance at 1 September 2018</b>	2,398,396	2,383,046	787,709	(9,325)	6,663	1,597,999	15,350
Profit net of tax	367,546	364,678	-	-	-	364,678	2,868
Other comprehensive (loss)/income	(18,117)	(19,234)	-	-	(19,234)	-	1,117
<b>Total comprehensive income/(loss)</b>	349,429	345,444	-	-	(19,234)	364,678	3,985
<b>Transactions with owners</b>							
Issuance of ordinary shares pursuant to Employee Share Options Scheme ("ESOS") (Note 39)	662	662	-	-	-	-	-
Share options granted under ESOS (Note 36)	7,197	7,197	-	7,197	-	-	-
Issuance of shares to NCI	548	-	-	-	-	-	548
Transfer from share option reserve (Note 34 and Note 36)	-	-	41	(131)	90	-	-
Transfer from retained earnings	-	-	-	1,595	(1,595)	-	-
Transfer to legal reserve (Note 36)	-	-	-	924	(924)	-	-
Transfer to Employee Share Grant Plan ("ESGP") (Note 35)	2,716	2,716	-	1,327	-	1,389	-
Transaction cost	(86)	(86)	-	-	-	-	-
Equity component of exchangeable bonds	1,433	1,433	-	-	1,433	-	-
Sale of treasury shares	13,936	13,936	-	6,217	-	7,719	-
Dividends on NCI	(2,697)	-	-	-	-	-	(2,697)
Dividends on ordinary shares (Note 47)	(217,393)	(217,393)	-	-	(217,393)	-	-
<b>Total transactions with owners</b>	(193,684)	(191,535)	617	7,544	11,018	(210,714)	(2,149)
<b>Closing balance at 31 August 2019</b>	2,554,141	2,536,955	788,326	(1,781)	(1,553)	1,751,963	17,186

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

**Statements of Changes in Equity**

For the financial year ended 31 August 2020

	← Non-distributable →				Distributable
	Total equity RM'000	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000
<b>2020</b>					
<b>Company</b>					
<b>Opening balance at 1 September 2019</b>	1,036,937	788,326	(1,781)	8,995	241,397
<b>Total comprehensive income</b>	1,637,122	-	-	-	1,637,122
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS (Note 39)	167,230	167,230	-	-	-
Issuance of ordinary shares pursuant to conversion of exchangeable bonds	709,673	709,673	-	-	-
Share options granted under ESOS (Note 36)	7,404	-	-	7,404	-
Transfer from share option reserve (Note 34 and Note 36)	-	10,892	-	(11,080)	188
Transaction cost	(417)	(417)	-	-	-
Transfer to ESGP (Note 35)	1,128	-	262	-	866
Dividends on ordinary shares (Note 47)	(371,804)	-	-	-	(371,804)
<b>Total transactions with owners</b>	513,214	887,378	262	(3,676)	(370,750)
<b>Closing balance at 31 August 2020</b>	3,187,273	1,675,704	(1,519)	5,319	1,507,769
<b>2019</b>					
<b>Company</b>					
<b>Opening balance at 1 September 2018</b>	1,020,687	787,709	(9,325)	1,929	240,374
<b>Total comprehensive income</b>	209,218	-	-	-	209,218
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS (Note 39)	662	662	-	-	-
Share options granted under ESOS (Note 36)	7,197	-	-	7,197	-
Transfer from share option reserve (Note 34 and Note 36)	-	41	-	(131)	90
Sale of treasury shares	13,936	-	6,217	-	7,719
Transaction cost	(86)	(86)	-	-	-
Transfer to ESGP (Note 35)	2,716	-	1,327	-	1,389
Dividends on ordinary shares (Note 47)	(217,393)	-	-	-	(217,393)
<b>Total transactions with owners</b>	(192,968)	617	7,544	7,066	(208,195)
<b>Closing balance at 31 August 2019</b>	1,036,937	788,326	(1,781)	8,995	241,397

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

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Operating activities</b>				
Profit before tax	2,165,551	423,588	1,637,339	209,222
<b>Adjustments for:</b>				
Gross dividends	-	-	(1,630,710)	(215,590)
Depreciation on property, plant and equipment (Note 16)	237,352	188,817	-	-
Depreciation of right-of-use assets (Note 18)	4,361	-	33	-
Amortisation of land use rights (Note 17)	-	2,417	-	-
Amortisation of intangible assets (Note 24)	3,683	3,681	-	-
Loss on disposal of property, plant and equipment	353	1,965	-	-
Gain on disposal of land use right	-	(1,704)	-	-
Gain on disposal of right-of-use assets	(350)	-	-	-
Net loss from fair value remeasurement on investment property (Note 19)	-	(619)	-	-
Bad debts written off	573	-	-	-
(Gain)/loss on disposal of debt securities	(2,845)	349	-	-
Net reversal allowance for expected credit loss (Note 26)	(227)	(898)	-	-
Allowance for inventories (written back)/written down	(904)	929	-	-
Property, plant and equipment written off	20,223	8,795	-	-
Shares granted under ESGP	1,128	2,716	134	156
Share options granted under ESOS	7,404	7,197	904	778
Unrealised foreign exchange loss/(gain)	786	(2,552)	-	-
Share of results of an associate	1,428	2,674	-	-
Net fair value (gain)/loss on derivatives	(1,703)	811	-	-
Finance costs	34,399	79,601	7	-
Interest income	(23,889)	(10,611)	(9,741)	(41)
<b>Total adjustments</b>	281,772	283,568	(1,639,373)	(214,697)
<b>Operating cash flows before changes in working capital</b>	2,447,323	707,156	(2,034)	(5,475)
<b>Changes in working capital</b>				
Inventories	100,071	(124,963)	-	-
Receivables	39,073	47,574	7,629	(1,554)
Other current assets	(11,373)	41,835	2,603	-
Payables	318,112	(2,386)	1,029	33
Contract liabilities	823,776	(3,638)	-	-
<b>Total changes in working capital</b>	1,269,659	(41,578)	11,261	(1,521)
<b>Cash flows generated from/(used in) operations</b>	3,716,982	665,578	9,227	(6,996)
Interest paid	(31,456)	(79,601)	-	-
Income taxes (paid)/refunded	(229,945)	(59,786)	12	(2)
<b>Net cash flows generated from/(used in) operating activities</b>	3,455,581	526,191	9,239	(6,998)

**Statements of Cash Flows**

For the financial year ended 31 August 2020 (cont'd)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Investing activities</b>				
Purchase of property, plant and equipment	(806,400)	(568,143)	-	-
Purchase of land use rights	-	(55,553)	-	-
Purchase of right-of-use assets	(9,455)	-	-	-
Purchase of intangible assets	(32)	(16)	-	-
Purchase of biological assets	(28)	-	-	-
Additions to investment property	-	(393)	-	-
Placement of investment securities	(1,723,851)	(138,438)	(1,400,674)	(13,701)
Withdrawal of investment securities	136,505	247,569	691,600	13,702
Proceeds from disposal of right-of-use assets	763	3,440	-	-
Net decrease/(increase) in bank balances pledged with banks	2,472	(1,087)	-	-
Increase in monies held in debt service reserve account	(17)	(18)	-	-
Interest received	23,889	10,611	9,741	41
Dividends from subsidiaries	-	-	1,630,710	215,590
Proceeds from disposal of property, plant and equipment	6,651	8,565	-	-
Additions to investment in subsidiaries	-	-	(586,600)	(12,096)
Repayment from subsidiaries	-	-	108,418	6,266
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(2,369,503)</b>	<b>(493,463)</b>	<b>453,195</b>	<b>209,802</b>

**Statements of Cash Flows**

For the financial year ended 31 August 2020 (cont'd)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Financing activities</b>				
Proceeds from issuance of ordinary shares pursuant to ESOS	167,230	662	167,230	662
Proceeds from sale of treasury shares	-	13,936	-	13,936
Transaction cost	(417)	(86)	(417)	(86)
Dividends paid on ordinary shares (Note 47)	(371,804)	(217,393)	(371,804)	(217,393)
Dividends paid on non-controlling interest	(2,466)	(2,697)	-	-
Issuance of shares to non-controlling interest	75	548	-	-
Repayment of loans and borrowings	(1,196,819)	(1,162,688)	-	-
Drawdown of loans and borrowings	94,662	518,753	-	-
Proceeds from issuance of exchangeable bonds	-	814,400	-	-
Proceeds from issuance of Perpetual Sukuk	1,295,262	-	-	-
Distribution paid to Perpetual Sukuk holders	(25,605)	-	-	-
Payment of principal portion of lease liabilities	(2,237)	-	(36)	-
<b>Net cash flows used in financing activities</b>	<b>(42,119)</b>	<b>(34,565)</b>	<b>(205,027)</b>	<b>(202,881)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,043,959</b>	<b>(1,837)</b>	<b>257,407</b>	<b>(77)</b>
Effect of changes in foreign exchange rate	1,273	2,828	-	-
<b>Cash and cash equivalents at 1 September 2019/2018</b>	<b>159,715</b>	<b>158,724</b>	<b>74</b>	<b>151</b>
<b>Cash and cash equivalents at 31 August (Note 29)</b>	<b>1,204,947</b>	<b>159,715</b>	<b>257,481</b>	<b>74</b>

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

**Statements of Cash Flows**

For the financial year ended 31 August 2020 (cont'd)

	Effect of adoption of MFRS 16		Principal movement		Interest paid		Interest cost		New leases		Equity component of exchangeable bond		Foreign exchange movement	
	1 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	31 August 2020
<b>2020 Group</b>														
Loans and borrowings (Note 30)	2,420,694	(637)	(1,102,157)	(31,445)	33,881	-	(709,673)						(70,124)	540,539
Lease liabilities (Note 33)	-	13,551	(2,237)	(11)	518	77	-						(784)	11,114
<b>Company</b>														
Lease liabilities (Note 33)	-	-	(36)	-	7	467	-						-	438

	Effect of adoption of MFRS 16		Principal movement		Interest paid		Interest cost		New leases		Equity component of exchangeable bond		Foreign exchange movement	
	1 September 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	31 August 2019
<b>2019 Group</b>														
Loans and borrowings (Note 30)	2,211,423	-	170,465	(79,601)	79,601	-	(1,433)						40,239	2,420,694

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

**1. Corporate information**

Top Glove Corporation Bhd. ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited. The principal place of business of the Company is located at Level 21, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 20. There have been no significant changes in the nature of the principal activities during the financial year.

**2. Basis of preparation**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

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

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

**3. Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at 31 August 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements 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 in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, unrealised gains and losses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 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.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or if significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.1 Business combinations and goodwill (cont'd)

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

#### 4.2 Transactions with non-controlling interests

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

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

#### 4.3 Investment in subsidiaries

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

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

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

#### 4.4 Investment in an associate

An associate is an entity over in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in an associate is accounted for using the equity method. Under the equity method, the investment in an associate 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 associate. Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

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

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.4 Investment in an associate (cont'd)

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

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

#### 4.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

##### (a) Customer relationships

The cost of customer relationships acquired in a business combination is at their fair value at the date of acquisition. Following the initial recognition, they are carried at cost less accumulated amortisation and any accumulated impairment losses.

The customer relationships are amortised on a straight line basis over its estimated useful lives of eleven years and assessed for impairment whenever there is an indication that the customer relationships may be impaired.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.5 Intangible assets (cont'd)

##### (b) Patents

The Group does not recognise internally generated brands, licenses and other similar intellectual property which cannot be distinguished from the cost of developing the Group's business as a whole.

Acquired patents are recognised as an asset and initially measured at cost, which is the fair value of the consideration paid. After initial recognition, patents are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight line basis over its estimated useful lives of eight years.

#### 4.6 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position 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.

The Group classifies all other liabilities as non-current.

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

#### 4.7 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.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.7 Fair value measurement (cont'd)

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.

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

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

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

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

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

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

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

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

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. 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, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 4.8 Foreign currencies

##### (a) Functional and presentation currency

The Group's consolidated financial statements are presented in RM which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.8 Foreign currencies (cont'd)

##### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date.

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

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

##### (c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss 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.

#### 4.9 Revenue and other income recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

##### (a) Sale of goods

The Group is involved in manufacturing and trading of gloves.

Revenue is recognised at point in time upon transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.



## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.9 Revenue and other income recognition (cont'd)

##### (a) Sale of goods (cont'd)

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume rebates. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

##### (b) Dividend income

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

##### (c) Management fees

Management fees are recognised when services are rendered.

##### (d) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

##### (e) Rental income

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

#### 4.10 Employee benefits

##### (a) Short term benefits

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

##### (b) Defined contribution plans

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

##### (c) Employee share option plans

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

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.10 Employee benefits (cont'd)

##### (c) Employee share option plans (cont'd)

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

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

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

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

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

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

#### 4.11 Taxes

##### (a) Current income tax

Current income tax assets and liabilities 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 and the Company operate and generate taxable income.

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

##### (b) Deferred tax

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

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

- (i) when 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 associate, when 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.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.11 Taxes (cont'd)

##### (b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of deductible temporary differences associated with investments in subsidiaries and associate, 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 re-assessed 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.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

##### (c) Sales and services tax ("SST")

Revenue, expenses and assets are recognised net of the amount of SST, except:

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

The payable amount of SST to the taxation authority is included as part of payables in the statements of financial position.

#### 4.12 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.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.13 Property, plant and equipment

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) 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 statement of profit or loss when the asset is derecognised.

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

#### 4.14 Investment property

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

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

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the accounting policy for property, plant and equipment set out in Note 4.13 up to the date of change in use.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.15 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Group as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold lands	50 to 100 years
Buildings	20 to 50 years
Plant and equipment	10 to 20 years
Other assets	5 to 10 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflect the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 4.17 Impairment of non-financial assets.

##### (b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### (c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of hostels, ambulance, automated teller machine (ATM) and forklift (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of photocopiers that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### 4. Summary of significant accounting policies (cont'd)

#### 4.15 Leases (cont'd)

##### Group as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 4.16 Inventories

Inventories are valued 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.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, excluding borrowing costs.

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

#### 4.17 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The 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.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. 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 for goodwill 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.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.17 Impairment of non-financial assets (cont'd)

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.

#### 4.18 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.

##### (a) Financial assets

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

###### Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

The Group and the Company have no financial assets carried at fair value through OCI for equity instruments.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.18 Financial instruments (cont'd)

##### (a) Financial assets (cont'd)

###### Subsequent measurement (cont'd)

##### (i) Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include cash and bank balances, trade and other receivables and other non-current financial assets.

##### (ii) Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

##### (iii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.18 Financial instruments (cont'd)

##### (a) Financial assets (cont'd)

###### Subsequent measurement (cont'd)

##### (iii) Financial assets at fair value through profit or loss (cont'd)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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

###### 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 Group's and the Company's statements of financial position) when:

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

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

###### Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debts instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sales of collateral held or other credit enhancements that are integral to the contractual terms.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.18 Financial instruments (cont'd)

##### (a) Financial assets (cont'd)

###### Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within next 12 months ("a 12 months ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group applies simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognise a loss allowance base on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on historical credit experience. The Group considers forward looking factors do not have significant impact to credit risk given the nature of its industry and the amount ECLs is insensitive to changes to forecast economic conditions.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group and the Company consider a financial assets to be default when internal and external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. Financial assets is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### (b) Financial liabilities

###### 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 and the Company's financial liabilities include trade and other payables, other current liabilities, derivative financial instruments, and loans and borrowings.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.18 Financial instruments (cont'd)

##### (b) Financial liabilities (cont'd)

###### Subsequent measurement

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

##### (i) Trade and other payables

These are subsequently measured at amortised cost using the EIR method.

##### (ii) 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 incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has designated derivative financial instruments as financial liability as at fair value through profit or loss.

##### (iii) Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 30.

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the statement of profit or loss.

##### (c) Offsetting of financial instruments

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

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.19 Derivative financial instruments and hedging activities

##### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward 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 remeasured 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.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the 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; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

##### Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 4. Summary of significant accounting policies (cont'd)

#### 4.19 Derivative financial instruments and hedging activities (cont'd)

##### Cash flow hedge (cont'd)

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

#### 4.20 Cash and bank balances

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

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

#### 4.21 Equity instruments and related expenses

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

Dividends on ordinary shares and distribution on Perpetual Sukuk are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

#### 4.22 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's and the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the retained earnings.

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

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the Board of Directors 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. Summary of significant accounting policies (cont'd)

#### 4.24 Provisions

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

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

#### 4.25 Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### 4.26 Contingencies

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

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

#### 4.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 46, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### 4.28 Biological assets

Biological assets comprise immature planted trees and are classified as non-current assets. It is expected to be harvested and sold.

Immature planted trees are reclassified to mature planted trees when they are commercially productive and available for harvest. In general, a paulownia bearer plant takes about 3 years to reach maturity from the time of planting the seedlings to the field.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 5. New and amended standards and interpretations

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

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

The adoption of the above accounting standards, amendments and interpretations, where relevant, did not have any significant impact on the financial performance or position of the Group and of the Company, with the exception of MFRS 16 Leases as stated below:

#### MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees, leases of low-value assets and short-term 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 and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 September 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 5. New and amended standards and interpretations (cont'd)

#### MFRS 16 Leases (cont'd)

The effect of adoption MFRS 16 as at 1 September 2019 is, as follows:

	Group Increase/ (decrease) RM'000
<b>Assets</b>	
Right-of-use assets (Note 18)	197,731
Property, plant and equipment (Note 16)	(6,886)
Land use rights (Note 17)	(178,495)
<b>Total assets</b>	<b>12,350</b>
<b>Liabilities</b>	
Loans and borrowings	(637)
Lease liabilities (Note 33)	13,551
<b>Total liabilities</b>	<b>12,914</b>
<b>Total adjustment on equity</b>	
Retained earnings	(419)
Foreign exchange reserve	(17)
Non-controlling interests	(128)
	<b>(564)</b>

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- (i) Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (ii) Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- (iii) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- (iv) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (v) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.



**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**5. New and amended standards and interpretations (cont'd)**
**MFRS 16 Leases (cont'd)**

The lease liabilities as at 1 September 2019 can be reconciled to the operating lease commitments as of 31 August 2019, as follows:

	Group RM'000
<b>Assets</b>	
Operating lease commitments as at 31 August 2019	8,657
Less:	
Commitments relating to short-term leases	(2,233)
Commitments relating to leases of low-value assets	(1,256)
	5,168
Weighted average incremental borrowing rate as at 1 September 2019	3.95%
Discounted operating lease commitments as at 1 September 2019	4,609
Add:	
Commitments relating to leases previously classified as finance leases	637
Lease payments relating to renewal periods not included in operating lease commitments as at 31 August 2019	8,305
Lease liabilities as at 1 September 2019 (Note 33)	13,551

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

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

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Annual improvements to MFRS Standards 2018 - 2020	1 January 2022

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

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

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company will adopt the abovementioned standards, amendments and interpretations, if applicable, when they become effective in the respective financial year. These pronouncements are not expected to have any impact to the financial statements of the Group and of the Company upon their initial application.

**7. Significant accounting judgements, estimates and assumptions**

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

**7.1 Judgements made in applying accounting policies**

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

**Classification between investment property and property, plant and equipment**

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

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

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**7. Significant accounting judgements, estimates and assumptions (cont'd)**
**7.2 Estimates and assumptions**

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

**(a) Inventories costing**

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

**(b) Impairment of goodwill**

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

When value in use calculations are undertaken, management must estimate future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment and sensitivity analysis to changes in the assumptions are disclosed in Note 24.

**8. Revenue**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Revenue from contracts with customers</b>				
Geographical markets				
Malaysia	6,223,145	4,086,042	-	-
Thailand	540,005	391,385	-	-
The People's Republic of China	127,500	88,568	-	-
Others	346,777	235,144	-	-
	7,237,427	4,801,139	-	-
<b>Revenue from other sources</b>				
Management fees from subsidiaries	-	-	5,904	5,374
Dividend income from subsidiaries	-	-	1,630,710	215,590
	-	-	1,636,614	220,964
<b>Total revenue</b>	<b>7,237,427</b>	<b>4,801,139</b>	<b>1,636,614</b>	<b>220,964</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point of time	7,237,427	4,801,139	-	-

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**8. Revenue (cont'd)**
**Performance obligation**

The Group is in the business of selling of gloves and other healthcare products.

The performance obligation is satisfied upon shipment of the goods and payment is generally due within 30 to 90 (2019: 30 to 90) days.

The transaction price allocated to the remaining performance obligations (unsatisfied) as at 31 August 2020 and 2019 are, as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Within one year	879,386	55,610	-	-

All remaining performance obligations are expected to be recognised within one year.

**9. Interest income**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income from:				
Financial assets at fair value through other comprehensive income	1,006	3,970	-	-
Financial assets at amortised cost	5,456	3,996	5,567	21
Financial assets at fair value through profit or loss	17,157	2,616	4,174	20
Others	270	29	-	-
	23,889	10,611	9,741	41

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**10. Other income**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Realised gain on foreign exchange	-	-	7	-
Unrealised gain on foreign exchange	-	2,552	-	-
Net fair value gain on derivatives	1,703	-	-	-
Net gain from fair value remeasurement on investment property (Note 19)	-	619	-	-
Rental income	7,286	10,461	-	-
Gain on disposal of debt securities	2,845	-	-	-
Gain on disposal of land use rights	-	1,704	-	-
Gain on disposal of right-of-use assets	350	-	-	-
Sales of scrap items	6,354	11,842	-	-
Insurance claims	1,843	899	-	-
Sundry income	11,831	10,475	-	2,064
Allowance for inventories written back	904	-	-	-
	33,116	38,552	7	2,064

**11. Profit before tax**

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Auditors' remuneration:				
Company's auditors				
- Statutory audit				
- Current year	499	317	80	80
- Over provision in prior years	-	(23)	-	(5)
- Other services	192	572	112	142
Other auditors				
- Statutory audit				
- Current year	551	708	-	-
- Under/(over) provision in prior years	80	(7)	-	-
Allowance for inventories written down	-	929	-	-
Bad debts written off	573	-	-	-
Depreciation on property, plant and equipment (Note 16)	237,352	188,817	-	-
Amortisation of land use rights (Note 17)	-	2,417	-	-
Depreciation of right-of-use assets (Note 18)	4,361	-	33	-
Amortisation of intangible assets (Note 24)	3,683	3,681	-	-

**11. Profit before tax (cont'd)**

The following items have been charged in arriving at profit before tax (cont'd):

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Direct operating expenses arising from investment property				
- Rental generating property	868	894	-	-
Net loss on foreign exchange				
- realised	80,949	13,186	-	2
- unrealised	786	-	-	-
Net fair value loss on derivatives	-	811	-	-
Employee benefits expenses (Note 12)	694,500	589,769	5,782	5,150
Non-executive directors' remuneration (Note 13)	2,033	1,326	1,775	1,071
Operating lease - Minimum lease payment for land, building and machinery	-	5,966	-	88
Loss on disposal of property, plant and equipment	353	1,965	-	-
Loss on disposal of debt securities	-	349	-	-
Remediation costs	135,790	-	-	-
Legal and other professional fees	23,343	12,445	2,038	4,702
Net reversal of allowance for expected credit loss (Note 26)	(227)	(898)	-	-
Property, plant and equipment written off	20,223	8,795	-	-

**12. Employee benefits expenses**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages and salaries	608,509	517,460	3,626	3,264
Social security costs	9,013	6,087	2	2
Pension costs - defined contribution plan	31,863	24,961	412	350
Share options granted under ESOS	7,404	7,197	904	778
Shares granted under ESGP	1,128	2,716	134	156
Other staff related expenses	36,014	30,935	184	234
Executive directors' fees	569	413	520	366
	694,500	589,769	5,782	5,150

Included in employee benefits expenses of the Group and of the Company are executive directors' remuneration amounting to RM11,257,000 (2019: RM10,857,000) and RM5,211,000 (2019: RM4,675,000) respectively as further disclosed in Note 13.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**13. Directors' remuneration**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	5,229	4,785	3,693	3,289
Pension costs - defined contribution plan	430	397	400	332
Social security contributions	2	1	1	1
Share options granted under ESOS	629	689	597	589
Shares granted under ESGP	-	138	-	98
Fees	520	366	520	366
Benefits-in-kind	110	82	77	60
	6,920	6,458	5,288	4,735
Non-executive:				
Fees	1,589	872	1,589	872
Other emoluments	442	452	186	199
	2,031	1,324	1,775	1,071
<b>Other directors</b>				
Executive:				
Salaries and other emoluments	3,985	3,901	-	-
Pension costs - defined contribution plan	289	332	-	-
Social security contributions	10	9	-	-
Share options granted under ESOS	113	185	-	-
Shares granted under ESGP	1	7	-	-
Fees	49	47	-	-
Benefits-in-kind	139	112	-	-
	4,586	4,593	-	-
Non-executive:				
Fees	2	2	-	-
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration (Note 12)	11,257	10,857	5,211	4,675
Total non-executive directors' remuneration (Note 11)	2,033	1,326	1,775	1,071
Total directors' remuneration (excluding benefits-in-kind)	13,290	12,183	6,986	5,746
Benefits-in-kind	249	194	77	60
Total directors' remuneration (including benefits-in-kind)	13,539	12,377	7,063	5,806

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**14. Income tax expenses**
**Major components of income tax expenses**

The major components of income tax expenses for the years ended 31 August 2020 and 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current income tax:				
- Malaysian income tax	314,913	57,329	213	-
- Foreign tax	46,765	6,097	-	-
- Real property gain tax ("RPGT")	54	301	-	-
- (Over)/under provision in respect of previous years	(5,903)	(11,867)	4	4
	355,829	51,860	217	4
Deferred income tax (Note 22):				
- Relating to origination and reversal of temporary differences	18,212	11,396	-	-
- Under/(over) provision in respect of previous years	2,680	(7,214)	-	-
	20,892	4,182	-	-
Income tax expenses recognised in profit or loss	376,721	56,042	217	4

**Reconciliation between tax expenses and accounting profit**

The reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 August 2020 and 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	2,165,551	423,588	1,637,339	209,222
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	519,732	101,661	392,961	50,213
<b>Adjustments:</b>				
Different tax rates in other countries	(10,954)	(656)	-	-
Effects of tax incentives claimed by foreign subsidiaries	(14,121)	(4,241)	-	-
Income not subject to tax	(7,387)	(5,369)	(393,497)	(52,247)

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**14. Income tax expenses (cont'd)**
Reconciliation between tax expenses and accounting profit (cont'd)

The reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 August 2020 and 2019 are as follows (cont'd):

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<u>Adjustments (cont'd):</u>				
Effect of change in RPGT	(43)	1,998	-	-
Non-deductible expenses	28,077	34,477	745	2,061
Effect of income subject to RPGT	54	301	-	-
Expenses entitled for double deduction	(1,502)	(74)	-	-
Utilisation of tax incentives	(45,434)	(23,178)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(119)	(446)	-	(27)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowance	477	2,218	4	-
Deferred tax assets recognised in respect of reinvestment allowance	(89,179)	(32,210)	-	-
Share of results of an associate	343	642	-	-
Under/(over) provision of deferred tax in respect of previous years	2,680	(7,214)	-	-
(Over)/under provision of income tax in respect of previous years	(5,903)	(11,867)	4	4
Income tax expenses recognised in profit or loss	376,721	56,042	217	4

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

**15. Earnings per share**
**(a) Basic**

Basic earnings per share is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

	2020	2019
Profit net of tax attributable to owners of the parents (RM'000)	1,752,584	364,678
Weighted average number of ordinary shares in issue ('000)	2,592,546	2,555,009
Bonus issue subsequent to year end, excluding treasury shares held by the Company ('000) (Note 51)	5,417,395	5,417,395
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	8,009,941	7,972,404
Basic earnings per share (sen)		
- before issuance of bonus shares (sen)	67.60	14.27
- after issuance of bonus shares (sen)	21.88	4.57

**(b) Diluted**
Before issuance of bonus shares

Diluted earnings per share before issuance of bonus shares is calculated by dividing profit for the year, net of tax, attributable to owners of the parent (after adjusting for interest on the exchangeable bonds) 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.

	2020	2019
Profit net of tax attributable to owners of the parent (RM'000)	1,752,584	364,678
Net interest savings from assumed exchange of Guaranteed Exchangeable Bonds at inception (RM'000)	6,970	16,992
Adjusted profit net of tax attributable to owners of the parent (RM'000)	1,759,554	381,670
Weighted average number of ordinary shares in issue ('000)	2,592,546	2,555,009
Effect of dilution from:		
Assume exercise of share options ('000)	5,723	386
Assume conversion of exchangeable bond ('000)	17,113	131,215
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,615,382	2,686,610
Diluted earnings per share (sen)	67.28	14.21

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**15. Earnings per share (cont'd)**
**(b) Diluted (cont'd)**
After issuance of bonus shares

Diluted earnings per share after issuance of bonus shares is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the financial year ended 31 August 2020 and 2019, potential ordinary shares from conversion of exchangeable bonds are anti-dilutive after issuance of bonus shares subsequent to year end, as their inclusion in the diluted profit per share calculation would increase the profit per share, and hence have been excluded.

	2020	2019
Profit net of tax attributable to owners of the parent (RM'000)	1,752,584	364,678
Weighted average number of ordinary shares in issue ('000)	2,592,546	2,555,009
Effect of dilution from:		
Assume exercise of share options ('000)	5,723	386
	2,598,269	2,555,395
Bonus issue subsequent to year end, excluding treasury shares held by the Company ('000) (Note 51)	5,417,395	5,417,395
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	8,015,664	7,972,790
Diluted earnings per share (sen)	21.86	4.57

The weighted average number of ordinary shares issued as at 31 August 2020 and 2019 have been adjusted to reflect the bonus issue of 2 for 1 existing ordinary shares which was completed on 7 September 2020 (2019: bonus issue of 1 for 1 existing ordinary shares which was completed on 29 October 2018). Further details are disclosed in Note 51.

**16. Property, plant and equipment**

	Land and buildings RM'000	Plant and equipment RM'000	* Other assets RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Group</b>					
<b>Cost</b>					
<b>At 1 September 2018</b>	878,833	1,677,825	176,175	327,913	3,060,746
Additions	30,634	220,546	47,370	269,593	568,143
Reclassification	137,422	121,583	29,678	(288,683)	-
Written off	(2,344)	(38,514)	(1,684)	(1)	(42,543)
Disposals	(7,181)	(58,265)	(2,891)	(2)	(68,339)
Exchange differences	8,207	21,476	1,358	668	31,709
<b>At 31 August 2019/ 1 September 2019</b>	1,045,571	1,944,651	250,006	309,488	3,549,716
Effect of adoption of MFRS 16	(4,093)	(671)	(3,084)	-	(7,848)

**16. Property, plant and equipment (cont'd)**

	Land and buildings RM'000	Plant and equipment RM'000	* Other assets RM'000	Capital work-in-progress RM'000	Total RM'000
<b>At 1 September 2019, restated</b>	1,041,478	1,943,980	246,922	309,488	3,541,868
Additions	116,434	375,235	52,688	262,043	806,400
Reclassification	51,533	217,002	12,739	(281,274)	-
Written off	(374)	(39,339)	(2,342)	(75)	(42,130)
Disposals	(1,007)	(23,721)	(703)	(145)	(25,576)
Exchange differences	(2,448)	(6,468)	(550)	(185)	(9,651)
<b>At 31 August 2020</b>	1,205,616	2,466,689	308,754	289,852	4,270,911

**Accumulated depreciation**

<b>At 1 September 2018</b>	86,680	772,798	96,506	-	955,984
Depreciation charged for the year (Note 11)	12,485	152,482	23,850	-	188,817
Reclassification	(5,709)	-	5,709	-	-
Written off	(738)	(31,805)	(1,205)	-	(33,748)
Disposals	(636)	(54,632)	(2,541)	-	(57,809)
Exchange differences	1,395	14,082	969	-	16,446
<b>At 31 August 2019/ 1 September 2019</b>	93,477	852,925	123,288	-	1,069,690
Effect of adoption of MFRS 16	(113)	(166)	(683)	-	(962)
<b>At 1 September 2019, restated</b>	93,364	852,759	122,605	-	1,068,728
Depreciation charged for the year (Note 11)	14,379	194,051	28,922	-	237,352
Reclassification	(37)	603	(566)	-	-
Written off	(32)	(19,808)	(2,067)	-	(21,907)
Disposals	(342)	(17,519)	(711)	-	(18,572)
Exchange differences	(348)	(4,247)	(328)	-	(4,923)
<b>At 31 August 2020</b>	106,984	1,005,839	147,855	-	1,260,678

**Net carrying amount**

At 31 August 2019	952,094	1,091,726	126,718	309,488	2,480,026
At 31 August 2020	1,098,632	1,460,850	160,899	289,852	3,010,233

\* Other assets comprise motor vehicles, computer and software systems, office equipment, signages, small value of assets, fire extinguishers, furniture and equipment.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**16. Property, plant and equipment (cont'd)**
**Land and buildings**

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Group</b>			
<b>Cost</b>			
<b>At 1 September 2018</b>	358,441	520,392	878,833
Additions	1,461	29,173	30,634
Reclassification	74,429	62,993	137,422
Written off	(27)	(2,317)	(2,344)
Disposals	(1,080)	(6,101)	(7,181)
Exchange differences	2,242	5,965	8,207
<b>At 31 August 2019/1 September 2019</b>	435,466	610,105	1,045,571
Effect of adoption of MFRS 16	-	(4,093)	(4,093)
<b>At 1 September 2019, restated</b>	435,466	606,012	1,041,478
Additions	47,128	69,306	116,434
Reclassification	4,438	47,095	51,533
Written off	-	(374)	(374)
Disposals	-	(1,007)	(1,007)
Exchange differences	(767)	(1,681)	(2,448)
<b>At 31 August 2020</b>	486,265	719,351	1,205,616
<b>Accumulated depreciation</b>			
<b>At 1 September 2018</b>	-	86,680	86,680
Depreciation charged for the year	-	12,485	12,485
Reclassification	-	(5,709)	(5,709)
Written off	-	(738)	(738)
Disposals	-	(636)	(636)
Exchange differences	-	1,395	1,395
<b>At 31 August 2019/1 September 2019</b>	-	93,477	93,477
Effect of adoption of MFRS 16	-	(113)	(113)
<b>At 1 September 2019, restated</b>	-	93,364	93,364
Depreciation charged for the year	-	14,379	14,379
Reclassification	-	(37)	(37)
Written off	-	(32)	(32)
Disposals	-	(342)	(342)
Exchange differences	-	(348)	(348)
<b>At 31 August 2020</b>	-	106,984	106,984
<b>Net carrying amount</b>			
At 31 August 2019	435,466	516,628	952,094
At 31 August 2020	486,265	612,367	1,098,632

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**16. Property, plant and equipment (cont'd)**

- (a) Property, plant and equipment of subsidiaries with the following net carrying amount is under finance lease arrangements as disclosed in Note 30.

	2020 RM'000	2019 RM'000
Plant and equipment	-	504
Motor vehicles	-	279
	-	783

**17. Land use rights**

	Group	
	2020 RM'000	2019 RM'000
<b>Cost</b>		
<b>At 1 September 2019/2018</b>	186,714	132,855
Effect of adoption of MFRS 16	(186,714)	-
<b>At 1 September 2019/2018, restated</b>	-	132,855
Additions	-	55,553
Disposals	-	(1,762)
Exchange differences	-	68
<b>At 31 August</b>	-	186,714

**Accumulated amortisation**

<b>At 1 September 2019/2018</b>	8,219	5,826
Effect of adoption of MFRS 16	(8,219)	-
<b>At 1 September 2019/2018, restated</b>	-	5,826
Amortisation for the year (Note 11)	-	2,417
Disposals	-	(26)
Exchange differences	-	2
<b>At 31 August</b>	-	8,219

**Net carrying amount**

<b>Net carrying amount</b>	-	178,495
Amount to be amortised:		
- Not later than one year	-	3,430
- Later than one year but not later than five years	-	10,869
- Later than five years	-	164,196
	-	178,495

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**18. Right-of-use assets**

	Land RM'000	Buildings RM'000	Plant and equipment RM'000	* Other assets RM'000	Total RM'000
<b>Group</b>					
<b>At 1 September 2019</b>	-	-	-	-	-
Effect of adoption of MFRS 16 (Note 5)	182,897	13,119	638	1,077	197,731
<b>At 1 September 2019, restated</b>	182,897	13,119	638	1,077	197,731
Additions	9,347	108	-	77	9,532
Depreciation charged for the year (Note 11)	(2,674)	(1,319)	(93)	(275)	(4,361)
Disposals	(304)	-	(109)	-	(413)
Exchange differences	(448)	(616)	-	-	(1,064)
<b>At 31 August 2020</b>	188,818	11,292	436	879	201,425
					<b>Buildings RM'000</b>
<b>Company</b>					
<b>At 1 September 2019</b>					-
Additions					467
Depreciation charged for the year (Note 11)					(33)
<b>At 31 August 2020</b>					434

\* Other assets comprise motor vehicles and office equipment.

**19. Investment property**

	<b>Group</b>	
	<b>2020 RM'000</b>	<b>2019 RM'000</b>
Fair value of investment property (Note 42)	163,900	163,900

**19. Investment property (cont'd)**

	<b>Freehold land and building</b>	
	<b>2020 RM'000</b>	<b>2019 RM'000</b>
<b>Group</b>		
<b>Fair value</b>		
<b>At 1 September 2019/2018</b>	163,900	163,900
Additions from subsequent expenditure	-	393
Adjustment on overaccrual of cost in prior year	-	(1,012)
Net gain from fair value remeasurement (Note 10)	-	619
<b>At 31 August</b>	163,900	163,900

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

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

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>	
			<b>2020</b>	<b>2019</b>
Freehold land and building	Investment method	Estimated rental value per square feet per month	RM4.50 to RM5.50	RM4.50 to RM5.50
		Term yield rate	6.5%	6.5%
		Occupancy rate	92.0%	87.0%
		Long term vacancy rate	10.0%	10.0%
		Reversionary yield rate	7.0%	7.0%

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



## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 19. Investment property (cont'd)

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

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

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

### 20. Investment in subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Unquoted shares, at cost:		
- In Malaysia	1,618,773	1,032,173
Less: Accumulated impairment losses	(4,845)	(4,845)
	1,613,928	1,027,328
- Outside Malaysia	3,728	3,728
	1,617,656	1,031,056

#### (a) Incorporation of TG Healthcare Sdn. Bhd. ("TG Healthcare")

On 3 January 2020, the Company, incorporated TG Healthcare in Malaysia under the Companies Act 2016 with an issued and paid up capital of RM1.00 comprising 1 ordinary share. The Company owns the entire issued and paid-up share capital of TG Healthcare upon which, TG Healthcare becomes 100% subsidiary of the Company.

#### (b) Acquisition of additional equity interest in subsidiaries

##### (i) Top Feel Sdn. Bhd.

On 16 April 2020, Top Feel Sdn. Bhd., a wholly-owned subsidiary of the Company had increased its share capital from RM2,650,000 to RM17,650,000.

##### (ii) Top Glove Engineering Sdn. Bhd.

On 24 April 2020, Top Glove Engineering Sdn. Bhd., a wholly-owned subsidiary of the Company had increased its share capital from RM3,155,000 to RM38,155,000.

##### (iii) Top Care Sdn. Bhd.

On 29 June 2020 and 12 August 2020, Top Care Sdn. Bhd., a wholly-owned subsidiary of the Company had increased its share capital by RM267,000,000 and RM267,000,000 respectively.

##### (iv) TG Healthcare Sdn. Bhd.

On 13 August 2020, TG Healthcare Sdn. Bhd., a wholly-owned subsidiary of the Company had increased its share capital from RM1 to RM2,600,000.

### 20. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest (%)		Principal activities
		2020	2019	
<b>Held by the Company:</b>				
Top Glove Sdn. Bhd.*	Malaysia	100	100	Manufacturing and trading of gloves
TG Medical Sdn. Bhd.#	Malaysia	100	100	Manufacturing and trading of examination, surgical, and nitrile gloves, general trading and investment holding
Great Glove (Malaysia) Sdn. Bhd.#	Malaysia	100	100	Company temporarily ceased business operation
Top Glove Engineering Sdn. Bhd.#	Malaysia	100	100	Manufacturing and supply of engineering parts and rubber glove machinery
TG Medical (U.S.A.), Inc.#	United States of America	100	100	Trading of gloves
Top Quality Glove Sdn. Bhd.*	Malaysia	100	100	Manufacturing and trading of gloves
Top Care Sdn. Bhd.*	Malaysia	100	100	Investment holding
GMP Medicare Sdn. Bhd.*	Malaysia	100	100	Manufacturing and trading of gloves
Eastern Press Sdn. Bhd.#	Malaysia	100	100	Manufacturing of packaging materials, boxes and cartons
Top Feel Sdn. Bhd.#	Malaysia	100	100	Manufacture and sale of condoms, rubber related products, and disposable and medical face masks
Top Glove Labuan Ltd.#	Malaysia	100	100	Investment holding
Top Glove Global Sdn. Bhd.#	Malaysia	100	100	Provision of management services
TG Healthcare Sdn. Bhd.#	Malaysia	100	-	Manufacturing and trading of homecare and personal care products
<b>Held through Top Glove Sdn. Bhd.:</b>				
Great Glove (Thailand) Co. Ltd.#	Thailand	74	74	Manufacturing and trading of gloves
Top Glove Medical (Thailand) Co. Ltd.#^	Thailand	100	100	Manufacturing and trading of gloves
Top Glove Technology (Thailand) Co. Ltd.#	Thailand	100	100	Producing and selling rubber products
B Tech Industry Co. Ltd.#	Thailand	100	100	Producing and selling concentrate latex
Top Quality Gloves (Thailand) Co. Ltd.#	Thailand	100	100	Dormant

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**20. Investment in subsidiaries (cont'd)**

Name	Country of incorporation/ principal place of business	Proportion of ownership interest (%)		Principal activities
		2020	2019	
<b>Held through Top Glove Sdn. Bhd. (cont'd):</b>				
Top Glove Europe GmbH#	Germany	97.5	97.5	Trading of gloves
Great Glove (Xinghua) Co. Ltd.#	The People's Republic of China	100	100	Manufacturing and trading of gloves
TG Medical Suzhou Co. Ltd.#	The People's Republic of China	100	100	Trading of gloves
Top Glove International Sdn. Bhd.#	Malaysia	100	100	Research and development on gloves and rubber goods
Top Glove Properties Sdn. Bhd.#	Malaysia	100	100	Property investment, consultancy services and electrical engineering works
Medi-Flex Pte. Ltd. ("Medi-Flex")#	Singapore/ Malaysia	100	100	Investment holding
BestStar Enterprise Ltd.*	The British Virgin Islands/ Malaysia	100	100	Investment holding
Flexitech Sdn. Bhd.*	Malaysia	100	100	Manufacturing of glove, general trading, property investment
TG Porcelain Sdn. Bhd.#	Malaysia	100	100	Manufacturing of formers
TGGD Medical Clinic Sdn. Bhd.#	Malaysia	75	75	Providing of clinical and specialist medical services
TG FMT Sdn. Bhd.*	Malaysia	70	70	Manufacturing and trading of functional fillers
Top Glove Chemicals Sdn. Bhd.#	Malaysia	100	100	Providing advisory services and manufacturing of chemicals and chemical compounds
Top Glove Vietnam Company Limited#	Vietnam	100	100	Manufacturing of vinyl gloves and other products
TG Excellence Berhad*	Malaysia	100	-	Special purpose vehicle solely for issuance of Perpetual Sukuk
Top Academy Sdn. Bhd.#	Malaysia	100	-	Organise in-house trainings and public trainings/programs
<b>Held through Great Glove (Malaysia) Sdn. Bhd.:</b>				
TG Meditech Sdn. Bhd. (Formerly known as Top Catheter Sdn. Bhd.)#	Malaysia	100	100	Manufacturing and trading of healthcare products

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**20. Investment in subsidiaries (cont'd)**

Name	Country of incorporation/ principal place of business	Proportion of ownership interest (%)		Principal activities
		2020	2019	
<b>Held through TG Medical Sdn. Bhd.:</b>				
Top Healthy Fitness Sdn. Bhd.#	Malaysia	100	100	Establishing and maintaining of fitness related business, including healthcare, slimming centres, gymnasiums and other related activities
TG Raytech Sdn. Bhd.#	Malaysia	97.5	95	Providing innovative healthcare related products and service solutions
Top Synthetic Rubber Sdn. Bhd.#	Malaysia	100	100	Manufacturing and trading of chemical products
<b>Held through Great Glove (Xinghua) Co. Ltd.:</b>				
TG Medical (Xinghua) Co. Ltd.#	The People's Republic of China	100	100	Trading of gloves and healthcare related products
TG Medical (Putian) Co. Ltd.#	The People's Republic of China	100	100	Trading of gloves and healthcare related products
<b>Held through Top Care Sdn. Bhd.:</b>				
Best Advance Resources Limited#	Malaysia	100	100	Investment holding
Green Resources Limited#	Malaysia	100	100	Investment holding
Aspion Sdn. Bhd.*	Malaysia	100	100	Investment holding
<b>Held through Top Feel Sdn. Bhd.:</b>				
Duramedical Sdn. Bhd.#	Malaysia	85	85	Manufacturing of rubber dental dams and exercise bands
<b>Held through Best Advance:</b>				
PT. Topglove Indonesia#^^	Indonesia	100	100	Providing management services in plantation sector, and processing of plantation produce
<b>Held through PT. Top Glove Indonesia:</b>				
PT. Agro Pratama Sejahtera#	Indonesia	95	95	Industrial Forest Plantation
<b>Held through PT. Agro Pratama Sejahtera:</b>				
PT. Top Green Forestry#Ω	Indonesia	57	57	Forestry and Industry

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**20. Investment in subsidiaries (cont'd)**

Name	Country of incorporation/ principal place of business	Proportion of ownership interest (%)		Principal activities
		2020	2019	
<b>Held through Aspion Sdn. Bhd.:</b>				
Adventa Health Sdn. Bhd.*	Malaysia	100	100	Distribution of medical gloves and other hospital related products
Terang Nusa (Malaysia) Sdn. Bhd.*	Malaysia	100	100	Manufacturing and distribution of surgical and medical examination gloves
Cytotec (M) Sdn. Bhd.*	Malaysia	100	100	Generation and supply of energy and electricity using biomass technology
Purnabina Sdn. Bhd.*^^^	Malaysia	97.2	97.2	Manufacturing and distribution of medical gloves
Sentiex Sdn. Bhd.*	Malaysia	100	100	Manufacturing and distribution of medical and protection gloves
Terang Nusa Sdn. Bhd.*	Malaysia	100	100	Dormant
Ulma International GmbH#	Germany	100	100	Distribution of medical gloves and other hospital related products
Suizze Health Ltd#	Hong Kong/ Malaysia	100	100	Investment holding
<b>Held through GMP Medicare Sdn. Bhd.:</b>				
TG Ecommerce Sdn. Bhd.#	Malaysia	100	-	E-commerce activities for glove trading and other healthcare products
<b>Held through Suizze Health Limited:</b>				
Kevenoll Do Brasil Produtos Medicos Hospitalares LTDA#^^^^	Brazil	100	100	Distribution of medical products and medical devices

\* Audited by Ernst &amp; Young, Malaysia

# Audited by firms other than Ernst &amp; Young

^ The total equity interests held by the Group is 100% and it is held by the following subsidiaries:

	2020	2019
(i) Top Glove Sdn. Bhd.	61.5%	100.0%
(ii) TG Medical Sdn. Bhd.	38.5%	-

^^ The total equity interests held by the Group is 100% and it is held by the following subsidiaries:

	2020	2019
(i) Best Advance Resources Limited	99.9%	99.9%
(ii) Green Resources Limited	0.1%	0.1%

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**20. Investment in subsidiaries (cont'd)**

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

	2020	2019
(i) Aspion Sdn. Bhd.	95.2%	95.2%
(ii) Terang Nusa (Malaysia) Sdn. Bhd.	2.0%	2.0%

^^^^ The total equity interests held by the Group is 100% and it is held by the following subsidiaries:

	2020	2019
(i) Aspion Sdn. Bhd.	0.1%	0.1%
(ii) Suizze Health Ltd	99.9%	99.9%

Ω The total equity interests held by the Group is 57% and it is held by the following subsidiaries:

	2020	2019
PT. Agro Pratama Sejahtera	60.0%	60.0%

**Changes in group structure**
**(a) Incorporation of TG Excellence Berhad ("TG Excellence")**

On 18 September 2019, the Company, through its wholly-owned subsidiary, Top Glove Sdn. Bhd., incorporated TG Excellence in Malaysia under the Companies Act 2016 with an issued and paid up capital of RM1.00 comprising 1 ordinary share. Top Glove Sdn. Bhd. owns the entire issued and paid-up share capital of TG Excellence upon which, TG Excellence becomes 100% sub-subsidiary of the Company.

**(b) Incorporation of TG Ecommerce Sdn. Bhd. ("TG Ecommerce")**

On 10 March 2020, the Company, through its wholly-owned subsidiary, GMP Medicare Sdn. Bhd., incorporated TG Ecommerce in Malaysia under the Companies Act 2016 with an issued and paid up capital of RM1.00 comprising 1 ordinary share. GMP Medicare Sdn. Bhd. owns the entire issued and paid-up share capital of TG Ecommerce upon which, TG Ecommerce becomes 100% sub-subsidiary of the Company.

**(c) Acquisition of Top Academy Sdn. Bhd. ("Top Academy")**

On 12 November 2019, Top Glove Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired 2 ordinary shares representing 100% of the equity interest in Top Academy comprising 2 ordinary shares for a cash consideration of RM2.00. Accordingly, Top Academy has become a wholly-owned subsidiary of Top Glove Sdn. Bhd.. The acquisition is not expected to have material effects on the financial position of the Group.

**(d) Acquisition of additional equity interest in TG Raytech Sdn. Bhd. ("TG Raytech")**

On 17 April 2020, TG Medical Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired 2.5% of issued and paid-up share capital of TG Raytech comprising 25 ordinary share for a cash consideration of RM25.00. The acquisition is not expected to have material effects on the financial position of the Group.

**(e) Non-controlling interests**

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

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**21. Investment in an associate**

	Group	
	2020 RM'000	2019 RM'000
Unquoted shares at cost	12,204	12,204
Share of post-acquisition reserves	(1,779)	(351)
	10,425	11,853

Details of the associate are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest (%)		Principal activities
		2020	2019	

**Held through Top Glove Sdn. Bhd.:**

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

The financial year end of the above associate is non-coterminous with the Group. For the purpose of applying the equity method of accounting, the latest available financial information has been used and appropriate adjustments have been made for the effects of significant transactions between the dates of the latest available financial information and financial years ended 31 August 2020 and 2019.

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

	Group	
	2020 RM'000	2019 RM'000
<b>Assets and liabilities</b>		
Non-current assets	250,019	260,011
Current assets	4,285	4,067
Total assets	254,304	264,078
Non-current liabilities	(195,955)	(197,869)
Current liabilities	(19,737)	(22,308)
Total liabilities	(215,692)	(220,177)
Net assets	38,612	43,901
<b>Results</b>		
Revenue	9,713	11,658
Loss for the year	(5,289)	(9,901)

**21. Investment in an associate (cont'd)**

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

	Group	
	2020 RM'000	2019 RM'000
Net assets of the associate at 1 September 2019/2018	43,901	53,802
Loss for the year	(5,289)	(9,901)
Net assets of the associate as at 31 August	38,612	43,901
Group's share of net assets	10,425	11,853

**22. Deferred tax (assets)/liabilities**

Deferred income tax as at 31 August 2020 and 2019 relates to the following:

Group	Deferred tax liabilities		Deferred tax assets		Total RM'000
	Property, plant and equipment and right-of-use assets RM'000	Others RM'000	Unabsorbed export allowance, business losses, capital and reinvestment allowance RM'000	Others RM'000	
<b>At 1 September 2018</b>	112,155	16,860	(31,981)	-	97,034
Recognised in profit or loss	38,683	(4,374)	(30,127)	-	4,182
Exchange difference	-	26	-	-	26
<b>At 31 August 2019/ 1 September 2019</b>	150,838	12,512	(62,108)	-	101,242
Recognised in profit or loss	33,776	(479)	23,074	(35,479)	20,892
Exchange difference	-	-	-	265	265
<b>At 31 August 2020</b>	184,614	12,033	(39,034)	(35,214)	122,399

Presented after appropriate offsetting as follows:

	Group	
	2020 RM'000	2019 RM'000
Deferred tax assets	(19,589)	(58,472)
Deferred tax liabilities	141,988	159,714
	122,399	101,242

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**22. Deferred tax (assets)/liabilities (cont'd)**

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

On the other hand, effective from year of assessment 2019 as announced in the annual budget 2019, the unutilised tax losses of the Group as at 31 August 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised losses will be disregarded.

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

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised tax losses	3,579	5,586	1,386	1,383
Unabsorbed capital allowances	5,267	1,767	14	-
	8,846	7,353	1,400	1,383

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

**23. Investment securities**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Current</b>				
<i>Financial assets at fair value through other comprehensive income</i>				
- Debt securities (quoted outside Malaysia)	-	83,221	-	-
<i>Financial assets at fair value through profit or loss</i>				
- Money market funds (quoted in Malaysia)	1,674,631	4,064	709,075	1
	1,674,631	87,285	709,075	1
<b>Non-current</b>				
<i>Financial assets at fair value through profit or loss</i>				
- Unquoted investments: golf club membership	392	392	-	-
<b>Total investment securities</b>	1,675,023	87,677	709,075	1

Debt securities of the Group amounting to nil (2019: RM83,221,000) were pledged to banks for credit facility granted to the Group as disclosed in Note 30.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**24. Intangible assets**

	Goodwill RM'000	Customer Relationship RM'000	Patent RM'000	Total RM'000
<b>Group</b>				
<b>Cost</b>				
<b>At 1 September 2018, as previously stated</b>	1,221,097	40,477	-	1,261,574
Prior year adjustment (Note 52)	(240,406)	-	-	(240,406)
<b>At 1 September 2018, restated</b>	980,691	40,477	-	1,021,168
Addition	-	-	16	16
<b>At 31 August 2019/1 September 2019</b>	980,691	40,477	16	1,021,184
Addition	-	-	32	32
<b>At 31 August 2020</b>	980,691	40,477	48	1,021,216

**Accumulated amortisation**

<b>At 1 September 2018</b>	-	1,533	-	1,533
Amortisation during the year (Note 11)	-	3,680	1	3,681
<b>At 31 August 2019/1 September 2019</b>	-	5,213	1	5,214
Amortisation during the year (Note 11)	-	3,680	3	3,683
<b>At 31 August 2020</b>	-	8,893	4	8,897

**Net carrying amount**

At 1 September 2018 (Restated)	980,691	38,944	-	1,019,635
At 31 August 2019 (Restated)	980,691	35,264	15	1,015,970
At 31 August 2020	980,691	31,584	44	1,012,319

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

	Group	
	2020 RM'000	2019 (Restated) RM'000
Aspion Sdn. Bhd.	933,954	933,954
Eastern Press Sdn. Bhd.	21,597	21,597
B Tech Industry Co. Ltd.	14,789	14,789
GMP Medicare Sdn. Bhd.	5,070	5,070
Top Glove Medical (Thailand) Co. Ltd.	2,946	2,946
Duramedical Sdn. Bhd.	2,335	2,335
	980,691	980,691

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**24. Intangible assets (cont'd)**
**Key assumptions used in value-in-use calculations**

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five years period.

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

- (i) Growth rate for the 5 years projection is determined based on the management's estimate on the industry trends and past performances of the segments, thereafter terminal growth rate is assumed to be 0% (2019: 0% to 2.5%).
- (ii) A post-tax discount rate of 10.00% (2019: 9.50%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on a weighted average cost of capital of the Company.

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

**Sensitivity to changes in key assumptions**

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

Increase in discount rate 20%

**25. Inventories**

	Group	
	2020 RM'000	2019 RM'000
<b>Cost</b>		
Raw materials	130,605	158,104
Consumables and hardware	6,610	42,557
Work-in-progress	83,692	132,666
Finished goods	301,551	283,130
	522,458	616,457
<b>Net realisable value</b>		
Raw materials	214	3,360
Work-in-progress	6,746	4,727
Finished goods	1,311	5,352
	530,729	629,896

During the year, the amount of inventories recognised as an expense of the Group amounted to RM4,387 million (2019: RM3,917 million).

**26. Trade and other receivables**

	Group		
	2020 RM'000	2019 (Restated) RM'000	2018 (Restated) RM'000
<b>Trade receivables</b>			
Third parties	772,250	565,579	621,765
Less: Allowance for expected credit loss	(1,146)	(2,809)	(3,707)
Trade receivables, net	771,104	562,770	618,058
<b>Other receivables</b>			
Sundry receivables (Note 52)	19,440	255,842	250,695
Refundable deposits	8,261	14,011	8,962
	27,701	269,853	259,657
<b>Total trade and other receivables</b>	798,805	832,623	877,715
Total trade and other receivables	798,805	832,623	877,715
Add: Cash and bank balances (Note 29)	1,208,559	165,782	165,197
Financial assets at amortised cost	2,007,364	998,405	1,042,912

	Company	
	2020 RM'000	2019 RM'000
<b>Other receivables</b>		
Amounts due from subsidiaries	605,844	4,705
Sundry receivables	-	19
<b>Total other receivables</b>	605,844	4,724
Total other receivables	605,844	4,724
Add: Cash and bank balances (Note 29)	257,481	74
Financial assets at amortised cost	863,325	4,798

**(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 30 to 90 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

**Ageing analysis of trade receivables**

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2020 RM'000	2019 RM'000
Neither past due nor impaired	597,534	509,593
1 to 30 days past due not impaired	165,854	42,168
31 to 60 days past due not impaired	7,053	3,474
61 to 90 days past due not impaired	208	2,237
91 to 120 days past due not impaired	85	104
More than 121 days past due not impaired	370	5,194
	173,570	53,177
Impaired	1,146	2,809
	772,250	565,579

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**26. Trade and other receivables (cont'd)**
**(a) Trade receivables (cont'd)**
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 and are mostly regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM173,570,000 (2019: RM53,177,000) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2020 RM'000	2019 RM'000
Trade receivables-nominal amounts	1,146	2,809
Less: Allowance for expected credit loss	(1,146)	(2,809)
	-	-

Movements in the allowance accounts:

	Group	
	2020 RM'000	2019 RM'000
1 September 2019/2018	2,809	3,707
Allowance for expected credit loss during the year	272	453
Reversal of allowance for expected credit loss during the year	(499)	(1,351)
Written off	(1,184)	-
Exchange differences	(252)	-
31 August	1,146	2,809

Trade receivables that are individually determined to be impaired at the reporting date relate to a debtor that is in significant financial difficulty and has defaulted on payment. This receivable is not secured by any collateral or credit enhancements.

**(b) Related party balances**

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable on demand except for an amount of RM605,640,740 (2019: RM2,085,209) which bears interest ranging from 2.6% to 4% (2019: 4%) per annum.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**27. Other current assets**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Prepaid operating expenses	34,337	35,249	11	2,614
Goods and service tax refundable	14,526	18,435	-	-
Advances to suppliers for raw materials	7,439	7,769	-	-
Advances to suppliers for property, plant and equipment	18,582	2,058	-	-
	74,884	63,511	11	2,614

**28. Derivative financial instruments**

	Group			
	2020 RM'000		2019 RM'000	
	Contract/ Notional Amount	Fair value Assets	Contract/ Notional Amount	Fair value Liabilities
Forward currency contracts	269,247	45	440,572	(1,653)

At 31 August 2020, 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 used to hedge the Group's sales are denominated in USD and EUR for which firm commitments existed at the reporting date, extending November 2020 (2019 : January 2020).

During the financial year, the Group recognised a gain of RM1,703,000 (2019: loss of RM811,000) in the profit or loss arising from changes in the fair value of the forward currency contracts.

**29. Cash and bank balances**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash on hand and at banks	1,090,505	145,412	257,481	74
Deposits with licensed banks and other financial institutions	118,054	20,370	-	-
Cash and bank balances	1,208,559	165,782	257,481	74
Less:				
Deposits pledged with banks with maturity of more than 3 months	(2,883)	(5,355)	-	-
Monies held in debt service reserve account for credit facility	(729)	(712)	-	-
Cash and cash equivalents	1,204,947	159,715	257,481	74

Deposits with licensed banks and other financial institutions of the Group amounting to RM2,883,000 (2019: RM5,355,000) are pledged to banks for banking facilities granted to the Group.

Included in cash and bank balances is an amount of RM729,000 (2019: RM712,000) pledged to a financial institution for credit facility granted to the Group; hence are not available for general use.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**29. Cash and bank balances (cont'd)**

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

	Group	
	2020	2019
Weighted average effective interest rates (%)	0.24	0.88
Maturity days	21 days to 518 days	7 days to 365 days

**30. Loans and borrowings**

	Maturity	Group	
		2020 RM'000	2019 RM'000
<b>Current</b>			
<i>Secured:</i>			
USD Revolving credit	2019	-	11,428
Hire purchase payables (Note 41(c))	2020	-	432
RM Term loan	2021/2020	2,041	1,915
		2,041	13,775
<i>Unsecured:</i>			
USD Syndicated term loan	2020	-	130,882
Less: Unamortised transaction cost	2020	-	(1,168)
		-	129,714
RM Trade loan financing	2019	-	6,085
USD Revolving credit	2019	-	499,785
EUR Revolving credit	2020/2019	176,878	160,047
JPY Revolving credit	2020/2019	91,430	92,812
RM Revolving credit	2020/2019	1,900	49,800
Thai Baht Promissory notes	2020/2019	37,974	71,075
RM Bankers' acceptances	2019	-	14,307
RM Term loan	2021/2020	3,976	3,925
		312,158	1,027,550
Total current loans and borrowings		314,199	1,041,325
<b>Non-current</b>			
<i>Secured:</i>			
Hire purchase payables (Note 41(c))	2021-2022	-	205
RM Term loan	2023	4,220	6,624
		4,220	6,829

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**30. Loans and borrowings (cont'd)**

	Maturity	Group	
		2020 RM'000	2019 RM'000
<i>Unsecured:</i>			
USD Syndicated term loan	2023	-	523,528
Less: Unamortised transaction cost	2023	-	(2,833)
		-	520,695
RM Term loan	2023-2025	8,034	11,989
EUR Term loan	2025	64,606	-
USD Term loan	2025	30,891	-
THB Term loan	2025	9,026	-
USD Exchangeable bonds	2024	109,563	839,856
		222,120	1,372,540
Total non-current loans and borrowings		226,340	1,379,369
Total loans and borrowings		540,539	2,420,694

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

	Group	
	2020 %	2019 %
Promissory notes	1.1% to 2.0%	1.9% to 2.2%
Revolving credit	0.3% to 3.9%	0.3% to 4.7%
Term loan	0.9% to 4.4%	4.4% to 4.9%
Exchangeable bonds	3.8%	4.2%
Bankers' acceptances	Nil	3.7% to 4.8%
Hire purchase payables	Nil	4.0% to 5.3%
Trade loan financing	Nil	3.7% to 4.6%
Syndicated term loan	Nil	3.5%

The remaining maturities of the loans and borrowings as at 31 August 2020 and 2019 are as follows:

	Group	
	2020 RM'000	2019 RM'000
On demand or within one year	314,199	1,041,325
More than 1 year and less than 2 years	134,154	135,899
More than 2 years and less than 5 years	89,633	1,240,702
More than 5 years	2,553	2,768
	540,539	2,420,694

- (a) The RM term loan of the Group is secured by monies held in debt service reserve account of the Group with a financial institution as disclosed in Note 29. In prior financial year, the USD revolving credit of the Group was secured by investment in debt securities of the Group as disclosed in Note 23.



## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 30. Loans and borrowings (cont'd)

- (b) On 1 March 2019, one of the subsidiaries, Top Glove Labuan Ltd. issued USD200 million (approximately RM814.40 million) in aggregate principal amount of 2.0% Guaranteed Exchangeable Bonds which is due in 2024 (the "Bonds").

During the financial year, the principal amount of USD174,354,000 exchangeable bonds are converted into 116,339,801 ordinary shares of Top Glove Corporation Bhd. at the option of the bondholders.

The weighted average effective interest rates at the reporting date for exchangeable bonds is 3.8% per annum (2019: 4.2% per annum).

Each bond entitles its registered holder to exchange for fully paid ordinary shares of Top Glove Corporation Bhd., at an adjusted exchange price of RM6.10 per share at a fixed exchange rate of USD1.00 = RM4.0703. The exchange price is subject to adjustments in accordance with the terms and conditions of the Bonds as set out in the offering circular dated 20 February 2019.

The net proceeds from the issue of the Bonds were utilised to refinance the existing debt of the related companies and payment of fees and expenses relating to the Bonds issue.

The principal features of the Bonds which mature on 1 March 2024 ("maturity date") are as follows:

- (i) The Bonds bear interest at the rate of 2.0% calculated semi-annually and payable on 1 March and 1 September each year.
- (ii) The Bonds are unconditionally and irrevocably guaranteed by Top Glove Corporation Bhd. and are subject to negative pledge.
- (iii) Redemption price at maturity is 109.53%. The redemption price was determined based on the issue price, coupon rate and yield of the Bonds.
- (iv) Early redemption amount  
An amount which, for each USD1,000 principal amount of such Bonds, together with accrued but unpaid interest from the immediately preceding interest payment date and after taking into account any interest paid in respect of the Bonds in the preceding periods, represents for the bondholder on the relevant date a gross yield of 3.75% per annum calculated on a semi-annual basis.
- (v) Redemption at the option of issuer  
At any time on or after 16 March 2022, but not less than seven business days prior to the Maturity Date, in whole but not in part, at the Early Redemption Amount together with accrued but unpaid interest if the closing price of Top Glove Corporation Bhd.'s shares on Bursa Malaysia Securities Berhad for each of 20 consecutive trading days in any 30 consecutive trading day period, the last of which occurs not more than 5 trading days prior to the date upon which notice of such redemption was given, is at least 130% of the applicable Early Redemption Amount divided by the Exchange Ratio, in effect on such trading day.

At any time, in whole but not in part, at the Early Redemption Amount together with accrued but unpaid interest in the event the principal amount of the Bonds outstanding is 10% or less of the aggregate principal amount originally issued.

- (vi) Redemption at the option of bondholders  
Upon the occurrence of the following events, the bondholders may be entitled to exercise a right prior to the maturity date to require the Issuer to redeem all or part of the Bonds in cash:
- (a) On 1 March 2022, in whole or in part, at 105.50% of their principal amount together with accrued but unpaid interest.
- (b) Following the occurrence of a change of control, the bondholders will have the right at such holder's option, to require the Issuer to redeem in whole but not in part such holders' Bonds at their early redemption amount, together with accrued but unpaid interest.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 30. Loans and borrowings (cont'd)

- (b) The principal features of the Bonds which mature on 1 March 2024 ("maturity date") are as follows (cont'd):

(vi) Redemption at the option of bondholders (cont'd)

- (c) In the event the Top Glove Corporation Bhd.'s shares cease to be listed or admitted to trading on Bursa Malaysia Securities Berhad and are not listed on an Alternative Stock Exchange or, if applicable, cease to be listed or admitted to trading on an Alternative Stock Exchange, or are suspended for a period equal to or exceeding 45 consecutive days on Bursa Malaysia Securities Berhad or an Alternative Stock Exchange, as the case may be, each bondholder shall have the right at such bondholders' option to require the Issuer to redeem all (but not less than all) of such bondholders' Bonds at their early redemption amount, together with accrued but unpaid interest.

(vii) Final redemption

All Bonds which are not redeemed, exchanged, or purchased and cancelled in the manner allowed pursuant to the terms and conditions of the Bonds shall be redeemed in cash by the Issuer on 1 March 2024 at the redemption price together with accrued but unpaid interest.

### 31. Trade and other payables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Trade payables</b>	357,057	280,858	-	-
<b>Other payables</b>				
Accrued operating expenses	273,206	79,156	2,091	1,460
Sundry payables	180,561	132,400	480	82
	453,767	211,556	2,571	1,542
<b>Total trade and other payables</b>	810,824	492,414	2,571	1,542
Total trade and other payables	810,824	492,414	2,571	1,542
Add: Loans and borrowings (Note 30)	540,539	2,420,694	-	-
Total financial liabilities carried at amortised cost	1,351,363	2,913,108	2,571	1,542

(a) **Trade payables**

These amounts are non-interest bearing. The normal trade credit term granted to the Group ranges from 30 to 90 days (2019: ranges from 30 to 90 days).

(b) **Other payables**

These amounts are non-interest bearing. Other payables are normally settled on an average term of 30 to 90 days (2019: range from 30 to 90 days).

Included in accrued operating expenses are remediation costs amounting to RM131,391,000 (2019: nil) for recruitment fees previously paid by the migrant workers to the agents or other parties in respect of detailed information is disclosed in Note 50(b).

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**32. Contract liabilities**

These amounts represent advances received from customers for goods purchased.

Set out below is the amount of revenue recognised from:

	Group	
	2020 RM'000	2019 RM'000
Amounts included in contract liabilities at the beginning of the year	55,610	59,248

**33. Lease liabilities**
**Group as a lessee**

The Group and the Company have lease contracts for land, buildings, motor vehicles and equipments with lease terms between 2 to 47 years and include extension options.

The Group and the Company also have certain leases of hostels, photocopiers, ambulance and ATM with lease terms of 12 months or less or of low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

	Group RM'000	Company RM'000
<b>At 1 September 2019</b>	-	-
Effect of adoption of MFRS 16 (Note 5)	13,551	-
Addition	77	467
Accretion of interest	518	7
Payments	(2,248)	(36)
Exchange differences	(784)	-
<b>At 31 August 2020</b>	<b>11,114</b>	<b>438</b>
Repayable within 12 months	1,442	72
Repayable after 12 months	9,672	366
	11,114	438

The following are amounts recognised in profit or loss:

	Group 2020 RM'000	Company 2020 RM'000
Depreciation of right-of-use assets (Note 11)	4,361	33
Interest expense on lease liabilities	518	7
Expenses related to short-term, low-value and variable leases	6,267	51

The Group and the Company had total cash outflows for leases amounted to RM8,515,000 and RM87,000 respectively for the financial year ended 31 August 2020.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**34. Share capital**

	Group and Company			
	2020		2019	
	Number of shares '000	Monetary value RM'000	Number of shares '000	Monetary value RM'000
<b>Issued and fully paid</b>				
At 1 September 2019/2018	2,560,589	788,326	1,280,229	787,709
Conversion of exchangeable bonds to ordinary shares (Note 30)	116,340	709,673	-	-
Bonus Issue	-	-	1,280,229	-
Exercise of ESOS (Note 39(i))	31,896	167,230	131	662
Transfer from share option reserve	-	10,892	-	41
Transaction cost	-	(417)	-	(86)
<b>At 31 August</b>	<b>2,708,825</b>	<b>1,675,704</b>	<b>2,560,589</b>	<b>788,326</b>

During the financial year, the Company has converted 116,339,801 units of 5-year Guaranteed Exchangeable Bonds 2019/2024 (equivalent to RM709,673,000 based on the settlement rate of USD1.00:RM4.0703) into 116,339,801 new ordinary shares at the adjusted exchange price of RM6.10.

**35. 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 the Annual General Meeting held on 8 January 2020, renewed their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed in enhancing the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company transferred 114,000 treasury shares to eligible employees under employee share grant scheme at average market price of RM9.89 per share. The total transferred treasury shares net of transaction costs were RM1,128,000. The difference between the transferred treasury shares and the cost of the treasury shares amounted to RM866,000 was recognised in equity.

In previous financial year, the Company transferred 584,000 treasury shares to eligible employees under employee share grant scheme at average market price of RM4.65 per share. The total transferred treasury shares net of transaction costs were RM2,716,000. The difference between the transferred treasury shares and the cost of the treasury shares amounted to RM1,389,000 was recognised in equity.

Of the total 2,708,825,000 issued and fully paid ordinary shares as at 31 August 2020, 661,600 are held as treasury shares by the Company. As at 31 August 2020, the number of outstanding ordinary shares in issue and fully paid is therefore 2,708,163,400 ordinary shares.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

## 36. Other reserves

	Foreign exchange reserve RM'000	Legal reserve RM'000	Share option reserve RM'000	Cash flow hedge reserve RM'000	Fair value adjustment reserve RM'000	Others reserve RM'000	Total RM'000
<b>Group</b>							
<b>At 1 September 2018</b>	35,339	9,164	1,929	(41,504)	(1,163)	2,898	6,663
Other comprehensive income/(loss)	16,306	-	-	(38,787)	3,247	-	(19,234)
Share options granted under ESOS	-	-	7,197	-	-	-	7,197
Transfer from share option reserve	-	-	(131)	-	-	-	(131)
Transfer from retained earnings	-	-	-	-	-	1,595	1,595
Transfer to legal reserve	-	924	-	-	-	-	924
Equity component of exchangeable bonds	-	-	-	-	-	1,433	1,433
<b>At 31 August 2019</b>	51,645	10,088	8,995	(80,291)	2,084	5,926	(1,553)
<b>At 1 September 2019</b>	51,645	10,088	8,995	(80,291)	2,084	5,926	(1,553)
Effect of adoption of MFRS 16 (Note 5)	(17)	-	-	-	-	-	(17)
<b>Adjusted balance at 1 September 2019</b>	51,628	10,088	8,995	(80,291)	2,084	5,926	(1,570)
Other comprehensive (loss)/income	(7,079)	-	-	77,601	(2,084)	-	68,438
Share options granted under ESOS	-	-	7,404	-	-	-	7,404
Transfer from share option reserve	-	-	(11,080)	-	-	-	(11,080)
Transfer from retained earnings	-	-	-	-	-	1,848	1,848
<b>At 31 August 2020</b>	44,549	10,088	5,319	(2,690)	-	7,774	65,040

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

## 36. Other reserves (cont'd)

	Share option reserve RM'000
<b>Company</b>	
<b>At 31 August 2018/1 September 2018</b>	1,929
Share options granted under ESOS	7,197
Transfer from share option reserve	(131)
<b>At 31 August 2019/1 September 2019</b>	8,995
Share options granted under ESOS	7,404
Transfer from share option reserve	(11,080)
<b>At 31 August 2020</b>	5,319

**(a) Foreign exchange reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

**(b) Legal reserve**

This represents a general reserve provided for in respect of subsidiaries incorporated in the People's Republic of China and Thailand.

Under the Wholly Foreign Owned Enterprise ("WFOE") Law in the People's Republic of China, at least 10% of the net profit after taxation in each financial year must be credited to this reserve, until it reaches 50% of the registered paid up capital of the subsidiary.

Under the Civil and Commercial Code in Thailand, a company is required to set aside a statutory reserve equal to at least 5% of its net profit each time when the company pays out a dividend, until it reaches 10% of the registered share capital of the company.

**(c) Share option reserve**

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

**(d) Fair value adjustment reserve**

Fair value adjustment reserve represents the differences arising from the conversion of bond reserves to fair value through OCI.

**(e) Cash flow hedge reserve**

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

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 37. Perpetual Sukuk

	Group 2020 RM'000
Issuance nominal value	1,300,000
Less: Transaction cost	(4,738)
Net nominal value	1,295,262

On 22 January 2020, the Company's wholly owned subsidiary, TG Excellence Berhad ("TGE") lodged the Perpetual Sukuk Programme with the Securities Commission Malaysia ("SC"). The Perpetual Sukuk Programme, under the Shariah principle of Wakalah Bi Al-Istithmar, is guaranteed by the Company via a subordinated guarantee. The Perpetual Sukuk Programme provides TGE with the flexibility to issue unsecured and subordinated Perpetual Sukuk from time to time, subject to the aggregate outstanding nominal amount not exceeding RM3.0 billion at any point in time.

On 27 February 2020, TGE completed the first issuance with a nominal value of RM1.3 billion under the Perpetual Sukuk Programme. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 5 years with an initial periodic distribution rate of 3.95% per annum.

The proceeds raised from the issuance of the Perpetual Sukuk are allowed to be utilised by the Group to refinance the existing financing and debt obligations, repayment of intercompany borrowings, capital expenditure, working capital requirements and general corporate purposes. All utilisation of proceeds shall be Shariah-compliant.

Under the Perpetual Sukuk Programme, TGE may, at its sole discretion, redeem the Perpetual Sukuk pursuant to certain redemption events.

There are no events of default or dissolution events which will entitle the sukuk holders to declare any or all amounts under the Perpetual Sukuk Programme to be immediately due and payable, save for certain enforcement events, as described below.

The Perpetual Sukuk Programme has been accorded an indicative credit rating of AA-IS (cg) by Malaysian Rating Corporation Berhad.

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk shall constitute direct, unsecured, unconditional and subordinated obligations of TGE and shall at all times rank (i) below all present and future creditors of TGE; (ii) pari passu with any instrument issued or guaranteed by TGE that ranks pari passu with the Perpetual Sukuk; and (iii) ahead of any class of TGE's share capital, including without limitation, any ordinary shares.
- (b) Being perpetual in nature, TGE has a call option to redeem the Perpetual Sukuk under the following circumstances:
  - (i) Optional redemption at the first call date of the Perpetual Sukuk and on each periodic distribution date of the expected distribution amount thereafter.
  - (ii) Accounting event - change in accounting standards resulting in Perpetual Sukuk no longer being recognised as an equity instrument.
  - (iii) Tax event - if the expected periodic distribution of the profit would not be fully tax deductible or TGE become obligated to pay additional tax due to changes in tax laws or regulations.
  - (iv) Rating event - change in rating methodology by the rating agency that results in a lower equity credit for the relevant tranche of the Perpetual Sukuk.
- (c) The initial periodic distribution rate is 3.95% per annum, subject to reset at every 5 years at the prevailing 5 years Malaysian Government Securities rate, initial credit spread of 1.209% and stepped up margin of 1.000%.

### 37. Perpetual Sukuk (cont'd)

The salient features of the Perpetual Sukuk are as follows (cont'd):

- (d) The periodic distribution amount is payable five years from the issue date of the respective tranche and every five years thereafter.
- (e) TGE may, at its sole discretion, opt to (i) defer the periodic distribution or (ii) further defer any outstanding arrears of deferred periodic distribution, provided that it has not during the last six months declared or paid any dividend or payment or other distributions in respect of or redeem or repurchase its ordinary shares or any other securities of TGE ranking junior to or pari passu with the Perpetual Sukuk. The deferred periodic distribution, if any, will be cumulative and will not earn additional profits (i.e. there will be no compounding of the periodic distribution being deferred). There is no limit as to the number of times the expected periodic amount and the arrears of deferred periodic distribution can be deferred.
- (f) Notwithstanding the optional deferral stipulated in (e) above, all outstanding arrears of deferred periodic distribution shall be due and payable within fifteen days from the date TGE declared or paid any dividend or payment or other distributions in respect of or redeem or repurchase its ordinary shares or any other securities of TGE ranking junior to or pari passu with the Perpetual Sukuk.

### 38. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 August 2020 and 2019 under the single tier system.

### 39. Share based payments

#### (i) Employee share options scheme ("ESOS")

The Company's ESOS is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 9 January 2018 and became effective on 2 August 2018.

The main features of the ESOS are as follows:

- (a) The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.
- (b) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group. The eligibility for participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.
- (c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid up share capital of the Company at any point of time during the tenure of the ESOS.
- (d) The option price for each share shall be the 5-days weighted average market price of the underlying shares before the ESOS Options are granted, with either a premium or a discount of not more than ten percent (10%).
- (e) No option shall be granted for less than 100 shares to any eligible employee.
- (f) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the vest date but before the expiry on 31 May 2028.
- (g) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respect with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.
- (h) No eligible person shall participate at any time in more than one share option scheme implemented by any company within the Group unless otherwise approved by the Options Committee.
- (i) The options shall not carry any right to vote at a general meeting of the Company.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**39. Share based payments (cont'd)**
**(i) Employee share options scheme ("ESOS") (cont'd)**

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

Grant date	Expiry date	Exercise price RM	← Number of share options over the ordinary shares →				As at 31.8.2020 '000
			As at 1.9.2019 '000	Granted '000	Exercised '000	Lapsed '000	
<b>2020</b>							
2.8.2018	31.5.2028	5.06	5,986.3	-	(4,218.0)	(150.5)	1,617.8
1.2.2019	31.5.2028	4.90	14,246.6	-	(9,916.3)	(269.0)	4,061.3
18.2.2019	31.5.2028	4.90	261.8	-	(106.7)	-	155.1
30.7.2019	31.5.2028	4.63	10,978.9	-	(9,231.5)	(211.1)	1,536.3
20.1.2020	31.5.2028	4.72	-	8,225.9	(5,628.7)	-	2,597.2
24.1.2020	31.5.2028	4.76	-	90.1	(90.1)	-	-
20.5.2020	31.5.2028	9.89	-	5,120.6	(2,604.8)	(8.2)	2,507.6
1.6.2020	31.5.2028	12.75	-	162.8	(100.0)	-	62.8
			31,473.6	13,599.4	(31,896.1)	(638.8)	12,538.1

Grant Date	Expiry Date	Exercise Price RM	← Number of share options over the ordinary shares →				Balance prior to adjustment for bonus issue* '000
			As at 1.9.2018 '000	Granted '000	Exercised '000	Lapsed '000	
<b>2019</b>							
2.8.2018	31.5.2028	10.12	3,161.9	-	-	-	3,161.9

Grant date	Expiry date	Exercise price RM	← Number of share options over the ordinary shares →				As at 31.8.2019 '000
			Balance after adjustment for bonus issue* '000	Granted '000	Exercised '000	Lapsed '000	
<b>2019</b>							
2.8.2018	31.5.2028	5.06	6,323.8	-	(125.1)	(212.4)	5,986.3
1.2.2019	31.5.2028	4.90	-	14,329.3	(6.0)	(76.7)	14,246.6
18.2.2019	31.5.2028	4.90	-	261.8	-	-	261.8
30.7.2019	31.5.2028	4.63	-	10,978.9	-	-	10,978.9
			6,323.8	25,570.0	(131.1)	(289.1)	31,473.6

\* Bonus issue for one for one existing ordinary share

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**39. Share based payments (cont'd)**
**(i) Employee share options scheme ("ESOS") (cont'd)**

Details of share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

Exercise Date	Exercise price RM	Fair value of ordinary shares RM	Number of share options '000	Considerations received RM'000
<b>2020</b>				
September 2019 - August 2020	5.06	4.25 - 28.40	4,218.0	21,343.1
September 2019 - August 2020	4.90	4.25 - 28.40	9,916.3	48,589.9
September 2019 - August 2020	4.90	4.25 - 28.40	106.7	522.8
September 2019 - August 2020	4.63	4.25 - 28.40	9,231.5	42,741.8
September 2019 - August 2020	4.72	4.25 - 28.40	5,628.7	26,567.5
September 2019 - August 2020	4.76	4.25 - 28.40	90.1	428.9
September 2019 - August 2020	9.89	4.25 - 28.40	2,604.8	25,761.4
September 2019 - August 2020	12.75	4.25 - 28.40	100.0	1,275.0
			31,896.1	167,230.4

**2019**
**After bonus issue**

September 2018 - August 2019	5.06	4.30 - 6.20	125.1	633.0
September 2018 - August 2019	4.90	4.30 - 6.20	6.0	29.4
			131.1	662.4

**Fair value of share options**

The fair value of share options granted during the year were estimated by using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are used as follows:

Fair value of share options at the following grant dates (RM):

20 January 2020	0.30
24 January 2020	0.30
20 May 2020	0.91
1 June 2020	1.53
Weighted average share price (RM)	4.82 - 13.72
Weighted average exercise price (RM)	4.72 - 12.75
Expected volatility (%)	29.64 - 31.89
Expected life (years)	8.00 - 8.37
Risk free interest rate (%)	2.62 - 3.28
Expected dividend yield (%)	1.35 - 2.02

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**39. Share based payments (cont'd)**
**(ii) Employee share grant plan ("ESGP")**

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

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

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

The main features of the ESGP are as follows:

- The aggregate number of shares of the Company which may be awarded under the ESGP and any other schemes involving issuance of new shares of the Company to employees which are still subsisting shall not exceed 10% of the issued and paid-up share capital of the Company ("Plan Size").
- Eligible persons are any employee or executive director of the Group (excluding dormant subsidiaries) who fulfills the eligibility criteria. The eligibility for participation in the ESGP shall be at the discretion of the ESGP Committee appointed by the Board of Directors.
- The number of shares comprised in each ESGP Award shall be determined at the discretion of the ESGP Committee after taking into consideration, inter alia, the performance and seniority, years of service and potential for future development of the eligible employees and the employees' contribution to the Group as well as such other criteria as the ESGP Committee may deem relevant.
- The aggregate number of shares that may be allocated to any one participant shall not exceed 10% of the total number of shares to be awarded under the ESGP and any other schemes involving issuance of new shares of the Company which may be implemented from time to time by the Company.
- The aggregate maximum allocation to the directors and senior management of the Group (excluding dormant subsidiaries) shall not be more than 75% of the Company's shares awarded under the ESGP.
- The ESGP shall be in force for a period of ten years from the effective date of implementation which is the date the last of the requisite approvals and/or conditions have been obtained and/or complied with.
- The shares to be allotted and issued under the ESGP will, upon allotment and issue, rank pari passu in all respects with the existing shares of the Company, save and except that they will not be 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.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**40. Related party transactions**
**(a) Sales and purchase of goods**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms mutually agreed between the parties during the financial year:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Gross dividends from subsidiaries	-	-	1,630,710	215,590
Management fees from subsidiaries	-	-	5,904	5,374
Interest income from subsidiaries	-	-	5,567	21

**(b) Compensation of the key management personnel**

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Salaries and other emoluments	10,249	9,387	3,693	3,289
Pension costs - defined contribution plan	809	824	400	332
Social security contributions	14	13	1	1
Share options granted under ESOS	910	1,056	597	589
Shares granted under ESGP	1	145	-	98
Fees	569	413	520	366
Benefits-in-kind	261	199	77	60
	12,813	12,037	5,288	4,735

**41. Commitments**
**(a) Capital commitments**

	Group	
	2020 RM'000	2019 RM'000
<b>Property, plant and equipment:</b>		
Approved and contracted for	413,071	324,782

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**41. Commitments (cont'd)**
**(b) Operating lease arrangements**
**Group as lessor**

The Group has entered into non-cancellable operating lease agreements on its investment property and property, plant and equipment portfolio. These leases have remaining non-cancellable lease terms between less than 1 year to 2.5 years. Rental income earned from these investment property and property, plant and equipment during the financial year is disclosed in Note 10.

The future minimum lease payments receivables under non-cancellable operating leases contracted for as at the statement of financial position date but not recognised as receivables, are as follows:

	Group	
	2020 RM'000	2019 RM'000
Future minimum rentals receivables:		
Not later than 1 year	2,335	2,170
Later than 1 year and not later than 2 years	1,349	1,423
Later than 2 years and not later than 5 years	387	477
	4,071	4,070

**(c) Hire purchase payables**

	Group	
	2020 RM'000	2019 RM'000
<b>Minimum lease payments:</b>		
Not later than 1 year	-	443
Later than 1 year but not later than 2 years	-	176
Later than 2 years but not later than 5 years	-	33
Total minimum lease payments	-	652
Less: Amounts representing finance charges	-	(15)
Present value of minimum lease payments	-	637

	Group	
	2020 RM'000	2019 RM'000
<b>Present value of payments:</b>		
Not later than 1 year	-	432
Later than 1 year but not later than 2 years	-	172
Later than 2 years but not later than 5 years	-	33
Present value of minimum lease payments	-	637
Less: Amount due within 12 months (Note 30)	-	(432)
Amount due after 12 months (Note 30)	-	205

**42. Fair values**
**(i) Determination of fair value of financial instruments**

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	26
Loans and borrowings (current)	30
Loans and borrowings (non-current)	30
Trade and other payables	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Investment securities (current)

Fair value is determined directly by reference to their published market bid price at the reporting date.

Investment securities (non-current)

Fair value is determined based on directors' estimates using comparable market price of similar golf club memberships.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

Investment property

The fair value of the investment property was based on a valuation by an accredited independent qualified value as disclosed in Note 19.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**42. Fair values (cont'd)**
**(ii) Fair value hierarchy**

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

	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
<b>Group</b>				
<b>As at 31 August 2020</b>				
<b>Current</b>				
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss (Note 23)	1,674,631	-	-	1,674,631
Derivative financial instruments (Note 28)	-	45	-	45
<b>Non-current</b>				
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss (Note 23)	-	-	392	392
Investment property (Note 19)	-	-	163,900	163,900
Biological assets	-	-	28	28
<b>As at 31 August 2019</b>				
<b>Current</b>				
<b>Assets/(liabilities) measured at fair value</b>				
Financial assets at fair value through other comprehensive income (Note 23)	83,221	-	-	83,221
Financial assets at fair value through profit or loss (Note 23)	4,064	-	-	4,064
Derivative financial instruments (Note 28)	-	(1,653)	-	(1,653)
<b>Non-current</b>				
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss (Note 23)	-	-	392	392
Investment property (Note 19)	-	-	163,900	163,900

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**42. Fair values (cont'd)**
**(ii) Fair value hierarchy (cont'd)**

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

	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
<b>Company</b>				
<b>As at 31 August 2020</b>				
<b>Current</b>				
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss (Note 23)	709,075	-	-	709,075
<b>As at 31 August 2019</b>				
<b>Current</b>				
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss (Note 23)	1	-	-	1

During the reporting period ended 31 August 2020 and 2019, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

**43. Financial risk management objectives and policies**

The Group and the Company are exposed to a variety of financial risks, including market risk, credit risk, interest rate risk, liquidity risk and foreign currency 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 loans and borrowings, cash and short term deposits, debt securities, money market funds investments and derivative financial instruments.



**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**43. Financial risk management objectives and policies (cont'd)**
**(b) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including debt securities, money market funds investments, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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 26(a). Deposits with banks and other financial institutions, debt securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 26(a). An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 26(a).

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**43. Financial risk management objectives and policies (cont'd)**
**(c) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2020 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables, excluding bank guarantees	810,824	-	-	810,824
Loans and borrowings	316,115	233,038	2,879	552,032
Lease liabilities	1,873	5,750	9,360	16,983
<b>Total undiscounted financial liabilities</b>	<b>1,128,812</b>	<b>238,788</b>	<b>12,239</b>	<b>1,379,839</b>
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables, excluding bank guarantees	2,571	-	-	2,571
Lease liabilities	88	350	51	489
<b>Total undiscounted financial liabilities</b>	<b>2,659</b>	<b>350</b>	<b>51</b>	<b>3,060</b>
	← 2019 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables, excluding bank guarantees	492,414	-	-	492,414
Derivatives	1,653	-	-	1,653
Loans and borrowings	1,064,607	1,091,072	407,255	2,562,934
<b>Total undiscounted financial liabilities</b>	<b>1,558,674</b>	<b>1,091,072</b>	<b>407,255</b>	<b>3,057,001</b>

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**43. Financial risk management objectives and policies (cont'd)**
**(c) Liquidity risk (cont'd)**

Company	2019			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
<b>Financial liabilities</b>				
Trade and other payables, excluding bank guarantees	1,542	-	-	1,542
Total undiscounted financial liabilities	1,542	-	-	1,542

**(d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit before tax would have been RM423,000 (2019: RM1,569,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**(e) Market price risk**

The Group's quoted investment securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the market price risk through diversification and by placing limits on individual and total investment in investment securities. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all investment decisions.

The Group has an Investment Committee with the objectives of reviewing, advising and ensuring that the Group's investment in debt securities is consistent with the delegated authority limit approved by the Board; and cash invested is within the risk appetite of the Group. The Investment Committee established certain criteria for current and future investment in debt securities. Any investment differing from the criteria established will require the Investment Committee's approval. The Investment Committee also aims to establish an effective investment management framework for the Group.

At the reporting date, the exposure to quoted investment securities at fair value was disclosed in Note 23.

**43. Financial risk management objectives and policies (cont'd)**
**(e) Market price risk (cont'd)**
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 fair value through OCI at the reporting date:

Group		2020 RM'000	2019 RM'000
Debt investments	- strengthened 5% (2019: 5%)	-	4,161
	- weakened 5% (2019: 5%)	-	(4,161)

**(f) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures mainly arising from revenue that are denominated in a currency other than the respective functional currencies of the Group entities. These functional currencies are Malaysian Ringgit ("RM"), Thailand Baht ("Baht"), Chinese Renminbi ("RMB"), Australian Dollars ("AUD"), Euro and United States Dollars ("USD"). The foreign currencies in which these transactions are denominated are mainly USD, Euro and Japanese Yen ("JPY"). In addition, the Group has significant borrowings in USD, Euro and JPY (Note 30). Therefore, the Group is exposed to foreign currency risk. These exposures are managed, to the extent possible, by natural hedge that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional currency of Group companies	Net financial assets/(liabilities) held in non-functional currency			Total RM'000
	USD RM'000	Euro RM'000	JPY RM'000	
<b>At 31 August 2020:</b>				
Malaysian Ringgit	228,190	(178,316)	(91,611)	(41,737)
Thailand Baht	52,742	-	-	52,742
Chinese Renminbi	2,063	-	-	2,063
Australian Dollars	147	-	-	147
Euro	4,671	-	-	4,671
United States Dollars	-	(64,606)	-	(64,606)
	287,813	(242,922)	(91,611)	(46,720)

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**43. Financial risk management objectives and policies (cont'd)**
**(f) Foreign currency risk (cont'd)**

Functional currency of Group companies	Net financial (liabilities)/assets held in non-functional currency			
	USD RM'000	Euro RM'000	JPY RM'000	Total RM'000
<b>At 31 August 2019:</b>				
Malaysian Ringgit	(221,247)	(154,430)	(92,809)	(468,486)
Thailand Baht	20,892	(482)	-	20,410
Chinese Renminbi	7,908	-	-	7,908
Australian Dollars	24,853	788	-	25,641
Euro	1,240	-	-	1,240
	(166,354)	(154,124)	(92,809)	(413,287)

**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, Euro and JPY exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2020 RM'000	2019 RM'000
USD/RM	- strengthened 5% (2019: 5%)	11,410	(11,062)
	- weakened 5% (2019: 5%)	(11,410)	11,062
USD/Baht	- strengthened 5% (2019: 5%)	2,637	1,045
	- weakened 5% (2019: 5%)	(2,637)	(1,045)
USD/RMB	- strengthened 5% (2019: 5%)	103	395
	- weakened 5% (2019: 5%)	(103)	(395)
USD/AUD	- strengthened 5% (2019: 5%)	7	1,243
	- weakened 5% (2019: 5%)	(7)	(1,243)
USD/Euro	- strengthened 5% (2019: 5%)	234	62
	- weakened 5% (2019: 5%)	(234)	(62)
Euro/RM	- strengthened 5% (2019: 5%)	(8,916)	(7,722)
	- weakened 5% (2019: 5%)	8,916	7,722
Euro/Baht	- strengthened 5% (2019: 5%)	-	(24)
	- weakened 5% (2019: 5%)	-	24
Euro/AUD	- strengthened 5% (2019: 5%)	-	39
	- weakened 5% (2019: 5%)	-	(39)
Euro/USD	- strengthened 5% (2019: 5%)	(3,230)	-
	- weakened 5% (2019: 5%)	3,230	-
JPY/RM	- strengthened 5% (2019: 5%)	(4,581)	(4,640)
	- weakened 5% (2019: 5%)	4,581	4,640

**44. Financial instruments**
**Classification of financial instruments**

The principal accounting policies in Note 4.18 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	Fair value through OCI RM'000	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
<b>Group</b>				
<b>As at 31 August 2020</b>				
<b>Financial assets</b>				
Investment securities	-	1,675,023	-	1,675,023
Trade and other receivables	-	-	798,805	798,805
Derivative financial instruments	-	45	-	45
Cash and bank balances	-	-	1,208,559	1,208,559
<b>Total financial assets</b>	-	1,675,068	2,007,364	3,682,432
<b>Financial liabilities</b>				
Loans and borrowings	-	-	540,539	540,539
Lease liabilities	-	-	11,114	11,114
Trade and other payables	-	-	810,824	810,824
<b>Total financial liabilities</b>	-	-	1,362,477	1,362,477
<b>Group</b>				
<b>As at 31 August 2019</b>				
<b>Financial assets</b>				
Investment securities	83,221	4,456	-	87,677
Trade and other receivables	-	-	832,623	832,623
Cash and bank balances	-	-	165,782	165,782
<b>Total financial assets</b>	83,221	4,456	998,405	1,086,082
<b>Financial liabilities</b>				
Loans and borrowings	-	-	2,420,694	2,420,694
Trade and other payables	-	-	492,414	492,414
Derivative financial instruments	-	1,653	-	1,653
<b>Total financial liabilities</b>	-	1,653	2,913,108	2,914,761

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**44. Financial instruments (cont'd)**

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis (cont'd):

	Fair value through OCI RM'000	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
<b>Company</b>				
<b>As at 31 August 2020</b>				
<b>Financial assets</b>				
Investment securities	-	709,075	-	709,075
Trade and other receivables	-	-	605,844	605,844
Cash and bank balances	-	-	257,481	257,481
<b>Total financial assets</b>	-	<b>709,075</b>	<b>863,325</b>	<b>1,572,400</b>
<b>Financial liabilities</b>				
Lease liabilities	-	-	438	438
Trade and other payables	-	-	2,571	2,571
<b>Total financial liabilities</b>	-	-	<b>3,009</b>	<b>3,009</b>
<b>Company</b>				
<b>As at 31 August 2019</b>				
<b>Financial assets</b>				
Investment securities	-	1	-	1
Trade and other receivables	-	-	4,724	4,724
Cash and bank balances	-	-	74	74
<b>Total financial assets</b>	-	<b>1</b>	<b>4,798</b>	<b>4,799</b>
<b>Financial liabilities</b>				
Trade and other payables representing total financial liabilities	-	-	1,542	1,542

**45. Capital management**

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 August 2020 and 2019.

**45. Capital management (cont'd)**

As disclosed in Note 36(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 2020 and 2019.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, loans and borrowings, trade and other payables, contract liabilities, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve and the above-mentioned restricted statutory reserve fund.

	Note	Group 2020 RM'000	2019 RM'000	Company 2020 RM'000	2019 RM'000
Loans and borrowings	30	540,539	2,420,694	-	-
Trade and other payables	31	810,824	492,414	2,571	1,542
Contract liabilities	32	879,386	55,610	-	-
Less: Cash and cash equivalents	29	(1,204,947)	(159,715)	(257,481)	(74)
<b>Net debt</b>		<b>1,025,802</b>	<b>2,809,003</b>	<b>-</b>	<b>1,468</b>
Equity attributable to the owners of the parent		4,870,755	2,536,955	3,187,273	1,036,937
Less:					
- Fair value adjustment reserve	36	-	(2,084)	-	-
- Legal reserve	36	(10,088)	(10,088)	-	-
<b>Total equity</b>		<b>4,860,667</b>	<b>2,524,783</b>	<b>3,187,273</b>	<b>1,036,937</b>
<b>Capital and net debt</b>		<b>5,886,469</b>	<b>5,333,786</b>	<b>3,187,273</b>	<b>1,038,405</b>
<b>Gearing ratio</b>		<b>17.43%</b>	<b>52.66%</b>	<b>0.00%</b>	<b>0.14%</b>

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

**46. 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 an 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.

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**46. Segment information (cont'd)**

31 August 2020	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	The British Virgin Islands RM'000	Others RM'000	Eliminations RM'000	Note	Consolidated RM'000
<b>Revenue</b>								
External sales	6,223,145	540,005	127,500	-	346,777	-		7,237,427
Inter-segment sales	259,252	382,477	622	-	-	(642,351)	A	-
Total revenue	6,482,397	922,482	128,122	-	346,777	(642,351)		7,237,427
<b>Results</b>								
Interest income	104,570	262	505	1,030	509	(82,987)		23,889
Depreciation and amortisation	216,911	24,051	2,787	-	1,647	-		245,396
Segment profit/(loss)	1,920,336	199,619	40,280	3,241	37,902	(35,827)	B	2,165,551
<b>Assets</b>								
Additions to non-current assets*	627,709	113,012	3,229	-	72,042	-	C	815,992
Segment assets	6,585,924	541,836	177,081	147	358,643	1,042,333	D	8,705,964
<b>Liabilities</b>								
Segment liabilities	1,848,265	169,352	93,265	11	135,527	268,661	E	2,515,081
<b>Other segment information</b>								
Capital commitments	315,806	42,993	1,795	-	52,477	-		413,071

\* Other than financial instruments and deferred tax assets

31 August 2019 (Restated)	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	The British Virgin Islands RM'000	Others RM'000	Eliminations RM'000	Note	Consolidated RM'000
<b>Revenue</b>								
External sales	4,086,042	391,385	88,568	-	235,144	-		4,801,139
Inter-segment sales	104,060	330,734	1,963	-	-	(436,757)	A	-
Total revenue	4,190,102	722,119	90,531	-	235,144	(436,757)		4,801,139
<b>Results</b>								
Interest income	28,082	124	309	4,083	712	(22,699)		10,611
Depreciation and amortisation	170,429	20,039	3,355	-	1,092	-		194,915
Segment profit/(loss)	477,754	26,505	(3,954)	3,686	1,872	(82,275)	B	423,588

**Notes to the Financial Statements**

For the financial year ended 31 August 2020 (cont'd)

**46. Segment information (cont'd)**

31 August 2019 (Restated)	Malaysia RM'000	Thailand RM'000	The People's Republic of China RM'000	The British Virgin Islands RM'000	Others RM'000	Eliminations RM'000	Note	Consolidated RM'000
<b>Assets</b>								
Additions to non-current assets*	527,917	31,629	13,965	-	50,594	-	C	624,105
Segment assets	3,843,016	348,519	77,285	114,768	218,322	1,086,295	D	5,688,205
<b>Liabilities</b>								
Segment liabilities	2,817,242	119,005	13,945	11,438	11,931	160,503	E	3,134,064
<b>Other segment information</b>								
Capital commitments	239,385	22,486	2,673	-	60,238	-		324,782

\* Other than financial instruments and deferred tax assets

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated income statement.

	2020 RM'000	2019 RM'000
Share of results of an associate	(1,428)	(2,674)
Finance costs	(34,399)	(79,601)
	(35,827)	(82,275)

C Additions to non-current assets consist of:

	2020 RM'000	2019 RM'000
Property, plant and equipment	806,400	568,143
Land used rights	-	55,553
Right-of-use assets	9,532	-
Investment property	-	393
Intangible assets	32	16
Biological assets	28	-
	815,992	624,105

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 46. Segment information (cont'd)

D The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial position:

	2020	2019
	RM'000	(Restated) RM'000
Deferred tax assets (Note 22)	19,589	58,472
Investments in an associate (Note 21)	10,425	11,853
Intangible assets (Note 24)	1,012,319	1,015,970
	1,042,333	1,086,295

E The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	2020	2019
	RM'000	RM'000
Income tax payable	126,673	789
Deferred tax liabilities (Note 22)	141,988	159,714
	268,661	160,503

### 47. Dividends

	Group and Company	
	2020	2019
	RM'000	RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
- First tax exempt interim single tier dividend of 10 sen per share on 2,694,050,000 ordinary shares, and paid on 9 July 2020	269,411	-
- Final tax exempt single tier dividend of 4 sen per share on 2,559,814,000 ordinary shares, and paid on 23 December 2019	102,393	-
- First tax exempt interim single tier dividend of 3.5 sen per share on 2,559,230,000 ordinary shares, and paid on 16 July 2019	-	89,566
- Final tax exempt single tier dividend of 5 sen per share on 2,556,440,000 ordinary shares, and paid on 25 January 2019	-	127,827
	371,804	217,393

Dividends received by the ESGP Trusts amounting to nil (2019: RM120) for the Group is eliminated against the dividend expense of the Company upon consolidation of the ESGP Trusts as disclosed in Note 4.10(d).

### 48. Financial guarantees

A nominal amount of RM541 million (2019: RM2,420 million) relating to corporate guarantees has been provided by the Company to banks for its subsidiaries' loans and borrowings.

As at reporting date, no values are ascribed on these guarantees and letter of undertaking provided by the Company to secure banking facilities described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

### 49. Material litigation

In prior financial year, the Company and its wholly-owned subsidiary, Top Care Sdn. Bhd. ("Top Care") had taken the following legal proceedings:

- (i) Writ action in the Kuala Lumpur High Court, against Low Chin Guan, Wong Chin Toh, ACPL Sdn. Bhd. ("ACPL") and Kwek Siew Leng ("Kwek") (collectively, the "Defendants") ("Writ Action").
- (ii) Arbitration proceedings at the Singapore International Arbitration Centre, against Adventa Capital Pte. Ltd. ("Adventa Capital") ("Singapore Arbitration").

The Writ Action and the Singapore Arbitration pertained to the Sale and Purchase Agreement entered into by the Company and Top Care on 12 January 2018 for Top Care's purchase of all issued shares in Aspion Sdn. Bhd. ("Aspion") from Adventa Capital for RM1.37 billion ("the SPA").

On 2 March 2020, the Company and its subsidiaries, Top Care and Aspion; and Adventa Capital and the Defendants had resolved their disputes amicably and had entered into a Settlement Agreement to record the terms of the settlement ("Settlement Agreement") in relation to all the Legal Actions filed by the parties in respect of the purchase of Aspion by Top Care.

Among the terms of the Settlement Agreement, with no admission of liability by any party, Top Care had received a total of RM245 million as full and final settlement of the disputes, and all the relevant parties in the Legal Actions shall withdraw their respective claims with no liberty to file afresh and no order as to costs.

The settlement did not have any effect on the issued and paid-up share capital of the Company. The cash proceeds from the settlement were netted off against the cost of investment and the related goodwill were reduced accordingly. The proceeds had improved the current financial year cash position of the Company. This did not give rise to any impact to the statement of profit or loss.

Other than disclosed above, 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 are not aware 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 its subsidiaries.

### 50. Significant events

#### (a) Outbreak of Coronavirus ("Covid-19")

In March 2020, the World Health Organisation has officially announced the outbreak of Covid-19 as a global pandemic. In order to combat the spread of Covid-19, the government of Malaysia had declared a Movement Control Order ("MCO") which encompasses restriction of movement and closure of premises, except for those involved in essential services. During this period, the Group has been granted approval by the Malaysian Government to continue its operations as the Group is in the essential industry to ensure the continuous supply of gloves to the healthcare workers and frontliners globally.

The Covid-19 outbreak has seen an overwhelming demand for essential personal healthcare protective equipment. The surge in demand for rubber gloves has led to a higher sales volume for the Group in FY2020 as compared to FY2019. The Group expects the robust demand to continue into FY2021.

During this Covid-19 period, the Group has a series of preventive measurements in place to ensure the safety of employees. The Group is actively monitoring and managing its operations to minimise any potential business risk.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 50. Significant events (cont'd)

#### (b) U.S. Customs and Border Protection

On 15 July 2020, the U.S. Customs and Border Protection ("US CBP") has placed a Withhold Release Order ("WRO") on importing disposable rubber gloves manufactured by two subsidiaries of the Group, namely Top Glove Sdn. Bhd. and TG Medical Sdn. Bhd. to U.S. market. The action imposed by the US CBP was mainly due to issue in regards to the remediation of recruitment fees paid to agents by the foreign workers who joined the Group prior to January 2019 without the knowledge of the Group. The Group has established a Zero Recruitment Fee Policy since January 2019.

The Group has been in cordial and constructive engagement with the US CBP and appointed an independent consultant to advise on this matter. The independent audit entails virtual interviews of about 1,100 of the Group's migrant workers across various locations and also addresses the relevant areas of concern identified by the US CBP. On 4 September 2020, the Group has submitted the Independent Audit Report to the US CBP.

Following the completion of the independent consultant's verification work, an amount of RM136 million remediation payment was recommended by the independent consultant. The Group has started making the remediation payment to its migrant workers since August 2020 and has made a total of 3 payments to date, with the balance to be paid over the next 9 months.

The Group is following up closely with the US CBP with a view to an expeditious resolution to this matter and revocation of the WRO.

### 51. Subsequent events

- (a) On 18 August 2020, the Company obtained approval from its shareholders via an Extraordinary General Meeting in relation to the proposed bonus issue of up to 5,476,974,322 bonus shares on the basis of 2 bonus shares for every 1 existing Company's share held on 4 September 2020. On 7 September 2020, the Company announced that 5,418,718,116 bonus shares (including 1,323,200 treasury shares) were listed and quoted on the Main Market of Bursa Securities, marking the completion of the bonus issue.
- (b) A single tier final dividend in respect of the financial year ended 31 August 2020, of 8.5 sen per share on 8,130,820,000 ordinary shares amounting to RM691,120,000 had been declared on 23 September 2020. The final dividend will be paid on 3 November 2020. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 August 2021.

## Notes to the Financial Statements

For the financial year ended 31 August 2020 (cont'd)

### 52. Comparative figures

The comparative figures as at 31 August 2019 and 1 September 2018 have been adjusted retrospectively to reflect the effect of the settlement pertaining to the legal proceedings of the Company and its subsidiaries, Top Care Sdn. Bhd. and Aspion Sdn. Bhd. with Adventa Capital Pte. Ltd., ACPL Sdn. Bhd., Low Chin Guan, Wong Chin Toh and Kwek Siew Leng. The net settlement amounting to approximately RM240.4 million has been offset against the cost of investment in Top Care Sdn. Bhd.. Accordingly, the corresponding goodwill of the Group has been reduced.

Based on the above, the following comparative figures have been restated:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>Group</b>			
<b>Statements of financial position</b>			
<b>As at 31 August 2019</b>			
Intangible assets	1,256,376	(240,406)	1,015,970
Trade and other receivables	592,217	240,406	832,623
<b>As at 1 September 2018</b>			
Intangible assets	1,260,041	(240,406)	1,019,635
Trade and other receivables	637,309	240,406	877,715

### 53. Authorisation of financial statements for issue

The financial statements for the year ended 31 August 2020 were authorised for issue in accordance with a resolution of the directors on 3 November 2020.

## LIST OF PROPERTIES

AS AT 31 AUGUST 2020

## List of Properties

As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
<b>A) TOP GLOVE SDN. BHD.</b>								
1)	Lot 4968, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	EMR 6629, Lot 4968, Mukim Kapar, Daerah Klang, Selangor.	13/10/1993 (A)	26	Freehold	Factory/Glove manufacturing	3 acres/ 66,980 square feet	13,296
2)	No.23, Jalan Seri Kenangan 8, Taman Meru 3, Meru, 41050 Klang, Selangor.	HS (M) 10314, PT 15442, Mukim Kapar, Daerah Klang, Selangor.	23/05/1996 (A)	24	Freehold	Terrace house/ Accommodation for staff	1,608 square feet/ 1,350 square feet	65
3)	Lot 4908, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	EMR 6605, Lot 4908, Mukim Kapar, Daerah Klang, Selangor.	08/07/1997 (A)	23	Freehold	Terrace house/ Accommodation for worker	3 acres/ 54,140 square feet	1,759
4)	No.11, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15238, PT 8349, HS (M) 15238, PT 8445, Mukim Kapar, Daerah Klang, Selangor.	15/09/1997 (A)	22	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	84
5)	No.22, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15304, PT 8419, Mukim Kapar, Daerah Klang, Selangor.	15/09/1997 (A)	22	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	89
6)	No.18, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15256, PT 8368, Mukim Kapar, Daerah Klang, Selangor.	23/10/1997 (A)	22	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	89
7)	No.36, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15297, PT 8411, Mukim Kapar, Daerah Klang, Selangor.	13/02/1998 (A)	22	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	38
8)	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	Lot 18, 27, 38 & 57, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	22/11/1999 (A)	20	Leasehold (Expiring on: Lot 18 - 30.9.2072 Lot 27 - 28.12.2063 Lot 38 - 23.12.2069 Lot 57 - 1.10.2064)	Factory/Glove manufacturing	311,192 square feet/ 197,675 square feet	9,146
9)	Lot 5987, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	EMR 8780, Lot 5987, Mukim Kapar, Daerah Klang, Selangor.	11/07/2000 (A)	20	Freehold	Factory/Glove manufacturing	2.8 acres/ 57,250 square feet	4,975
10)	Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 2143, Lot 4969, Mukim Kapar, Daerah Klang, Selangor.	11/10/2000 (A)	19	Freehold	Factory/Office building	3 acres/ 41,274 square feet	7,437
11)	Lot 4960, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 2326, Lot 4960, Mukim Kapar, Daerah Klang, Selangor.	24/09/2003 (A)	16	Freehold	Factory/Glove manufacturing	3 acres/ 58,240 square feet	7,233
12)	Lot 4970, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 38148, PT Nos. 63271, Mukim Kapar, Daerah Klang, Selangor.	20/11/2003 (A)	16	Freehold	Factory/Glove manufacturing	3 acres/ 67,924 square feet	5,618

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
13)	Lot 4967, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	GM 5584, Lot 4967, Mukim Kapar, Daerah Klang, Selangor.	19/03/2004 (A)	16	Freehold	Factory/Glove manufacturing	3 acres/ 58,240 square feet	6,656
14)	Lot 4991, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 39325, PT 64593, Mukim Kapar, Daerah Klang, Selangor.	19/10/2004 (A)	15	Freehold	Factory/Glove manufacturing	4.3 acres	3,242
15)	Lot 4947, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 5101, Lot 4947, Mukim Kapar, Daerah Klang, Selangor.	23/11/2004 (A)	15	Freehold	Factory/Glove manufacturing	3 acres/ 58,240 square feet	9,984
16)	No.26, Jalan Abadi 10A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	HS (M) 26112, PT 39636, Mukim Kapar, Daerah Klang, Selangor.	21/03/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	110
17)	No.21, Jalan Mempari 11, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15324, PT 8441, HS (M) 15242, PT 8353, Mukim Kapar, Daerah Klang, Selangor.	12/05/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	91
18)	No.37, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 18522, PT 24689, Mukim Kapar, Daerah Klang, Selangor.	12/05/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	104
19)	No.21, Jalan Sesenduk 20, Off Taman Meru Jaya, 41050 Klang, Selangor.	GM 7798, Lot 37307, Mukim Kapar, Daerah Klang, Selangor.	13/05/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	111
20)	No.23, Jalan Sesenduk 20, Off Taman Meru Jaya, 41050 Klang, Selangor.	GM 7797, Lot 37306, Mukim Kapar, Daerah Klang, Selangor.	13/05/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	111
21)	No.27, Lorong Tempinis 1, Pekan Meru, 42200 Klang, Selangor.	HS (M) 3773, PT 1286 & HS (M) 3685, PT 1285, Mukim Kapar, Daerah Klang, Selangor.	25/05/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	90
22)	No.57, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7330, Lot 43375, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	111
23)	No.51, Jalan Sesenduk 5, Taman Meru Utama, 41050 Klang, Selangor.	GM 7327, Lot 43372, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	111
24)	No.67, Jalan Sesenduk 6, Taman Meru Utama, 41050 Klang, Selangor.	GM 7311, Lot 43353, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	104
25)	No.65, Jalan Sesenduk 6, Taman Meru Utama, 41050 Klang, Selangor.	GM 7310, Lot 43352, Mukim Kapar, Daerah Klang, Selangor.	19/07/2005 (A)	15	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	104



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As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
26)	Lot 4988, 5½ Miles, Sungai Binjai Road, 41050 Klang, Selangor.	GM 1584, Lot 4988, Mukim Kapar, Daerah Klang, Selangor.	10/10/2005 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/ 12,141 square meter	11,938
27)	Lot 4989, Jalan Dahlia/KU8, Kawasan Perindustrian Meru Timur, 41050 Klang, Selangor.	GM 703, Lot 4989, Mukim Kapar, Daerah Klang, Selangor.	10/10/2005 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/ 12,267 square meter	9,188
28)	No.41, Jalan Abadi 3, Taman Daya Meru, 41050 Klang, Selangor.	HS (M) 18218, PT 24467, Mukim Kapar, Daerah Klang, Selangor.	02/12/2005 (A)	14	Freehold	Terrace house/ Accommodation for staff	1,098 square feet	86
29)	Lot 4986, Batu 5, Jalan Sungai Binjai, Mukim Kapar, 41050 Klang, Selangor.	GM 1102, Lot 4986, Mukim Kapar, Daerah Klang, Selangor.	24/02/2006 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/12,141 square meter	7,793
30)	No.1, 3, 5 & 7, Jalan Abadi 1A/KU8, No.1 - 8, Jalan Abadi 1B/KU8, No.1, 3, 5 & 7, Jalan Abadi 1C/KU8, No.60, 62, 64, 66, 67, 69, 71, 73, 75 & 77, Jalan Abadi 4/KU8, No.49, 51, 53, 55, 57, 59, 62, 64, 66, 68, 70 & 72, Jalan Abadi 5/KU8, No.46, 48, 50, 52, 54 & 56, Jalan Abadi 6/KU8, Taman Daya Maju, 41050 Klang, Selangor.	HS (M) 10598 - 10601, PT 49525 - 49528, HS (M) 10605 - 28476, PT 40356 - 40363, HS (M) 28477 - 28480 & 28484, PT 40367 - 40370 & 40374, HS (M) 28481 - 28483, & 28486 - 28491, PT 40371 - 40373 & 40376 - 40381, HS (M) 28492 - 28497 & 28499 - 28504, PT 40382 - 40387 & 40389 - 40394, HS (M) 28505 - 28510, PT 40395 - 40400, Mukim Kapar, Daerah Klang, Selangor.	29/04/2006 (A)	14	Freehold	Terrace house/ Accommodation for staff	70,995 square feet	5,312
31)	Lot 4987, 5 <sup>th</sup> Miles, Sungai Binjai Road, Mukim Kapar, 41050 Klang, Selangor.	GM 2619, Lot 4987, Mukim Kapar, Daerah Klang, Selangor.	24/05/2006 (A)	14	Freehold	Factory/Glove manufacturing	3 acres/ 12,141 square meter	11,866
32)	Lot 4990, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 5116, Lot 4990, Mukim Kapar, Daerah Klang, Selangor.	05/03/2007 (A)	13	Freehold	Factory/Glove manufacturing	3 acres/ 12,267 square meter	8,599
33)	No.3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25 & 27, Taman Mutiara, Tasek, 31400 Ipoh, Perak.	Lot 375847 - 375859 Tasek Mutiara, 31400 Ipoh, Perak.	02/11/2007 (A)	12	Freehold	Terrace house/ Accommodation for worker	1,400 square feet/ 1,625 square feet	1,651
34)	Lot 4946, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 2574, Lot 4946, Mukim Kapar, Daerah Klang, Selangor.	14/01/2008 (A)	N/A	Freehold	Vacant	3 acres	2,718

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As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
35)	Lot 4949, Jalan Teratai, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	GM 1728, Lot 4949, Mukim Kapar, Daerah Klang, Selangor.	18/01/2008 (A)	N/A	Freehold	Parking Lot	3 acres	3,101
36)	Lot 4961, Tempat Batu 5, Jalan Binjai, 41050 Klang, Selangor.	GM 525, Lot 4961, Mukim Kapar, Daerah Klang, Selangor.	17/09/2008 (A)	11	Freehold	Factory/Glove manufacturing	3 acres	9,855
37)	Lot 5094, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4326, Lot 5094, Mukim Kapar, Daerah Klang, Selangor.	03/10/2008 (A)	N/A	Freehold	Vacant	3 acres 5 pole	2,532
38)	Lot 5977 & 5975, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4436 & 4437, Lot 5977 & 5975, Mukim Kapar, Daerah Klang, Selangor.	03/10/2008 (A)	N/A	Freehold	Vacant	1.794 & 0.068 acres	1,531
39)	Lot 4941, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2082, Lot 4941, Mukim Kapar, Daerah Klang, Selangor.	01/06/2009 (A)	N/A	Freehold	Vacant	3 acres	1,848
40)	Lot 5139, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5863, Lot 5139, Mukim Kapar, Daerah Klang, Selangor.	07/09/2009 (A)	N/A	Freehold	Vacant	4 acres 2 rood 25 pole	6,737
41)	Lot 5140, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 1657, Lot 5140, Mukim Kapar, Daerah Klang, Selangor.	30/11/2009 (A)	N/A	Freehold	Vacant	4 acres 3 rood	7,726
42)	No.7, Lorong Abadi 2, Batu 5½, Off Jalan Meru, Taman Daya Meru, 41050 Klang, Selangor.	GM 16575, Lot 31111, Batu 6, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	04/12/2009 (A)	10	Freehold	Terrace house/ Accommodation for staff	111 square meter	96
43)	No.69, Jalan Sesenduk 6, No.57, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	GM 7300, 7331, Lot 43342, 43376, Tempat Batu 5, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	25/01/2010 (A)	10	Freehold	Terrace house/ Accommodation for worker and staff	133 square meter & 193 square meter	275
44)	Lot 12, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	PN 1308, Lot 56530, Mukim Hulu Kinta, Daerah Kinta, Perak.	04/02/2010 (A)	10	Leasehold (Expiring on: 05.04.2066)	Factory/Office building	213,889 square feet/ 131,576 square feet	6,121
45)	No.8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 40, 42, 44 & 46, Jalan Sesenduk 21, Taman Meru Jaya, 41050 Klang, Selangor.	GM 7790, 7789, 7788, 7787, 7786, 7785, 7784, 7783, 7782, 7781, 7780, 7779, 7778, 7777, 7776, 7774, 7773, 7772, 7771, Lot 37299, 37298, 37297, 37296, 37295, 37294, 37293, 37292, 37291, 37290, 37289, 37288, 37287, 37286, 37285, 37283, 37282, 37281, 37280, Mukim Kapar, Daerah Klang, Selangor.	05/02/2010 (A)	10	Freehold	Terrace house/ Accommodation for staff	190 square meter/unit	2,949

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	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
46)	No.20, Jalan Sesenduk 19, Taman Meru Jaya, 41050 Klang, Selangor.	GM 7804, Lot 37313, Batu 6½, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	08/02/2010 (A)	10	Freehold	Terrace house/ Accommodation for staff	111 square meter	126
47)	No.31, Jalan Mempari 12, Taman Bayu, Batu 5, Jalan Meru, 41050 Klang, Selangor.	GM 14268, Lot 38295 & HS (M) 15348, PT 8466, Batu 6, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	11/03/2010 (A)	10	Freehold	Terrace house/ Accommodation for staff	121 square meter	92
48)	No.3, Jalan Sesenduk 3C, Taman Meru Utama 55, 41050 Klang, Selangor.	GM 15247, 15246, 15244, 15242, 15265, Lot 45023, 45022, 45020, 45018, 45041, Tempat Batu 5, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	21/04/2010 (A)	10	Freehold	Terrace house/ Accommodation for worker	No.9 - 21: 110 square meter/unit  No.3: 127 square meter/unit	119
49)	No.1, Jalan Sesenduk 3C, Taman Meru Utama 5, 41050 Klang, Selangor.	GM 15282, Lot 45058, Tempat Batu 5½, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	27/05/2010 (A)	10	Freehold	Terrace house/ Accommodation for worker	261 square meter	219
50)	Lot 4985, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2321, Lot 4985, Mukim Kapar, Daerah Klang, Selangor.	18/06/2010 (A)	3	Freehold	Factory/Glove manufacturing	3 acres	4,233
51)	No.25, Jalan Sesenduk 20, Taman Meru Jaya, 41050 Klang, Selangor.	GM 7799, Lot 37308, Mukim Kapar, Daerah Klang, Selangor.	31/07/2010 (A)	10	Freehold	Terrace house/ Accommodation for staff	121 square meter	129
52)	No.46, Jalan Sesenduk 7, Taman Meru Utama, Off Jalan Meru, 41050 Klang, Selangor.	GM 12533, Lot 33910, Mukim Kapar, Daerah Klang, Selangor.	31/07/2010 (A)	10	Freehold	Terrace house/ Accommodation for worker	121 square meter	125
53)	No.47, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	GM 7295, Lot 43337, Mukim Kapar, Daerah Klang, Selangor.	13/08/2010 (A)	10	Freehold	Terrace house/ Accommodation for worker	121 square meter	134
54)	No.22, Jalan Sesenduk 19, Taman Meru Utama, 41050 Klang, Selangor.	GM 7805, Lot 37314, Mukim Kapar, Daerah Klang, Selangor.	03/09/2010 (A)	9	Freehold	Terrace house/ Accommodation for staff	111 square meter	118
55)	Lot 5991, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5591, Lot 5991, Mukim Kapar, Daerah Klang, Selangor.	30/09/2010 (A)	1	Freehold	Warehouse F4A	2.8 acre/1.0787 acre	13,172
56)	No.55, Jalan Sesenduk 7, Taman Meru Utama, 41050 Klang, Selangor.	GM 7299, Lot 43341, Mukim Kapar, Daerah Klang, Selangor.	29/10/2010 (A)	9	Freehold	Terrace house/ Accommodation for staff	121 square meter	134
57)	No.15, Jalan Abadi 10B/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 8996, Lot 48112, Mukim Kapar, Daerah Klang, Selangor.	30/10/2010 (A)	9	Freehold	Terrace house/ Accommodation for staff	109 square meter	122
58)	Lot 4956, Tempat Batu 6, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2580, Lot 4956, Mukim Kapar, Daerah Klang, Selangor.	19/11/2010 (A)	3	Freehold	Terrace house/ Accommodation for worker	1.2141 hectares	17,022

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	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
59)	No.25, Jalan Mempari 9, Taman Bayu, 41050 Klang, Selangor.	GM 13014, Lot 307, Seksyen 1, 6 <sup>th</sup> Miles, Sungai Binjai Road, Pekan Meru, Daerah Klang, Selangor.	15/12/2010 (A)	9	Freehold	Terrace house/ Accommodation for staff	109 square meter	118
60)	No.22, Jalan Sesenduk 4, Taman Meru Utama, 41050 Klang, Selangor.	GM 13456, Lot 33926, Mukim Kapar, Daerah Klang, Selangor.	30/12/2010 (A)	9	Freehold	Terrace house/ Accommodation for staff	190 square meter	119
61)	No.26, Jalan Mempari 1, Taman Bayu, 41050 Klang, Selangor.	GM 8479, Lot 38225, Seksyen 1, Mukim Kapar, Daerah Klang, Selangor.	31/12/2010 (A)	9	Freehold	Terrace house/ Accommodation for staff	121 square meter	90
62)	HS (D) 129441, PT 62956, Jalan Bukit Kapar, 41050 Klang, Selangor.	HS (D) 129441, PT 62956, Mukim Kapar, Daerah Klang, Selangor.	28/02/2011 (A)	N/A	Freehold	Vacant	131,730 square meter	14,304
63)	No.30, Jalan Abadi 5, Taman Daya Maju, 41050 Klang, Selangor.	Lot 31191, Mukim Kapar, Daerah Klang, Selangor.	12/05/2011 (A)	9	Freehold	Terrace house/ Accommodation for staff	82 square meter	99
64)	Plot 7, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak.	HS (D) 889/68, Lot 927, Mukim Hulu Kinta, Daerah Kinta, Perak.	05/07/2011 (A)	9	Leasehold (Expiring on: 02.05.2067)	Factory/Glove manufacturing	80,937 square feet/ 48,352 square feet	13,499
65)	No.42, Jalan Mempari 10, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 14219, Lot 38256, Seksyen 1, Pekan Meru, Daerah Klang, Selangor.	07/09/2011 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	102
66)	No.60, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 14210, Lot 38247, Seksyen 1, Pekan Meru, Daerah Klang, Selangor.	01/11/2011 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	104
67)	No.58, Jalan Mempari 1, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 8463, Lot 38208, Seksyen 1, Pekan Meru, Daerah Klang, Selangor.	15/11/2011 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	96
68)	8-2, 8-3, 8-4, 8-5, Setia Avenue, Jalan Setia Prima (S), U13/5, Setia Alam, Seksyen U13, 40170, Shah Alam, Selangor.	GM 290749, Lot 59640, Mukim Bukit Raja, Daerah Petaling, Selangor.	01/02/2012 (A)	8	Freehold	Building	920.77 square meter	2,974
69)	No.64, Jalan Sesenduk 7, Off Jalan Meru, 41050 Klang, Selangor.	GM 7303, Lot 43345, Mukim Kapar, Daerah Klang, Selangor.	25/02/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	143
70)	No.21, Jalan Abadi 5, Taman Saujana Meru, 41050 Klang, Selangor.	GM 16595, Lot 31142, Mukim Kapar, Daerah Klang, Selangor.	21/03/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	121 square meter	80
71)	No.25, Jalan Abadi 10D/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 9497, Lot 48131, Mukim Kapar, Daerah Klang, Selangor.	22/06/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	145 square meter	154

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			DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
72)	No.47, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17487, Lot 59975, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
73)	No.43, Jalan Abadi 1A/KU8, Taman Daya Maju, Batu 6½, Off Jalan Meru, 41050 Klang, Selangor.	GM 17485, Lot 59973, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
74)	No.45, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17486, Lot 59974, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
75)	No.49, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17488, Lot 59976, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
76)	No.51, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17489, Lot 59977, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
77)	No.53, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17490, Lot 59978, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
78)	No.55, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17491, Lot 59979, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
79)	No.57, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17492, Lot 59980, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
80)	No.59, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17493, Lot 59981, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
81)	No.61, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17494, Lot 59982, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
82)	No.63, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17495, Lot 59983, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
83)	No.65, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17496, Lot 59984, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
84)	No.67, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17497, Lot 59985, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
85)	No.69, Jalan Abadi 1A/KU8, Taman Daya Maju, 41050 Klang, Selangor.	GM 17498, Lot 59986, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	140
86)	No.71, Jalan Abadi 1A/KU8, Taman Daya Maju, Batu 6½, 41050 Klang, Selangor.	GM 17499, Lot 59987, Mukim Kapar, Daerah Klang, Selangor.	19/07/2012 (A)	8	Freehold	Terrace house/ Accommodation for staff	130 square meter	144

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			DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
87)	No.24, Lorong Hamzah Alang 77B, Off Jalan Kapar Batu 9½, Taman Jaya, 42200 Kapar, Selangor.	HS (D) 35605, PT 19713, Mukim Kapar, Daerah Klang, Selangor.	28/09/2012 (A)	7	Freehold	Terrace house/ Accommodation for staff	120.75 square meter	99
88)	No.40, Jalan Mempari 10, Taman Bayu, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15228, PT 8339, Mukim Kapar, Daerah Klang, Selangor.	12/10/2012 (A)	7	Freehold	Terrace house/ Accommodation for staff	121 square meter	107
89)	No.6, Lorong Abadi 3, Pekan Meru, Taman Saujana Meru, 41050 Klang, Selangor.	HS (M) 20392, PT 25898, Mukim Kapar, Daerah Klang, Selangor.	30/10/2012 (A)	7	Freehold	Terrace house/ Accommodation for staff	111.483 square meter	107
90)	Lot 4982, 5 <sup>th</sup> Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4325, Lot 4982, Mukim Kapar, Daerah Klang, Selangor.	01/01/2013 (A)	1	Freehold	Factory / Glove manufacturing	1.2141 hectares	4,752
91)	Lot 4983, 5 <sup>th</sup> Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 593, Lot 4983, Mukim Kapar, Daerah Klang, Selangor.	01/01/2013 (A)	3	Freehold	Factory / Glove manufacturing	1.2141 hectares	20,430
92)	Lot 4984, 5 <sup>th</sup> Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2445, Lot 4984, Mukim Kapar, Daerah Klang, Selangor.	01/01/2013 (A)	3	Freehold	Factory / Glove manufacturing	1.2141 hectares	31,504
93)	No.28, Jalan Mempari 12, 5 <sup>th</sup> Miles, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15355, PT 8473, Mukim Kapar, Daerah Klang, Selangor.	04/02/2013 (A)	7	Freehold	Terrace house/ Accommodation for staff	105 square meter	90
94)	Lot 4981, 5 <sup>th</sup> Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5117, Lot 4981, Mukim Kapar, Daerah Klang, Selangor.	06/06/2013 (A)	1	Freehold	Factory / Glove manufacturing	1.2141 hectares	5,319
95)	Lot 5105, 4½ Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 5076, Lot 5105, Mukim Kapar, Daerah Klang, Selangor.	19/11/2013 (A)	1	Freehold	Warehouse	4,344 acres/ 1.7579 hectares	27,411
96)	No.29, Jalan Abadi 1, Taman Daya Meru, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 13955, Lot 31151, Mukim Kapar, Daerah Klang, Selangor.	05/12/2013 (A)	6	Freehold	Terrace house/ Accommodation for staff	139 square meter	124
97)	Lot 4953, 5 <sup>th</sup> Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 2645, Lot 4953, Mukim Kapar, Daerah Klang, Selangor.	27/02/2014 (A)	N/A	Freehold	Vacant	1.2141 hectares	9,362
98)	Lot 5136, 6 <sup>th</sup> Miles, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 3057, Lot 5136, Mukim Kapar, Daerah Klang, Selangor.	15/08/2014 (A)	N/A	Freehold	Vacant	1.8843 hectares	13,009
99)	Lot 5002, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 10245, Lot 5002, (Lot 23552), Mukim Kapar, Daerah Klang, Selangor.	29/09/2015 (A)	4	Freehold	Warehouse F1A	10,891 square meter	15,643
100)	Unit C-34-08, Phase 2D02, Trefoil, Level 34, Tower C, Seksyen U13, Jalan Setia Dagang, AH U13/AH, Setia Alam, 40170, Shah Alam, Selangor.	GRN 308223, Lot 61049, Daerah Petaling, Selangor.	16/12/2015 (A)	4	Freehold	Strata office	45.1 square meter	257
101)	Unit C-34-07, Phase 2D02, Trefoil, Level 34, Tower C, Seksyen U13, Jalan Setia Dagang, AH U13/AH, Setia Alam, 40170, Shah Alam, Selangor.	GRN 308223, Lot 61049, Daerah Petaling, Selangor.	05/01/2016 (A)	4	Freehold	Strata office	45.1 square meter	256

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As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
102)	Lot 5090, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	GM 2361, Lot 5090, Mukim Kapar, Daerah Klang, Selangor.	01/12/2016 (A)	3	Freehold	Factory/Glove manufacturing	12,104.55 square meter	16,175
103)	Lot 5094 & 5977, Mukim Kapar, Daerah Klang, 41050 Klang, Selangor.	GM 4326, Lot 5094 & 5977, 4½ Mile Sungai Binjai Road, Mukim Kapar, Daerah Klang, Selangor.	26/01/2018 (A)	3	Freehold	Water Process and Supply	1.794 acres	6,146
104)	No.257, 259, 261, 263, 265, Persiaran Taman Tasek, Taman Tasek Baru, Ipoh Perak.	Lot 177895 to 177899 Mukim Hulu Kinta, Daerah Kinta, Perak.	03/04/2018 (A)	2	Leasehold (Expiring on: 03.07.2113)	Terrace house/ Accommodation for worker & staff	1,539.24 square feet (143 meter persegi)/ 1,539.24 square feet (143 meter persegi)	1,705
105)	Lot 4962, 5 <sup>th</sup> Miles, Sungai Binjai Road, Mukim Kapar, 41050 Klang, Selangor.	GM 5100, Lot 4962, Mukim Kapar, Daerah Klang, Selangor.	27/06/2018 (A)	2	Freehold	Factory/ Office Building	3 acres/ 30,304 square feet	17,611
<b>B) TG MEDICAL SDN. BHD.</b>								
1)	Lot 5091, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	GM 3989, Lot 5091, 4½ Miles, Sungai Binjai Road, Mukim Kapar, Daerah Klang, Selangor.	25/10/1995 (A)	24	Freehold	Factory/ Glove manufacturing	3 acres/ 68,490 square feet	6,229
2)	No.19, Jalan Mempari 11, Batu 5½, Jalan Meru, 41050 Klang, Selangor.	HS (M) 15241, PT 8352, HS (M) 15325, PT 8442, Batu 6, Jalan Sungai Binjai, Mukim Kapar, Daerah Klang, Selangor.	08/05/1998 (A)	22	Freehold	Terrace house/ Accommodation for staff	1,300 square feet/ 1,100 square feet	82
3)	Lot 5972 & 5974, Jalan Teratai, Batu 5, Jalan Meru, 41050 Klang, Selangor.	GM 4098 & 4099, Lot 5972 & 5974, 4½ Miles, Sungei Benjai Road, Mukim Kapar, Daerah Klang, Selangor.	01/07/1999 (A)	21	Freehold	Factory/Glove manufacturing	Approx 1.7935 acres/ 47,200 square feet	3,244
4)	Lot 5104, Jalan Teratai, Batu 5, Off Jalan Meru, 41050 Klang, Selangor.	GM 5064, Lot 5104, 12½ Miles, Sungei Berinai Road, Mukim Kapar, Daerah Klang, Selangor.	29/03/2004 (A)	16	Freehold	Factory/Glove manufacturing	3 acres/ 54,600 square feet	6,386
5)	No.1, 3, 5, 7, 9 & 11, Jalan Abadi 10D/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.  No.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12, Jalan Abadi 10C/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.  No.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12, Jalan Abadi 10A/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.  No.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12, Jalan Abadi 10B/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.  No.85, 87, 89, 91, 93 & 95, Jalan Abadi 1/KU8, Taman Daya Maju, Meru, 41050 Klang, Selangor.	HS (M) 33205 - HS (M) 33252, PT 50423 - PT 50470, Mukim Kapar, Daerah Klang, Selangor.	12/07/2007 (A)	13	Freehold	Terrace house/ Accommodation for staff and worker	Approx 108.85 square meter/unit	6,008

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As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)	
6)	Lot 5975, Tempat Batu 4½, Jalan Sungai Binjai, 41050 Klang, Selangor.	GM 4437, Lot 5975, Mukim Kapar, Daerah Klang, Selangor.	03/10/2008 (A)	N/A	Freehold	Vacant	0.0275 hectares/ 2,960 square feet	202
<b>C) TOP GLOVE ENGINEERING SDN. BHD.</b>								
1)	GRN 285705, Lot 213, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285705, Lot 213, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	18/04/1996 (A)	N/A	Freehold	Land	3.39 acres/ 13,716 square meter	2,502
2)	GRN 285706, Lot 214, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285706, Lot 214, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	18/04/1996 (A)	N/A	Freehold	Land	3.39 acres/ 13,711 square meter	2,501
3)	GRN 285707, Lot 215, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285707, Lot 215, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	18/04/1996 (A)	N/A	Freehold	Land	3.39 acres/ 13,708 square meter	2,500
4)	GRN 285708, Lot 216, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285708, Lot 216, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	12/06/2012 (A)	N/A	Freehold	Land	19.83 acres	12,765
5)	GRN 285709, Lot 217, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285709, Lot 217, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	12/06/2012 (A)	N/A	Freehold	Land	7.91 acres	5,087
6)	GRN 285710, Lot 218, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	GRN 285710, Lot 218, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Selangor.	12/06/2012 (A)	N/A	Freehold	Land	6.77 acres	4,353
7)	No.13, Jalan Setia Wawasan U13/35D, Bandar Setia Alam, 40170 Shah Alam, Selangor.	HS (D) 291299, PT 32070, Mukim Bukit Raja, Daerah Petaling, Selangor.	05/01/2017 (A)	3	Freehold	Bungalow/ Accommodation for staff	397 square meter	1,704
8)	No.11, Jalan Setia Wawasan U13/35D, Bandar Setia Alam, 40170 Shah Alam, Selangor.	HS (D) 291298, PT 32069, Mukim Bukit Raja, Daerah Petaling, Selangor.	05/01/2017 (A)	3	Freehold	Bungalow/ Accommodation for staff	397 square meter	1,712
<b>D) TOP GLOVE MEDICAL (THAILAND) CO., LTD.</b>								
1)	188, Moo 5, Karnchanawanich Road, Tambon Samnakkham, Sadao, Songkhla 90320, Thailand.	60199, 60200, 60201 & 60202, Tambon Samnakkham, Sadao, Songkhla 90320, Thailand.	28/02/2003 (A)	N/A	Freehold	Land	15.8 acres	2,876 (Thai Baht 21,507)
			28/02/2003 (A)	17	Freehold	Factory/Office building	9,504 square meter	8,040 (Thai Baht 60,131)
			28/02/2003 (A)	17	Freehold	Accommodation for worker	1,200 square meter	1,361 (Thai Baht 10,176)
			01/12/2011 (A)	8	Freehold	Factory building	5,134.5 square meter	3,297 (Thai Baht 24,657)
			01/12/2011 (A)	8	Freehold	Accommodation for worker	882 square meter	1,294 (Thai Baht 9,678)

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As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
2)	Title Deed No.39553, Moo.5 Pruteaw, Karnchanawanich Road, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Title Deed No. 39553 Moo.5 Pruteaw, Karnchanawanich Road, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	03/03/2005 (A)	N/A	Freehold	Pond	Approx 2.8 acres 762 (Thai Baht 5,702)
3)	Nor. Sor. 3 Kor No.637 & 638, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Nor. Sor. 3 Kor No. 637 & 638, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	16/11/2010 (A)	N/A	Freehold	Land	Approx 32 acres 6,576 (Thai Baht 49,178)
4)	Title Deed No.38237 & 38236, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Title Deed No. 38237 & 38236, Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	01/12/2016 (A)	N/A	Freehold	Land	Approx 21 acres 6,994 (Thai Baht 52,305)
5)	Title Deed No.35843 Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	Title Deed No.35843 Tambon Samnakkham, Ampur Sadao, Songkhla 90320, Thailand.	27/09/2019 (A)	N/A	Freehold	Land	Approx 2.37 acres 617 (Thai Baht 4,612)
<b>E) TG MEDICAL (U.S.A.), INC.</b>							
1)	165 - 167 North Aspan, Avenue, Azusa, CA 91702, USA.	Assessor's ID #8615 018 010	31/03/2005 (A)	15	Freehold	Warehouse/ Office building	25,878 square feet 8,368 (USD 2,005)
2)	153 - 155 North Aspan, Avenue, Azusa, CA 91702, USA.	Assessor's ID #8615 018 011	31/07/2013 (A)	7	Freehold	Warehouse/ Office building	25,950 square feet 11,786 (USD 2,823)
<b>F) TOP GLOVE TECHNOLOGY (THAILAND) CO., LTD.</b>							
1)	188, Moo 5, Tambol Pangla, Ampur Sadao, Songkhla 90170, Thailand.	Channod No.52538, 52539 & 52540, Tambol Pangla, Ampur Sadao, Songkhla, Thailand.	23/02/2006 (A)	14	Freehold	Factory/ Office building	Approx 40.4 acres/ 47,816.68 square meter 17,832 (Thai Baht 133,361)
<b>G) GREAT GLOVE (XINGHUA) CO., LTD.</b>							
1)	South Wei Wu Lu, Xinghua Economic Development Region, Xinghua City, Jiangsu Province, China.	South Wei Wu Lu, Zhao Yang Zheng, Xinghua City, China.	13/10/2005 (A)	14	Leasehold (Expiring on: Sept 2056)	Factory/ Office building, Industrial usage	112,234.48 square meter/ 30,646.96 square meter 13,316 (RMB 21,937)
<b>H) B TECH INDUSTRY CO., LTD.</b>							
1)	268 M.5 T. Kampangphet A.Rattaphum, Songkhla 90180, Thailand.	1. Nor Sor 3 Kor No. 2361 2. Nor Sor 4 Jor No. 5943 3. Nor Sor 4 Jor No. 5944 4. Nor Sor 4 Jor No. 5947 5. Nor Sor 4 Jor No. 5948 6. Nor Sor 4 Jor No. 5949 7. Nor Sor 4 Jor No. 5950 8. Nor Sor 4 Jor No. 5951	01/08/2006(A)	14	Freehold	Factory/ Office building	Approx 44,718 square meter/ 8,754 square meter 6,552 (Thai Baht 48,998)
			21/08/2009 (A)	11	Freehold	Waste water pond	Approx 18.64 acres
<b>I) FLEXITECH SDN. BHD.</b>							
1)	Lot 128, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5719, PT 4049, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	02/08/2005 (A)	15	Leasehold (Expiring on: 26.09.2087)	Production/ Warehouse	Approx 11,916 square meter/ 6,183 square meter 9,644

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As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
2)	Lot 127, Jalan 6, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5735, PT 4065, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	15/09/2005 (A)	14	Leasehold (Expiring on: 26.09.2087)	Accommodation for worker	Approx 11,916 square meter/ 6,826 square meter 3,363
3)	Lot 124, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5721, PT 4051, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	08/01/2009 (A)	11	Leasehold (Expiring on: 26.09.2087)	Production/ Office building	Approx 11,966 square meter/ 10,172 square meter 5,594
4)	Lot 126, Jalan 8, Komplek Olak Lempit, Mukim Tanjung 12, 42700 Banting, Selangor.	HS (M) 5720, PT 4050, Komplek Perabot Olak Lempit, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor.	08/01/2009 (A)	11	Leasehold (Expiring on: 26.09.2087)	Production/ Office building	Approx 11,966 square meter/ 6,813 square meter 4,765
5)	No.11, Jalan Emas 28, Bandar Sungai Emas, 42700 Banting, Selangor.	GRN 108819, Lot 630, Seksyen 5, Pekan Sungai Manggis, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	29/04/2013(A)	7	Freehold	Accommodation for worker	Approx 130 square meter 197
6)	No.7, Jalan Emas 28, Bandar Sungai Emas, 42700 Banting, Selangor.	GRN 108817, Lot 628, Seksyen 5, Pekan Sungai Manggis, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	19/06/2013(A)	7	Freehold	Accommodation for worker	Approx 130 square meter 207
<b>J) TOP QUALITY GLOVE SDN. BHD.</b>							
1)	Lot 2604, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47717, Lot 2604, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 1.9526 hectares/4 acres 3 rood 12.0 pole 4,043
2)	Lot 2605, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47718, Lot 2605, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 2.031 hectares/5 acres 0 rood 03.0 pole 4,206
3)	Lot 2615, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47724, Lot 2615, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 1.7376 hectares/4 acres 1 rood 07.0 pole 3,596
4)	Lot 2616, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	GRN 47725, Lot 2616, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	25/01/2013 (A)	N/A	Freehold	Land	Approx 2.0942 hectares/5 acres 0 rood 28.0 pole 4,335
5)	Lot 5135, Jalan Dahlia, Off Jalan Meru, 41050 Klang, Selangor.	GM 5061, Lot 5135, Mukim Kapar, Daerah Klang, Selangor.	10/07/2014 (A)	N/A	Freehold	Vacant	Approx 4.656 acres/ 202,827 square feet 13,502
6)	Lot 4977 & 4978, Jalan Dahlia, Off Jalan Meru, 41050 Klang, Selangor.	HS (M) 40486, PT 67437, Lot 4977 & 4978, Mukim Kapar, Daerah Klang, Selangor.	01/12/2016 (A) 01/12/2016 (A)	N/A 3	Freehold Freehold	Land Factory/Building	5.45 acres/ 2.21 hectares Double storey office building 8,874 square feet with 2 single storey warehouse 83,087 square feet 6,815
7)	Lot 5144, 6 <sup>th</sup> Miles, Sungai Binjai Road, 41050 Klang, Selangor.	GM 2306, Lot 5144, Mukim Kapar, Daerah Klang, Selangor.	28/12/2016 (A)	1	Freehold	Factory	Approx 202,824.4 square feet 36,553

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	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
8)	Lot 5145, 6 <sup>th</sup> Miles, Sungai Binjai Road, 41050 Klang, Selangor.	28/12/2016 (A)	N/A	Freehold	Vacant	Approx 201,468.1 square feet	17,863
9)	Lot 5133, Jalan Dahlia, Off Jalan Meru, 41050 Klang, Selangor.	03/04/2017 (A)	N/A	Freehold	Vacant	Approx 1.897 hectares	14,866
10)	Lot 5054, Jalan Kenangan KU8, Meru, 41050 Klang, Selangor.	11/07/2017 (A)	N/A	Freehold	Vacant	Approx 12,267 square meters	11,352
11)	Lot 5057, Jalan Kenangan KU8, Meru, 41050 Klang, Selangor.	15/09/2017 (A)	N/A	Freehold	Vacant	Approx 1.2267 hectares	10,892
12)	Lot 5049 & 5050, Off Jalan Bunga raya, 5½ Mile, Jalan Meru, 41050 Klang, Selangor.	11/04/2018 (A) 11/04/2018 (A)	N/A 1	Freehold Freehold	Land Factory/Building	2.091 hectares 119,353.58 square feet	19,718 40,021
13)	Lot 6472, Lorong Sg Puloh/KU6, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor.	10/07/2018 (A)	2	Freehold	Factory	Approx 34,499 square meters	63,929
14)	Lot 47442, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak.	14/02/2019 (A)	N/A	Leasehold	Land	217,456 square feet	8,504
15)	Lot 4981 & 4982, Jalan Dahlia/KU8, Kawasan Perindustrian Meru Timur, 41050 Klang, Selangor.	06/05/2019 (A)	2	Freehold	Factory	9,609 square meter	40,460
16)	Lot 4948, Tempat Batu 5, Jalan Binjai, 41050 Klang, Selangor.	24/10/2019 (A)	N/A	Freehold	Land	Approx 1.2141 hectares	11,833
17)	Lot 12, Jalan Banting Dengkil, Kampong Olak Lempit, 42799 Banting, Selangor Darul Ehsan	13/07/2020 (A)	N/A	Freehold	Land	Approx 67.647 square metres	10,215
18)	Lot 2606, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	27/07/2020 (A)	N/A	Freehold	Land	Approx 1.9779 hectares /4 acres 3 rood 22.0 pole	450
19)	Lot 2619, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Selangor.	14/08/2020 (A)	N/A	Freehold	Land	Approx 2.1347 hectares /5 acres 1 rood 4.0 pole	551
20)	Lot 4963, Tempat Batu 5, Jalan Sungei Binjai, 41050 Klang, Selangor.	21/08/2020 (A)	N/A	Freehold	Land & Factory	Approx 1.2141 hectares	1,045
<b>K)</b>	<b>GMP MEDICARE SDN. BHD.</b>						
1)	Lot 4985, Tempat Batu 5, Jalan Sungai Binjai, 41050 Klang, Selangor.	18/06/2010 (A)	10	Freehold	Factory/Glove manufacturing	3 acres	9,804
2)	Lot 2431, Mukim Port Dickson, Sendayan, 71100 Sillau, Port Dickson, Negeri Sembilan.	06/12/2012 (A)	Phase 1 - 26 years Phase 2 - 19 years	Freehold	Factory/Glove manufacturing	16.7 acres/ 22,000 square meter	24,609
3)	Lot 4991, Jalan Bunga Raya, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor.	01/08/2013 (A)	7	Freehold	Factory/Glove manufacturing	75,669 square feet	9,623

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	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
4)	Lot 3726, Kawasan Perindustrian Nilai, Mukim Setul, Daerah Seremban, 71800 Nilai, Negeri Sembilan.	14/08/2017 (A)	N/A	Freehold	Land	Approx 4.326 acres	19,752
5)	Lot 3726, Kawasan Perindustrian Nilai, Mukim Setul, Daerah Seremban, 71800 Nilai, Negeri Sembilan.	14/08/2017 (A)	3	Freehold	Factory/Glove manufacturing	Approx 14,256 square meter/ 153,450 square feet	7,121
<b>L)</b>	<b>TOP GLOVE PROPERTIES SDN. BHD.</b>						
1)	No.16, Persiaran Setia Dagang, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.	HS (D) 277347, PT 29363, Mukim Bukit Raja, Daerah Petaling, Selangor.	21/09/2011 (A)	8	Freehold	Office Tower	2 acres 163,900
2)	No.18, Persiaran Setia Dagang, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor.	HS (D) 293019, PT 32307, Mukim Bukit Raja, Daerah Petaling, Selangor.	07/05/2015 (A)	N/A	Freehold	Vacant	6,070.30 square meter 20,909
<b>M)</b>	<b>PT. AGRO PRATAMA SEJAHTERA</b>						
1)	The City Tower, 12 <sup>th</sup> Floor 1N, JL. MH Thamrin No.81, Jakarta Pusat 10310, Indonesia.	Bangka Belitung Province	01/10/2012 (A)	7	Leasehold (Expiring on: 18.03.2071)	Plantation of Rubber Trees	30,773 hectares 21,153 (IDR 74,482,000)
<b>N)</b>	<b>TG PORCELAIN SDN. BHD.</b>						
1)	Lot 4946, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	Lot 4946, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor.	01/05/2018 (A)	2	Freehold	Factory/Former Manufacturing	52,513.14 square feet 6,320
<b>O)</b>	<b>ASPION GROUP</b>						
1)	Lot E4(3) [PT 4093], No. 2, Jalan 8, Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan.	Lot No 5052, Mukim Panchor, Daerah Kota Bharu, Kelantan.	05/04/2018 (A) 05/04/2018 (A)	N/A 15	Leasehold (Expiring on: 15.02.2063)	Land Factory/Office	2.184 hectares 9,496.09 square meter 4,905 8,065
2)	PLO 9 & 18, Jalan Mahsuri 1, 7.5km, Jalan Mersing, Kawasan Perindustrian Kluang, 86007 Kluang, Johor.	PTD 84462, Mukim Kluang, Daerah Kluang, Johor.	05/04/2018 (A) 05/04/2018 (A)	N/A 9	Leasehold (Expiring on: 28.08.2053)	Land Factory Building	2.2781 hectares 12,225.98 square meter 2,890 9,483
3)	Lot E4(4) [PT 4094], Jalan 8, Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan.	Lot No 5053, Mukim Panchor, Daerah Kota Bharu, Kelantan.	05/04/2018 (A) 05/04/2018 (A)	N/A 12	Leasehold (Expiring on: 15.02.2063)	Land Factory Building	2.341 hectares 14,604.21 square meter 5,257 7,850
4)	Lot E4(6) & Lot E4(7), [PT 4092 & PT 4091], Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan.	Lot No 5050, 5051, Mukim Panchor, Daerah Kota Bharu, Kelantan.	05/04/2018 (A) 05/04/2018 (A) 05/04/2018 (A)	N/A 14 6	Leasehold (Expiring on: 15.02.2063) Freehold	Land/Biomass plant Factory/ Warehouse Office building/ Warehouse	Lot 5050: 2.640 hectares Lot 5051: 2.366 hectares 10,546.36 square meter 2.64 hectares 11,643 6,450 4,593
5)	PLO 5, Jalan Mahsuri 1, 7.5 KM, Jalan Mersing, Kawasan Perindustrian Kluang, 86007 Kluang, Johor.	Lot PTD 38818, No. HS (D) 23914, Mukim of Kluang, Daerah Kluang, Johor.	05/04/2018 (A) 05/04/2018 (A)	N/A 32	Leasehold (Expiring on: 01.10.2049)	Land Factory/Glove manufacturing	3 acres 7,515.14 square meter 1,571 2,181

## List of Properties

As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
6)	PLO 12, Jalan Mahsuri 1, 7.5KM, Jalan Mersing, Kawasan Perindustrian Kluang, 86007 Kluang, Johor.	05/04/2018 (A) 05/04/2018 (A)	N/A 13	Leasehold (Expiring on: 07.11.2050)	Land Factory/Glove manufacturing	3.206 acres 8,929.41 square meter	1,240 5,308
7)	Lot 366, GM 2547, Mukim of Kluang, Daerah Kluang, Johor.	05/04/2018 (A)	N/A	Freehold	Agricultural land	1.467 hectares	363
8)	Lot 7, Jalan Hi Tech 12, Kulim Hi Tech Park (Phase 3), 09090 Kulim, Kedah.	05/04/2018(A)	N/A 7	Leasehold (Expiring on 03.07.2073)	Land Factory	2,252,052 square feet 1,316,383 square feet	44,963 25,881
<b>P) GREAT GLOVE (THAILAND) CO., LTD.</b>							
1)	180/3 Moo.7, Srisonthon Rd., T.Srisonthon, A.Thalang, Phuket 83110 Thailand.	28/02/2006 (A) 01/10/2016 (A)	14 3	Freehold	Building Block A Building Block B	3,832 square meter 4,616 square meter	4,562 (Thai Baht 34,115) 14,561 (Thai Baht 108,898)
2)	Title Deed No.64761, 64762, 64763 Moo.7 Srisonthon Rd., T.Srisonthon, A.Thalang, Phuket 83110 Thailand.	05/09/2019 (A)	N/A	Freehold	Pond	Approx 13.5 acres	2,574 (Thai Baht 19,252)
<b>Q) TG FMT SDN. BHD.</b>							
1)	Lot 4987, Jalan Bunga Raya, Batu 6 Off Jalan Meru, 41050 Klang, Selangor.	01/06/2017 (A)	3	Freehold	Building	24,400 square feet	3,936
<b>R) EASTERN PRESS SDN. BHD.</b>							
1)	Lot 1, Jalan Paku 16/6, 40000 Shah Alam, Selangor.	HS (D) 167430 Lot 1, Mukim Damansara, Petaling Jaya, Selangor.	05/01/2018 (A)	6	Leasehold (Expiring on: 03.04.2068)	Production use	3,121.44 square meter 5,197
2)	Lot 3, Jalan Paku 16/6, 40000 Shah Alam, Selangor.	Q.T.R. 4248 L.O.No Lot 3, Jalan Paku 2/6, Mukim Damansara, District Klang.	05/01/2018 (A)	30	Leasehold (Expiring on: 03.04.2068)	Production use	1,774.39 square meter 4,952
3)	Lot 5, Jalan Paku 16/6, 40000 Shah Alam, Selangor.	Kawasan Kilang Berderet Seksyen 16, Shah Alam, Selangor.	05/01/2018 (A)	33	Leasehold (Expiring on: 03.04.2068)	Production use	1,774.39 square meter 4,009
4)	Lot 13 & Lot 15, Jalan Paku 2/6, 40000 Shah Alam, Selangor.	Q.T.R. 4253 & 4254, Jalan Paku 2/6, Mukim of Damansara, District Klang.	05/01/2018 (A)	24 24	Leasehold (Expiring on: 15.01.2068)	Production use Production use	Lot 13: 2,707.41 square meter Lot 15: 2,856.16 Square meter 7,462
5)	Unit B2-602 Block 2, Pangsapuri Anggerik Indah, Jalan Sempadan 16/7, Seksyen 16, 40200 Shah Alam, Selangor.	Lot 10970, Section 16, Shah Alam/Petaling/ Pajakan Negeri 110147 Apartment.	05/01/2018 (A)	22	Leasehold (Expiring on: 01.03.2099)	Workers apartment	823 square feet 59
6)	Unit B2-604 Block 2, Pangsapuri Anggerik Indah, Jalan Sempadan 16/7, Seksyen 16, 40200 Shah Alam, Selangor.	Lot 10970, Section 16, Shah Alam/Petaling/ Pajakan Negeri 110147 Apartment.	05/01/2018 (A)	22	Leasehold (Expiring on: 01.03.2099)	Workers apartment	740 square feet 66
7)	Lot 9, Jalan Paku 16/6, 40000 Shah Alam, Selangor.	HS (D) 167468, No 9, Mukim Damansara, Daerah Petaling Selangor.	30/08/2018 (A)	2	Leasehold (Expiring on: 03.04.2068)	Production use	1,774.39 square meter 2,854
8)	Lot 7, Jalan Paku 16/6, 40000 Shah Alam, Selangor.	HS (D) 308675, Lot 7, Mukim Damansara, Daerah Petaling Selangor.	21/12/2018 (A)	1	Leasehold (Expiring on: 03.04.2068)	Production use	1,774.39 square meter 3,381

## List of Properties

As at 31 August 2020 (cont'd)

	PARTICULARS OF PROPERTY	DATE OF ACQUISITION(A)/ REVALUATION(R)	AGE OF BUILDING (YEARS)	TENURE	DESCRIPTION/ EXISTING USE	LAND AREA/ BUILD-UP AREA	AUDITED NET BOOK VALUE AS AT 31.8.2020 (RM'000)
9)	Unit 7-10-1 Suria Avenue, Lot 1, Jalan Dawai 16/2, Seksyen 16, 40200 Shah Alam, Selangor.	21/02/2019 (A)	1	Leasehold (Expiring on: (22.01.2072)	Workers apartment	893 square feet	277
10)	Unit 9-10-1, Suria Avenue, Lot 1, Jalan Dawai 16/2, Seksyen 16, 40200 Shah Alam, Selangor.	21/02/2019 (A)	1	Leasehold (Expiring on: (22.01.2072)	Workers apartment	1023 square feet	277
11)	Lot 11, Jalan Paku 16/6, 40000 Shah Alam, Selangor.	HS (D) 79920, No 11, Mukim Damansara, Daerah Petaling Selangor.	08/05/2019 (A)	1	Leasehold (Expiring on: 15.01.2068)	Production use	1,774.39 square meter 2,827
<b>S) TOP GLOVE VIETNAM COMPANY LIMITED</b>							
1)	Land Lot A_8B_CN, Bau Bang Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam.	Land Lot A_8B_CN, Bau Bang Industrial Park, Lai Uyen Town, Bau Bang District, Binh Duong Province, Vietnam.	07/05/2018 (A)	2	Leasehold (Expiring on: 20.06.2057)	Production Office Warehouse	218,212 square meter 45,704 (USD 10,948)

## ANALYSIS OF SHAREHOLDINGS

AS AT 28 OCTOBER 2020

## Analysis of Shareholdings

As at 28 October 2020 (cont'd)

### Share Capital

Total Issued Share : 8,193,682,334 Ordinary Shares (including 49,859,100 Treasury Shares)  
 Types of Shares : Ordinary Shares  
 Voting Rights : One (1) vote per Ordinary Share on a poll

### 1. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders <sup>^</sup>		No. of Holdings <sup>^</sup>	
	No.	% <sup>^</sup>	No.	% <sup>^</sup>
1 to 99	430	0.54	9,702	0.00
100 to 1,000	28,833	36.01	17,125,489	0.21
1,001 to 10,000	36,645	45.76	142,793,940	1.75
10,001 to 100,000	11,661	14.56	336,177,823	4.13
100,001 to 407,191,160 (less than 5% of Issued Shares)	2,509	3.13	7,082,725,080	86.97
407,191,161 (5% of Issued Shares) and above	1	0.00	564,991,200	6.94
<b>Total</b>	<b>80,079</b>	<b>100.00</b>	<b>8,143,823,234*</b>	<b>100.00</b>

#### Note:

<sup>^</sup> Excluding Treasury Shares

\* Out of the total holdings of 8,143,823,234 shares, 305,442,870 shares were traded in Singapore Exchange Securities Trading Limited

### 2. SUBSTANTIAL SHAREHOLDERS

The Substantial Shareholders of the Company based on the Register of Substantial Shareholders of the Company and their respective shareholdings are as follows:

No.	Name of Substantial Shareholders	No. of Ordinary Shares Held			
		Direct	% <sup>^</sup>	Indirect	% <sup>^</sup>
1.	Tan Sri Dr <u>Lim</u> Wee Chai	2,091,376,456	25.681	691,818,748*	8.495
2.	Puan Sri Tong Siew Bee	22,291,176	0.274	2,760,904,028**	33.902
3.	Lim Hooi Sin	112,061,244	1.376	2,671,033,960***	32.798
4.	Lim Jin Feng	100,000	0.001	2,671,033,960***	32.798
5.	Firstway United Corp	554,966,328	6.815	-	-
6.	Employees Provident Fund Board	462,051,866	5.674	-	-

#### Note:

<sup>^</sup> Calculated based on 8,143,823,234 Ordinary Shares (Issued share capital of 8,193,682,334 Ordinary Shares less Treasury Shares of 49,859,100)

\* Deemed interested by virtue of the shareholding of Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin, Mr. Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in Top Glove

\*\* Deemed interested by virtue of the shareholding of Tan Sri Dr Lim Wee Chai, Mr. Lim Hooi Sin, Mr. Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in Top Glove

\*\*\* Deemed interested by virtue of the shareholding of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Firstway United Corp and Top Fortress Ventures Limited in Top Glove

### 3. DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of Top Glove based on the Register of Directors' Shareholdings and/or Record of Depositors are as follows:

No.	Name of Directors	No. of Ordinary Shares Held			
		Direct	% <sup>^</sup>	Indirect	% <sup>^</sup>
1.	Tan Sri Dr <u>Lim</u> Wee Chai	2,091,376,456	25.681	691,818,748*	8.495
2.	Tan Sri Rainer Althoff	12,000	0.000	-	-
3.	Dato' Lee Kim Meow	2,646,600	0.032	120,000**	0.001
4.	Puan Sri Tong Siew Bee	22,291,176	0.274	2,760,904,028***	33.902
5.	Lim Hooi Sin	112,061,244	1.376	2,671,033,960****	32.798
6.	Lim Cheong Guan	957,800	0.012	-	-
7.	Dato' Lim Han Boon	240,000	0.003	-	-
8.	Datuk Noripah Kamso	15,000	0.000	-	-
9.	Sharmila Sekarajasekaran	30,037,500	0.369	1,200,000*****	0.015
10.	Datuk Dr Norma Mansor	-	-	15,900*****	0.000
11.	Azrina Arshad	-	-	-	-
12.	Lim Andy	7,500	0.000	-	-

#### Note:

<sup>^</sup> Calculated based on 8,143,823,234 Ordinary Shares (Issued share capital of 8,193,682,334 Ordinary Shares less Treasury Shares of 49,859,100)

\* Deemed interested by virtue of the shareholding of Puan Sri Tong Siew Bee, Mr. Lim Hooi Sin, Mr. Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in Top Glove

\*\* Deemed interested through his wife, Madam Chung Lee Moy

\*\*\* Deemed interested by virtue of the shareholding of Tan Sri Dr Lim Wee Chai, Mr. Lim Hooi Sin, Mr. Lim Jin Feng, Firstway United Corp and Top Fortress Ventures Limited in Top Glove

\*\*\*\* Deemed interested by virtue of the shareholding of Tan Sri Dr Lim Wee Chai, Puan Sri Tong Siew Bee, Firstway United Corp and Top Fortress Ventures Limited in Top Glove

\*\*\*\*\* Deemed interested by virtue of her direct interest in Trinity Worldwide Holdings Limited

\*\*\*\*\* Deemed interested through her husband, Shamsuddin Bin Ali Hussin

The Directors' Share Options held under the Employees' Share Option Scheme of the Company based on the Register of Directors' Shareholding are as follows:

No.	Name of Directors	No. of Options Held	
		Direct	Indirect
1.	Tan Sri Dr <u>Lim</u> Wee Chai	-	371,700*
2.	Tan Sri Rainer Althoff	-	-
3.	Dato' Lee Kim Meow	1,417,800	-
4.	Puan Sri Tong Siew Bee	371,700	-
5.	Lim Hooi Sin	-	371,700*
6.	Lim Cheong Guan	160,200	-
7.	Dato' Lim Han Boon	-	-
8.	Datuk Noripah Kamso	-	-
9.	Sharmila Sekarajasekaran	-	-
10.	Datuk Dr Norma Mansor	-	-
11.	Azrina Arshad	-	-
12.	Lim Andy	-	-

#### Note:

\* Deemed interested through Puan Sri Tong Siew Bee's options held in Top Glove



**Analysis of Shareholdings**

As at 28 October 2020 (cont'd)

**4. THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS**

No.	Names	Shareholdings	% <sup>^</sup>
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Tan Sri Dr Lim Wee Chai (PB)	564,991,200	6.94
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	346,689,166	4.26
3.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for The Central Depository (Pte) Limited	305,442,870	3.75
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An for Bank of Singapore Limited (Local)	198,560,000	2.44
5.	Kumpulan Wang Persaraan (Diperbadankan)	184,875,400	2.27
6.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for UBS AG Singapore (Foreign)	165,282,800	2.03
7.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged securities account – DBS Bank Ltd for Tan Sri Dr Lim Wee Chai (SG1400360353)	150,000,000	1.84
8.	Tan Sri Dr Lim Wee Chai	147,398,400	1.81
9.	CIMSEC Nominees (Asing) Sdn. Bhd. - CIMB for Firstway United Corp (PB)	144,000,000	1.77
10.	MFP Capital Corporation	134,700,000	1.65
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An for AIA Bhd.	129,630,700	1.59
12.	UOBM Nominees (Tempatan) Sdn. Bhd. - United Overseas Bank Nominees (Pte) Ltd for Tan Sri Dr Lim Wee Chai	122,100,000	1.50
13.	HSBC Nominees (Tempatan) Sdn. Bhd. - Pledged securities account – HBAP SG for Tan Sri Dr Lim Wee Chai (PB-SGDIV)	114,000,000	1.40
14.	UOBM Nominees (Tempatan) Sdn. Bhd. - United Overseas Bank Nominees (Pte) Ltd for Tan Sri Dr Lim Wee Chai	105,900,000	1.30
15.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for Bank of Singapore Limited (Foreign)	96,673,800	1.19
16.	Maybank Nominees (Tempatan) Sdn. Bhd. - Nomura Singapore Limited for Tan Sri Dr Lim Wee Chai (419597)	90,000,000	1.11
17.	Cartaban Nominees (Tempatan) Sdn. Bhd. - PAMB for Prulink Equity Fund	88,299,000	1.08
18.	Cartaban Nominees (Asing) Sdn. Bhd. - Exempt An for State Street Bank & Trust Company (West CLT OD67)	81,789,300	1.00
19.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	79,944,100	0.98
20.	HSBC Nominees (Asing) Sdn. Bhd. - JPMCB NA for Vanguard Total International Stock Index Fund	79,843,598	0.98
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Bank of Singapore Limited for Tan Sri Dr Lim Wee Chai	74,400,000	0.91
22.	RHB Capital Nominees (Asing) Sdn. Bhd. - Pledged securities account for Firstway United Corp (RHB Bank (L) Ltd)	73,200,000	0.90
23.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Dr Lim Wee Chai	66,840,000	0.82
24.	HSBC Nominees (Asing) Sdn. Bhd. - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	66,048,290	0.81
25.	Lim Hooi Sin	61,736,760	0.76
26.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Bank Berhad (EDP 2)	58,874,900	0.72
27.	Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for Citibank New York (Norges Bank 14)	57,028,300	0.70
28.	Tan Sri Dr Lim Wee Chai	55,800,000	0.69
29.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Dr Lim Wee Chai (KLG)	52,140,000	0.64
30.	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	51,996,300	0.64
<b>Total</b>		<b>3,948,184,884</b>	<b>48.48</b>

**Note:**
<sup>^</sup> Calculated based on 8,143,823,234 Ordinary Shares (Issued share capital of 8,193,682,334 Ordinary Shares less Treasury Shares of 49,859,100)

**NOTICE OF TWENTY SECOND ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Twenty Second Annual General Meeting (“22<sup>nd</sup> AGM”) of Top Glove Corporation Bhd (“**Top Glove**” or “**Company**”) will be conducted fully virtual for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in this notice:

**Day and Date** : **Wednesday, 6 January 2021**

**Time** : 10:30 a.m.

**Broadcast Venue** : TG Grand Ballroom  
Level 9, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia  
(Members/proxies will not be allowed to be physically present at the Broadcast Venue)

**Online Meeting Platform** : Securities Services ePortal <https://sshsb.net.my/>

**Modes of Communication** : 1. Typed text in the Online Meeting Platform  
2. Email your questions to [topglovecosec@topglove.com.my](mailto:topglovecosec@topglove.com.my) prior to the 22<sup>nd</sup> AGM meeting date

**AGENDA**

- To receive the Audited Financial Statements for the financial year ended 31 August 2020 together with the Reports of the Directors and the Auditors thereon. **(Refer to Note 9)**
- To re-elect the following Directors who retire pursuant to Article 94 of the Company's Constitution and being eligible, have offered themselves for re-election:
  - Dato' Lim Han Boon **(Resolution 1)**
  - Tan Sri Rainer Althoff **(Resolution 2)**
  - Datuk Noripah Kamsu **(Resolution 3)**
  - Datuk Dr. Norma Mansor **(Resolution 4)**
  - Ms Sharmila Sekarajasekaran **(Resolution 5)**
- To re-elect Mr Lim Andy, the Director who retires pursuant to Article 100 of the Company's Constitution and being eligible, has offered himself for re-election. **(Resolution 6)**
- To approve the payment of Directors' fees for the financial year ended 31 August 2020. **(Resolution 7)**
- To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM300,000.00 from 7 January 2021 until the next Annual General Meeting of the Company to be held in year 2022. **(Resolution 8)**
- To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 9)**
- As Special Business**
  - Ordinary Resolution No. 1** **(Resolution 10)**  
**Authority to Issue Shares pursuant to the Companies Act 2016 (“the Act”)**

“**THAT** subject to the Act, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any relevant governmental/regulatory authority, the Directors of the Company be and are hereby empowered,

**Notice of Twenty Second  
Annual General Meeting (cont'd)**

pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**(b) Ordinary Resolution No. 2  
Proposed Retention of Independent Non-Executive Director**

“**THAT** subject to passing of Resolution 1, Dato’ Lim Han Boon who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance.”

**(c) Ordinary Resolution No. 3  
Proposed Renewal of Share Buy-Back Authority**

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Company’s Constitution, Bursa Securities Main Market Listing Requirements (“**Main LR**”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company (“**Proposed Share Buy-Back**”) as may be determined by the Board of Directors (“**Board**”) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company;

**THAT** the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on its Audited Financial Statements for the financial year ended 31 August 2020 of RM3,131,530,000;

**THAT** at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities and/or transferred the shares for the purposes of or under an employees’ share scheme in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and Bursa Securities Main LR and any other relevant authorities for the time being in force;

**THAT** such authority shall commence immediately upon passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company following this general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;

**(Resolution 11)**

- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
  - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,
- whichever is the earlier;

**AND THAT** the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

- 8. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board of Directors

**CHUA SIEW CHUAN**  
SSM PC No.: 201908002648  
MAICSA No.: 0777689  
Chartered Secretary

**CHIN MUN YEE**  
SSM PC No.: 201908002785  
MAICSA No.: 7019243  
Chartered Secretary

**LIM KEAT SEE**  
SSM PC No.: 201908001159  
MAICSA No.: 7020290  
Chartered Secretary

Shah Alam  
13 November 2020

**NOTES:**

1. The 22<sup>nd</sup> AGM will be conducted fully virtual through live streaming and online remote voting via the Remote Participation and Voting (“**RPV**”) facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal’s platform at <https://sshb.net.my/>. Please follow the procedures provided in the Administrative Details for the 22<sup>nd</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (“**CA 2016**”) and Article 64A of the Company’s Constitution which require the Chairman of the Meeting to be present at the main venue of the Meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 December 2020 (General Meeting Record of Depositors) shall be eligible to participate in the 22<sup>nd</sup> AGM.
4. A member of the Company entitled to participate and vote at the 22<sup>nd</sup> AGM is entitled to appoint not more than two (2) proxies to participate, speak and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 22<sup>nd</sup> AGM. The members or their proxies may submit questions to the Company at [topglovecosec@topglove.com.my](mailto:topglovecosec@topglove.com.my) prior to the 22<sup>nd</sup> AGM or via real time submission of typed texts through a text box within Securities Services ePortal’s platform during live streaming of the 22<sup>nd</sup> AGM as the primary mode of communication. In the event of any technical glitch in the primary mode of communication, shareholders and proxies may email their questions to [eservices@sshb.com.my](mailto:eservices@sshb.com.my) during the 22<sup>nd</sup> AGM.

## Notice of Twenty Second Annual General Meeting (cont'd)

5. Where a holder appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly appointed under a Power of Attorney or, if such appointor is a corporation, either under its seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
8. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 22<sup>nd</sup> AGM or at any adjournment thereof:

### (i) In Hardcopy Form

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

### (ii) By Electronic Means

The proxy form shall be electronically lodged via Securities Services ePortal's platform at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).

9. **Audited Financial Statements for the financial year ended 31 August 2020**  
The Audited Financial Statements under Agenda 1 is meant for discussion only as the provision of Section 340(1) of the Act does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item is not put forward for voting.
10. **Re-election of Directors who retire by rotation pursuant to Article 94 of the Company's Constitution**  
Article 94 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting ("**AGM**") of the Company. All the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The profiles of the Directors who are standing for re-election as per Agenda 2 of the Notice of the 22<sup>nd</sup> AGM are stated on pages 18, 19, 21 and 22 of the Integrated Annual Report 2020.

11. **Re-election of Director who retires by rotation pursuant to Article 100 of the Company's Constitution**  
Article 100 of the Company's Constitution provides that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Company's Constitution. Any Director so appointed shall hold office only until the next AGM of the Company when he shall retire but shall then be eligible for re-election but he shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

The profile of the Director who is standing for re-election as per Agenda 3 of the Notice of the 22<sup>nd</sup> AGM is stated on page 23 of the Integrated Annual Report 2020.

Any Director referred to in Resolutions 1 to 6, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 22<sup>nd</sup> AGM.

## Notice of Twenty Second Annual General Meeting (cont'd)

### 12. Determination and Payment of Directors' Fees

Paragraph 7.24 of Bursa Securities Main LR stipulates that the fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting. Therefore, shareholders' approval is required for the determination and payment of Directors' fees amounting to RM2,108,600.00 for the financial year ended 31 August 2020.

### 13. Directors' Benefits (excluding Directors' Fees)

The Directors' benefits (excluding Directors' fees) comprise the meeting allowances payable to the Non-Executive Directors. The meeting allowances are fixed as follows:

Type of Meeting	Meeting Allowance per Meeting (RM)	
	Chairman	Non-Executive Director/Member
Board	Nil	1,500.00
General	Nil	1,500.00
Board Committee	1,200.00	1,000.00

In determining the estimated total Directors' benefits (excluding Directors' fees) for the period commencing 7 January 2021 until the next AGM ("**Relevant Period**"), the size of the Board and Board Committees as well as the estimated number of meetings scheduled to be held during the Relevant Period were taken into consideration.

### 14. Re-appointment of Auditors

The Board Audit Committee and the Board have considered the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and collectively agreed that Messrs. Ernst & Young PLT have met the relevant criteria prescribed by Paragraph 15.21 of Bursa Securities Main LR.

## EXPLANATORY NOTE TO SPECIAL BUSINESS:

### 1. Authority to Issue Shares pursuant to the Act

The proposed adoption of Ordinary Resolution No. 1 is for the purpose of granting a renewed general mandate ("**General Mandate**") and empowering the Directors of the Company, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors at the Twenty First (21<sup>st</sup>) AGM held on 8 January 2020 and which will lapse at the conclusion of the 22<sup>nd</sup> AGM.

### 2. Retention of Independent Non-Executive Director

The proposed adoption of Ordinary Resolution No. 2 is for the purpose of retention of Dato' Lim Han Boon, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance.

Dato' Lim Han Boon was appointed as an Independent Non-Executive Director of the Company since 21 February 2011 and was re-designated as Senior Independent Non-Executive Director of the Company on 8 January 2019.

## Notice of Twenty Second Annual General Meeting (cont'd)

The Board based on the recommendation of the Board Nomination and Remuneration Committee, considered him to be independent and believed that he should be retained as Senior Independent Non-Executive Director based on the following justifications:

- a. He has fulfilled the criteria of independence contained in the Corporate Governance Guide issued by Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision making process;
- b. He has been with the Company for more than nine (9) years and is familiar with the Company's businesses and continued to participate actively in the Board and Board Committees meetings. He guided Management in an effective manner without compromising his independent and objective judgement and always act in the best interest of the Company;
- c. He has exercised his due care and carried out his professional duties proficiently during his tenure as Senior Independent Non-Executive Director as well as the Chairman and member of Board Committees; and
- d. He has vast working experience in the accounting and corporate finance fields, which enabled him to provide the Board with a diverse set of expertise and skill. His profile is set out in the Board of Directors' Profile in the Integrated Annual Report 2020.

### 3. Proposed Renewal of Authority for Share Buy-Back

The proposed adoption of Ordinary Resolution No. 3 is for the purpose of renewing the authority granted by the shareholders of the Company at the 21<sup>st</sup> AGM held on 8 January 2020. The aforesaid proposed renewal will allow the Board to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Securities Main LR.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 22<sup>nd</sup> AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 22<sup>nd</sup> AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 22<sup>nd</sup> AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

#### STATEMENT ACCOMPANYING NOTICE OF AGM

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this 22<sup>nd</sup> AGM.

## ADMINISTRATIVE DETAILS FOR 22<sup>ND</sup> ANNUAL GENERAL MEETING

In light of the recent Covid-19 pandemic and Conditional/Recovery Movement Control Order, Top Glove Corporation Bhd ("Top Glove") will conduct its 22<sup>nd</sup> Annual General Meeting ("AGM") on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Securities Services ePortal, details as set out below:

- Day and Date** : **Wednesday, 6 January 2021**  
**Time** : 10:30 a.m.  
**Broadcast Venue** : TG Grand Ballroom  
 Level 9, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia  
*(Members/proxies will not be allowed to be physically present at the Broadcast Venue)*
- Online Meeting Platform** : Securities Services ePortal <https://sshbsb.net.my/>  
**Modes of Communication** : 1. Typed text in the Online Meeting Platform  
 2. Email your questions to [topglovecosec@topglove.com.my](mailto:topglovecosec@topglove.com.my) prior to the 22<sup>nd</sup> AGM meeting date

#### Remote Participation and Voting

1. Only shareholders whose names appear on the General Meeting Record of Depositors as at 31 December 2020 shall be eligible to participate in the AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.
2. Since the AGM will be conducted virtually, shareholders/proxies will not allow to be physically present at the Broadcast Venue.
3. Shareholders who wish to participate at the AGM are required to (i) register as a user of the Securities Services ePortal before or latest by Wednesday, 30 December 2020 **AND** (ii) register for the remote participation before or latest by Monday, 4 January 2021 via <https://sshbsb.net.my/>. Please refer to the Securities Services ePortal Admin Guide in Appendix I.
4. Securities Services ePortal allows individual and body corporate shareholders, through their appointed representatives to:
  - (a) Submit proxy forms electronically
  - (b) Register for RPV at the Meeting
  - (c) Attend and participate in the Meeting via live streaming
  - (d) Vote online on resolutions tabled at the Meeting

#### Appointment of Proxy

1. If a shareholder is unable to participate at the AGM via the RPV facilities, he/she may appoint not more than two (2) proxies to participate, speak and vote on his/her behalf. He/she may also appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.
2. If you wish to participate at the AGM yourself, please do not submit any proxy form. A shareholder will not be allowed to participate at the AGM together with his/her proxy/proxies.
3. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:

##### In Hardcopy Form

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia, no later than **10:30 a.m. on Monday, 4 January 2021**.

##### By Electronic Means

The proxy form shall be electronically lodged via Securities Services ePortal's platform at <https://sshbsb.net.my/> or by fax to +603-2094 9940 or by email to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my) no later than **10:30 a.m. on Monday, 4 January 2021**. Please refer to the Securities Services ePortal Admin Guide in Appendix I.

4. Appointed proxies need not register for remote participation but are required to register as the users of the Securities Services ePortal latest by **Wednesday, 30 December 2020**.

## Administrative Details for 22<sup>nd</sup> Annual General Meeting (cont'd)

5. If you have submitted your proxy form and subsequently decide to appoint another person or wish to participate personally in the AGM, please write in to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) no later than **10:30 a.m.** on **Monday, 4 January 2021** to revoke the earlier appointed proxy.

### Submission of Questions

- Shareholders that wish to post questions to the Chairman/Board/Management can email their questions to [topglovecosec@topglove.com.my](mailto:topglovecosec@topglove.com.my) no later than **10:30 a.m.** on **Tuesday, 5 January 2021**.
- Shareholders may also submit their questions to the Chairman/Board/Management via the real time submission of typed texts through a text box within Securities Services ePortal's platform before the start or during the live streaming of the AGM.
- The Chairman/Board/Management will endeavour to respond to relevant questions during the Meeting or by email after the Meeting.

### Poll Voting

- The voting at the AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The poll will be conducted by way of electronic voting. Poll Administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll, respectively.
- Access to eVoting will be opened from the commencement of the AGM until the end of the voting session which will be announced by the Chairman of the AGM. **Please refer to the Securities Services ePortal Admin Guide in Appendix I.**

### Door Gift

- Shareholders/proxies who had (i) logged in to Securities Services ePortal on 6 January 2021 **AND** (ii) casted their vote during the AGM is entitled for a discount coupon worth RM80 when purchasing Top Glove products via its online platform at <https://www.tgbuys.com>.
- A shareholder or a proxy or a corporate representative is only entitled for **ONE** discount coupon worth RM80. No additional discount coupon will be given in the event that a shareholder is also an appointed proxy/proxies/corporate representative.
- Shipping fees will be waived if the purchase value is above RM120 (only applicable to addresses in Malaysia). No self-collection of purchase is allowed.
- The discount coupon code will be emailed to eligible shareholders/proxies/corporate representatives on 8 January 2021 and the coupon will remain valid until 8 March 2021. The said discount coupon can only be redeemed once.

### Enquiries for AGM

- If you have any enquiry relating to the Securities Services ePortal or proxy appointment prior to the AGM, please contact our Poll Administrator during office hours (Monday to Friday from 8:30 a.m. to 12:15 p.m. and 1:15 p.m. to 5:30 p.m., excluding public holidays):

**Poll Administrator** : **SS E Solutions Sdn. Bhd.**

**Contact Person** : 1. Mr. Wong Piang Yoong: +603-2084 9168  
2. Mr. Jerry Tan Hor Seng: +603-2084 9165  
3. Puan Nurhayati Ang: +603-2084 9162

**Email** : [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my)

- If you have any enquiry relating to the AGM Administrative Details prior to the AGM, please contact Top Glove Corporate Services Department during office hours (Monday to Friday from 8:30 a.m. to 6:00 p.m., excluding public holidays):

**Company** : **Top Glove Corporation Bhd**

**Contact Person** : 1. Kassy Lim Keat See: +603-3362 3098 (Ext: 2231)  
2. Ira Genevieve Cynthia Anak Unsie: +603-3362 3098 (Ext: 2402)

**Email** : [topglovecosec@topglove.com.my](mailto:topglovecosec@topglove.com.my)

## Appendix I

## Administrative Details for 22<sup>nd</sup> Annual General Meeting (cont'd)

### Securities Services ePortal Admin Guide

Before the AGM	
<b>A) Register as a user of Securities Services ePortal</b>  <b>Step 1:</b> Visit <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> to register as a user (registration is free). Please click on <b>'REGISTER NOW'</b> to begin. You will be prompted to fill in your details and also to upload a copy of your MyKad (front and back separately) or passport.  <b>Step 2:</b> A notification email will be sent to you within one (1) working day. Please verify your user account within seven (7) days of the notification email and login (Note: Your email address is your User ID)	<b>Notes:</b> <ol style="list-style-type: none"> <li>This is a <b>ONE-TIME Registration</b>. If you are already a registered user of Securities Services ePortal, you need not register again.</li> <li>Please register <b>before or latest by Wednesday, 30 December 2020</b>.</li> </ol>
<b>B) Registration for Remote Participation</b>	<b>MUST DO STEP FOR SHAREHOLDER WHO WISHES TO PARTICIPATE AND VOTE AT OUR AGM</b>  <b>Step 1:</b> Log on to <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> with your registered User ID (email address) and password.  <b>Step 2:</b> Look for <b>"Top Glove Corporation Bhd"</b> under Company Name and <b>"22<sup>nd</sup> AGM on 6 January 2021 at 10:30 a.m. : Registration for Remote Participation"</b> under Corporate Exercise/Event and Click <b>"&gt;"</b> .  <b>Step 3:</b> Select whether you are participating as <b>(1) Individual Shareholder;</b> or <b>(2) Corporate or Authorised Representative of a body corporate<sup>1</sup>,</b> and Click <b>"Submit"</b> .
<b>C) Submission of eProxy Form</b>  <b>Step 1:</b> Log on to <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> with your registered User ID (email address) and password.  <b>Step 2:</b> Look for <b>"Top Glove Corporation Bhd"</b> under Company Name and <b>"22<sup>nd</sup> AGM 6 January 2021 at 10:30 a.m. : Submission of Proxy Form"</b> under Corporate Exercise/Event and Click <b>"&gt;"</b> .  <b>Step 3:</b> Select whether you are submitting the proxy form as <b>(1) Individual Shareholder;</b> or <b>(2) Corporate or Authorised Representative of a body corporate<sup>1</sup></b>  <b>Step 4:</b> Enter your <b>CDS account number</b> or the body corporate's CDS account number and corresponding <b>number of securities</b> .  <b>Step 5:</b> Enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).  <b>Step 6:</b> Proceed to indicate how your votes are to be casted against each resolution.  <b>Step 7:</b> Review and confirm your proxy form details before submission.	<b>Notes:</b> <ol style="list-style-type: none"> <li>If you wish to participate remotely at the AGM, please register <b>before or latest by Monday, 4 January 2021, 10:30 a.m.</b></li> <li>A copy of your eRegistration for remote participation can be accessed via My Records.</li> <li>Your registration will apply to all the <b>CDS account(s)</b> of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.</li> </ol>
	<b>Notes:</b> <ol style="list-style-type: none"> <li>Please submit your proxy form <b>before or latest by Monday, 4 January 2021, 10:30 a.m.</b> if you wish to appoint proxy(ies) to participate on behalf.</li> <li>You are strongly encouraged to appoint the Chairman as the proxy in the event you are not being able to participate remotely.</li> <li>A copy of your submitted eProxy Form can be accessed via My Records.</li> <li>You need to submit your eProxy Form for every CDS account(s) you have or represent.</li> <li><b>Appointed proxies need not register for remote participation under (B) above but are required to be registered users of the Securities Services ePortal before or latest by Wednesday, 30 December 2020.</b></li> <li>Upon processing the proxy forms, remote participation access will be granted to the proxy(ies) instead of the shareholder, provided the proxy(ies) must be a registered user of the ePortal, failing which, the proxy will not be able to participate at the AGM.</li> <li>Upon verification by the Poll Administrator with the General Meeting Record of Depositors as at 31 December 2020, you will receive an email advising you if you or your proxy is eligible to participate at the AGM.</li> </ol>

**Administrative Details for  
22<sup>nd</sup> Annual General Meeting (cont'd)**

Appendix I

On the AGM Day (Wednesday, 6 January 2021 @ 10:30 a.m.)	
<b>A) Joining the Live Stream Meeting</b>	
<p><b>Step 1:</b> Log on to <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a> with your registered User ID (email address) and password.</p> <p><b>Step 2:</b> Look for “<b>Top Glove Corporation Bhd</b>” under Company Name and “<b>22<sup>nd</sup> AGM on 6 January 2021 at 10:30 a.m. : Live Stream Meeting</b>” under the Corporate Exercise/Event tab and Click “&gt;” to join the AGM.</p>	<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>You can start to log in 1 hour before the commencement of the AGM.</li> <li>If you have any questions that you wish to raise, please use the text box to submit your question. The Chairman/Board will endeavour to respond to your question during the AGM.</li> <li>Quality of the live streaming is dependent on the stability of the internet connection at the location of the user.</li> </ol>
<b>B) Remote Online Voting during the AGM</b>	
<p><b>Step 1:</b> If you are logged on to the ePortal and already accessing the Live Stream Meeting, click on “<b>Proceed to Vote</b>” displayed below the Live Stream player to begin voting on the resolutions.</p> <p>OR</p> <p>If you are not logged on yet, log on to <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a> with your registered User ID (email address) and password.</p> <p>Look for “<b>Top Glove Corporation Bhd</b>” under Company Name and “<b>22<sup>nd</sup> AGM on 6 January 2021 at 10:30 a.m. : Remote Voting</b>” under Corporate Exercise/Event and click “&gt;” to remotely cast and submit your votes online for the resolutions tabled at the AGM.</p> <p><b>Step 2:</b> Cast your votes by clicking on the radio buttons against each resolution, acknowledge the Terms and Conditions of use and Privacy Policy, review your casted votes and submit the votes.</p> <p><b>Step 3:</b> Upon casting your votes, you will be redirected back to the Live Stream. The message “Voted” will be displayed below the Live Stream.</p>	<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Access to eVoting will be opened on the aforementioned date and time.</li> <li>Your votes casted will apply throughout <b>ALL</b> the CDS accounts you represent as an individual shareholder, corporate/authorised representative and proxy.</li> <li>Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the proxy form.</li> <li>Access to eVoting will be closed as directed by the Chairman.</li> <li>A copy of your submitted eVoting can be accessed via My Records.</li> </ol>
<b>C) End of Remote Participation</b>	
The live streaming will end upon the announcement by the Chairman on the closure of the AGM.	

<sup>1</sup> For body corporates, the appointed Corporate/Authorised Representative must upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). Any document that are not in English or Bahasa Malaysia must be accompanied by a certified translation in English in one (1) file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia for verification before the registration closing date and time.

\*I/We, \_\_\_\_\_ Email: \_\_\_\_\_  
 NRIC/Passport/Registration No.: \_\_\_\_\_ Tel: \_\_\_\_\_  
 CDS Account No.: \_\_\_\_\_ Number of Shares Held: \_\_\_\_\_  
 Address: \_\_\_\_\_

being a member of TOP GLOVE CORPORATION BHD [Registration No.: 199801018294 (474423-X)] hereby appoint:

1) Name of Proxy: \_\_\_\_\_ NRIC/Passport No.: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email: \_\_\_\_\_ Tel: \_\_\_\_\_ Percentage of Shares Represented: \_\_\_\_\_ %

2) Name of Proxy: \_\_\_\_\_ NRIC/Passport No.: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email: \_\_\_\_\_ Tel: \_\_\_\_\_ Percentage of Shares Represented: \_\_\_\_\_ %

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us, and on my/our behalf at the Twenty Second Annual General Meeting (“AGM”) of the Company to be held on a fully virtual basis at the Broadcast Venue at TG Grand Ballroom, Level 9, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 6 January 2021 at 10:30 a.m.

Please indicate with “X” how you wish your vote to be casted. In the absence of specific instruction, your proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
<b>ORDINARY BUSINESS</b>			
1.	To re-elect the Director, Dato' Lim Han Boon.		
2.	To re-elect the Director, Tan Sri Rainer Althoff.		
3.	To re-elect the Director, Datuk Noripah Kamso.		
4.	To re-elect the Director, Datuk Dr. Norma Mansor.		
5.	To re-elect the Director, Ms. Sharmila Sekarajasekaran.		
6.	To re-elect the Director, Mr. Lim Andy.		
7.	To approve the payment of Directors' fees.		
8.	To approve the payment of Directors' benefits (excluding Directors' fees).		
9.	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company.		
<b>SPECIAL BUSINESS</b>			
10.	Authority to issue shares pursuant to the Companies Act 2016.		
11.	Retention of Dato' Lim Han Boon as an Independent Non-Executive Director.		
12.	Proposed Renewal of Share Buy-Back Authority.		

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2020/2021

\_\_\_\_\_  
 Signature of Member / Common Seal

## Notes:

- The AGM will be conducted fully virtual through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal's platform at <https://sshbsb.net.my/>. Please follow the procedures provided in the Administrative Details for the AGM in order to register, participate and vote remotely via the RPV facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 64A of the Company's Constitution which require the Chairman of the Meeting to be present at the main venue of the Meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 December 2020 (General Meeting Record of Depositors) shall be eligible to participate in the AGM.
- A member of the Company entitled to participate and vote at the AGM is entitled to appoint not more than two (2) proxies to participate, speak and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the AGM. The members or their proxies may submit questions to the Company at [topglovecosec@topglove.com.my](mailto:topglovecosec@topglove.com.my) prior to the AGM or via real time submission of typed texts through a text box within Securities Services ePortal's platform during live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in the primary mode of communication, shareholders and proxies may email their questions to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my) during the AGM.
- Where a holder appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly appointed under a Power of Attorney or, if such appointor is a corporation, either under its seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof:
  - In Hardcopy Form  
The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
  - By Electronic Means  
The proxy form shall be electronically lodged via Securities Services ePortal's platform at <https://sshbsb.net.my/> or by fax to +603-2094 9940 or by email to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my).

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STAMP

**TOP GLOVE CORPORATION BHD**  
**[Registration No.: 199801018294 (474423-X)]**  
 c/o: Securities Services (Holdings) Sdn. Bhd.  
 Level 7, Menara Milenium  
 Jalan Damanlela, Pusat Bandar Damansara  
 Damansara Heights  
 50490 Kuala Lumpur, Malaysia

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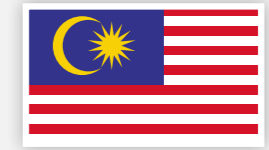
**CORPORATE SONG**

**ENGLISH**



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

**BAHASA MALAYSIA**



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

**MANDARIN**



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

**THAI**



ทั่วโลกนั้นยอมรับ ว่าเรานั้นคือ  
ผู้นำคนสูงมือที่พร้อมและคุณภาพดี  
เราสร้างสรรค.เราเติบโต เรามั่นคง  
เพื่อก้าวไปสู่สากล ด้วยมือเรา  
ทอปโกลฟดีกว่าใคร เราทำงานด้วยใจ  
คุณภาพดี และบริการที่ดี  
เพื่อความไว้วางใจ เรายินดีรับใช้  
ทอปโกลฟนั้นใจ คุณภาพทองที่นี้

# TOP GLOVE

TOP QUALITY, TOP EFFICIENCY

INTEGRATED  
ANNUAL  
REPORT  
2020

FINANCIAL YEAR ENDED  
31 AUGUST 2020

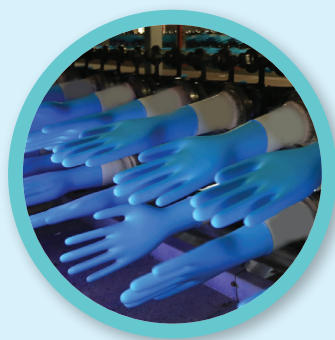
Exports to

# 195 Countries Worldwide



## 47

FACTORIES



## 750

PRODUCTION LINES



## 21,000

EMPLOYEES



## 90 Billion

GLOVES PER ANNUM

**TOP GLOVE CORPORATION BHD**  
Registration No.: 199801018294 (474423-X)

Level 21, Top Glove Tower, 16, Persiaran Setia Dagang, Setia Alam, Seksyen U13,  
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