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

The World’s Largest Rubber Glove Manufacturer
TOP GLOVE
Exports To More Than 195 Countries Worldwide

NORTH AMERICA
1. Canada
2. Puerto Rico
3. USA

LATIN AMERICA
4. Anguilla
5. Antigua and Barbuda
6. Argentina
7. Aruba
8. Bahamas
9. Barbados
10. Belize
11. Bolivia
12. Brazil
13. British Virgin Island
14. Cayman Island
15. Chile
16. Colombia
17. Costa Rica
18. Dominica
19. Dominican Republic
20. Ecuador
21. El Salvador
22. Grenada
23. Guadeloupe
24. Guatemala
25. Guyana
26. Haiti
27. Honduras
28. Jamaica
29. Martinique
30. Mexico
31. Montserrat
32. Netherlands Antilles
33. Nicaragua
34. Panama
35. Paraguay
36. Peru
37. Saint Barthélemy
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. Azerbaijan
52. Belgium
53. Bosnia Herzegovina
54. Bulgaria
55. Croatia
56. Cyprus
57. Czech Republic
58. Denmark
59. Estonia
60. Finland
61. France
62. Georgia
63. Germany
64. Greece
65. Hungary
66. Iceland
67. Ireland
68. Italy
69. Kosovo
70. Latvia
71. Liechtenstein
72. Lithuania
73. Luxembourg
74. Macedonia, FYR
75. Malta
76. Moldova
77. Monaco
78. Montenegro
79. Netherlands
80. Norway
81. Poland
82. Portugal
83. Romania
84. Russia
85. San Marino
86. Serbia
87. Slovakia
88. Slovenia
89. Spain
90. Sweden
91. Switzerland
92. Turkey
93. United Kingdom
AFRICA
94. Algeria
95. Angola
96. Benin
97. Botswana
98. Burkina Faso
99. Burundi
100. Cameroon
101. Cape Verde
102. Chad
103. Comoros
104. Republic of the Congo
105. Djibouti
106. Equatorial Guinea
107. Ethiopia
108. Eritrea
109. Gabon
110. Gambia
111. Ghana
112. Guinea
113. Guinea-Bissau
114. Kenya
115. Lesotho
116. Liberia
117. Madagascar
118. Malawi
119. Mali
120. Mauritania
121. Mauritius
122. Morocco
123. Mozambique
124. Namibia
125. Niger
126. Nigeria
127. Rwanda
128. Sao Tome and Principe
129. Senegal
130. Seychelles
131. Sierra Leone
132. South Africa
133. Swaziland
134. Tanzania
135. Togo
136. Tunisia
137. Uganda
138. Zambia
139. Zambia
140. Zimbabwe
141. Zimbabwe
142. Zimbabwe
143. Zimbabwe
144. Afghanistan
145. Armenia
146. Bangladesh
147. Bhutan
148. Brunei
149. Cambodia
150. China
151. East Timur
152. Hong Kong
153. India
154. Indonesia
155. Japan
156. Kazakhstan
157. Kyrgyzstan
158. Laos
159. Macau
160. Malaysia
161. Maldives
162. Mongolia
163. Nepal
164. New Caledonia
165. Pakistan
166. Palestine
167. Philippines
168. Singapore
169. South Korea
170. Sri Lanka
171. Taiwan
172. Tajikistan
173. Thailand
174. Turkmenistan
175. Uzbekistan
176. Vietnam
177. Bahrain
178. Egypt
179. Israel
180. Jordan
181. Kuwait
182. Oman
183. Qatar
184. Saudi Arabia
185. UAE
186. American Samoa
187. Australia
188. Fiji
189. Kiribati
190. Marshall Islands
191. Micronesia
192. Nauru
193. Palau
194. Palau
195. Palau
196. Palau
197. Palau
198. Palau
199. Palau
200. Palau
201. Palau
202. Palau
203. Palau
204. Palau
205. Palau
206. Palau
207. Palau
208. Palau
209. Palau
210. Palau
CORPORATE VISION AND MISSION

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

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

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

BUSINESS ETHICS
- Honesty
- Integrity
- Transparency

QUALITY POLICY
- Quality and productivity are our business
- Continuous improvement and innovation are our duties
- Towards zero defect is our target
- Compliance with customers’ and regulatory requirements is our responsibility

BUSINESS RULES
- Do not lose our shareholders’ money;
- Do not lose our health;
- Do not lose our temper; and
- Do not lose our customers.
OUR BUSINESS OFFICES GLOBAL PRESENCE

MALAYSIA

THAILAND

CHINA

USA

GERMANY

INDONESIA

SINGAPORE

Page
1 Export Markets
2 Corporate Vision and Mission
3 Contents
4 Corporate Structure
5 International Quality Awards & Certifications
6 Corporate Information
7 Board of Directors
8 Directors’ Profile
16 Senior Management Team
17 Financial Highlights
18 6 Years Financial Review
19 Enhancing Shareholders’ Value

Page
20 Letter to Stakeholders and Management Discussion & Analysis (English, BM & Mandarin)
37 Corporate Responsibility Statement
40 Financial Calendar
41 Top Glove Corporate Song
42 Corporate Governance Statement
60 Other Compliance Information
62 Statement on Risk Management and Internal Control

Page
65 Audit Committee Report
70 Directors’ Responsibility Statement
71 Financial Statements for the financial year ended 31 August 2014
153 List of Properties
164 Analysis of Shareholdings
167 Notice of the 16th Annual General Meeting
172 Administrative Details for the 16th Annual General Meeting
175 Form of Proxy
Notes:
1. Top Glove has in total 33 companies within the group.
2. * Top Glove Foundation is a member of Top Glove Group.
### INTERNATIONAL QUALITY AWARDS AND CERTIFICATIONS

**NEW LEVELS OF EXCELLENCE**

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outstanding Business Awards - Largest Rubber Glove Manufacturer</strong></td>
<td><strong>The BrandLaureate Best Brands Brand of the Year, Manufacturing - Gloves</strong></td>
</tr>
<tr>
<td><strong>The BrandLaureate Best Brands Brand of the Year, Manufacturing - Gloves</strong></td>
<td><strong>ISO 14001:2004</strong></td>
</tr>
<tr>
<td><strong>The BrandLaureate President’s Award</strong></td>
<td><strong>TOP GLOVE &quot;FORMER CARRYING ASSEMBLY&quot; PATENT, Number MY-147689-A</strong></td>
</tr>
<tr>
<td><strong>ISO 14001:2004</strong></td>
<td><strong>Introduction of Environmentally-Friendly CPE/TPE Gloves and its Low Carbon Footprint Manufacturing Technology to Malaysia</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
<tr>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
<td>![Award Icon]</td>
</tr>
</tbody>
</table>

### PAST AWARDS ~ 1991 to 2003

- CE 0120 Europe
- ISO 9001 Malaysia
- SGS UK
- SMI
- MBE
- TGA Australia
- FDA USA
- SATRA UK
- TUV Rheinland
- CE Europe
- SABS
- CNS
- HPPE
- TSE Tokyo
- Malaysia
- Canada
- Korea
- Australia
- USA

---

Top Glove Corporation Berhad • Annual Report 2014
CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Lim Wee Chai
Chairman

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

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

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

Tan Sri Rainer Althoff
Independent Non-Executive Director

Lee Kim Meow
Managing Director

Puan Sri Tong Siew Bee
Executive Director

Lim Hooi Sin
Executive Director

Lim Cheong Guan
Executive Director

Sekarajasekaran a/l Arasaratnam
Independent Non-Executive Director

Lim Han Boon
Independent Non-Executive Director

REGISTERED & CORPORATE OFFICE

A-11-01, Empire Subang Office,
Jalan SS16/1, 47500 Subang Jaya,
Selangor D.E., Malaysia.
Tel. : +603-5022 2110
Fax : +603-5022 2113
E-mails : (i) sales@topglove.com.my
(ii) invest@topglove.com.my
(iii) whistleblower@topglove.com.my
(iv) media@topglove.com.my
Website : www.topglove.com.my

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Mohd Sidek Bin Haji Hassan
Tel. : +603-5022 2110
E-mail : sidekhassan@topglove.com.my

CHARTERED SECRETARIES

Chua Siew Chuan
(MAICSA No: 0777689)
Chin Mun Yee
(MAICSA No: 7019243)
Ngian Yoke Fung
(MAICSA No: 7049093)
Tel. : +603-5022 2110
E-mail : yfngian@topglove.com.my

AUDITORS

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

STOCK EXCHANGE LISTING

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

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

REGISTRAR

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

PRINCIPAL BANKERS

- Bank of China Limited
- BNP Paribas Malaysia Berhad
- CIMB Bank Berhad
- Deutsche Bank (Malaysia) Berhad
- Hong Leong Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- OCBC Bank (Malaysia) Berhad
- Public Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- Siam Commercial Bank Public Company Limited
- The Bank of Nova Scotia Berhad
OUR BUSINESS DIRECTION IS:
“TO PRODUCE CONSISTENTLY HIGH QUALITY GLOVES AT EFFICIENT LOW COST”
<table>
<thead>
<tr>
<th><strong>Nationality/ Age</strong></th>
<th>Malaysian/ 56</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of Appointment</strong></td>
<td>4 September 2000 (Founder of Top Glove Group of Companies)</td>
</tr>
<tr>
<td><strong>Length of Service</strong> (as at 12 November 2014)</td>
<td>14 years 3 months</td>
</tr>
<tr>
<td><strong>Date of Last Re-election</strong></td>
<td>8 January 2013</td>
</tr>
</tbody>
</table>
| **Board Committees** | • Member of Remuneration Committee  
• Chairman of ESOS Option Committee |
| **Board meeting attended in the Financial Year** | 4/4 |
| **Qualification(s)** | • Master of Business Administration from Sul Ross State University in Texas, United States  
• Bachelor of Science Degree with Honours in Physics from University Malaya, Malaysia |
| **Directorship of Public Companies** | • Trustee of Top Glove Foundation |
| **Present Appointment(s)** | • Vice President of the Federation of Malaysian Manufacturers (FMM) since 2013  
• Council Member of the East Asia Business Council (EABC), appointed by the Minister of International Trade and Industry Malaysia since 2011  
• 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 |
| **Past Appointment and Working Experience** | Tan Sri Lim has been actively involved in many glove industry related associations and organisations in Malaysia. He served as the President of the Malaysian Rubber Glove Manufacturers’ Association (MARGMA) from 1997-1999. Prior to that, he served as the Vice-President, Honorary Secretary and Treasurer of MARGMA for the past seven years. In addition, he was also the Director of the Association of Malaysia Medical Industries (AMMI) and Board Member of the Malaysia Rubber Board in 1998 and 1999. |
| **Family Relationship with any Director and/or Substantial Shareholder of the Company** | Spouse of Puan Sri Tong Siew Bee and the brother of Mr Lim Hooi Sin, both are the Directors and Substantial Shareholders of the Company. |
Nationality/ Age : Malaysian/ 86
Date of Appointment : 4 September 2000
Length of Service : 14 years 3 months
(as at 12 November 2014)
Date of Last Re-appointment : 7 January 2014
(Pursuant to Section 129(6) of the Companies Act 1965)
Board Committees : • Chairman of Audit Committee
• Chairman of Nomination Committee
Board meeting attended in the Financial Year : 3/4
Qualification(s) : • Postgraduate Diploma in Business Administration from Management Development Institute (IMEDE) (Now IMD), Lausanne, Switzerland
• Bachelor of Science (Hons.) Economics and Statistics from University of Wales, Aberystwyth, United Kingdom
• Diploma in Agriculture from College of Agriculture, Serdang, Malaysia
Directorship of Public Companies : • Chairman of Malayan Flour Mills Bhd
• Chairman of Tomypak Holdings Berhad
• Chairman of Karex Berhad
• Director of Kulim (M) Berhad
Present Appointment(s) : • Chairman of Board of Directors of University Malaya
• Pro Chancellor of UiTM
• Chancellor of KPJ International University College of Nursing & Health Sciences
• Chancellor INTI International University College
• Governor of Tuanku Jaafar College
Past Appointment and Working Experience : • President of the Malaysian Rubber Products Manufactures Association (MRPMA)
• Chairman of Malaysian Rubber Export Promotion Council (MREPC)
• Member of Lembaga Getah Malaysia

Had a distinguished career in the Malaysian Civil Service, had held various senior position in various Ministries in the Malaysian Government from 1958 till 1983, including serving as Deputy Governor of Bank Negara Malaysia (1975 to 1977), Deputy Director General in the Economics Planning Unit of the Prime Minister’s Department (1977 to 1978) and as Secretary General in the Ministry of Primary Industries (1978), Ministry of Agriculture (1979 to 1981) and Ministry of Land and Regional Development (1981 to 1983). Tan Sri Arshad was a Member of Justice Harun’s Salaries Commission for statutory bodies.
Nationality/ Age : Malaysian/ 63
Date of Appointment : 14 March 2013
Date of Re-designated as Senior Independent Non-Executive Director : 14 October 2014
Length of Service (as at 12 November 2014) : 1 year 8 months
Date of Last Re-election : 7 January 2014
Board Committees : • Chairman of Risk Management Committee
                   • Member of Nomination Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) : • Masters of Business Administration (MBA) from New Hampshire College, United States of America
                 • Bachelor of Economics (Honours) Degree in Public Administration from the University of Malaya
Directorship of Public Companies : • Chairman of Petroliam Nasional Berhad
                                   • Director of Malayan Flour Mills Berhad
Present Appointment(s) : Nil
Past Appointment and Working Experience : Tan Sri Sidek began his career in the Administrative and Diplomatic Service on 15 April 1974 as an Assistant Director at the International Trade Division of Ministry of Trade and Industry. He was later appointed as Assistant Trade Commissioner at the Malaysian Embassy in Tokyo, Japan, from May 1977 until July 1980. From August 1980 until 1985, he served in the Implementation Coordination Unit (ICU) of the Prime Minister’s Department, initially as a Principal Assistant Director, then later promoted to Deputy Director, Project Analysis Sector and subsequently as the Deputy Director of Research in the same department.

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

Nationality/Age: Malaysian/ 75  
Date of Appointment: 16 June 2010  
Length of Service: 4 years 5 months (as at 12 November 2014)  
Date of Last Re-appointment: 7 January 2014 (Pursuant to Section 129(6) of the Companies Act 1965)  
Board Committees: Nil  
Board meeting attended in the Financial Year: 4/4

Qualification(s):  
- Chartered Scientist, British Science Council, London  
- Chartered Statistician, professionally qualified in UK  
- Eisenhower Fellow, Fellow of The Royal Statistical Society (London), IMF Institute (Washington DC), Malaysian Institute of Bankers, Malaysian Insurance Institute, Malaysian Institute of Management and Malaysian Economic Association  
- Three postgraduate degrees from Harvard University, including a PhD in Economics; a Mason Fellow and a Ford Scholar  
- Graduated from the University of Malaya in Singapore

Directorship of Public Companies:  
- Director of Genting Berhad  
- Director of Ancom Berhad  
- Director of JobStreet Corporation Berhad  
- Director of Wah Seong Corporation Berhad  
- Chairman of IGB REIT Management Sdn. Bhd.

Present Appointment(s):  
- Board Director, Monash University Malaysia Sdn Bhd since 2002 and Sunway University Sdn Bhd since November 2013  
- Governor, Asian Institute of Management, Manila since1995  
- Member of Harvard University’s Graduate School Alumni Association Council in Cambridge (USA) since 1993  
- President, Harvard Club of Malaysia since 2002  
- Professor of Economics (Adjunct), Universiti Utara Malaysia since 1990  
- Professor of Business & International Finance (Adjunct), University Malaysia Sabah since 2008  
- Research Professor, Sunway University since 2013  

Past Appointment and Working Experience:  
Prior to 1998, Tan Sri Lin was Chairman/President and Chief Executive Officer of Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia (the Central Bank), having been a central banker for 34 years. Tan Sri Lin continues to serve the public interest, including Member of the Prime Minister’s Economic Council Working Group, Member of Competition Appeal Tribunal, member of a number of key National Committees on Higher Education and Economic Advisor, Associated Chinese Chambers of Commerce & Industry of Malaysia.
Tan Sri Rainer Althoff  
Independent Non-Executive Director

Nationality/ Age : Malaysia Permanent Resident/ 68  
Date of Appointment : 14 March 2013  
Length of Service (as at 12 November 2014) : 1 year 8 months  
Date of Last Re-election : 7 January 2014  
Board Committees : Member of Risk Management Committee  
Board meeting attended in the Financial Year : 3/4  
Qualification(s) : Master degree (Diploma) in Electronics and Electrical Engineering from Bergische University of Wuppertal, Germany  
Directorship of Public Companies : Nil  
Present Appointment(s) :  
  • Member of the Rotary Club Kuala Lumpur DiRaja since 2001  
  • Chairman of Nokia Networks Sdn. Bhd. since 2009  
  • Chairman of Coriant Malaysia Sdn. Bhd. since 2013  
  • Trustee of Jeffrey Cheah Foundation since 2011  
  • Member of International Advisory Panel to the Board of Directors of CIMB Bank since 2009  
  • Managing Director of ALC International since 2009  
Past Appointment and Working Experience : Has experience in the field of electrical engineering spans for more than 40 years. He has spent most of his working life with Siemens AG. Tan Sri Rainer was the President and CEO of Siemens Malaysia Sdn Bhd and also the spokesperson for Siemens for all Siemens operations and affiliate companies in Malaysia for almost 11 years.
Lee Kim Meow
Managing Director

Nationality / Age : Malaysian/ 55
Date of Appointment : 15 October 2003
Date of Re-designated as Managing Director : 7 April 2009
Length of Service : 11 years 1 months
(as at 12 November 2014)
Date of Last Re-election : 7 January 2014
Board Committees :
• Member of Risk Management Committee
• Member of ESOS Option Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Bachelor of Law Degree from University of London, U.K.
• Bachelor of Commerce Degree from University of New South Wales, Australia majoring in Accounting, Finance and Information System

Directorship of Public Companies :
Trustee of Top Glove Foundation

Present Appointment(s) :
• Chairman of the Asean Rubber Glove Manufacturers Association (ARGMA) since 2013
• Board member of the Malaysian Rubber Export Promotion Council (MREPC) since 2002

Past Appointment and Working Experience :
Vast experience in financial services, trading and manufacturing business having worked more than 15 years in established financial institutions and with a well known conglomerate with diversified interest in the Asean region.

In the last 13 years, Mr. Lee has been actively contributing to the development of the rubber glove industry in Malaysia as well as the ASEAN region. He was a board member of the Malaysian Rubber Board (MRB) and the Tun Abdul Razak Research Centre (TARRC) from 2010 to 2011; and the immediate past President of the Malaysian Rubber Glove Manufacturers’ Association (MARGMA).

Puan Sri Tong Siew Bee
Executive Director

Nationality / Age : Malaysian/ 56
Date of Appointment : 4 September 2000
(Co-Founder of Top Glove Group of Companies)
Date of Re-designated as Managing Director : 7 April 2009
Length of Service : 14 years 3 months
(as at 12 November 2014)
Date of Last Re-election : 7 January 2014
Board Committees : Nil
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Master of Business Administration from Sul Ross State University in Texas, USA
• Bachelor of Science Degree with Honours in Computer Science from University Sains Malaysia

Directorship of Public Companies : Nil

Present Appointment(s) : Nil

Past Appointment and Working Experience :
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 and/or Substantial Shareholder of the Company :
Spouse of Tan Sri Lim Wee Chai and sister in-law of Mr Lim Hooi Sin, both are the Directors and Substantial Shareholders of the Company.
DIRECTORS’ PROFILE
(CONT’D)

Lim Hooi Sin
Executive Director

Nationality / Age : Malaysian/ 52
Date of Appointment : 4 September 2000
Length of Service : 14 years 3 months
(as at 12 November 2014)
Date of Last Re-election : 8 January 2013
Board Committees : Nil
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Charter Financial Consultant Diploma from American College, PA, USA
• Master of Business Administration Degree (Minor in Applied Statistic) from Arizona State University, USA
• Bachelor of Science Degree in Management Science from Oklahoma State University, USA

Directorship of Public Companies : Nil
Present Appointment(s) : Nil

Past Appointment and Working Experience:
Spent fourteen (14) years of his career with MetLife Financial Services, one of the largest insurance & financial services company in the US. Prior to this posting, he was a Management Trainee, Associate Branch Manager, Regional Marketing Specialist, Agency Director and Director of Asian Market. His experience includes product development, marketing, recruiting, training and supervision of a large highly productive sales force. He was a Director of AAAA (Arizona Asian American Association). He is also the founder of TG Medical USA, Inc. in 1994 with vast experiences in the United States glove market. He also sits on the Board of several private limited companies.

Family Relationship with any Director and/or Substantial Shareholder of the Company:
Brother of Tan Sri Lim Wee Chai and brother in-law of Puan Sri Tong Siew Bee, both are Directors and Substantial Shareholders of the Company

Lim Cheong Guan
Executive Director

Nationality / Age : Malaysian/ 49
Date of Appointment : 31 August 2006
Length of Service : 8 years 3 months
(as at 12 November 2014)
Date of Last Re-election : 10 January 2012
Board Committees :
• Member of Risk Management Committee
• Member of ESOS Option Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Member of Malaysian Institute of Accountants
• Member of Malaysian Institute of Certified Public Accountants
• Bachelor Degree in Accounting, University of Malaya

Directorship of Public Companies :
Director of Malaysian Investor Relations Association Berhad (MIRA) since year 2008
Present Appointment(s) :
Advisor to the Management Committee of Top Glove Foundation since year 2008

Past Appointment and Working Experience:
Began his career with Price Waterhouse in 1990 and subsequently held various key positions in a number of public listed companies in Malaysia, which the business activities spanned over manufacturing, plantation, trading and property development.
Sekarajasekaran a/l Arasaratnam
Independent Non-Executive Director

Nationality / Age : Malaysian/ 86
Date of Appointment : 4 September 2000
Length of Service : 14 years 3 months
(as at 12 November 2014)
Date of Last Re-appointment : 7 January 2014
(Pursuant to Section 129(6) of the Companies Act 1965)
Board Committees :
• Member of Audit Committee
• Member of Remuneration Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Fellow of the Institution of Engineers Malaysia
• Member of the Institution of Civil Engineers, United Kingdom
• Member of the Chartered Institution of Water and Environmental Management, United Kingdom
• Member of the American Society of Civil Engineers
• Member of the Association of Consulting Engineers Malaysia
• Diploma in Public Health Engineering from the Imperial College of Science & Technology, United Kingdom
• Diploma in Civil Engineering from Technical College, Kuala Lumpur

Directorship of Public Companies : Nil

Present Appointment(s) :
President of Erinco Sdn Bhd since 2004 and advisor since 2014.

Past Appointment and Working Experience :
Was with the Public Works Department as the Technical Assistant of Waterworks from 1951 to 1959, thereafter as Assistant Resident Engineer, Executive Engineer and Waterworks Engineer from 1965 to 1966. He joined the Ministry of Health in 1968 as a Senior Public Health Engineer and was promoted to Chief Public Health Engineer in 1972. He was the Director of Engineering Services from 1980 to 1983.

Lim Han Boon
Independent Non-Executive Director

Nationality / Age : Malaysian/ 57
Date of Appointment : 21 February 2011
Length of Service : 3 years 9 months
(as at 12 November 2014)
Date of Last Re-election : 10 January 2012
Board Committees :
• Member of Audit Committee
• Chairman of Remuneration Committee
• Member of Nomination Committee
• Member of Risk Management Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Attended the Harvard Business School Senior Management Development Program
• Master of Business Administration Degree from the University of South Australia, Australia
• Member of the Chartered Management Institute, United Kingdom
• Member of the Malaysian Institute of Accountants
• Fellow of the Association of Chartered Certified Accountants, United Kingdom

Directorship of Public Companies : Nil

Present Appointment(s) :
Treasurer of Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association

Past Appointment and Working Experience :
Has more than twenty (20) years of experience in areas of transport and maritime logistics industry having worked for Kontena Nasional Berhad, Kannaltec Berhad, Northport Malaysia Berhad and NCB Holdings Berhad.

Note :
Save as disclosed, all other Directors have no family relationship with any Director and/or Substantial Shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence within the past 10 years other than traffic offences, if any.
## Financial Highlights

### Revenue
**RM2,275.4 million**
2013: RM2,313.2 million

### Net Profit
**RM183.6 million**
2013: RM202.8 million

### EPS
29 Sen
2013: 32 sen

### Net Dividend Per Share
16 Sen
2013: 16 sen

### Net Cash
**RM157.6 million**
2013: RM158.4 million

### ROE
13.1%
2013: 14.9%

---

### Revenue (RM million)

<table>
<thead>
<tr>
<th>Year</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,529.1</td>
<td>2,079.4</td>
<td>2,053.9</td>
<td>2,314.5</td>
<td>2,313.2</td>
<td>2,275.4</td>
</tr>
</tbody>
</table>

### Profit Before Tax (RM million)

<table>
<thead>
<tr>
<th>Year</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>222.0</td>
<td>260.4</td>
<td>145.5</td>
<td>240.7</td>
<td>242.2</td>
<td>216.3</td>
</tr>
</tbody>
</table>

### Net Profit (RM million)

<table>
<thead>
<tr>
<th>Year</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>181.1</td>
<td>250.4</td>
<td>115.1</td>
<td>207.3</td>
<td>202.8</td>
<td>183.6</td>
</tr>
</tbody>
</table>

### Net Cash (RM million)

<table>
<thead>
<tr>
<th>Year</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>178.0</td>
<td>299.9</td>
<td>264.3</td>
<td>308.5</td>
<td>159.4</td>
<td>157.6</td>
</tr>
</tbody>
</table>
6 YEARS FINANCIAL REVIEW

“The group registered compounded annual growth rates (CAGR) for revenue and net profit attributable to equity of 26%, since listing in 2001.”

<table>
<thead>
<tr>
<th>Group</th>
<th>31.8.14 (RM'000)</th>
<th>31.8.13 (RM'000)</th>
<th>31.8.12 (RM'000)</th>
<th>31.8.11 (RM'000)</th>
<th>31.8.10 (RM'000)</th>
<th>31.8.09 (RM'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>2,275,366</td>
<td>2,313,234</td>
<td>2,314,454</td>
<td>2,053,916</td>
<td>2,079,432</td>
<td>1,529,077</td>
</tr>
<tr>
<td>Earning Before Interest, Depreciation &amp; Taxation</td>
<td>312,107</td>
<td>323,282</td>
<td>310,002</td>
<td>207,279</td>
<td>364,661</td>
<td>287,484</td>
</tr>
<tr>
<td>Profit Before Taxation</td>
<td>216,310</td>
<td>242,204</td>
<td>240,702</td>
<td>145,470</td>
<td>304,961</td>
<td>221,992</td>
</tr>
<tr>
<td>Taxation</td>
<td>32,745</td>
<td>39,375</td>
<td>33,417</td>
<td>30,338</td>
<td>54,550</td>
<td>53,922</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>183,565</td>
<td>202,829</td>
<td>207,285</td>
<td>115,132</td>
<td>250,411</td>
<td>168,070</td>
</tr>
<tr>
<td>Profit Attributable to Owners of the Parent</td>
<td>180,523</td>
<td>196,500</td>
<td>202,726</td>
<td>113,091</td>
<td>245,231</td>
<td>169,133</td>
</tr>
<tr>
<td>Net Cash / (Borrowings)</td>
<td>157,633</td>
<td>158,390</td>
<td>308,468</td>
<td>254,264</td>
<td>299,921</td>
<td>178,023</td>
</tr>
<tr>
<td>Total Equity / Net Assets</td>
<td>1,397,550</td>
<td>1,357,841</td>
<td>1,279,853</td>
<td>1,146,373</td>
<td>1,116,366</td>
<td>845,977</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>13.1</td>
<td>14.9</td>
<td>16.2</td>
<td>10.0</td>
<td>22.4</td>
<td>19.9</td>
</tr>
<tr>
<td>Net Assets Per Share (RM)*</td>
<td>2.25</td>
<td>2.19</td>
<td>2.07</td>
<td>1.85</td>
<td>1.81</td>
<td>1.39</td>
</tr>
<tr>
<td>Basic Earnings Per Share (RM)*</td>
<td>0.29</td>
<td>0.32</td>
<td>0.33</td>
<td>0.18</td>
<td>0.40</td>
<td>0.28</td>
</tr>
<tr>
<td>Net Dividend (sen)</td>
<td>16.00</td>
<td>16.00</td>
<td>16.00</td>
<td>11.00</td>
<td>16.00</td>
<td>22.00</td>
</tr>
<tr>
<td>Number of Shares in Issue ('000)</td>
<td>620,664</td>
<td>620,220</td>
<td>618,880</td>
<td>618,513</td>
<td>618,162</td>
<td>303,759</td>
</tr>
<tr>
<td>Share Price (RM)</td>
<td>4.79</td>
<td>6.14</td>
<td>5.29</td>
<td>4.86</td>
<td>6.07</td>
<td>6.95</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>2,972,961</td>
<td>3,808,151</td>
<td>3,273,875</td>
<td>3,005,973</td>
<td>3,752,243</td>
<td>2,111,125</td>
</tr>
</tbody>
</table>

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

**Dividend Payout**

**Dividend Policy:** Not less than 50% of Profit After Tax and Minority Interest

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Dividend (sen)</th>
<th>Proposed Final Dividend (sen)</th>
<th>Final Dividend (sen)</th>
<th>Interim Dividend (sen)</th>
<th>Special Dividend (sen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>3.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>9.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>9.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>9.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividend Payment (RM’mil)</th>
<th>65.9</th>
<th>98.9</th>
<th>68.0</th>
<th>99.0</th>
<th>99.3</th>
<th>99.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payout Ratio (%)</td>
<td>39</td>
<td>40</td>
<td>60</td>
<td>49</td>
<td>50</td>
<td>55</td>
</tr>
</tbody>
</table>

Total dividend payment of RM654.1 million since listed in year 2001.

**Equity Holders Structure (Malaysian & Foreigner) as at 31 August 2014**

- Malaysian Substantial Shareholders: 52%
- Malaysian Bodies Corporate and Individuals: 15%
- Foreign Shareholders: 33%

**Equity Holders Structure (type of holders) as at 31 August 2014**

- Nominees: 50%
- Individuals: 31%
- Institutions: 19%

**Total Equity (RM million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equity</td>
<td>846.0</td>
<td>1,116.4</td>
<td>1,146.4</td>
<td>1,279.9</td>
<td>1,357.8</td>
<td>1,397.6</td>
</tr>
</tbody>
</table>

**Market Capitalisation (RM billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Capitalisation</td>
<td>2.1</td>
<td>3.8</td>
<td>3.0</td>
<td>3.3</td>
<td>3.8</td>
<td>3.0</td>
</tr>
</tbody>
</table>

**Investor Relations Contact**

All investors are welcome to contact the Investor Relations (IR) team directly at invest@topglove.com.my or visit the Investor Relations section on our website at www.topglove.com.my.
TOP GLOVE’S BUSINESS PHILOSOPHIES ARE:

1. We work for our CUSTOMERS;
2. We take care of the interest of our SHAREHOLDERS;
3. We ensure that our EMPLOYEES continue to contribute positively to the Company and we take good care of the well-being of our employees; and
4. We work closely with our BANKERS, SUPPLIERS, BUSINESS ASSOCIATES, GOVERNMENT AUTHORITIES and FRIENDS.
LETTER TO STAKEHOLDERS AND
MANAGEMENT DISCUSSION & ANALYSIS
(CONT’D)

DEAR FELLOW STAKEHOLDERS,
ON BEHALF OF THE BOARD OF DIRECTORS OF TOP GLOVE CORPORATION BERHAD
(“TOP GLOVE”), WE ARE PLEASED TO PRESENT OUR ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 AUGUST 2014 (“FY2014”).

Business Landscape

The financial year in review was a challenging one, marked by increased competition and cost pressure. Nevertheless, at the close of FY2014, Top Glove recorded volume growth in glove sales. We noted robust demand growth in nitrile gloves from developed countries, while demand for natural rubber gloves from emerging markets remained consistent.

In FY2014, competition intensified in the nitrile glove segment, as Top Glove along with other major industry players, ramped up their capacity to meet the ever-growing demand.

There were also increases in utility costs to contend with. Effective 1 January 2014, the electricity tariff went up by 16%, followed closely by a 19% increase in the natural gas tariff which was implemented on 1 May 2014. The knock-on inflationary costs which followed the rate revisions, invariably affected our bottomline. However, quality and cost efficiency enhancements via automation, computerisation and technology transformation initiatives which the Group embarked on have served to mitigate the impact of these headwinds.

Further softening the impact was a decline in raw material prices, which persisted throughout the year. For FY2014, latex prices contracted by 17.3% to an average of RM4.77/kg while nitrile prices fell by 8.3% to an average of RM3.51/kg versus FY2013, and we expect them to continue trending within this range, which bodes well for our industry. Meanwhile, sporadic outbreaks of infectious diseases such as MERS, various strains of bird flu and swine flu, and more recently on a larger scale, Ebola, continued to bring to the forefront the importance of preventive measures and personal protective equipment in the healthcare industry.

The Top Glove Board of Directors poses for a group photo after a Board Meeting
While there may be periods of intensified competition, over our years in the business, we have witnessed the industry go through similar business cycles and believe the market will correct itself over time. It may be tougher this round, because there are cost increases in electricity and natural gas to factor in as well, but as we remain steadfast in adhering to our time-honoured business direction of producing high quality gloves at an efficient low cost, we will be able to overcome these challenges successfully.

Moreover, with recent developments that have 2 MNCs exiting the glove business and outsourcing their manufacturing activities, we are now seeing signs of industry consolidation. This augurs well for us, as it signifies reduced supply and competition in the future, while also representing new business opportunities.

As an indispensable item to the healthcare sector, the world demand for rubber gloves is estimated to be at 170 billion pieces per annum for 2014 according to the Malaysian Rubber Glove Manufacturers Association (MARGMA) and is expected to continue growing by an average of 6% to 8% every year. Increasing healthcare awareness and hygiene standards, along with more stringent healthcare regulations and a growing ageing population, will continue to bolster glove usage, particularly in developing countries where usage is relatively low but rapidly on the rise.

**Performing In A Challenging Environment**

At the close of the financial year ended 31 August 2014, our revenue stood at RM2.275 billion, 1.6% lower than FY2013, attributed to a lower average selling price on the back of declining raw material costs and heightened competition. Meanwhile, net profit for FY2014 came in at RM183.6 million, 9.5% short of FY2013.

However, in spite of macro-environmental challenges which adversely impacted results, the Group saw a marked increase in sales volume of 3% at the close of the financial year. The improved contribution from higher sales was offset by increased competition, particularly in the nitrile glove segment, as well as cost increases following hikes in electricity and natural gas tariffs which came into effect this year. Unrealised forex losses owing to an unexpected strengthening of the Ringgit at the close of the financial year, also accounted for a softer performance.

Our product mix by glove type and geographical breakdown of revenue for FY2014 are depicted below:

<table>
<thead>
<tr>
<th>Product mix by glove type FY2014</th>
<th>Revenue by geography FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powder-free latex 20%</td>
<td>Middle East 7%</td>
</tr>
<tr>
<td>Powdered Latex 48%</td>
<td>Africa 4%</td>
</tr>
<tr>
<td>Nitrile 24%</td>
<td>Europe 31%</td>
</tr>
<tr>
<td>Vinyl 6%</td>
<td>North America 28%</td>
</tr>
<tr>
<td>Surgical 2%</td>
<td>Asia 16%</td>
</tr>
<tr>
<td>Latam America 14%</td>
<td>Latin America 14%</td>
</tr>
</tbody>
</table>
Nevertheless, the Group achieved considerable operational improvements in the financial year, mainly attributed to enhanced capacity utilisation arising from an increase in the sales volume of nitrile gloves, which grew substantially by 24% compared with last year. Nitrile glove sales contribution to total Group sales grew from 20% in FY2013 to 24% in FY2014, following buoyant demand, indicating favourable growth prospects in developed markets, particularly the US and Europe. At the same time, we recorded increased sales in Asia where market share expanded to 16%, in line with the general uptrend in usage for natural rubber gloves within emerging markets. Indeed, with our comprehensive range of gloves and balanced product mix, we are well-positioned to fulfil the various requirements of different regions.

In terms of growth, the Group outperformed Malaysia’s total exports. While total exports of both natural rubber and nitrile gloves from Malaysia increased by 2.0% in the first half of the calendar year 2014 (1HCY2014) versus 1HCY2013, Top Glove’s Malaysian operations (TGM) showed a substantially higher growth of 9.7% in exports within the same period. This was mainly attributed to larger growth in the nitrile gloves segment, where TGM’s exports increased by 32.9% while Malaysian exports grew only by 1.5% in 1HCY2014.

The Group also continued to generate free cash flows and was able to maintain a strong balance sheet position with net cash and short term investments of RM157.6 million as at 31 August 2014.

Meanwhile, total shareholders’ equity was RM1.40 billion and net asset per share stood at RM2.25.

In upholding our commitment to our valuable shareholders, the Board of Directors has recommended a final tax-exempt dividend of 9 sen per share (single tier) amounting to approximately RM55.9 million for FY2014, pending shareholders’ approval at the forthcoming 16th Annual General Meeting in January 2015. The Group had also earlier declared an interim dividend of 7 sen per ordinary share amounting to RM 43.4 million, payment of which was made on 17 July 2014. On a full year basis, this enables a total dividend payout of 16 sen, on par with FY2013, representing a 55% dividend payout ratio. In line with its commitment to increasing shareholder value, the Group also established a dividend policy to crystallise a payout ratio of not less than 50% of its profit after tax and minority interest in respect of future financial years.

Corporate Developments

To ensure we are able to fully tap the growing demand for rubber gloves, investing in quality expansion is a key focus area on our corporate agenda. Our emphasis is on building more efficient manufacturing facilities, which adopt the latest technology and automation capabilities available. In tandem, we will also be enhancing the productivity of our existing factories: reviewing, upgrading and retiring lines and plants, where required.

Keeping this in view, we are proceeding with our plans to increase the number of nitrile glove production lines. An additional 6 nitrile glove production lines at Factory 27 in Lukut, Port Dickson came on-stream in September 2014, while the installation of production lines at Factory 29 in Klang is targeted to be completed and operational by January 2015. Factory 29 will be installed with faster, more efficient and technologically advanced production lines.
This will boost the number of production lines from 464 to 484 and increase production capacity from 42.0 billion to 44.6 billion pieces of gloves per annum.

To meet increasingly diverse and specialised needs, we will also continue to expand our extensive product range (currently encompassing latex, surgical, nitrile, household, cleanroom, vinyl and cast polyethylene gloves) which has already earned Top Glove a name as the preferred one-stop glove sourcing centre.

On 24 March 2014, the Group also successfully completed the privatisation of its subsidiary Medi-Flex Limited, an exercise envisioned to have a positive impact on the Group’s earnings, as it is now able to garner an additional 20.3% of the entity’s profits. This is especially positive in view of the anticipated improvement in performance going forward.

As part of its on-going cost rationalisation and business streamlining strategy to enhance efficiency, the Group also consolidated its China operations into a single factory (Factory 15) at Xin Hua, and subsequently disposed of Factory 8 in Zhangjiagang on 13 June 2014. With this exercise, the Group successfully turned around its China operations, which in Q4FY2014 contributed some RM1.09 million to total group profit.

The construction of our corporate headquarters, Top Glove Tower, is well underway and expected to be ready for occupancy by March 2015. This will meet future office space requirements, in view of our aggressive manpower and capacity expansion plans that are in the pipeline. We will only be occupying a part of the tower and leasing out the other floors to generate recurring income. Strategically located opposite Setia City Mall, the tower’s proximity to our manufacturing facilities will also be an advantage for monitoring purposes.

Corporate Citizenship and Social Responsibility

One of the most rewarding aspects of business is being able to contribute to society. Indeed, we aim to make a meaningful difference in the communities where we operate, by investing our time, effort and resources towards their betterment. Only then can we say we have truly succeeded as a responsible corporate citizen.

It is always with great joy and pride that we witness so many of our people take to our various corporate responsibility activities with such enthusiasm. This is precisely the kind of energy that will propel our CR initiatives and even our organisation to greater heights, year after year.

To learn more about how we are impacting the lives around us, please see our Corporate Responsibility Statement on page 37 to page 39.

R&D and Technological Advancement

It is important that even amidst the most difficult times, businesses do not lose sight of the need to constantly innovate, both to protect existing market share and to create growth. Today, innovation is no longer a ‘nice to have’, it is a ‘must have’. This is especially true in manufacturing industries like ours where customers’ standards are increasingly exacting and competition is getting more intense.

As such, Top Glove continues to believe that focused investment in R&D is critical to our future growth and maintaining a competitive position in the glove manufacturing industry.
Since its inception, the overriding goal of our R&D Department has been to develop new technologies to enhance existing products and also ensure timely introduction of competitive new products. Accordingly, Top Glove has invested in new technologies and the latest instruments that allow for highly advanced analytical testing, as seen in our newly established wastewater testing laboratory.

Our R&D team is dedicated to the development of competitive, affordable and high quality products to satisfy the needs of customers worldwide. We pride ourselves on delivering top quality results, as proven in our newly developed low weight 2.7g nitrile gloves. In the past year, we have also achieved several notable breakthroughs in our manufacturing process, enabling us to achieve higher production quality and efficiency.

In line with Top Glove’s Quality Policy “Continuous improvement and innovation are our duties”, we are committed to make further advancements especially in quality enhancement and energy-saving projects in view of the increased electricity and natural gas tariff.

Recognising the widespread impact the Goods and Services Tax (GST) will have on our business, we have also duly commenced our GST implementation projects in advance. We are presently working with a consultant to help us identify the critical issues that may arise during the transition and to ensure full compliance before the stipulated GST implementation date of 1 April 2015.

Moving Forward

As the world’s largest rubber glove manufacturer, our foremost priority is now optimising the efficiency of our manufacturing facilities through automation, innovation and extensive R&D, towards serving both our customers and shareholders.

Our industry remains one with high growth potential and we are aggressively pursuing market expansion both in emerging and developed countries, where demand for natural and nitrile rubber gloves respectively, continues to rise. Accordingly, our product mix will be strategically planned to cater to market requirements.

In all this, Top Glove’s many talented staff remain important to our on-going success. We are continuously investing in our people through training and development, equipping them with the skills and capabilities that will enable them to drive quality growth and improvements across all aspects of our operations. We are also raising up a new generation of leaders who share a passion for our vision and whose hearts are set on taking our business to the next level of success.
We recognise that there is still much for us to do in order to realise the ambitious targets we have set for ourselves, particularly as the glove business environment continues to be challenging. However, with our unwavering focus on quality, innovation, automation, prudent cost control and efficiency, we believe we are poised and well able to deliver a stronger performance in the year ahead.

In Appreciation

The year has not been without adversity, but we count ourselves fortunate to have so many quality people in our fold, who have worked tirelessly to deliver results and continue to do so, to ensure our future success. Our sincere gratitude to our capable management and staff for your unwavering commitment.

We also wish to record our utmost appreciation to our valued shareholders, customers, vendors and business associates for your support and strong confidence, without which we would not have attained the level of success we have today.

We also would like to convey our thanks to all the Directors of the recently-delisted Medi-Flex Limited, who have served with distinction throughout their tenure.

Last, but not least, we are deeply appreciative to our fellow board members for their valuable services and having so wisely guided the Group forward.

We believe our best days are ahead of us and look forward to your continued support, as we work with utmost determination to deliver the results you have come to expect of us.

Thank you.

TAN SRI LIM WEE CHAI
Chairman
Top Glove Corporation Berhad
31 October 2014

LEE KIM MEOW
Managing Director
Top Glove Corporation Berhad
31 October 2014
PERUTUSAN KEPADA PIHAK BERKEPENTINGAN & PERBINCANGAN DAN ANALISIS PIHAK PENGURUS
> LETTER TO STAKEHOLDERS : BAHASA MALAYSIA VERSION

PARA PIHAK BERKEPENTINGAN,
BAGI PIHAK LEMBAGA PENGARAH TOP GLOVE CORPORATION BERHAD (“TOP GLOVE”),

Landskap Perniagaan

Pada TK2014, persaingan bertambah intensif berikutan perluasan kapasiti pengeluaran oleh Top Glove serta pengeluar-pengeluar utama di dalam industri, demi memenuhi permintaan pasaran yang semakin meningkat.

Selain itu, terdapat juga peningkatan kos utiliti yang perlu dihadapi syarikat. Bermula 1 Januari 2014, terdapat peningkatan tarif elektrik sebanyak 16%, diikuti kenaikan tarif gas asli sebanyak 19% yang dilaksanakan pada 1 Mei 2014. Kos inflasi yang mengikut semakan kadar yang dinyatakan menjejaskan pendapatan kami.

Walau bagaimanapun, peningkatan kualiti dan kecekapan kos melalui inisiatif automasi, pengkomputeran dan transformasi teknologi yang mana telah diimplementasi oleh Kumpulan telah mengurangkan kesan dari halangan ini.

Penurunan harga bahan mentah yang berterusan sepanjang tahun juga telah mengurangkan impak kepada kami. Pada TK2014, harga latek asli menguncup sebanyak 17.3% kepada purata RM4.77/kg manakala harga latek nitril jatuh sebanyak 8.3% kepada purata RM3.51/kg berbanding TK2013, dan kami menjangka harga bahan mentah tersebut akan terus berada dalam aliran jual ini, suatu petanda baik bagi industri kami. Sementara itu, wabak sporadis penyakit berjangkit seperti MERS, pelbagai jenis selesema burung dan selesema khinzir dan terbaru penularan wabak Ebola, sekaligus memberikan kesedaran masyarakat akan pentingnya mengambil langkah-langkah pencegahan dan peralatan pelindung diri, khususnya dalam industri penjagaan kesihatan dan perubatan.
Walaupun berhadapan dengan persaingan yang hebat, dengan pengalaman kami di dalam perniagaan ini bertahun lamanya, kami telah menyaksikan beberapa kitaran perniagaan industri yang serupa dan percaya pasaran akhirnya akan stabil dengan sendiri. Ianya mungkin lebih sukar pada kitaran kali ini, kerana kami juga menghadapi kenaikan kos elektrik dan gas asli, tetapi kami kekal teguh dalam mematuhi hala tuju perniagaan bagi menghasilkan sarung tangan yang berkualiti tinggi pada kos yang rendah serta cekap, dan yakin akan dapat mengatasi cabaran ini dengan jayanya.

Tambahan pula, dengan perkembangan baru-baru ini yang menyaksikan 2 buah syarikat antarabangsa keluar dari perniagaan sarung tangan dan aktiviti pengilangan mereka, kita kini melihat tanda-tanda penggabungan industri. Ini merupakan petanda baik untuk kita, kerana ia menandakan bekalan dan saingan akan dikuatkan, sementara itu juga mewakili peluang perniagaan baru.


**Prestasi Dalam Persekitaran yang Mencabar**

Pada akhir tahun kewangan berakhir 31 Ogos 2014, pendapatan kami berjumlah RM2.275 bilion, 1.6% lebih rendah berbanding TK2013, disebabkan oleh purata harga jualan yang lebih rendah berikutan penurunan kos bahan mentah dan persaingan hebat. Sementara itu, keuntungan bersih bagi TK2014 berjumlah RM183.6 juta, 9.5% kurang dari TK2013.

Walaupun cabaran makro alam sekitar memberi kesan buruk kepada keputusan, Kumpulan menyaksikan peningkatan yang ketara dalam volum jualan sebanyak 3% pada penghujung tahun kewangan. Sumbangan lebih baik daripada jualan yang lebih tinggi terjejas disebabkan peningkatan persaingan, terutamanya dalam segmen sarung tangan nitril dan juga kenaikan kos berikutan penstrukturan dalam tarif elektrik dan gas asli yang berkuat kuasa tahun ini. Kerugian forex yang belum direalisasi disebabkan pengukuran Ringgit yang tidak dijangka pada penutupan tahun kewangan.

Campuran jenis sarung tangan serta pecahan pendapatan mengikut geografi bagi TK2014 adalah dilampirkan di bawah:

Campuran produk mengikut jenis sarung tangan TK2014

**PERUTUSAN KEPADA PIHAK BERKEPENTINGAN & PERBINCANGAN DAN ANALISIS PIHAK PENGURUS**

> LETTER TO STAKEHOLDERS : BAHASA MALAYSIA VERSION (SAMB.)
PERUTUSAN KEPADA PIHAK BERKEPENTINGAN & PERBINCANGAN DAN ANALISIS PIHAK PENGURUS

> LETTER TO STAKEHOLDERS : BAHASA MALAYSIA VERSION (SAMB.)

Walau bagaimanapun, Kumpulan telah mencapai peningkatan operasi yang besar dalam tahun kewangan, terutamanya dalam penggunaan kapasiti daripada peningkatan dalam jumlah jualan sarung tangan nitril, yang mengembang dengan ketara sebanyak 24% berbanding tahun lepas. Sumbangan jualan sarung tangan nitril kepada jumlah jualan Kumpulan meningkat daripada 20% dalam TK2013 kepada 24% dalam TK2014, berikutan permintaan yang menggalakkan, menunjukkan prospek pertumbuhan yang baik di pasaran maju, terutamanya Amerika Syarikat dan Eropah. Pada masa yang sama, kami mencatatkan peningkatan jualan di Asia di mana bahagian pasaran kami berkembang sebanyak 16%, sejajar dengan kenaikan dalam penggunaan sarung tangan getah asli dalam pasaran baru muncul. Sesungguhnya, dengan adanya rangkaian komprehensif sarung tangan dan campuran produk seimbang, kami berada dalam kedudukan yang baik untuk memenuhi pelbagai keperluan dari mana-mana.

Dari segi pertumbuhan, ekspor Kumpulan telah melebihi jumlah ekspor dari Malaysia. Walaupun jumlah ekspor kedua-dua sarung tangan getah nitril dan sarung tangan getah asli dari Malaysia meningkat sebanyak 2.0% pada setengah tahun kalender 2014 berbanding dengan setengah tahun kalender 2013, operasi Malaysia Top Glove (TGM) masih menunjukkan peningkatan yang ketara sebanyak 9.7% dalam jumlah ekspor bagi tempoh yang sama. Ini disebabkan pertumbuhan yang ketara bagi segmen sarung tangan nitril dimana ekspor TGM meningkat sebanyak 32.9% manakala ekspor Malaysia meningkat sebanyak 1.5% sahaja pada setengah tahun kalender pertama 2014.

Kumpulan juga terus menjana aliran bebas tunai dan dapat mengekalkan kedudukan kunci kira-kira yang kuku dengan tunai bersih dan pelaburan jangka pendek sebanyak RM157.6 juta pada 31 Ogos 2014.

Sementara itu, jumlah ekuiti pemegang saham adalah RM1.40 bilion dan aset bersih sesaham adalah RM2.25.


Perkembangan Korporat

Bagi memastikan kita memperoleh manfaat sepenuhnya daripada permintaan sarung tangan getah yang semakin meningkat, pelaburan dalam pengembangan kualiti adalah tumpuan utama agenda korporat kami. Penekanan kami adalah untuk membina kilang yang lebih cekap, dimana kami dapat menggunakan teknologi serta otomasi keupayaan terkini. Selaras dengan ini, kami juga akan meningkatkan produktiviti perkilangan yang sedia ada: mengkaji semula dan menaik taraf serta merancang kilang yang mana perlu.

Memandangkan ini, kami meneruskan perancangan untuk meningkatkan bilangan baris pengeluaran sarung tangan nitril. Pertambahan sebanyak 6 baris talian pengeluaran sarung tangan nitril di Kilang 27 di Lukut, Port Dickson telah mula beroperasi pada bulan September 2014, manakala pemasangan baris talian pengeluaran Kilang 29 di Klang disasarkan siap dan boleh beroperasi pada Januari 2015.

Kilang 29 akan dilengkapi dengan baris talian pengeluaran yang lebih cepat, lebih cekap serta berteknologi maju. Ini sekaligus akan meningkatkan bilangan talian pengeluaran dari 464 ke 484, dan meningkatkan kapasiti pengeluaran dari 42.0 bilion ke 44.6 bilion helai sarung tangan setahun.
Bagi memenuhi pelbagai keperluan, kami juga akan terus memperluaskan rangkaian produk kami (yang kini meliputi sarung tangan getah, pembedahan, nitril, isi rumah, “cleanroom”, vinil dan polietilena “cast”) yang sudah pun memperolehkan Top Glove pengiktirafan sebagai pusat sehenti sarung tangan terpilih.

Pada 24 Mac 2014, Kumpulan juga telah berjaya menyempurnakan penswastaan anak syarikat Medi-Flex Limited, latihan korporat yang dijangka dapat memberi kesan positif kepada pendapatan Kumpulan kerana ianya meraih kembali keuntungan sebanyak 20.3% lagi. Ini adalah satu petanda yang baik memandangkan prestasi yang makin hebat seperti diharapkan.


Kewarganegaraan Korporat dan Tanggungjawab Sosial

Salah satu aspek perniagaan yang paling memuaskan adalah mampu menyumbang kepada masyarakat. Sesungguhnya, kami berhasrat untuk membawa perubahan yang bermakna kepada masyarakat di mana kami beroperasi, dengan meluangkan masa, usaha dan sumber ke arah kebajikan mereka. Barulah kita boleh mengatakan bahawa kita telah benar-benar berjaya sebagai warga korporat yang bertanggungjawab.

Kami amat gembira dan bangga melihat begitu ramai di antara kakitangan Top Glove mengambil bahagian dalam pelbagai aktiviti tanggungjawab korporat kami, dengan begitu bersemangat. Tenaga inilah yang akan menggerakkan inisiatif tanggungjawab korporat kami, malahan organisasi kami ke tahap lebih tinggi, tahun demi tahun.

Untuk mengetahui lebih lanjut mengenai bagaimana kami membuat perbezaan positif kepada masyarakat kita, sila lihat Penyata Tanggungjawab Korporat (Corporate Responsibility Statement) kami di muka surat 37 hingga 39.
Perutusan Kepada Pihak Berkepentingan & Perbincangan dan Analisis Pihak Pengurus

> Letter to Stakeholders : Bahasa Malaysia Version (SAMB.)

Penyelidikan & Pembangunan (R&D) dan Kemajuan Teknologi

Walaupun dalam keadaan yang mencabar, perniagaan seharusnya terus berinovasi secara terus menerus, untuk melindungi bahagian pasaran yang sedia ada dan mewujudkan pertumbuhan julai. Hari ini, inovasi bukan lagi pilihan, tetapi merupakan sesuatu kewajipan, terutamanya dalam industri pengilangan seperti kami di mana tahap tuntutan pelanggan semakin tinggi dan persaingan adalah hebat.

Oleh itu, Top Glove terus percaya bahwa pelaburan dalam R & D adalah penting untuk pertumbuhan masa depan dan mengekalkan kedudukan berdaya saing dalam industri pembuatan sarung tangan.

Sejak penubuhannya, matlamat utama Jabatan R&D kami adalah menghasilkan teknologi baru untuk menyempurnakan lagi produk-produk sedia ada dan juga melancarkan produk baru yang lebih kompetitif. Oleh itu, Top Glove telah melabur dalam teknologi baru dan instrumen paling maju yang membolehkan pengujian analisis lanjutan seperti yang dilihat dalam makmal ujian air sisa kami yang baru ditubuhkan.

Pasukan R&D kami berdedikasi mencipta produk yang berdaya saing, mampu milik dan berkualiti tinggi, demi memenuhi keperluan pelanggan di seluruh dunia. Kami bangga boleh menyampaikan hasil yang berkualiti tinggi, seperti yang terbukti dengan produk baru sarung tangan nitril teringan iaitu 2.7g. Pada tahun yang lalu, kami juga telah mencapai beberapa kejayaan terkini dalam proses pengilangan, membolehkan kami mencapai kualiti pengeluaran yang lebih tinggi serta cekap.

Selaras dengan Polisi Kualiti Top Glove "Penambahbaikan dan inovasi yang berterusan adalah tugas kami", kami komited untuk membuat kemajuan lanjut terutamanya dalam peningkatan kualiti dan projek-projek penimjat tenaga, memandangkan kenaikan tarif tenaga elektrik dan gas asli.

Menyedari kesan yang meluas Cukai Barangan dan Perkhidmatan (GST) kepada perniagaan, kami juga telahpun memulakan projek-projek pelaksanaan GST. Kami kini bekerjasama dengan perundang-undangan untuk mengenal pasti isu-isu kritikal yang mungkin timbul semasa peralihan dan untuk memastikan pematuhan penuh sebelum tarikh implementasinya pada 1 April 2015.

Mr. KM Lee menerima anugerah "The BrandLaureate Best Brands- Brand of the Year, Manufacturing-Gloves"

Selangkah ke Hadapan

Sebagai pengeluar sarung tangan getah terbesar di dunia, keutamaan kami kini mengoptimukman kecekapan kilang kilang kami termasuk autamasi, inovasi dan Penyelidikan & Pembangunan (R&D) meluas, ke arah memuaskan pelanggan dan pemegang saham.

Industri kami masih mempunyai potensi pertumbuhan tinggi dan kami berusaha secara agresif untuk mengembangkan pasaran kami di negara-negara baru muncul dan maju, di mana permintaan bagi sarung tangan latek dan nitril masing-masing terus meningkat. Oleh itu, campuran produk kami akan dirancang secara strategik sesuai bagi memenuhi keperluan pasaran.

Dalam semua ini, kakitangan Top Glove yang berkualiti dan berpengetahuan mereka yang bersemangat untuk bersama-sama mampu membanjiri dunia dengan peningkatan kualiti dalam semua aspek operasi kami.

Sementara itu, kami juga sedang berusaha membentu satu generasi baru pada peringkat pimpinan yang turut bersemangat untuk sama bergandingan dalam menerapkan wawasan kami dan membanjiri pasar dengan perlengkapan top ke tahap kejayaan yang seterusnya.

Kami sedar bahawa masih terdapat banyak perkara yang perlu dilaksanakan dalam meraulisasikan sasaran yang telah kami tetapkan, terutamanya dalam persekitaran perniagaan sarung tangan yang terus mencabar.
Walau bagaimanapun, dengan tumpuan tidak berbelah bahagi kami kepada kualiti, inovasi, automasi, kawalan kos berhemah dan kecekapan, kami percaya bahawa kami berkedudukan baik dan juga mampu untuk memberikan prestasi yang lebih kukuh pada tahun hadapan.

Penghargaan

Tidak dinafikan tahun ini adalah penuh dengan cabaran, tetapi kami beruntung kerana mempunyai begitu ramai kakitangan yang berkualiti dikalangan kami, yang telah bekerja tanpa mengenal erti penat dan lelah dalam mencapai keputusan positif dan akan terus berbuat demikian, bagi memastikan kejayaan kami di masa hadapan. Ucapan ribuan terima kasih kami kepada pihak pengurusan dan kakitangan kerana mampu menggalas komitmen yang tidak berbelah bahagi.

Kami juga ingin merakamkan setinggi penghargaan kepada para pemegang saham, pelanggan, pembekal dan rakan perniagaan di atas sokongan dan keyakinan teguh, tanpanya kita tidak akan mampu mencapai kejayaan ditaahap ini.

Kami juga ingin menyampaikan ucapan terima kasih kepada para Pengarah Medi-Flex Limited yang baru-baru ini dinyahsenaraikan, yang telah berkhidmat dengan cemerlang sepanjang tempoh perkhidmatan mereka.

Tidak dilupakan juga, kami amat menghargai Lembaga Pengarah syarikat kami bagi perkhidmatan tanpa jemu mereka yang telah bijak membimbing Kumpulan ke hadapan.

Kami yakin masa depan sememangnya cerah dan menghargai sokongan yang berterusan daripada anda, sementara kami bekerja dengan penuh kesungguhan untuk menyampaikan prestasi sepertimana yang anda harapkan.

Terima kasih.

TAN SRI LIM WEE CHAI
Pengerusi
Top Glove Corporation Berhad
31 Oktober 2014

LEE KIM MEOW
Pengarah Urusan
Top Glove Corporation Berhad
31 Oktober 2014

Lawatan daripada Badan Pengawas Pemegang Saham Minorit Barhad (MSWG) ke ibu pejabat Top Glove di Klang

Tan Sri Lim membawa Yang Amat Berbahagia Datuk Amar Douglas Uggah Embas, Menteri Perusahaan Perladangan dan Komoditi untuk lawatan berpandu di kilang Top Glove
商业概述

这个财务年是充满挑战的一年，由于竞争加剧和成本压力。然而在2014财务年，顶级手套集团在销售量持续增长。我们发现发展中国家对丁腈手套有着稳定及庞大的需求量，以及乳胶手套销售在新兴市场也有健全增长的蓬勃现象。

在2014财务年，为了满足不断增长的市场需求及各大业者也加强了各自的产能，从而导致了丁腈手套的竞争加剧。

除此，水、电费与液化天然气的调涨也增加了生产成本。随着电费从2014年1月1日起上调了16%，液化天然气价格也在2014年5月1日调整了19%，加上随后的汇率调整，导致利润的增加以致都影响了集团的盈利。但是，集团的品质和成本效率通过自动化，电脑化和科技的提升将有助于减轻这些不利因素的影响。

庆幸的是，原材料价格的下降缓和了部分生产成本的提高相比于2013财务年。在2014财务年里，乳胶价格下滑17.3%，至平均每公斤马币4.77，而丁腈价格也下滑了8.3%，至平均每公斤马币3.51。我们预期原料价格继续维持在此价格范围内，并展望我们的行业将有良好的发展趋势。同时，医疗保健行业不可或缺的产品，马来西亚橡胶手套制造商协会（MARGMA）估计在2014年乳胶手套的世界需求量将达到每年1,700亿只，预计将每年平均持续增长6%至8%。由于医疗保健意识和卫生标准的提高，以及更严格的安全和卫生法规和人口老龄化的增长，手套的使用将继续普及及扩大，特别是在使用率比较低的发展中国家，将呈现快速上升的趋势。

作为医疗保健行业不可或缺的产品，马来西亚橡胶手套制造商协会（MARGMA）估计在2014年乳胶手套的世界需求量将达到每年1,700亿只，预计将每年平均持续增长6%至8%。由于医疗保健意识和卫生标准的提高，以及更严格的卫生法规和人口老龄化的增长，手套的使用将继续普及及扩大，特别是在使用率比较低的发展中国家，将呈现快速上升的趋势。

此外，在2间跨国公司退出手套业务并外包其制造业务后，我们正目睹此行业整合的迹象。这对我们来说是个好消息，在供应和竞争减少的同时也展示了新的商机。

随着竞争将更激烈，多年在手套营运的经验告诉我，这只是一个商业周期，我们相信市场会随着时间的推移而自行修复。由于电费和液化天然气的调涨导致生产成本的增加，这或许会是更严峻的一次挑战。但我们坚信我们的企业方针，即即有效及低成本生产高品质手套，我们将能够成功的一一克服。

庆幸的是，原材料价格的下降缓和了部分生产成本的提高相比于2013财务年。在2014财务年里，乳胶价格下滑17.3%，至平均每公斤马币4.77，而丁腈价格也下滑了8.3%，至平均每公斤马币3.51。我们预期原料价格继续维持在此价格范围内，并展望我们的行业将有良好的发展趋势。同时，医疗保健行业不可或缺的产品，马来西亚橡胶手套制造商协会（MARGMA）估计在2014年乳胶手套的世界需求量将达到每年1,700亿只，预计将每年平均持续增长6%至8%。由于医疗保健意识和卫生标准的提高，以及更严格的卫生法规和人口老龄化的增长，手套的使用将继续普及及扩大，特别是在使用率比较低的发展中国家，将呈现快速上升的趋势。
在充满挑战环境下的表现

截至2014财年8月31日，集团营业额达马币22亿7500万，相比于2013财年略低了1.6%，这有赖于原材料价格的下滑影响了平均售价。同时，2014财年的净利润为马币1亿836万，相比于2013财年下滑了9.5%。

虽然宏观环境的挑战冲击着集团的表现，顶级手套的销售量依然在2014财年显著增加了3%。然而高销售量的表现被竞争的加剧抵消了，特别是丁腈手套，因为电费及液化天然气的上涨导致成本的提高。除此，随着马币汇率提升并发生在本财年后期，也导致较弱的表现。

在2014财年，集团的销售产品分类和营业额分析描述如下：

### 2014财年销售产品分类

- 无粉乳胶手套：20%
- 有粉乳胶手套：48%
- 丁腈手套：24%
- 聚氯乙烯手套：6%
- 手术手套：2%

### 2014财年营业额分析

- 欧洲：31%
- 美洲：14%
- 亚洲：16%
- 中东：7%
- 非洲：4%
然而，集团在今年取得了可观的运营改进，主要归功于丁腈手套销售量的增长，相比去年以24%大幅增长。丁腈手套销售量从2013财年占集团总额的20%增加至2014财年的24%。有此强盛需求，展示了先进市场。特别是美国和欧洲将有良好的增长前景。与此同时，亚洲地区的销售额增长使集团的市场份额扩大至16%，与我们预测新兴市场对乳胶手套需求增加的情况相符。实际上，齐全的手套系列和平均的销售产品分类使集团处于非常有利的地位，可以满足不同地区不同的需求。

在出口量增长方面，集团的表现超越了马来西亚的全国出口量总额。在2014年的第二季度，马来西亚出口的乳胶手套和丁腈手套总额上升了2.0%。同一季度，顶级手套的马来西亚业务（TGM）的出口仍上升。在2014年的首季度，顶级手套马来西亚业务（TGM）的出口已上升了32.9%，而马来西亚的出口仅增长了1.5%。这主要归功于丁腈手套大幅度的增长。

截至2014年8月31日，集团的净现金流流量及短期投资为马币13亿5760万，持续保持着稳健的现金流流量及资产负债表。

同时，总股东权益为马币14亿，每股净资产为马币2.25。

集团为了遵守对股东的承诺，董事会已建议在2014财年派发每股9仙股息，总额为马币5590万。上述所建议的股息会在即将到来的股东周年大会中提交批准。集团也宣布派发每股7仙的中期股息，总额为马币4340万。上述中期股息已在2014年7月17日支付。与此同时，集团维持与2013财年相同的股息幅度。全年股息为16仙，同等于55%的派息率。为了增加股东价值的承诺，集团也采用了股息政策，在扣除税后利润及少数股东权益后，宣布在未来股息支付股东至少50%的股息。

企业发展

为了确保能够充分迎合乳胶手套需求的增长，有质量的企业扩张将是集团的重点策略。集团着重于建造更有效率的生产设备。采用最新的技术和自动化功能，与此同时，集团也将通过审查，更新及有需要时关闭旧的生产线，以提高现有工厂的生产效率。

有鉴于此，集团正计划提高丁腈手套生产线的数量。在2014年9月，位于波德申芦骨的第27厂新增6条丁腈手套生产线。这将使集团的市场分额扩大至20%。与此同时，集团将通过审查，更新及有需要时关闭旧的生产线，以提高现有工厂的生产效率。

截至2014年9月，位于波德申芦骨的第27厂新增6条丁腈手套生产线。这将使集团的市场分额扩大至20%。与此同时，集团将通过审查，更新及有需要时关闭旧的生产线，以提高现有工厂的生产效率。

为了满足日益多样化和专业化的需要，集团也将继续对现有的产品范围扩大（包括乳胶手套，手术手套，丁腈手套，家用手套，无尘室手套，PVC手套和CPE手套），从而使集团成为首选的一站式手套采购中心。

集团于2014年3月24日成功将Medi-Flex私有化，这对集团的盈利产生了正面的影响，也使集团争取了额外20.3%的利润。这预示着业绩将向前迈进。

基于集团精简成本和业务整合策略以提高营运效率的目标，集团将旗下的中国业务合并为一间工厂，即位于江苏省兴化市的第十五厂，同时于2014年6月13日出售位于中国张家港的分厂（第九厂）。随后，集团成功将中国业务转型，并在2014财年第四季度，对集团的利润贡献了马币109万。

集团未来的新总部即顶级手套大厦的建设正有条不紊的进行，预计将在2015年3月使用。鉴于我们已严格地进行人力资源和产能的扩张，这将满足未来办公空间的内部需求。集团将使用一部份的楼层，并出租其他楼层以赚取额外的收入。大厦的地理位置优越，毗邻万达城购物中心及靠近集团的生产线及便于我们管理。
致权益持有人的信函及管理层讨论与分析（继续）

企业公民与企业社会责任

衡量一个成功企业的存在价值关乎其对社会做出的贡献，我们期望通过付出我们的时间、精力和资源来改善我们企业所在的社区。唯有这样，作为一个负责任的企业公民，我们才能说我们真正的成功。

我们看见许多内部职员怀着满腔热情去进行多元的企业社会责任活动，脸上挂着的是喜悦与自豪。这恰恰是一种正能量推动我们的企业责任计划，使我们的企业更上一层楼。

欲知更多有关集团的企业社会责任活动，请参阅第37至39页的企业社会责任报告。

科技研发

即使是在最困难的时候，企业也没有忽略不断创新，这是至关重要的以保维持现有的市场份额同时又创造增长。如今，创新不再是“可有可无”，而是必备。特别是对制造业更为重要：客户的标准越来越严格，竞争也越来越激烈。因此，顶级手套仍然相信着专注于技术研发对我们未来的发展以及在手套制造业中保持竞争地位扮演着关键角色。

公司自成立以来，我们的研发部门的首要目标就是开发新技术，以提高现有产品，并确保及时推出具有竞争力的新产品。因此，顶级手套投资于新技术和先进仪器，进行先进的高度分析实验，其中包括了我们新成立的废水检测实验室。

我们的研发团队致力于研发具有竞争力、价格实惠、高品质的产品，以满足全球客户的需求。我们自豪地呈现最优质的产品即市场认可的新开发低克重2.7克丁腈手套。在过去的一年中，我们也在现有的生产线改进取得了几个显著的突破，使我们能够达到更高的生产质量和效率。

随着电费及液化天然气价格的调涨及为了符合集团的品质政策，即：持续改进和创新是我们的职责，我们承诺将在质量提升及能源节约计划中作出进一步的改善。

众所周知，消费税（GST）对社会的广泛影响也将影响到我们的业务。我们也正式提前开始了应对消费税实施的项目。目前，我们正在与相关顾问公司合作，以帮助我们锁定在过渡期间可能出现的问题，并确保在2015年4月1日消费税实行前完全遵守。

展望未来

作为全球最大的乳胶手套制造商，我们的首要任务是通过自动化、创新和研发来改良生产设施效率以提高客户和股东的权益。

手套行业保持着增长的潜力，我们分别希望在手套和丁晴手套在发展中国家和发达国家的需求将持续上升。同时，确保我们的产品结构可以满足市场需求。

这一切的措施，有赖于顶级手套许多有才华的职员，他们是关键成功的关键因素。我们通过培训和教育发展人力资源，使他们具备足够的能力与技能，足以推动质量和销售，并且发展各个方面的改进。我们也提拔秉承公司宏愿及致力带动公司朝向更成功的下一代领导者。

我们意识到，我们距离实现已设定的目标还有一段长远的路程，特别是在手套的经营环境仍然充满挑战的情况下。然而，我们坚定不移地专注于品质监控、创新、自动化、高效成本控制和营运，我们相信我们已准备好在新的一年里取得更佳的业绩。

鸣谢

今年并非没有逆境，但我们庆幸有这么多优秀的人才，努力付出及不断展示成果，我们会坚持下去，确保我们的未来同样取得成功。我们真诚地感谢我们尽责及优秀的管理团队和工作人员那份坚定不移的信念。

我们也衷心感谢全体员工、客户、供应商和商业伙伴给予本集团无限的支持与信任，有你们的支持，我们才会有今天的成就。

我们也谨此对最近私营化的Medi-Flex有限公司各位独立董事在整个任期的优异表现致以谢意。

最后，我们衷心感谢各位董事宝贵的意见与服务，以引导集团向前迈进。

我们坚信未来会更好，并期盼有您持续的支持及我们的努力将会达到您期望的成绩。

谢谢。

丹斯里林伟才
董事主席
顶级手套集团
2014年10月31日

李金谋
董事经理
顶级手套集团
2014年10月31日
“The businesses of today play a key role in ensuring a sustainable future. As a responsible corporate citizen, we, Top Glove, have embraced this responsibility with the commitment to make a positive contribution to society.”

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

As a business, we recognise that what we do affects the communities in which we operate. Even as we expand our footprint, we are mindful of our duty to uphold responsible business practices, as well as to add value to society. Accordingly, every decision that we make takes into account the creation of a better and more sustainable future.

While encompassing a wide breadth of activities, Corporate Responsibility initiatives at Top Glove focus on four key areas of community, environment, employees and good business ethics. As with previous years, in 2014, we were privileged to have been able to make a difference in many lives, via the many projects that we are undertaking.

**Community**

We are involved in a broad-ranging community engagement program, with a primary emphasis on the promotion of education. Some of the year’s highlights include the following:

- Awarding scholarships to undergraduates with financial difficulties, enabling them to pursue degree courses at local public universities.
- Providing educational aid to schools for instance, towards the construction or expansion of new facilities. Amongst the beneficiary schools were SK Jalan Meru, SJKC Kuen Cheng 1, SM Hin Hua and SMK Perempuan Methodist.
- Channeling donations in cash and kind to NGOs and beneficiary associations which include Persatuan Kebajikan Batu 3 Jalan Kapar Klang, Lovely Disabled Home, Spastic Children’s Association of Selangor and Federal Territory, Malaysia Mental Health Association, Pertubuhan Penderma Darah Malaysia, National Kidney Foundation of Malaysia and Society of the Blind in Malaysia. Contributions were also made to Pudu Rotary Club’s *Stop Hunger Now*, a charity meal packing project, for which Top Glove provided both funds and manpower.
- Organising festive season charity events such as visits to old folks’ homes and orphanages during Hari Raya Aidilfitri, Deepavali, Christmas and Chinese New Year, which also gave our staff the opportunity to support worthy causes hands-on.

In September this year, we were privileged to be part of a Government initiative to help stem the spread of Ebola. The timely endeavour amassed a donation of 20.9 million gloves, collected from a number of Malaysian glove manufacturers under the umbrella of the Malaysian Rubber Glove Manufacturers Association (MARGMA) and private...
Top Glove brings festive cheer to an orphanage during Hari Raya Aidilfitri

Top Glove contributed in terms of funding and manpower to the Pudu Rotary Club’s ‘Stop Hunger Now’ programme

CORPORATE RESPONSIBILITY STATEMENT
(CONT’D)

companies, for West African nations stricken by the virus. In addition to contributing gloves, we also project-managed the shipping of these rubber gloves, some of which are already on their way to the affected countries of Liberia, Sierra Leone, Guinea, Nigeria and The Democratic Republic of Congo.

Environment

We strive to continuously develop and implement ecologically sound measures and strategies and at the same time, generate product quality and shareholder value at the highest levels.

Waste Management

- In compliance with Department of Environment (DOE) requirements, wastewater is treated in an Industrial Effluent Treatment System (IETS) plant, which is available at each factory, before it is discharged.
- The gas/smoke discharged from factory chimneys is monitored by a real time 24-hour system linked directly to the DOE.
- A high-efficiency scrubber system is installed at every factory to neutralise chlorine gas discharge.

Green Initiatives

- To encourage employees to "Reduce, Reuse and Recycle", activities such as inter-factory recycling competitions and waste segregation training are frequently held.
- Our on-going campaign To Pick Up At Least One Rubbish Per Day instills in staff the good habit of picking up rubbish daily in order to achieve a cleaner environment.
- We organise “Gotong-Royong” (mutual cooperation) activities every quarter, in close collaboration with Majlis Perbandaran Klang, the local town council for Klang to clean the drains and land around the neighbourhood. This activity aims to maintain cleanliness and prevent the outbreak of diseases, ensure a healthy working and living environment, while also cultivating a harmonious relationship between employers and employees.
- Towards reducing usage of plastic bottles, bottled mineral water is no longer provided for in-house training sessions, for which employees are encouraged to bring their own water.
- Boilers at our factories utilise only biomass fuel, towards reducing greenhouse gas emissions and global warming. A renewable energy source, biomass fuels utilise unwanted organic waste that would otherwise be sent to landfill sites.

Employees

At Top Glove, we draw on the capabilities of 10,000 committed individuals across Malaysia, Thailand, China, Indonesia, Germany and the USA. We believe a company is a reflection of its people and strive to nurture our diverse talent pool to ensure they reach their full potential and contribute positively to our business growth.

Talent Recruitment and Attraction

Our employment proposition is simple in that we hire the right talent locally, whilst providing career opportunities to grow and contribute positively within the Group. Our core principle is to engage future leaders who are well-rounded in health, character and capabilities for the continued success of our organisation.

Learning and Development

Top Glove has a remarkably talented base of employees for whom we strive to provide the culture of continuous learning and development. We are moving from the traditional approach of classroom learning and development and have adopted experiential, networking and guidance learning strategies. Our training platform includes e-learning via an in-house learning portal,
online books, instructor led-classes as well as educational and inspirational movie screenings. Our 2014 training calendar comprised 123 sessions, focusing on key areas of Soft Skills, Computer Applications/Systems and Functional training. The topics covered encompassed Working Together to Combat Corruption, Sun Tzu’s Strategies for Winners, Effective Problem Solving and Decision Making, Lean Manufacturing, Internal Quality Audit, Risk Management, various international standards as well as Microsoft applications.

A series of programmes has also been initiated for younger generations to learn from the insights of their Senior Managers. The Sharing is Caring series for example, combines leadership and motivation, enabling younger generation employees to learn the best practices that are key to achieving our business aspirations. Sharing sessions by subject matter experts from other well-managed companies are also regularly organised as benchmarking initiatives.

**Performance Management and Reward**

In 2011, we endeavoured to further strengthen our Performance Management System based on employee feedback. All KPIs set are now measurable towards promoting ownership and accountability of the employee. With this enhancement, individual employee performance is tied to the business unit and overall group performance, which serves to help attract, recruit and ultimately, retain top talents.

Our compensation structure gives us a competitive edge in the market. It incorporates both fixed and variable elements, as well as short and long term components namely basic salary, benefits, incentives and an Employee Share Option Scheme (ESOS). The package also includes non-financial elements such as development opportunities. To inculcate a pay-for-performance culture, high performance is well-rewarded.

**Healthy Staff Programmes**

We are committed to creating a ‘culture of good health’ among our people, which advocates a long term commitment to a healthy lifestyle. To this end, monthly sports tournaments, recreational and corporate level activities and campaigns are organised. Regular health talks are also conducted by our resident doctor, nutritionists and healthcare specialists from our panel. In FY2014 alone, 8 such health talks were organised on topics which included the prevention of coronary heart disease, stroke and diabetes as well as the importance of a healthy diet. Our efforts to promote a healthy and alert workforce also include a daily 15-minute morning exercise session, as well as paying attention to the Body Mass Index (BMI) of all employees.

**Good Business Ethics**

In line with our Business Ethics of honesty, integrity and transparency, we hold ourselves as well as our business associates to the highest standards of behaviour in the conduct of business transactions. With this in mind:

- We adopt a rigorous selection process for our vendors. All suppliers and business associates are required to sign a Letter of Enforcement of Corporate Culture (LECC) twice a year, to affirm their adherence to our policy and practice of non-corruption.
- The Top Glove Prevention and Anti-Corruption Committee (TGPAC) continuously benchmarks whistle-blowing policies adopted by other companies to ensure our employees and the public have the most effective avenue to raise issues pertaining to corrupt practices within the organisation.
- Several talks on integrity by organisations such as the Malaysian Anti-Corruption Commission (MACC) and Transparency International (TI), were organised to promote an anti-corruption mindset and to instill honesty and transparent practices amongst all Top Glove employees, in line with Top Glove’s core business principles and policies which reflect its focus on making ethics and anti-corruption an integral part of Top Glove’s business operations.
- Underscoring our commitment to good ethical business practices and zero-tolerance for corruption, Top Glove was amongst the first to sign the Corporate Integrity Pledge in 2011, a government initiative aimed at promoting anti-corruption behavior amongst corporates.

We believe that every corporation and every individual within it is capable of bringing about meaningful change, through corporate responsibility. We feel privileged at every opportunity to channel our resources towards worthy causes and will continue to deepen our commitment in this very important area.
FINANCIAL CALENDAR

2014

DECEMBER (3rd week)
Announcement of the consolidated results for the 1st quarter ending 30 November 2014

2015

JANUARY, 8
16th Annual General Meeting
Time  : 11.30 a.m.
Venue : Setia City Convention Centre

MARCH (3rd week)
Announcement of the consolidated results for the 2nd quarter ending 28 February 2015

JUNE (3rd week)
Announcement of the consolidated results for the 3rd quarter ending 31 May 2015

OCTOBER (3rd week)
Announcement of the consolidated results for the 4th quarter and financial year ending 31 August 2015

DECEMBER (3rd week)
Announcement of the consolidated results for the 1st quarter ending 30 November 2015
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.

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.

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.
CORPORATE GOVERNANCE STATEMENT

The Board of Top Glove Corporation Bhd ("the Board") is committed in ensuring a high standard of corporate governance is practised whilst pursuing its corporate objectives in enhancing the shareholders’ value and competitiveness. The Board is mindful of the importance of governance and acknowledges to continue delivering sustainable performance and instilling best corporate governance practices in building a sustainable business.

The Group will continue its efforts in evaluating its governance practices in response to evolving best practices and the changing requirements of the Group. The Board is pleased to present the Corporate Governance Statement for the year ended 31 August 2014 outlining the application of the principles and recommendations as set out in the following guides:

1. Companies Act, 1965 (“CA 1965”);
2. Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
3. Malaysian Code on Corporate Governance 2012 (“the MCCG 2012”); and

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

As part of its efforts to enhance its practices, Top Glove Corporation Bhd (“Top Glove”) has also taken the initiative to benchmark itself against leading corporate governance standards of reputable Malaysia Public Listed Companies.

PRINCIPLE 1 : ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

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

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

Board Charter

Board Charter established clearly the functions reserved for the Board, Directors roles and responsibilities and those delegated to the Management. It is a reference and induction literature in providing the Board members and Management insight into the functions of the Board of Directors.

The core areas of the Board Charter are as follows:
1. Company Goals, Mission and Vision
2. Board Governance Process
3. Board and Management Relationship
4. Board and Shareholders Relationship
5. Stakeholders Relationship
6. Schedule of Board Matters

The Charter was adopted on 28 August 2012 and will be reviewed from time to time to ensure its consistency with the Board’s objectives and current laws and practices.

Board Composition and Balance

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

The Board comprises majority of INEDs on Board which is in line with the recommendation 3.5 of the MCCG 2012 where the Chairman is a Non-Independent Chairman. The majority number of INEDs helps to ensure effective check and balance of the Board function as the INEDs are often the carers of the minority shareholders in providing constructive feedbacks to the proposals for the Company.

Board Mix and Skillsets Matrix

A Board skill assessment was carried out to determine the knowledge, skills and experience of the Board Members, in line with the Company's business and strategies. The assessment results indicated that all the Board Members have knowledge, skills and experience in following areas:

(a) Strategy Entrepreneurship,
(b) Legal,
(c) Corporate Governance, Risk Management & Internal Control,
(d) Audit, Accounting, Financial Reporting & Taxation,
(e) Human Capital,
(f) Sales & Marketing, and
(g) Production & Quality Assurance.

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

Independence

The importance of INEDs has not been neglected. The Board recognises the significant contribution by them to the Company in bringing independent and objective judgement to the Board in decision making.

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

The independency assessment is based on the provisions of the Main LR which covers a list of questions is asked to evaluate independency. The independent confirmation is obtained based on the independency assessment before the appointment of Director and Directors are assessed annually to re-affirm their independence based on the provisions of the Main LR.

During the financial year 2014, the Board was satisfied that none of the INEDs had any relationships 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.
CORPORATE GOVERNANCE STATEMENT
(CONT’D)

Key information on Directors

A brief description of the background of each Director is presented on page 8 to 15 of this Annual Report. The Directors proposed for re-election and re-appointment are stated in the Notice of Annual General Meeting (“AGM”).

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

The Board has on 14 October 2014 appointed Tan Sri Mohd Sidek bin Haji Hassan as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed where it could be inappropriate for the concerns to be dealt with by the Chairman and Managing Director. The Senior Independent Non-Executive Director may be contacted at Tel: +603-5022 2110.

Duties and Responsibilities of the Board

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

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

Succession Planning

The Board is responsible for reviewing candidates for key positions namely, the Executive Chairman, Managing Director, Executive & Non-Executive Directors and all head of divisions; the succession planning to ensure all candidates appointed to senior management positions are of sufficient caliber. The Board had during the financial year, adopted a Succession Planning Policy to ensure that there are platforms in place to provide for the orderly succession of senior management.


Ethical Standards, the Codes and Policy

The Directors’ Code of Conduct (“the Directors’ Code”) was adopted by the Board in September 2013.

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

The Directors’ Code covers the principles of conflict of interest, insider dealings, integrity, compliance to law and etc. The said Code was adopted by the Board in September 2013.

Part of the enforcement, Directors are required to submit their declaration adhering and observing to the provisions in the Directors’ Code annually.


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

Employees are also required to submit their declarations to adhere and observe to its provisions annually as part of the enforcement.

The Board believed that having a **Whistle-Blowing Policy and Procedure** in place will strengthens, supports good management and at the same time demonstrates accountability, good risk management and sound corporate governance practices. A Whistle-Blowing Policy was adopted by the Board, recommended by the Audit Committee (“AC”) in year 2011.

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


**Sustainability and Corporate Social Responsibility**

The Board takes strong commitment to business sustainability seriously and seek to contribute positively to the well-being of stakeholders. The detail Corporate Responsibility Statement can be found on page 37 to 39 of this Annual Report.

**Qualified and Competent Company Secretaries**

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

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

All Company Secretaries of Top Glove are persons with Chartered Secretaries qualifications and are qualify to act as chartered secretaries under Section 139A of the CA 1965. The Companies Secretaries had and will constantly keep themselves abreast, through continuous training on the regulatory changes and development in corporate governance.

**Independent Professional Advice**

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

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

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

As for the target set out under the Corporate Governance Blueprint 2011 for women participation on Board to reach 30% by year 2016, the Board, having deliberated, on the same, decided not to set specific targets but Nomination Committee (“NC”) will endeavor working towards achieving the said target and shall ensure sufficient number of women candidates be included in the pool of candidates evaluated for new appointments to the Board.

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

A) Gender

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Headcount</th>
<th>Male Employees</th>
<th>Female Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Headcount</td>
<td>%</td>
<td>Headcount</td>
</tr>
<tr>
<td>All Staff</td>
<td>1,727</td>
<td>764 44</td>
<td>963 55</td>
</tr>
<tr>
<td>Management staff (Manager &amp; above)</td>
<td>180</td>
<td>86 48</td>
<td>94 52</td>
</tr>
<tr>
<td>Directors on Board</td>
<td>11</td>
<td>10 91</td>
<td>1 9</td>
</tr>
</tbody>
</table>

B) Ethnicity

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Headcount</th>
<th>Malay</th>
<th>Chinese</th>
<th>Indian</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Headcount</td>
<td>%</td>
<td>Headcount</td>
<td>%</td>
<td>Headcount</td>
</tr>
<tr>
<td>All Staff</td>
<td>1,727</td>
<td>753 43</td>
<td>322 19</td>
<td>175 10</td>
<td>477 28</td>
</tr>
<tr>
<td>Management staff (Manager &amp; above)</td>
<td>180</td>
<td>32 18</td>
<td>114 63</td>
<td>14 8</td>
<td>20 11</td>
</tr>
<tr>
<td>Directors on Board</td>
<td>11</td>
<td>2 18</td>
<td>7 64</td>
<td>1 9</td>
<td>1 9</td>
</tr>
</tbody>
</table>

C) Age

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Headcount</th>
<th>70 &amp; Above</th>
<th>60 to 69</th>
<th>50 to 59</th>
<th>40 to 49</th>
<th>30 to 39</th>
<th>20 to 209</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Headcount</td>
<td>%</td>
<td>Headcount</td>
<td>%</td>
<td>Headcount</td>
<td>%</td>
<td>Headcount</td>
</tr>
<tr>
<td>All Staff</td>
<td>1,727</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>1</td>
<td>70</td>
<td>4</td>
</tr>
<tr>
<td>Management Staff (Manager &amp; above)</td>
<td>180</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>5</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Directors on Board</td>
<td>11</td>
<td>3</td>
<td>27</td>
<td>2</td>
<td>18</td>
<td>5</td>
<td>46</td>
</tr>
</tbody>
</table>
PRINCIPLE 2 : STRENGTHEN COMPOSITION

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

Nomination Committee

The NC was established to assist the Board of Directors in nominating suitable candidates to the Board. NC shall assess the performance of the Directors of the Company on an on-going basis. The members of the NC are as follows:

1) Tan Sri Dato’ Seri Utama Arshad Bin Ayub (INED) ~ Chairman
2) Tan Sri Mohd Sidek Bin Haji Hassan (SINED) (Appointed on 14 October 2014)
3) Lim Han Boon (INED)
4) Sekarajasekaran a/l Arasaratnam (INED) (Resigned on 14 October 2014)

Board Membership Criteria

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

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

Boardroom Appointments

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

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

Top Glove’s Boardroom appointment process is as follows:

NC conducts annual assessment and review, identify gaps/ vacancy
NC identifies the “Potential Candidates”
Evaluation on the “Potential Candidates”
Interviews the shortlisted candidates
Final recommendation to the Board
Board approves the appointment of Director

Board Induction Programme

The Board’s Induction is a programme coordinated by the Company Secretary together with the Executive Director (Finance) 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 management of the Company; as well as on-site briefings or site visits for better understanding of the operations aspect of the Company.
CORPORATE GOVERNANCE STATEMENT
(CONT'D)

Board, Committees and Individual Director Assessment

NC conducts review annually its required mix of skills and experience and other qualities, including core competencies which the Directors should bring to the Board. The Directors have always been assessed annually and feedback to the Board on the effectiveness of the Board as a whole, Director Self and Peers’ Evaluation, Contribution of each individual Director and Independency of Independent Director.

During financial year 2014, the NC has extended its scope of responsibilities to assess the Board’s mix and skillset, the AC effectiveness evaluation as a whole and member self and peers’ evaluation, Internal Audit function and the External Auditors performance and independence.

The NC is entrusted with the responsibility carrying out annual Board Effectiveness Evaluation and to authorise the evaluation process to ensure it meets the objectivity, including to review and approve all the evaluation forms/questionnaires, review the results of the evaluation and finally to convey the results to the respective parties for improvement and enhancement.

The evaluations were facilitated by the Company Secretary making references to the guides available and the good corporate governance compliance companies. Evaluations are done on the Board Structure, Operations, Roles & Responsibilities, Training, Meeting Administration and Conduct at Meetings, Engagement and Communication with Shareholders, Board Committees and Peers’ Review.

The results of the evaluations indicated that the Board comprised high competent Directors and has been effective in discharging its oversight responsibilities. Suggested areas for improvement were in respect of the succession planning for the Senior Management staff and reviewing the Company’s overall Strategic Plans. The results and comments from the Directors, concerning the Board as a whole and the general performance of the Directors, were also presented to the Board upon reviewed by the NC.

Re-election and Re-appointment of Directors

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

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

The Directors due for re-election by rotation pursuant to Article 94 of the Articles of Association of the Company at the forthcoming AGM are Tan Sri Lim Wee Chai, Mr Lim Cheong Guan and Mr Lim Han Boon. Their profiles are set out on pages 8, 14 and 15 of this Annual Report.

The Directors who are due for retirement and re-appointment in accordance to Section 129 of the CA 1965 at the forthcoming AGM are Tan Sri Dato’ Seri Utama Arshad Bin Ayub, Tan Sri Dato’ Dr. Lin See Yan and Mr. Sekarajasekaran a/l Arasaratnam. Their profiles are set out on pages 9, 11 and 15 of this Annual Report.

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

The Board does not impose a limit on the length of service of the Independent Directors as their attributes in terms of skills, experience, professionalism, integrity including core competencies in exercising their objectivity and independent judgement to discharge their responsibilities in good faith in the best interest of the Company are more critical in ascertaining the function and effectiveness of their independence than the number of years served on the Board. The on-going evaluation also further ensure the effectiveness of the Board as a whole in discharging their duties and responsibilities despite the duration of service for two (2) INEDs has exceeded nine (9) years.
Activities of Nomination Committee

During the year, the NC met once and resolved a few matters via circular resolutions, the key activities were as follows:

(a) Reviewed and recommend to revise the Term of Reference of the NC;
(b) Adopted new evaluation forms and revised the existing evaluation forms;
(c) Reviewed and recommend to revise Succession Planning Policy; and
(d) Deliberated on the findings of the assessments and reported the findings to the Board.

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

Remuneration Committee

The Remuneration Committee (“RC”) was established to assist the Board of Directors in their responsibilities in assessing the Directors’ fees, allowances and other benefits of the Board of Directors. The members of the RC are as follows:

1) Lim Han Boon (INED) ~ Chairman
   (Redesignated as Chairman on 14 October 2014)
2) Tan Sri Lim Wee Chai (Executive Chairman)
   (Redesignated as Member on 14 October 2014)
3) Sekarajasekaran a/l Arasaratnam (INED)

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

Directors’ Remuneration

The details of the Directors’ remuneration comprising remuneration received/ receivable from the Company and subsidiaries during the financial year ended 31 August 2014 are as follows:

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

<table>
<thead>
<tr>
<th></th>
<th>Salaries</th>
<th>Fees</th>
<th>Bonus</th>
<th>Employees’ Share Option Scheme</th>
<th>Benefit-in-kind</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM’000</td>
<td>RM’000</td>
<td>RM’000</td>
<td>RM’000</td>
<td>RM’000</td>
<td>RM’000</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>3,240</td>
<td>826</td>
<td>303</td>
<td>17</td>
<td>74</td>
<td>4,460</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td>353</td>
<td></td>
<td></td>
<td></td>
<td>353</td>
</tr>
</tbody>
</table>
2) Directors’ remuneration are broadly categorised into the following bands:

<table>
<thead>
<tr>
<th>Range of Remuneration</th>
<th>Number of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>Non-Executive</td>
</tr>
<tr>
<td>RM50,000 to RM100,000</td>
<td>-</td>
</tr>
<tr>
<td>RM200,000 to RM250,000</td>
<td>1</td>
</tr>
<tr>
<td>RM450,000 to RM500,000</td>
<td>1</td>
</tr>
<tr>
<td>RM600,000 to RM650,000</td>
<td>1</td>
</tr>
<tr>
<td>RM700,000 to RM750,000</td>
<td>1</td>
</tr>
<tr>
<td>RM2,400,000 to RM2,450,000</td>
<td>1</td>
</tr>
</tbody>
</table>

Employees’ Share Option Scheme Committee

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

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

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

During financial year 2014, the ESOS Committee had considered and approved the vesting of options and offer factors under the ESOS to the eligible employees of the Group.

PRINCIPLE 3 : REINFORCE INDEPENDENCE

The Board should have policies and procedures to ensure effectiveness of INEDs.

Review of Directors’ Independence

The NC reviews the independence of Directors annually according to the criteria on independence set out in the Main LR and Practice Notes of Bursa Securities on independence. In addition to the annual review by the NC of the Directors’ independence, each INED also submits an annual declaration regarding his independence.

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

Tenure of Independent Directors

The Board is mindful of the recommendation of the MCCG 2012 on limiting the tenure of INED to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the NC on an annual basis, retain an INED who has served a consecutive or cumulative term of nine (9) years to continue to serve as INED subject to shareholders’ approval.