THE WORLD IS OUR MARKET
## 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 Islands
14. Cayman Islands
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 Barthelemy
38. Saint Kitts and Nevis
39. Saint Lucia
40. Saint Martin
41. Saint Vincent and the Grenadines
42. Suriname
43. Trinidad & Tobago
44. Turks and Caicos

### AFRICA
45. U.S. Virgin Islands
46. Uruguay
47. Venezuela

### EUROPE
48. Albania
49. Andorra
50. Austria
51. Azerbaijan
52. Belgium
53. Bosnia and 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
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

### MIDDLE EAST
139. Afghanistan
140. Armenia
141. Bangladesh
142. Bhutan
143. Brunei
144. Cambodia
145. China
146. East Timor
147. Hong Kong
148. India
149. Indonesia
150. Japan
151. Kazakhstan
152. Kyrgyzstan
153. Laos
154. Macau
155. Malaysia
156. Maldives
157. Mongolia
158. Nepal
159. New Caledonia
160. Pakistan
161. Palestine
162. Philippines
163. Singapore
164. South Korea
165. Sri Lanka
166. Taiwan
167. Tajikistan
168. Thailand
169. Turkmenistan
170. Uzbekistan
171. Vietnam

### OCEANIA
172. Bahrain
173. Egypt
174. Israel
175. Jordan
176. Kuwait
177. Oman
178. Qatar
179. Saudi Arabia
180. UAE

### Top Glove Corporation Bhd
Annual Report 2015
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

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.

BUSINESS ETHICS
- Honesty
- Integrity
- Transparency
# Top Glove Corporation Bhd

**Annual Report 2015**

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## Our Business Offices

### Global Presence

- **Malaysia**
- **Thailand**
- **China**
- **USA**
- **Germany**
- **Indonesia**
- **Singapore**
Notes:
1. Top Glove has in total 34 companies within the group.
2. * Top Glove Foundation is a member of Top Glove Group.
INTERNATIONAL QUALITY AWARDS AND CERTIFICATIONS

NEW LEVELS OF EXCELLENCE

2015

- Asean Business Awards Malaysia 2015
- AEC Priority Integration Sector Excellence (Rubber-Based Products) by ASEM Business Advisory Council
- Malaysia’s Top 5 Exporters of Rubber Gloves 2012 to 2014
- Malaysia’s Largest Exporter of Rubber Products 2012 to 2014
- Malaysia’s Largest Exporter of Rubber Gloves 2012 to 2014 by Malaysian Rubber Export Promotion Council (MRPC)
- 2015 Frost & Sullivan Asia Pacific Medical Glove Company of the Year
- ASEAN Corporate Governance Outstanding Achievement Awards by ASEAN Capital Markets Forum
- Best Mid-Cap Public Company Asia’s Best Companies 2015 by Finance Asia

2014

- Malaysia’s 100 Leading Graduate Employers 2014
- The BrandLaureate Best Brands - Golden Brand 2014
- 100% Malaysian
- MIRA
- MIRA Greener Award 2014

2013

- The BrandLaureate Best Brands - Green Brand 2013
- ISO 14001:2001
- MIRA
- MIRA Greener Award 2013

2012

- The BrandLaureate Best Brands - Silver Brand 2012
- MIRA
- MIRA Greener Award 2012

2011

- The BrandLaureate Best Brands - Bronze Brand 2011
- MIRA
- MIRA Greener Award 2011

2010

- The BrandLaureate Best Brands - Copper Brand 2010
- MIRA
- MIRA Greener Award 2010

2009

- The BrandLaureate Best Brands - Bronze Brand 2009
- MIRA
- MIRA Greener Award 2009

PAST AWARDS ~ 1991 to 2008

- ISO 9001
- SGS
- CE
- TUV
- FDA
- CE
- ISO 9000
CORPORATE INFORMATION

BOARD OF DIRECTORS
Tan Sri Dr 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 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
Dato’ Lim Han Boon
Independent Non-Executive Director
Datuk Noripah Binti Kamso
Independent Non-Executive Director
Sharmila Sekarajasekaran
Independent Non-Executive Director

REGISTERED & CORPORATE OFFICE
Level 21, Top Glove Tower,
16, Persiaran Setia Dagang, Setia Alam,
Seksyen U13, 40170 Shah Alam,
Selangor D.E., Malaysia.
Tel. : +603-3362 3098
Fax : +603-3362 3860
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. : +603-3362 3098
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. : +603-3362 3098
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
• Industrial and Commercial Bank of China
  (Malaysia) Berhad
• Malaysian Banking Berhad
• Mizuho Bank (Malaysia) Berhad
• OCBC Bank (Malaysia) Berhad
• Public Bank Berhad
• Standard Chartered Bank Malaysia Berhad
• Siam Commercial Bank Public Company Limited
• Sumitomo Mitsui Banking Corporation
  Malaysia Berhad
• The Bank of Nova Scotia Berhad
Our Business Direction is:

“TO PRODUCE CONSISTENTLY HIGH QUALITY GLOVES AT EFFICIENT LOW COST”
DIRECTORS’ PROFILE

Tan Sri Dr Lim Wee Chai
Chairman

Nationality/ Age  
Malaysian/ 57

Date of Appointment  
4 September 2000 (Founder of Top Glove Group of Companies)

Length of Service  
15 years 3 months
(as at 16 November 2015)

Date of Last Re-election  
8 January 2015

Board Committees  
• Chairman of ESOS Option Committee
• Member of Remuneration Committee

Board meeting attended in the Financial Year  
6/6

Qualification(s)  
• Doctor of Philosophy in Management from Universiti Selangor
• 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)
• 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
• Board Member of University of Malaya and Employees Provident Fund since 2015

Past Appointment and Working Experience  
Tan Sri Dr Lim has been actively involved in many glove industry related associations and organisations in Malaysia. He served as the President of the 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. He is also the father of Mr Lim Jin Feng, a Substantial Shareholders of the Company.
**Tan Sri Dato' Seri Utama Arshad Bin Ayub**  
*Independent Non-Executive Director*

<table>
<thead>
<tr>
<th>Nationality/ Age</th>
<th>Malaysian/ 87</th>
</tr>
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<tbody>
<tr>
<td>Date of Appointment</td>
<td>4 September 2000</td>
</tr>
<tr>
<td>Length of Service</td>
<td>15 years 3 months</td>
</tr>
<tr>
<td>Date of Last Re-appointment</td>
<td>8 January 2015 (Pursuant to Section 129(6) of the Companies Act 1965)</td>
</tr>
<tr>
<td>Board Committees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Chairman of Audit Committee</td>
</tr>
<tr>
<td></td>
<td>• Chairman of Nomination Committee</td>
</tr>
<tr>
<td>Board meeting attended in the Financial Year</td>
<td>6/6</td>
</tr>
<tr>
<td>Qualification(s)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Postgraduate Diploma in Business Administration from Management Development Institute (IMEDE) (Now IMD), Lausanne, Switzerland</td>
</tr>
<tr>
<td></td>
<td>• Bachelor of Science (Hons.) Economics and Statistics from University of Wales, Aberystwyth, United Kingdom</td>
</tr>
<tr>
<td></td>
<td>• Diploma in Agriculture from College of Agriculture, Serdang, Malaysia</td>
</tr>
<tr>
<td>Directorship of Public Companies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Chairman of Malayan Flour Mills Bhd</td>
</tr>
<tr>
<td></td>
<td>• Chairman of Tomypak Holdings Berhad</td>
</tr>
<tr>
<td></td>
<td>• Chairman of Karex Berhad</td>
</tr>
<tr>
<td></td>
<td>• Director of Kulim (M) Berhad</td>
</tr>
<tr>
<td>Present Appointment(s)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Chairman of Board of Directors of University of Malaya</td>
</tr>
<tr>
<td></td>
<td>• Pro Chancellor of UiTM</td>
</tr>
<tr>
<td></td>
<td>• Chancellor of KPJ International University College of Nursing &amp; Health Sciences</td>
</tr>
<tr>
<td></td>
<td>• Chancellor INTI International University College</td>
</tr>
<tr>
<td></td>
<td>• Governor of Tuanku Jaafar College</td>
</tr>
<tr>
<td>Past Appointment and Working Experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• President of the Malaysian Rubber Products Manufactures Association (MRPMA)</td>
</tr>
<tr>
<td></td>
<td>• Chairman of Malaysian Rubber Export Promotion Council (MREPC)</td>
</tr>
<tr>
<td></td>
<td>• Member of Lembaga Getai Malaysia</td>
</tr>
</tbody>
</table>

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

Nationality/ Age  
Malaysian/ 64

Date of Appointment  
14 March 2013
(Re-designated as Senior Independent Non-Executive Director on 14 October 2014)

Length of Service  
( as at 16 November 2015)
2 years 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  
5/6

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.
## Directors’ Profile

### Tan Sri Rainer Althoff

*Independent Non-Executive Director*

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</tr>
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<td>Date of Appointment</td>
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<tr>
<td>Length of Service</td>
<td>2 years 8 months (as at 16 November 2015)</td>
</tr>
<tr>
<td>Date of Last Re-election</td>
<td>7 January 2014</td>
</tr>
<tr>
<td>Board Committees</td>
<td>Member of Risk Management Committee</td>
</tr>
<tr>
<td>Board meeting attended in the Financial Year</td>
<td>6/6</td>
</tr>
<tr>
<td>Qualification(s)</td>
<td>Master degree (Diploma) in Electronics and Electrical Engineering from Bergische University of Wuppertal, Germany</td>
</tr>
<tr>
<td>Directorship of Public Companies</td>
<td>Nil</td>
</tr>
<tr>
<td>Present Appointment(s)</td>
<td></td>
</tr>
</tbody>
</table>
  - Member of the Rotary Club Kuala Lumpur DiRaja since 2001  
  - 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/ 56

Date of Appointment  
15 October 2003

Date of Re-designated as Managing Director  
7 April 2009

Length of Service  
12 years 1 months
(as at 16 November 2015)

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  
6/6

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 14 years, Mr Lee has been actively contributing to the development of the rubber glove industry in Malaysia as well as the ASEAN region. He was a board member of the Malaysian Rubber Board (MRB) and the Tun Abdul Razak Research Centre (TARRC) from 2010 to 2011; and a past President of the Malaysian Rubber Glove Manufacturers’ Association (MARGMA).
Puan Sri Tong Siew Bee  
*Executive Director*

**Nationality/ Age**: Malaysian/ 57

**Date of Appointment**: 4 September 2000  
(Chairman of Top Glove Group of Companies)

**Length of Service**: 15 years 3 months  
(as at 16 November 2015)

**Date of Last Re-election**: 7 January 2014

**Board Committees**: Nil

**Board meeting attended in the Financial Year**: 5/6

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

---

Lim Hooi Sin  
*Executive Director*

**Nationality/ Age**: Malaysian/ 53

**Date of Appointment**: 4 September 2000

**Length of Service**: 15 years 3 months  
(as at 16 November 2015)

**Date of Last Re-election**: 8 January 2013

**Board Committees**: Nil

**Board meeting attended in the Financial Year**: 6/6

**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 Dr Lim Wee Chai and brother-in-law of Puan Sri Tong Siew Bee, both are Directors and Substantial Shareholders of the Company.
DIRECTORS’ PROFILE (CONT’D)

Lim Cheong Guan  
Executive Director

Nationality/ Age : Malaysian/ 50  
Date of Appointment : 31 August 2006  
Length of Service : 9 years 3 months  
(as at 16 November 2015)  
Date of Last Re-election : 8 January 2015  
Board Committees :  
• Member of Risk Management Committee  
• Member of ESOS Option Committee  
Board meeting attended in the Financial Year : 6/6  
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.

Dato’ Lim Han Boon  
Independent Non-Executive Director

Nationality/ Age : Malaysian/ 58  
Date of Appointment : 21 February 2011  
Length of Service : 4 years 9 months  
(as at 16 November 2015)  
Date of Last Re-election : 8 January 2015  
Board Committees :  
• Chairman of Remuneration Committee  
• Member of Audit Committee  
• Member of Nomination Committee  
• Member of Risk Management Committee  
Board meeting attended in the Financial Year : 6/6  
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.
DIRECTORS’ PROFILE
(CONT’D)

Datuk Noripah Binti Kamso
Independent Non-Executive Director

Nationality/ Age : Malaysian/ 58
Date of Appointment : 18 March 2015
Length of Service : 8 months
(as at 16 November 2015)
Date of Last Re-election : Nil
Board Committees : Member of Audit Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Master in Business Administration, Marshall University, Huntington, West Virginia, USA.
• Bachelor of Science, Northern Illinois University, Dekalb, Illinois, USA.
• Diploma in Business Studies, Institute Technology Mara, Malaysia
Directorship of Public Companies :
• Director of Malaysia Debt Ventures Berhad
• Director of BIMB Investment Management Berhad
Present Appointment(s) :
• Global Practitioner in Residence in Principal Financial Group Centre for Global Citizenship. In this role she is based in Drake University, Des Moines, Iowa, USA
• Adjunct Professor of University Utara Malaysia
• Board member of FIMM (Federation of Investment Managers Malaysia)
Past Appointment and Working Experience :
Began her career as Development Officer, Project Division with Urban Development Authority (“UDA”) from 1980 to 1983 and joined Bank of Commerce (M) Berhad as Senior Corporate Banker from 1983 to 1986. She joined the CIMB group since year 1993 to 2014 and held various key positions in CIMB Group.
Datuk Noripah Kamso was the former Advisor of CIMB Islamic. She was the founding Chief Executive of CIMB-Principal Islamic Asset Management Sdn Bhd. Since 2008, she has successfully established a global platform for the firm to extend its reach to UK, Europe, GCC, Asia, USA and Australia. Under her stewardship as the CEO of CIMB-Principal Asset Management Berhad since 2004, it evolved from a Malaysian company to a regional asset management house with offices in Malaysia, Indonesia and Singapore. She pioneered the listing of the world’s first Regional ASEAN Exchange Traded Fund, “CIMB ASEAN 40 ETF” listed in Singapore in 2007.
She was the Council Member of the Federation of Investment Managers Malaysia (FIMM) and the Past President of the Malaysian Futures Brokers Association (MFBA).

Sharmila Sekarajasekaran
Independent Non-Executive Director

Nationality/ Age : Malaysian/ 47
Date of Appointment : 18 March 2015
Length of Service : 8 months
(as at 16 November 2015)
Date of Last Re-election : Nil
Board Committees :
• Member of Remuneration Committee
• Member of Audit Committee
Board meeting attended in the Financial Year : 4/4
Qualification(s) :
• Barrister-At-Law, Middle Temple
• Advocate & Solicitor, High Court of Malaya
• B.A. Law & Economics (Hons.), Keele University, UK
Directorship of Public Companies : Nil
Present Appointment(s) :
• Consultant in the Legal, Operations and Industry Development Departments of the RIM Group
• Partner of Jerald Gomez & Associates since 2011, areas of practice are Intellectual Property, Banking Litigation, Corporate Advisory and Family & Estate Claims
Past Appointment and Working Experience :

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: RM2,510.5 million (2014: RM2,275.4 million)
Net Profit: RM281.2 million (2014: RM183.6 million)
ROE: 17.4% (Improved 4.3%)
EPS: 45.0 sen (2014: 29.0 sen)
Net Dividend Per Share: 23.0 sen (2014: 16.0 sen)
Net Cash: RM180.1 million (2014: RM157.6 million)
"The group registered compounded annual growth rates (CAGR) for revenue and net profit attributable to equity of 25% and 28% respectively, since listing in 2001."

<table>
<thead>
<tr>
<th>Group</th>
<th>31.8.15 (RM’000)</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>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>2,510,510</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>
</tr>
<tr>
<td>Earning Before Interest, Depreciation &amp; Taxation</td>
<td>466,488</td>
<td>312,107</td>
<td>323,282</td>
<td>310,002</td>
<td>207,279</td>
<td>364,661</td>
</tr>
<tr>
<td>Profit Before Taxation</td>
<td>363,538</td>
<td>216,310</td>
<td>242,204</td>
<td>240,702</td>
<td>145,470</td>
<td>304,961</td>
</tr>
<tr>
<td>Taxation</td>
<td>82,348</td>
<td>32,745</td>
<td>39,375</td>
<td>33,417</td>
<td>30,338</td>
<td>54,550</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>281,192</td>
<td>183,565</td>
<td>202,829</td>
<td>207,285</td>
<td>115,132</td>
<td>250,411</td>
</tr>
<tr>
<td>Profit Attributable to Owners of the Parent</td>
<td>279,781</td>
<td>180,523</td>
<td>196,500</td>
<td>202,726</td>
<td>113,091</td>
<td>245,231</td>
</tr>
<tr>
<td>Net Cash / (Borrowings)</td>
<td>180,106</td>
<td>157,633</td>
<td>158,390</td>
<td>308,668</td>
<td>254,254</td>
<td>298,921</td>
</tr>
<tr>
<td>Total Equity / Net Assets</td>
<td>1,514,393</td>
<td>1,307,550</td>
<td>1,357,841</td>
<td>1,279,853</td>
<td>1,146,373</td>
<td>1,116,366</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>17.4</td>
<td>13.1</td>
<td>14.9</td>
<td>18.2</td>
<td>10.0</td>
<td>22.4</td>
</tr>
<tr>
<td>Net Assets Per Share (RM)</td>
<td>2.60*</td>
<td>2.25*</td>
<td>2.19*</td>
<td>2.07*</td>
<td>1.85*</td>
<td>1.81*</td>
</tr>
<tr>
<td>Basic Earnings Per Share (RM)</td>
<td>0.45*</td>
<td>0.29*</td>
<td>0.32*</td>
<td>0.33*</td>
<td>0.18*</td>
<td>0.40*</td>
</tr>
<tr>
<td>Net Dividend (sen)</td>
<td>23.00*</td>
<td>16.00*</td>
<td>16.00*</td>
<td>16.00*</td>
<td>11.00*</td>
<td>16.00*</td>
</tr>
<tr>
<td>Number of Shares in Issue ('000)</td>
<td>524,184</td>
<td>620,664</td>
<td>620,220</td>
<td>618,880</td>
<td>618,513</td>
<td>618,162</td>
</tr>
<tr>
<td>Share Price (RM)</td>
<td>7.72</td>
<td>4.79</td>
<td>6.14</td>
<td>5.29</td>
<td>4.86</td>
<td>6.07</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>4,818,700</td>
<td>2,972,981</td>
<td>3,806,151</td>
<td>3,273,675</td>
<td>3,005,973</td>
<td>3,752,243</td>
</tr>
</tbody>
</table>

* Based on the Company’s issued and paid up share capital, excluding treasury shares.
ENHANCING SHAREHOLDERS’ VALUE

Dividend Payout

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

- Total Dividend (sen)
- Proposed Final Dividend (sen)
- Proposed Special Final Dividend (sen)
- Final Dividend (sen)
- Interim Dividend (sen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Dividend (RM million)</th>
<th>Payout Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>98.9</td>
<td>40</td>
</tr>
<tr>
<td>2011</td>
<td>68.0</td>
<td>60</td>
</tr>
<tr>
<td>2012</td>
<td>99.0</td>
<td>49</td>
</tr>
<tr>
<td>2013</td>
<td>99.3</td>
<td>51</td>
</tr>
<tr>
<td>2014</td>
<td>99.0</td>
<td>55</td>
</tr>
<tr>
<td>2015</td>
<td>142.8</td>
<td>51</td>
</tr>
</tbody>
</table>

Total dividend payment of RM796.9 million since listed in year 2001.

Equity Holders Structure (Malaysian & Foreigner) as at 31 August 2015

- 38% Malaysian Substantial Shareholders
- 21% Malaysian Bodies Corporate and Individuals
- 41% Foreign Shareholders

Equity Holders Structure (type of holders) as at 31 August 2015

- 64% Nominees
- 25% Individuals
- 11% Institutions

Total Equity (RM million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,116.4</td>
<td>1,146.4</td>
<td>1,273.9</td>
<td>1,367.8</td>
<td>1,571.6</td>
<td>1,614.4</td>
</tr>
</tbody>
</table>

Market Capitalisation (RM million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,762.2</td>
<td>3,306.0</td>
<td>3,272.9</td>
<td>3,693.2</td>
<td>2,973.0</td>
<td>4,618.7</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 Corporation Bhd
Annual Report 2015
LETTER TO STAKEHOLDERS AND MANAGEMENT DISCUSSION & ANALYSIS

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.

Tan Sri Dr Lim Wee Chai
Chairman
Top Glove Corporation Bhd

Lee Kim Meow
Managing Director
Top Glove Corporation Bhd
LETTER TO STAKEHOLDERS AND MANAGEMENT DISCUSSION & ANALYSIS
(CONT’D)

DEAR fellow stakeholders,
on behalf of the board of directors of top glove corporation bhd (“top glove”), we are pleased to present our annual report for the financial year ended 31 august 2015 (“fy2015”).

business landscape

the financial year ended 31 august 2015 was a milestone year for top glove. notably, we delivered our most stellar performance for the group since our listing on bursa malaysia in 2001, setting a new all-time high for the glove industry as well, in terms of revenue and profit.

the extraordinary performance in revenue and profit came on the back of quality, efficiency, automation, computerisation and r&d improvement initiatives which we have been pursuing aggressively and are now bearing fruit. we also noted robust demand growth in nitrile gloves from developed countries, while demand for natural rubber gloves from emerging markets continued to rise steadily.

our china operations which we successfully turned around in the last financial year have also continued to be profitable and contribute positively to our bottomline. meanwhile, intermittent outbreaks of infectious diseases such as ebola, mers, various strains of bird flu and swine flu, continued to highlight the importance of preventive measures and personal protective equipment in the healthcare industry.

our results were further strengthened by the prevailing tailwind environment, which saw the progressive strengthening of the us dollar and a general softening of raw material prices. average latex prices dropped by 17% to rm3.94/kg while average nitrile latex prices decreased by 2.8% to usd1.05/kg compared with fy2014, and a portion of the savings was passed on to our customers. however, while tailwinds are welcome, we do not depend on temporal factors to boost our performance. the only way to enduring success is through an unwavering focus on quality and cost efficiency, as crystallised in our time-tested business direction to produce consistently high quality gloves at efficient low cost. this has always been our focus, and it has once again proven to be the correct way forward.

nonetheless, the business environment remained challenging on several fronts. competition continued to intensify in the nitrile glove segment, as major industry players continued to expand their capacity to leverage the ever-growing demand. we also had to contend with the rise in the cost of chemicals and an upward revision in the natural gas tariff. however, quality and cost efficiency enhancements via automation, computerisation and technology transformation initiatives which the group embarked on served to mitigate the impact of these headwinds.

in the wake of rising healthcare awareness and standards the world over, gloves remain an indispensable item to the healthcare sector. global demand is estimated to be at 180 billion pieces per annum for 2015 and is expected to continue growing by an average of 5% to 6% every year. glove demand is expected to grow particularly fast in developing countries where usage is relatively low but rapidly on the rise.
LETTER TO STAKEHOLDERS AND 
MANAGEMENT DISCUSSION & ANALYSIS 
(CONT’D)

Charting A Historical High

We concluded FY2015 on a positive note, in which Top Glove achieved the highest Revenue for any year of RM2.51 billion, representing a 10.3% increase over FY2014.

Setting a new high for the Group and glove industry as well, Top Glove delivered an unprecedented Profit Before Tax of RM363.5 million, up 68.1% versus FY2014, while Profit After Tax registered at RM281.2 million, an upturn of 53.2% compared with FY2014, topping the previous record high growth of RM250.4 million in FY2010.

The Group also recorded robust growth in sales volume (quantity) of 8%, having strengthened its presence in developed markets, where nitrile glove sales increased by more than 27% versus FY2014. Sales of nitrile gloves made up 28% of our total sales in FY2015 and in 4QFY15 alone, accounted for 32%. Over a 6-year period from 2011 to 2015, Top Glove’s nitrile glove sales volume surged by 646%. Meanwhile, natural rubber glove sales continued to rise steadily.

The Group also continued to outperform Malaysian exports. While total exports of natural rubber gloves from Malaysia decreased by 9.5% in the first half of the calendar year 2015 (1HCY2015) compared with 2HCY2014, exports from Top Glove’s Malaysian operations (TGM) rose by 5.2% within the same period. Meanwhile, nitrile glove exports from TGM went up by 24.5%, exceeding that of Malaysia which grew by 15%, in 1HCY2015 versus 2HCY2014.

Notwithstanding our strong focus on nitrile gloves which is strategically aligned with market trends, we believe in maintaining a diversified product range. This will reduce our dependency on any one type of glove and mitigate the impact of an increase in raw material prices, while also position us to leverage the demand in both developed and emerging markets.

Our product mix by glove type and geographical breakdown of revenue for FY2015 are depicted below:

The exceptionally good performance was largely attributed to continuous internal quality and cost efficiency improvements, which the Group had embarked on, in particular, concerted efforts in automation and reengineering. Upgrading initiatives resulting in newer and more efficient production lines, as well as glove quality enhancements also contributed to good margins. A sustained turnaround in its China operations had a positive effect on the Group’s results as well. In addition, Top Glove also benefitted from a strong US Dollar and weak raw material prices. However, in line with industry norms, it has shared out exchange rate gains and lower raw material costs with customers and also adjusted its selling prices several times during the year.

Top Glove’s financials remain sound and as at 31 August 2015, the Group maintained a healthy balance sheet and a positive net cash position of RM180.1 million.

Meanwhile, total shareholders’ equity was RM1.61 billion and net asset per share stood at RM2.60.
In line with its commitment to create shareholder value, the Board of Directors also proposed a Single Tier Final Dividend of 12 sen, as well as a Special Single Tier Final Dividend of 3 sen, bringing the total proposed dividend payout to 23 sen, a 44% increase over last year’s dividend payout, subject to shareholders’ approval at the upcoming AGM in January 2016. The total dividend payout for FY2015 amounted to approximately RM142.8 million, representing a 51% dividend payout ratio.

The Group achieved commendable operational enhancements, with the commissioning of Factory 29 in February 2015, a new and technologically more advanced and efficient facility, dedicated to the production of nitrile gloves. This has considerably boosted Top Glove’s nitrile glove capacity, enabling it to cater for the consistently growing demand from developed countries, where usage is now expanding to the non-medical sector.

Corporate Developments

On the back of strong demand, Top Glove will continue to aggressively pursue capacity expansion, building new optimised facilities that feature faster, more efficient and technologically-advanced production lines towards better profitability. In progress and on track, are expansion plans for Factory 27 in Lukut, Port Dickson (to commence operation by February 2016) and Factory 6 in Thailand (to commence operation by August 2016), as well as the construction of a new facility, Factory 30 (to commence operation by February 2017) which will respectively bring the number of production lines and capacity to 540 and 52.4 billion gloves per annum. To complement organic expansion, Top Glove is also keenly pursuing M&A opportunities that synergise with its current business, in similar or related industries.

In line with its commitment to increase shareholder value, the Group has also proposed to undertake a bonus issue of up to 630,697,962 new Top Glove shares on the basis of 1 Bonus Share for every existing Top Glove share held on the entitlement date. Top Glove is also embarking on establishing an employees’ share grant plan of up to 15% of the issued and paid-up share capital (excluding treasury shares) of the Company for eligible employees, as part of its multi-pronged approach to reward its people.

Following the retirement of its Independent Non-Executive Director, Tan Sri Dato’ Dr. Lin See Yan and long-serving Independent Non-Executive Director Mr Sekarajasekaran a/l Arasaratnam, Top Glove appointed 2 new female directors, Datuk Noripah Kamso and Ms Sharmila Sekarajasekaran, in line with its commitment to board diversity in terms of gender, age and ethnicity. This will also see Top Glove fulfilling the requirement for a 30% female representation in the Board in line with the government guideline to achieve this by 2016.

In addition, Top Glove also garnered top honours at the Asean Business Awards Malaysia (ABAM) 2015, where it was presented with the AEC Priority Integration Sector Excellence Award in Rubber-based Products, in recognition of its stellar global success. In conjunction with MREPC’s 15th anniversary, Top Glove also emerged Malaysia’s Largest Exporter of Rubber Gloves.
LETTER TO STAKEHOLDERS AND MANAGEMENT DISCUSSION & ANALYSIS
(CONT’D)

and Malaysia’s Largest Exporter of Rubber Products as well as Malaysia’s Top 5 Exporters of Rubber Gloves, for its outstanding export performance in the period 2012 to 2014. Most recently, we were also accorded the 2015 Frost & Sullivan Asia Pacific Medical Glove Company of the Year and the ASEAN Corporate Governance Outstanding Achievement Awards.

Top Glove has also overseen the smooth implementation of GST across its Malaysian operations. As an export business, the Group expects the impact of GST which took effect in 1 April 2015, to be minimal as its products are zero-rated. Top Glove is also working closely with the authorities on processing refunds.

Corporate Citizenship and Social Responsibility

Top Glove is a firm advocate of responsible business practices, and our commitment to sustainability permeates every level of the organisation.

Corporate Responsibility initiatives at Top Glove focus on four key areas of environment, employees, ethics and community, issues which are close to heart for our stakeholders and essential for the continued success of our business.

To discover more about how we are positively impacting the community and environment around us, please see our Sustainability Statement on page 36 to page 39.

R&D and Technological Advancement

With rapid technology advancements and evolving industry standards, the glove manufacturing industry remains intensely competitive. This renders innovation crucial for future success, of which Research and Development (R&D) is a key driver.

Top Glove has invested intensively in the pursuit of R&D, the result of which we have witnessed a tremendous leap forward in terms of new innovative products, improved manufacturing processes, and breakthroughs in technologies, which translates into better profits and lower manufacturing costs.

Our focus is now also on developing and protecting new technologies that will improve our manufacturing process, for which yearly KPIs have been established. Accordingly, R&D personnel aggressively research patent-worthy innovations that will help move our manufacturing process forward as we take our business to the next level. In FY2015 alone, Top Glove successfully filed eight patents on new inventions and technologies.

Our R&D Department strives to deliver top quality products befitting the Top Glove name, which do not just meet, but go beyond our customers’ expectations. A few notable products launched in the past year to cater for the market’s increasingly stringent and specialised requirements include accelerator-free nitrile gloves and nitrile surgical gloves.

Our R&D activities are not only focused on developing new and improved glove products to extend our product pipeline, but much effort has also gone into the setting-up of testing facilities. The R&D Centre at Top Glove functions as a knowledge repository, providing technical know-how and testing services for manufacturing purposes and our customers. In addition, Top Glove establishes strong R&D partnerships with universities and research institutions to facilitate more R&D initiatives for the glove manufacturing industry.

R&D is an integral part of Top Glove’s DNA and the many teams engaging in this important area will continue to upgrade quality and develop innovations that support the sustainable growth of Top Glove.

Moving Forward

We have had a good year in which much has been achieved. However, there remains much more for us to do. Indeed, we are not content to rest on our laurels but are now aspiring towards higher goals.

Having firmly entrenched ourselves as the world’s largest rubber glove manufacturer, we have now set our sights on becoming the world’s largest nitrile glove manufacturer. This will now be our top priority, one which we believe we are well-placed to achieve in view of our significantly improved nitrile competency. We are also ever-passionate about growing our people, on whom much of this company’s success turns. To this end, Top Glove continues to provide enriching opportunities that move employees beyond their comfort zone, supported with a robust training and
development system. People remain our strongest competitive edge and equipping them with the skills and capabilities that will enable them to take our business to greater heights is foremost on our agenda.

Our industry remains one with high growth potential and our efforts in pursuing market expansion both in emerging and developed countries will continue with tenacity. We are mindful that the business terrain may prove challenging in the year ahead, but believe that opportunities always abound for those who are alert and ready to work for them.

As we continue to focus on quality, innovation, automation, prudent cost control and efficiency, we are confident we will be well-able to continue delivering a solid performance in the year ahead.

In Appreciation

Top Glove’s extraordinary performance is testament to the steadfast commitment of its employees and the visionary leadership of its management, to whom we would like to record our sincere gratitude. Our achievements today are a credit to your hard work and your many contributions do not go unnoticed.

We also wish to express our deep appreciation to our valued shareholders, customers, vendors and business associates for your support and strong confidence in the Group over the years, without which we would not have attained the level of success we enjoy today.

Last but not least, we also would like to convey thanks to our fellow board members for their insightful and judicious guidance as we strive to deliver excellence in all we do. We take this opportunity to express our appreciation to our Independent Non-Executive Directors Tan Sri Dato’ Dr. Lin See Yan and Mr Sekarajasekaran a/l Arasaratnam who retired from the Board earlier this year, for their service. We also welcome our newest board members, Datuk Noripah Kamso and Ms Sharmila Sekarajasekaran and are confident they will be instrumental in helping steer the company forward.

The path ahead is paved with tremendous opportunities and indeed, challenges. We are truly privileged to have the support of so many talented individuals who will be embarking on this exciting journey with us, as we work to maintain our upward momentum and keep delivering strong results.

Thank you.

TAN SRI DR LIM WEE CHAI
Chairman
Top Glove Corporation Bhd
30 October 2015

LEE KIM MEOW
Managing Director
Top Glove Corporation Bhd
30 October 2015

Staff and Management pose for a group photo after the Top Glove Leadership Summit 2015
Landskap Perniagaan

Tahun kewangan berakhir 31 Ogos 2015 adalah tahun yang bersejarah bagi Top Glove. Terutamanya, kami telah mencapai prestasi paling cemerlang kami sejak penyenaraian Kumpulan di Bursa Malaysia pada tahun 2001 dan juga mencatatkan paras tinggi baru bagi industri sarung tangan getah dari segi Hasil Jualan dan Keuntungan.

Pencapaian prestasi yang luar biasa dalam Hasil Jualan and Keuntungan adalah dengan adanya inisiatif penambahbaikan dari segi kualiti, kecekapan, automasi, pengkomputeran dan R&D yang telah kami lakukan secara agresif, dan kini membuahkan hasil. Kami juga melihat pertumbuhan dari segi permintaan yang kekal teguh bagi sarung tangan nitril dari negara-negara maju, manakala permintaan bagi sarung tangan getah asli dari pasaran baru terus meningkat dengan mantap.

Operasi di China yang berjaya kami pulihkan dalam tahun kewangan lalu, juga terus menghasilkan keuntungan, menyumbang secara positif kepada pendapatan kami.

Sementara itu, kemunculan wabak penyakit berjangkit seperti Ebola, MERS, pelbagai jenis selesema burung dan selesema khinzir, terus menekankan kepentingan langkah-langkah pencegahan dan alat pelindung diri dalam industri penjagaan kesihatan.

Keputusan kami telah diperkukuhkan lagi oleh situasi persekitaran yang positif, di mana Dolar AS semakin menaik dan harga bahan mentah pada keseluruhan semakin menurun. Harga purata latex getah menyusut sebanyak 17% kepada RM3.94/kg manakala harga purata latex nitril menurun sebanyak 2.8% kepada US$1.05/kg berbanding TK2014, dan sebahagian daripada penjimatan ini dikongsi dengan para pelanggan. Walau bagaimanapun, sementara situasi positif ini dialu-alukan, kami tidak bergantung kepada faktor tersebut bagi meningkatkan prestasi kami. Satu-satunya cara untuk menekankan kejayaan kami adalah melalui tumpuan yang tidak berbelah-bahagi kepada kualiti dan kecekapan kos, seperti yang dinyatakan dalam Hala Tuju Perniagaan kami iaitu Untuk menghasilkan sarung tangan berkecekapan tinggi secara konsisten pada kos yang rendah dan cekap. Ini sentiasa menjadi tumpuan kami dan ia sekali lagi terbukti sebagai cara yang betul maju ke hadapan.

Namun, persekitaran perniagaan kekal mencabar dalam pelbagai aspek. Persaingan terus meningkat dalam segmen sarung tangan nitril, di mana pemain industri utama terus mengembangkan kapasiti mereka untuk memanfaatkan kelebihan kos yang semakin meningkat.

Kami juga perlu berhadapan dengan kenaikan kos bahan kimia dan semakan semula tarif gas asli. Walaupun begitu, peningkatan kualiti dan kecekapan kos melalui automasi, pengkomputeran dan inisiatif transformasi teknologi yang dilaksanakan oleh Kumpulan berhasil bagi mengurangkan kesan angin sakal ini.
Berikut peningkatan kesedaran dan piawaian secara global, sarung tangan kekal menjadi barang yang amat diperlukan dalam sektor penjagaan kesehatan. Permintaan global dianggarkan 180 bilion keping setahun bagi tahun 2015 dan dijangka terus berkembang pada kadar purata 5% hingga 6% setiap tahun. Permintaan sarung tangan dijangka berkembang pesat terutama di negara-negara membangun, di mana penggunaan adalah rendah tetapi pantas meningkat.

Mencatatkan Pencapaian Tertinggi Bersejarah


Menetapkan tahap ketinggian yang baru bagi Kumpulan dan industri sarung tangan, Top Glove mencatatkan Keuntungan Sebelum Cukai yang sebanyak RM363.5 juta, meningkat 68.1% berbanding TK2014, manakala Keuntungan Selepas Cukai mencatatkan RM281.2 juta, meningkat sebanyak 53.2% berbanding TK2014, dengan cemerlangnya melebihi rekod terdahulu sebanyak RM250.4 juta pada TK2010.


Eksport Kumpulan juga terus melebihi jumlah eksport Malaysia. Walaupun jumlah eksport sarung tangan getah asli dari Malaysia menurun sebanyak 9.5% pada separuh pertama tahun kalendar 2015 berbanding dengan separuh kedua tahun kalendar 2014, eksport daripada operasi Malaysia Top Glove (TGM) telah meningkat sebanyak 5.2%, dalam tempoh yang sama. Sementara itu, eksport sarung tangan nitri dari TGM naik sebanyak 24.5%, melebihi eksport sarung tangan nitri Malaysia yang meningkat sebanyak 15%, dalam separuh pertama tahun kalendar 2015, berbanding separuh kedua tahun kalendar 2014.

Walau apapun tumpuan kami kuku terhadap sarung tangan nitri selaras dengan trend pasaran, kami yakin dalam mengekalkan rangkaian produk yang pelbagai. Ini akan mengurangkan keberbergantuan kepada mana-mana satu jenis sarung tangan dan juga mengurangkan kesan kenaikan harga bahan mentah, di samping membolehkan kami memanfaatkan permintaan dalam kedua-dua pasaran maju dan baru muncul.

Campuran jenis sarung tangan serta pecahan pendapatan mengikut geografi bagi TK2015 seperti lampiran di bawah:

Prestasi yang sangat baik ini disebabkan oleh peningkatan dalam kualiti dan kecekapan kos yang berterusan, khususnya usaha bersepadu bahagian automasi dan penambahbaikan kejuruteraan. Inisiatif menaik taraf talian pengeluaran yang lebih baru serta cepat, dan peningkatan kualiti sarung tangan yang juga turut menyumbang kepada peningkatan margin. Pemulihan secara berterusan dalam operasi di China juga memberi impak positif ke atas keputusan Kumpulan. Di samping itu, Top Glove juga mendapat manfaat daripada...
kenaikan Dolar AS dan penurunan harga bahan mentah. Walau bagaimanapun, selaras dengan norma industri, ia telah berkongsi keuntungan daripada kadar pertukaran dan penurunan harga bahan mentah dengan para pelanggan, dan juga menyalur semula harga jualan beberapa kali sepanjang tahun.

Kewangan Top Glove kekal kukuh dan pada 31 Ogos 2015, Kumpulan mengekalkan kunci kira-kira yang sihat serta kedudukan tunai bersih yang positif berjumlah RM180.1 juta.

Sementara itu, jumlah ekuiti pemegang saham adalah RM1.61 bilion dan aset bersih sesaham berjumlah RM2.60.

Selaras dengan komitmen dalam mewujudkan nilai pemegang saham, Lembaga Pengarah mengemukakan cadangan Dividen Akhir Satu Peringkat iaitu 12 sen, serta Dividen Khas Akhir Satu Peringkat sebanyak 3 sen, menjadikan jumlah pembayaran dividen yang dicadangkan kepada 23 sen, peningkatan 44% berbanding tahun lepas yang sama, tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang pada Januari 2016. Jumlah pembayaran dividen bagi TK2015 berjumlah kira-kira RM142.8 juta, mewakili bayaran nisbah dividen sebanyak 51%.

Kumpulan telah mencapai penambahan operasi yang memberangsangkan dengan penataulihan Kilang 29 pada Februari 2015, yang merupakan kemudahan baru serta berteknologi maju dan cekap, khusus untuk pengeluaran sarung tangan nitril. Ini telah jauh meningkatkan kapasiti sarung tangan nitril Top Glove, membolehkan ia menambahkan operasi yang semakin meningkat berdasarkan kontrak dan kebutuhan negara-negara maju, di mana penggunanya kini telah berkembang kepada sektor bukan perubatan.

Perkembangan Korporat

Berikut permintaan yang semakin kukuh, Top Glove akan terus melaksanakan pengembangan kapasiti secara agresif, membina kemudahan optimum baru dengan talian pengeluaran lebih pantas, cekap dan berteknologi, maju kearah meningkatkan kualiti, komunikasi dan kecekapan operasi.

Selaras dengan komitmen untuk meningkatkan nilai pemegang saham, Kumpulan juga telah mencadangkan perlaksanaan pemberian bonus sebanyak 630,697,962 saham baru Top Glove atas dasar 1 Saham Bonus bagi setiap saham sedia ada Top Glove yang dipegang dari tarikh kelayakan.


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Top Glove juga sedang mewujudkan pelan geran saham pekerja sehingga 15% daripada modal saham terbitan dan berbayar (berkecual saham treasuri) Syarikat bagi kakitangan yang layak, sebagai salah satu daripada pelbagai caranya untuk memberi penghargaan kepada pekerja.


**Kewarganegaraan Korporat dan Tanggungjawab Sosial**

Top Glove adalah penyokong kuat amalan perniagaan yang bertanggungjawab, dan komitmen kami kepada kemampuan meresap setiap peringkat organisasi. Inisiatif Tanggungjawab Korporat di Top Glove memberi tumpuan kepada empat bidang utama, iaitu alam sekitar, pekerja, etika dan masyarakat, isu-isu yang bermakna kepada pemegang kepentingan kami dan wajib untuk kejayaan berterusan bagi perniagaan kami. Untuk mengetahui lebih lanjut mengenai bagaimana kami memberi kesan positif kepada masyarakat dan alam sekitar di sekeliling kita, sila lihat Penyata Tanggungjawab Korporat kami di halaman 36 hingga 39.

**Penyelidikan & Pembangunan (R&D) dan Kemajuan Teknologi**

Dengan kemajuan teknologi yang pesat dan piawaian industri berkembang, industri pembuatan sarung tangan masih amat kompetitif. Ini telah menjadikan inovasi tersangat penting bagi kejayaan masa depan, di mana penyelidikan dan pembangunan (R&D) adalah pemacu utama. Top Glove telah melalur secara intensif dalam R&D, lalu kami telah menyaksikan lonjakan lonjakan besar ke hadapan dari segi produk baru yang inovatif, penambahbaikan proses pembuatan dan kejayaan dalam teknologi, yang membawa kepada keuntungan yang lebih baik dan kos pengeluaran yang lebih rendah.

Tumpuan kami kini juga terhadap pembangunan dan pendaftaran teknologi baru yang akan meningkatkan proses pengeluaran kami, untuk yang mana petunjuk prestasi utama (KPI) tahunan telah ditubuhkan. Oleh itu, kakitangan R&D telah secara agresif melaksanakan penyelidikan inovasi yang boleh dipatenkan, demi meningkatkan proses pembuatan sementara kami berusaha membawa perniagaan kami ke tahap yang seterusnya. Pada FY2015, Top Glove berjaya memfailkan lapan paten ciptaan dan teknologi baru. Jabatan R&D berusaha menyampaikan produk berkualiti tinggi bersesuaian dengan nama Top Glove, yang tidak hanya mencapai tetapi mampu melangkah jangkaan pelanggan kami. Beberapa produk utama yang dilancarkan pada tahun lalu demi memenuhi
keperluan yang semakin padat dan pasaran khusus, termasuk sarung tangan nitril "accelerator-free" dan sarung tangan pembedahan nitril.

Aktiviti R&D kami bukan sahaja tertumpu kepada pengeluaran produk sarung tangan yang baru dan melanjutkan saluran paip produk secara meluas, tetapi banyak usaha juga telah terlibat untuk menubuhkan kemudahan ujian. Pusat R&D di Top Glove berfungsi sebagai wadah pengetahuan, menyediakan kepakaran teknikal dan perkhidmatan ujian bagi tujuan pengeluaran dan juga untuk pelanggan kami. Di samping itu, Top Glove berjaya menetapkan perkongsian R&D yang kukuh dengan universiti-universiti dan institusi penyelidikan bagi memudahkan lebih banyak inisiatif R&D bagi industri pengeluaran sarung tangan.

R&D adalah merupakan bahagian mustahak perniagaan kami dan pasukan-pasukan yang terlibat dalam bidang yang penting ini akan terus meningkatkan kualiti dan membangunkan inovasi demi menyokong pertumbuhan yang mampam bagi Top Glove.

Selangkah ke Hadapan

Kami telah menikmati tahun yang baik di mana banyak yang telah dicapai. Walau bagaimanapun, masih banyak lagi yang kami perlu laksanakan. Sesungguhnya, kami tidak berpuas hati dengan kejayaan setakat ini, tetapi kini memasang azam baru ke arah matlamat yang lebih baik.

Setelah teguh berakar diri sebagai pengeluar sarung tangan getah terbesar di dunia, kami kini telah menetapkan matlamat untuk menjadi pengeluar terbesar sarung tangan nitril di dunia. Ini sekarang akan menjadi keutamaan kami, dan kami yakin Top Glove berkedudukan baik untuk mencapai matlamat ini, memandangkan kecekapan nitril kami yang telah meningkat dengan ketara.

Kami juga sentiasa bersemangat untuk membangunkan pekerja kita, dimana mereka sebab utama syarikat ini berjaya sebegini. Bagi tujuan ini, Top Glove akan terus memberi peluang untuk bekerja di luar zon selesa mereka, disokong dengan latihan dan sistem pembangunan yang mantap. Pekerja kekal menjadi daya saing kuat kami dan melengkappkan mereka dengan kemahiran dan keupayaan adalah agenda utama kami.

Industri kita tetap menjadi salah satu industri yang mempunyai potensi pertumbuhan yang tinggi dan usaha kami dalam perkembangan di pasaran baru muncul dan negara maju, akan berterusan dengan sesungguhnya. Kami sedar bahawa persekitaran perniagaan akan terbukti mencabar bagi tahun hadapan, tetapi percaya bahawa peluang sentiasa terbuka kepada mereka yang peka dan bersedia untuk bekerja keras.
Dengan tumpuan tidak berbelah-bahagi kepada kualiti, inovasi, automasi, kawalan kos berhemah dan kecekapan, kami yakin mampu terus mencapai prestasi yang kukuh dalam tahun akan datang.

Penghargaan

Prestasi luar biasa Top Glove adalah bukti komitmen teguh para pekerja dan para pemimpin yang berwawasan, dan kami ingin merakamkan penghargaan ikhlas kami. Pencapaian syarikat hari ini adalah pujian kepada kerja keras dan sumbangan anda, yang tidak akan diabaikan.

Kami juga ingin merakamkan setinggi-tinggi penghargaan kepada para pemegang saham, pelanggan, pembekal dan rakan perniagaan di atas sokongan dan keyakinan yang kukuh dalam Kumpulan selama ini, tanpanya kami tidak akan mampu mencapai tahap kejayaan yang dinikmati hari ini.


Zaman hadapan diturap dengan peluang yang hebat dan sememangnya, cabaran. Kami benar-benar bertuah mendapat sokongan daripada begitu ramai individu yang berbakat, sementara kami berusaha untuk mengekalkan momentum positif kami dan terus menyampaikan keputusan yang kukuh.

Terima kasih.

TAN SRI DR LIM WEE CHAI
Pengerusi
Top Glove Corporation Bhd
30 Oktober 2015

LEE KIM MEOW
Pengarah Urusan
Top Glove Corporation Bhd
30 Oktober 2015

Gambar berkumpulan yang diambil semasa rombongan tahunan syarikat pada tahun 2015
致权益持有人的信函及管理层讨论与分析
> LETTER TO STAKEHOLDERS: MANDARIN VERSION

诸位权益持有人，
我们谨此代表顶级手套集团向诸位权益持有人呈报顶级手套集团截至2015年8月31日的财务年度报告。

商业概述
截至2015年8月31日财务年是顶级手套迈向另一个新的里程碑。这也是集团在大马交易所上市后创下最佳的业绩，同时也为手套行业的营业额和利润创下新高。

表现特别的营业额和利润主要归功于集团积极提升品质、自动化和研发的计划。与此同时，我们也留意到发达国家对丁腈手套的需求量增加，而新兴市场对天然乳胶手套的需求也持续稳步上升。

集团位于中国的业务也成功在上个财务年继续呈现盈利，并对集团作出正面的贡献。

与此同时，间歇性爆发的传染疾病如埃博拉，MERS，禽流感和猪流感等病毒的出现也显示了预防措施和个人防护设备在医疗保健行业的重要性。

美元走强和较低的原材料价格有助于我们的业绩表现。与2014财务年相比，天然乳胶的价格下降了17%至平均每公斤马币3.94，而丁腈乳胶价格则下跌了2.8%至平均每公斤美金1.05。与此同时，我们也将在节约成本的模式下，充分利用已有的资源，专注于手套品质和成本效益，以保持竞争优势。

商业环境仍存有很多方面的挑战。丁腈手套的竞争持续加剧，尤其当其他手套业者也持续扩展以应付不断增长的需求量。我们也将继续对化学物品的成本和天然气价格的调价。然而，集团通过自动化，电脑化和科技化的转型计划来加强品质和成本效益。这也有助于减轻被不利因素的影响。

医疗保健意识和标准在全球不断提升，手套仍然是一个不可或缺的物品。手套的全球需求量预计持续以每年平均增加5至6%，而达到在2015年的1800亿只。发展中国家对手套的需求预料将快速地上升，虽然使用率较低。

创下历史的新高
在2015财务年，集团成功取得最高营业额。与2014财务年相比，营业额上升了10.3% 至马币25亿1000万。

集团也成功创下了手套行业内的新高。与2014财务年相比，税前盈利上升了68.1% 至马币3亿6350万；而净利润则上升了53.2%至马币2亿8120万。此外，2015财务年的净利润也超越了2010财务年的马币2亿5040万的最佳表现。

集团的销售量也取得了8% 的增长。与2014财务年相比，丁腈手套销售量增长超过27%。在2015财务年，丁腈手套的销售量占据了总销售量的28%；而2015财务年第4季度则占据了32%。从2011年至2015年的6年时光，集团的丁腈手套的销售量激增了646％。与此同时，天然乳胶手套的销售也持续稳定上升。

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集团也持续在马来西亚出口商中表现优越。与2014年下半年相比，虽然2015上半年的马来西亚乳胶手套出口总额下降了9.5%，然而顶级手套在马来西亚的业务（TGM）出口量却上升了5.2%。

尽管我们把重点注重于与市场趋势一致的丁腈手套，我们还是认为维持多元化的产品系列是必要的。这将减少我们对任何手套的依赖和减轻原材料价格上涨的影响，同时也令我们能够充分利用源自于发达国家和新兴市场的需求。

在2015财务年，集团的销售产品分类和营业额分析描述如下：

集团取得如此优越的表现主要归功于内部所实施的改进措施如自动化和设备提升及研发。除此之外，集团也投入最新及效率更高的生产线，同时提升手套品质也促成更好的利润率。中国业务的持续好转也是为集团带来正面的贡献。此外，集团也从美元走强和较低的原材料价格中获益。然而，为了符合行业规范，集团也数次调整了手套的售价，并和客户共享了从外汇和降低的原材料成本收益。

截至2015年8月31日，顶级手套维持马币1亿8010元的净现金流，同时也保持健康的资产负债表。

同时，总股东权益为马币16亿1000万，每股净资产为马币2.60。

为了实现对股东的承诺，顶级手套集团的董事会建议派发每股12仙终期股息，以及每股3仙特别股息。全年总派息为2.5仙，与去年相比，股息增长了44%。这将在即将召开的股东常年大会中提呈与批准。2015财务年的总派息为马币1亿4280万，并占了派息比率的51%。

设有最先进技术和更高效率的第29厂已在2015年2月正式启用，并生产丁腈手套。这将提高丁腈手套的产能，以便能够满足需求量不断增长的发展中国家。丁腈手套的使用量也扩展至非医疗领域。

企业发展

在强劲的手套需求下，集团将继续扩充产能并设立更快速、更高效率和最先进技术的生产线，使集团取得更好的盈利。目前，旗下有2间工厂正进行扩展计划，如：位于波德申芦骨第17厂（将于2016年2月开始营运）及位于泰国第6厂（将于2016年8月开始营运）；另外，位于巴生的第30厂正在兴建中（将于2017年2月开始营运），这将促使集团的总生产线提升至540条，年总产能则提高至524亿只手套。另一方面，集团会持续对任何有潜力且与手套行业有关的公司和工厂寻找并购机会，迈向多元化扩展。

位于莎阿南实达城23层楼高的顶级手套大厦已在2015年4月落成，并在2015年10月1日由雪兰莪州苏丹沙拉弗丁主持开幕仪式。此大厦拥有A级及绿色建筑指数认证的办公和零售大楼，并依据国际认可的CONQUAS和QLASSIC的质量标准而建立。良好的工作环境有助集团的重点部门提高工作质量和营运效率。

为了实现对股东的承诺，集团也建议于授权期发行高达630, 697, 962新股于每股现有的顶级股份1红股。

集团也着手设立发行高达15%的雇员股份计划以及发行缴足股本（不包括库存股份）给予合资格的员工，通过多管齐下的措施奖励我们的员工。
致权益持有人的信函及管理层讨论与分析
> LETTER TO STAKEHOLDERS : MANDARIN VERSION (继续)

随着独立非执行董事丹斯里拿督林世彦博士及长期担任独立非执行董事的Sekarajasekaran A / L Arasaratnam先生的荣休，集团委任了2位新任女董事，分别是Datuk Noripah Kamso 和Sharmila Sekarajasekaran女士，以符合多元化政策，拥有不同性别、年龄和种族的董事会，这将使集团董事会在2016年达到女性决策人占30%的规定，并符合了政府的指标。

另外，顶级手套也在2015年取得了马来西亚东盟企业奖（ABAM）的最高荣誉，与以乳胶产品为基础的AEC优先整合行业优秀奖一起颁发，以表扬全球性的成功。与此同时，顶级手套也因为“在2012至2014年期间以卓越的出口业绩而荣获成为马来西亚最大的乳胶手套出口商和马来西亚最大的乳胶产品出口商以及马来西亚前5名乳胶手套出口商的奖项。此奖项在马来西亚橡胶出口促进委员会（MREPC）第15周年庆的晚宴上颁发。最近，我们也授予Frost & Sullivan，2015年度亚太区医疗手套公司与东盟公司治理优秀成果奖。

顶级手套也监督确保消费税在其马来西亚的业务上实施顺利。作为一家出口企业，集团预料在2015年4月1日实行的消费税对我们没有影响。因为手套是零税率。集团也与关税局密切合作，处理索回进项税。

企业公民与企业社会责任

顶级手套集团倡导负责任的商业实践，我们承诺要把这项商业实践持续发展并渗透到集团的各个阶层。

顶级手套的企业社会责任着重在四个关键领域：环境，员工，道德标准和社会，这都是权益持有人所关注的，也是使我们的业务继续取得成功的关键。

欲知更多有关集团的企业社会责任活动，请参阅第36页至39页的可持续发展报告。

科技研发的进步

随着科技和手套行业的标准不断地进步，手套制造业的竞争依然激烈。创新是未来取得成功的关键，而研发是主要的驱动力。

除此之外，可以从新的创新产品到生产过程的改进，和突破的技术中见证顶级手套集团不断地投资在研发以及追求更大的突破。研发使集团取得更高的利润和降低生产成本。

我们注重发展与保护新技术以改进我们的生产过程，并对此设立年度关键绩效指标。因此，研发人员持续注重在可申请专利的研发，这将有助于推动我们生产过程，并把我们的业务提升至更高的水平。在2015财务年，集团成功申请了八项新发明和新技术的专利权。

我们的研发部门致力提供高品质的产品，不仅仅满足客户，并超越客户的期望。在过去的一年内已持续推出特殊的产品以迎合严格要求和特殊需求的市场，包括无加速剂丁腈手套和丁腈手术手套。

我们的研发活动不仅专注在开发新的和改进的手套产品以及扩充生产线，也付出很大的努力在设置检测设施。研发中心在集团就如一个知识库，为制造业和我们的客户提供技术和测试服务。另外，顶级手套也与大学和科研机构建立更密切的研发合作伙伴关系，为手套制造业促进更多的研发活动。

研发是集团的DNA的组成部分。许多团队参与于这个重要的领域将会不断提高产品品质和开发新产品以支持顶级手套持续发展。

顶级手套(兴化)有限公司向全市侨界空巢老人送温暖，贺新春
展望未来

虽然我们在今年取得亮眼的业绩，但我们仍然有许多能够进步的空间。事实上，我们并不满足于现状，我们仍然对未来有着崇高的目标。

集团已经巩固我们作为全球最大的乳胶手套制造商的地位。如今，集团的首要任务是把目光投向成为全球最大的丁腈手套制造商。鉴于我们在生产丁腈手套上有很大的改进，我们相信我们有能力条件达成此目标。

集团的成功归功于我们致力投资在人才的发展。为此，顶级手套继续提供更多机会让员工超越自己的舒适区，并持续给予员工培训和发展作为支持。我们的目标是让员工拥有最强的竞争力、技术和能力，以便把我们的业务带上更高一层楼。

手套行业仍然具有高增长的潜力。同时，我们也努力追求新兴市场和发达国家的市场的扩展。我们也留意到企业的形势可能在未来具有挑战性，但我们相信机会永远只留给有做准备的人。

随着我们不断地专注于品质、创新、自动化、成本控制和效率，我们有信心能继续在未来取得优越的表现。

鸣谢

顶级手套的特出表现在证明了员工的贡献和富有远见的管理层领导，我们衷心感谢大家。今天集团的成就归功于你们的努力。你们的许多贡献将不会被忽视。

我们也衷心感谢全体股东、客户、供应商和商业伙伴们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。

最后，我们也衷心感谢董事会的远见和明确的指导以便让我们持续提供卓越的表现。我们借此机会对在今年年首荣获独立非执行董事丹斯里拿督林西彦博士及长期担任独立非执行董事的Sekarajasekaran A / L Arasaratnam先生 致于万分谢意。与此同时，我们也欢迎新任女董事，Datuk Noripah Kamso 和Sharmila Sekarajasekaran女士，并有信心在他们带领下公司将向前迈进。

未来的路有许多的机会，也具有挑战。我们非常荣幸能拥有如此多人才与我们并肩，我们会努力保持进步及持续交出亮眼的成绩。

谢谢。

丹斯里林伟才博士
董事主席
顶级手套集团
2015年10月30日

李金谋
董事经理
顶级手套集团
2015年10月30日
SUSTAINABILITY STATEMENT

“All we have a clear responsibility to channel our resources and expertise towards the betterment of the society in which we operate and live.”

Tan Sri Dr Lim Wee Chai, Chairman, Top Glove Corporation Bhd

Businesses today play a crucial role in ensuring a sustainable future. At Top Glove, our approach to sustainability is centered on the preservation of natural resources, protecting the environment and building communities in which we serve. Alongside this, our focus is also on inspiring people to adopt green practices and conserve resources towards a more sustainable world. With this in mind, Corporate Responsibility initiatives at Top Glove focus on four key areas of environment, employees, ethics and community.

ENVIRONMENT

We recognise the conduct of business activities can impact communities and are mindful of our duty to uphold environmentally responsible practices. Central to our business decisions is the creation of a better, more sustainable future to which end, the following initiatives are in place to conserve, restore and replace the natural resources expended in our daily operations.

Establishing an Environmental Policy

Top Glove has an Environmental Policy which clearly articulates our commitment to and measures taken for the preservation of our environment.

Environmental Management System

Several factories are in the process of being ISO 14001 certified to ensure a robust Environmental Management System is implemented, with Factories 5, 12 and 23 having successfully obtained certification.

Identifying Alternative Fuel, Energy and Resources

Minimising the depletion of non-renewable resources remains a foremost priority. With this in mind:

• 30% of our factories are powered by biomass, a renewable source of energy
• Heat exchangers are employed to reuse heat energy consumption
More advanced energy efficient systems are implemented at new factories, like the SCADA system which auto-controls the heat energy more precisely, thereby reducing wastage.

• A new patented technology that allows direct heating of wet tanks has also been employed to replace conventional infrared or thermal oil/steam heating, thereby enabling very precise temperature control with minimum heat loss to the surroundings. We have also implemented a heat recovery project on a mass scale for wastewater discharge, boiler flue gas, gas engines and air compressors.

• We patented a new design for conveyor chains which reduces electricity consumption, minimises tension in the lines and prolongs chain life with minimum breakdown of the production lines.

• Energy efficiency improvement projects will continue to be effected, through the introduction of the latest technology to chillers, air compressors, burners, CHP and boilers.

• At least 65% of gloves produced are natural rubber gloves, the main component for which is a renewable, naturally biodegradable and environmentally-friendly resource.

Transportation

As transportation is a major contributor to climate change, our manufacturing facilities in Klang are strategically located within 500 meters of each other, substantially minimising fuel consumption and enabling efficient inter-factory transportation. Video-conferencing facilities are also available for all multi-location meetings thereby reducing the need to commute for outstation-based staff.

Water Efficiency

Water is essential to the glove production process and conserving this important resource is of utmost importance. To ensure an uninterrupted supply of water, consumption is minimised by adopting the 3R (Reduce, Reuse, Recycle) System, while On-Site Detention (OSD) tanks and rain harvesting tanks are also employed. In addition, we are exploring more underground and surface water from clean water sources, which can be channelled to the factory.

Waste Segregation and Recycling

All solid waste is segregated into scrap metal, paper, plastic, wood pallets, containers and other recyclables for recycling and reuse, with minimum solid wastes disposed to landfills.

Environmental Facilities and Improvements

We have allocated up to RM2 million per factory, for environmental facilities such as Industrial Effluent Treatment Systems, scrubbers and dust collectors. We will also continue to upgrade our wastewater treatment facility through the introduction of the latest technologies that will minimise final waste/sludge discharge to the environment such as dissolved air flotation (DAF), pipe flow flocculators and sludge decanters.

Other Initiatives

Our newly constructed corporate office, Top Glove Tower is a Grade A and Green Building Index (GBI) certified Gold office building, featuring high performance glazing, rainwater harvesting, an efficient chiller plant system design and LED lights for optimum energy and water efficiency.
We are gradually replacing all old air conditioners and refrigerators with 5-Star Energy Rated machines to enhance energy efficiency. Retrofit fluorescent lamps are also being substituted with LED lamps, while inverters for energy saving and newer energy-efficient pumps are being installed as well.

**EMPLOYEES**

We are privileged to be the employer of choice to 10,000 committed individuals across Malaysia, Thailand, China, Indonesia, Germany and the USA, and every effort is made to nurture this diverse talent pool to ensure our people realise their full potential.

**Talent Recruitment and Attraction**

We hire well-rounded talents and provide opportunities for these future leaders to flourish and contribute positively within the Group.

**Learning and Development**

As a learning organisation, Top Glove strives to create a culture of continuous learning and development. Our motto, *Must Know, Must Do and Must Teach* is embedded into every component of the company’s operations.

Our employees receive on-the-job coaching and training, as well as professional classroom development. This is to ensure they are equipped with competencies needed for their present job as well as future advancement. To facilitate training, we have also set up an in-house training center with a capacity of over 200 delegates, as well as a state-of-the-art auditorium at Top Glove Tower that can be used for seminars and functions.

Besides the conventional learning approach, our training platform includes online management and self-development, book reading, breakfast talks and educational/inspirational movie screenings on Saturdays. Our 2015 training calendar comprised 160 sessions, focusing on key areas of Soft Skills, Technical Skills, Internal Quality Audits, Safety and Health and Risk Management.

In 2015, a series of new programs was also initiated. The *Good to Great Program* (G2G) series for example has new and current employees coming together to learn from each other through fun activities that promote good teamwork. Upskilling programs such as the *Sharing is Caring series* cater for junior employees, enabling them to learn best practices that are key to achieving our business aspirations. Sharing sessions by subject matter experts from other well-managed companies are also regularly organised as benchmarking initiatives.

**Performance Management and Reward**

Top Glove adopts a system of meritocracy which promotes ownership and accountability through set KPIs and ensures good performance is well-rewarded. Our compensation structure incorporates both fixed and variable elements, as well as short and long term components (basic salary, benefits, incentives and an Employee Share Option Scheme), thereby giving us a competitive edge in the market. The many developmental opportunities available within the company also serve to attract and retain talent.

**Healthy Staff Programmes**

Top Glove champions a healthy lifestyle and is committed to creating a culture of good health among employees.

A total of 7 health talks by our resident nutritionists and external healthcare specialists were conducted in 2015 on topics such as the prevention of coronary heart disease and combating obesity, as well as the importance of a healthy diet. In 2015, the Company introduced additional programs aimed at enhancing employee health and well-being, such as *Top Glove’s Biggest Weight Loser* which offered employees cash rewards for healthy weight loss.

Our efforts to ensure a healthy workforce also include quarterly measurement of employees’ Body Mass Index (BMI) and twice-weekly free Yoga classes conducted on Company premises. Health counselling is also available to all employees.

**Promoting Diversity**

We recognise that organisational success turns on the ability to embrace and realise the benefits of diversity in the workplace. Top Glove is privileged to draw on the talents of a 10,000-strong workforce that is well-represented in terms of age and gender.
As at September 2015, 54.9% of the total workforce in the Company comprised women, while 23% of senior management positions were held by women. 45% of the Engineering Department workforce within the Company was also female.

Top Glove has also taken its commitment to diversity to the Board level and fulfills the requirement for a 30% female representation in the Board, in line with the government guideline to achieve this by 2016.

GOOD BUSINESS ETHICS

Top Glove believes companies which operate by a set of good values are well-positioned to thrive, inspiring the trust of their stakeholders and business associates, whilst attracting quality employees. Its commitment to uphold ethical practices is enshrined in the company’s Business Ethics Honesty, Integrity and Transparency.

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

Top Glove ensures that a CTOS check is conducted on all business associates to ascertain that they have good credit standing and at the same time, safeguard Top Glove from potential financial risks. Additionally, employees are required to conduct an SSM search to gather more corporate/financial information on business associates. All suppliers and other business associates who have financial dealings with Top Glove are also required to sign a letter of enforcement every six months to affirm their strict adherence to our practice of non-corruption.

Top Glove was also among the first to sign the Corporate Integrity Pledge and Anti-Corruption Principles for Corporations, an initiative by the Malaysian government in March 2011. Internally, it also organised its own Top Glove Anti-Corruption Day during which all senior management signed the Top Glove Corporate Integrity Pledge. All Top Glove employees are required to sign a pledge every year to vouch that they will not condone or be involved in any corrupt practices, as well.

COMMUNITY

In 2015, Top Glove Foundation contributed a total of RM1.25 Million in the form of scholarships and donations to charitable organisations, healthcare-related groups, religious associations, schools and universities, underscoring the company’s commitment to corporate citizenship.

Top Glove Foundation has to date, offered 22 scholarships to students for the pursuit of law, engineering, medicine, accounting and economics degrees at local public universities. Since 2011, Top Glove has also been in collaboration with the Malaysian Rubber Export Promotion Council (MREPC) to co-sponsor 8 students pursuing tertiary education in local public universities.

Annual visits to various homes in Klang during festive seasons like Hari Raya, Chinese New Year, Deepavali and Christmas are also organised, whereby donations both in cash and kind are given out to the less privileged. An annual blood donation campaign is also a staple event on our calendar, aimed at collecting blood from healthy blood donors to save lives.

As part of its on-going service to the community, Top Glove also undertakes road and drainage repairs as well as street lighting maintenance, within the vicinity of its facilities. In FY2015 alone, a total of RM 680,000 was invested in improving various facilities for the community. Additionally, Top Glove’s strong 24-hour auxiliary police (Polis Bantuan) presence also enhances security for residents within the area.

Doing Well by Doing Good

The discharge of our corporate responsibility is a duty and more so, a privilege. We count ourselves fortunate to be able to give back to and effect positive changes across our communities; only then can we say we have truly succeeded as a business. In the spirit of continuous improvement, we are constantly reviewing our approach to CR and challenging ourselves to contribute more, to ensure that we are able to meet needs as they arise.

Top Glove spreads some Christmas joy at the Handicapped and Disabled Children’s Association of Klang, Selangor.
FINANCIAL CALENDAR

2015

NOVEMBER, 16
Issuance of Annual Report 2015

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

2016

JANUARY, 6
17th Annual General Meeting
Time : 11.30 a.m.
Venue : Top Glove Tower
Extraordinary General Meeting at the conclusion of 17th AGM
Proposed Final Dividend of 12 sen and Special Final Dividend of 3 sen
Entitlement Date : 13 January 2016
Payment Date : 28 January 2016

MARCH
(3rd week)
Unaudited consolidated results for the 2nd quarter ending 29 February 2016

JUNE
(3rd week)
Unaudited consolidated results for the 3rd quarter ending 31 May 2016

OCTOBER
(1st week)
Unaudited consolidated results for the 4th quarter and financial year ending 31 August 2016

DECEMBER
(3rd week)
Unaudited consolidated results for the 1st quarter ending 30 November 2016
TOP GLOVE CORPORATE SONG

ENGLISH

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

BAHASA MALAYSIA

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

MANDARIN

顶级的名誉 闻名世界
品质优良的顶级手套
历经多年的努力与成长
我们成功站在世界的顶端
顶级的手套 我们的骄傲
品质好 可信赖及可靠
是我们一直维护的宗旨
在顶级手套公司集团

THAI

ที่โลกนี้ของเรา เราเรานั้นคือ
ผู้หน้าคุณมุ่งมั่นที่จะผลิตและคุณภาพสูง
เราสามารถสร้างราคาที่สูงกว่า
เพื่อการปลูกสิ่งแวดล้อม ด้วยมือเรา
ทอถุงกันฝุ่นเราทำ เราทำงานอย่างใจ
คุณภาพดี และบริการที่ดี
เพื่อความไว้วางใจ เราเชื่อมั่นใจ
ทอถุงกันฝุ่นเรา คุณภาพดีที่ที
The Board of Directors 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.

Corporate Governance Overview

Under the leadership of the Board, there have been four (4) significant developments in Board governance and administration for Top Glove ("Top Glove or "Company") in the financial year ended 31 August 2015 ("FY2015"), as follows:

(a) Two (2) female Directors, namely, Datuk Noripah Kamso and Ms Sharmila Sekarajasekaran, have been appointed on Board to enhance the Board Diversity;
(b) Succession Planning was a new agenda introduced to the Nomination Committee and hence the Board for a structured development of the Company and or Group;
(c) The Board met for the first time to discuss the Company Business Strategy and review its vision and mission statement; and
(d) A Dividend Policy was formalised by the Board to declare and pay annual Dividends of not less than 50% of its Profit after Tax and Minority Interest.

A testament to Top Glove’s commitment on corporate governance, Top Glove was ranked 58 in Malaysia in the Malaysia-ASEAN Corporate Governance Index 2014 administered by Minority Shareholder Watchdog Group.

Another testament by Bursa Malaysia Berhad on the Analysis of Corporate Governance Disclosure in Annual Reports, Top Glove scored in average 74% across six (6) Principles evaluated, which was above the average scores of 63.7% for 300 listed issuers.

The Group will continue to endeavours its efforts in evaluating its governance practices in response to the evolving best practices and the changing requirements. The Board is pleased to present the Corporate Governance Statement for FY2015 outlining the application of the principles and recommendations as set out in the following guides:

(a) Companies Act, 1965 ("CA 1965");
(b) Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
(c) Malaysian Code on Corporate Governance 2012 ("the MCCG 2012"); and
(d) Second Edition of Corporate Governance Guide issued by Bursa Malaysia Berhad ("The CG Guide")

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 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.
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.

The core areas of the Board Charter are as follows:

(a) Company Goals, Mission and Vision;
(b) Board Governance Process;
(c) Board and Management Relationship;
(d) Board and Shareholders Relationship; and
(e) Stakeholders Relationship.

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


Board Committees

The Board Committees are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference.

To keep the Board abreast of the decisions and discussions made by each Board Committee, although the duties have been delegated to respective Board Committees, the Committees would report to the Board during the Board Meetings and table the minutes of the Board Committees at the Board Meetings.

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); ensuring that all Board discussions or decisions have the benefit of predominantly outside views and experiences, and that the majority Directors are free from interests and influences that may create a conflict with their duty to the Company.

To further entrench independence, the Board consist of 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.

During the FY 2015, Datuk Noripah binti Kamso and Ms Sharmila Sekarajasekaran were appointed as INEDs in place of Tan Sri Lin See Yan and Mr Sekarajasekaran a/l Arasaratnam, whom had retired during the FY 2015.

Board Mix and Skillsets Matrix

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

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

(a) Strategy Entrepreneurship;
(b) Legal;
Corporate Governance Statement

(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 evaluation result allows the Nomination Committee to address the evaluation assessment and the training need 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).

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

During the FY 2015, 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.

Time Commitment

Paragraph 15.06 of Main LR provides that directors of listed company may not hold more than five (5) directorship in listed companies. None of the Board members of Top Glove serve in more than five (5) listed companies.

The Executive Directors of the Company also do not serve as a director on other listed companies.

Key Information on Directors

A brief description of the background of each Director is presented on pages 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 Director has been appointed in respect of any of the Directors.

Senior Independent Non-Executive Director

Tan Sri Mohd Sidek bin Haji Hassan is the Senior INED of the Board, appointed since 2014 with recommendation from the Nomination Committee.

The role of SINED is defined in the Board Charter adopted. Generally, a SINED is whom concerns may be conveyed where it could be inappropriate for the concerns to be dealt with by the Chairman and Managing Director. Our SINED may be contacted at Tel: +603-3362 3098.

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 year, adopted a Succession Planning Policy to ensure that there are platforms in place to provide for the orderly succession of senior management.

The Succession Planning Policy is available online at the Company’s website at https://www.topglove.com.my/about-us/corporate-governance/SuccessionPlanningPolicy

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.

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


Employee’s 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.


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 2010.

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

Sustainability and Corporate Social Responsibility

The Board takes strong commitment to business sustainability and contribute positively to the well-being of stakeholders. The detail Sustainability Report can be found on pages 36 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, both in Malaysia and the region where the Group operates.

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.

A Board Diversity Policy was adopted by the Board on 14 October 2014 to set out the principles of Top Glove to maintain a Board with a diversity of Directors.


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 endeavour 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
(data compiled as at 15 September 2015)

<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>1,714</td>
<td>760</td>
<td>44.34</td>
</tr>
<tr>
<td>Management staff (Manager &amp; above)</td>
<td>225</td>
<td>102</td>
<td>45.33</td>
</tr>
<tr>
<td>Directors on Board</td>
<td>11</td>
<td>8</td>
<td>72.73</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>1,714</td>
<td>779</td>
<td>45.45</td>
<td>355</td>
<td>20.71</td>
</tr>
<tr>
<td>Management staff (Manager &amp; above)</td>
<td>225</td>
<td>40</td>
<td>17.78</td>
<td>147</td>
<td>65.33</td>
</tr>
<tr>
<td>Directors on Board</td>
<td>11</td>
<td>3</td>
<td>27.27</td>
<td>6</td>
<td>54.55</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 29</th>
<th>Below 20</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>
<td>%</td>
</tr>
<tr>
<td>All Staff</td>
<td>1,714</td>
<td>-</td>
<td>9</td>
<td>1</td>
<td>74</td>
<td>4</td>
<td>201</td>
<td>12</td>
</tr>
<tr>
<td>Management staff (Manager &amp; above)</td>
<td>225</td>
<td>-</td>
<td>8</td>
<td>4</td>
<td>24</td>
<td>11</td>
<td>75</td>
<td>33</td>
</tr>
<tr>
<td>Directors on Board</td>
<td>11</td>
<td>1</td>
<td>9</td>
<td>2</td>
<td>18</td>
<td>7</td>
<td>64</td>
<td>1</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 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)
3) **Dato’ Lim Han Boon** (INED)
The Board noted the CG Guide proposes SINED to chair the NC; the Board concurred that the current NC composition is effective for the Company.

**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:

The appointment of Datuk Noripah Binti Kamso and Ms Sharmila Sekarajasekaran on 18 March 2015, followed the above process. The appointments were recommended by the NC having reviewed the set skill, expertise and experience possessed by the two (2) mentioned Directors, to fill the gaps.

**Board Induction/ Orientation Programme**

The Board’s Induction/ Orientation is a programme co-ordinated 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.

Datuk Noripah Binti Kamso and Ms Sharmila Sekarajasekaran, both have undergone the Induction/ Orientation programme and Board Charter to understand the following aspects of the Company:

(a) Company vision, mission and philosophies;
(b) Overview of Group Strategy, Finance & Corporate Finance, Procurement, Human Resource and Internal Audit (“IA”);
(c) Risk Management and regulatory issues and updates;
(d) Corporate, Board and Governance Structure; and
(e) On-site briefings on the operations of factories.

**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; independency of INED and assess the Board’s mix and skillset. As for AC, an effectiveness evaluation as a whole and member self and peers’ evaluation, IA function and the External Auditors performance and independence, were assessed.

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.

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 Mr Lee Kim Meow, Puan Sri Tong Siew Bee and Mr Lim Hooi Sin. Their profiles are set out on pages 12 and 13 of this Annual Report.

Datuk Noripah binti Kamso and Ms Sharmila Sekarajasekaran are due for re-election by rotation pursuant to Article 100 of the Articles of Association of the Company at the forthcoming AGM. Their profiles are set out on page 15 of this Annual Report.

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 Director’s who is due for retirement and re-appointment in accordance to Section 129 of the CA 1965 at the forthcoming AGM is Tan Sri Dato’ Seri Utama Arshad Bin Ayub. His profile is set out on page 9 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 INEDs 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 one (1) INED has exceeded nine (9) years.

Activities of Nomination Committee

During the year, the NC met four (4) times and resolved the following key activities:

(a) Reviewed the annual assessment/evaluation forms of the Board and Board Committees;
(b) Deliberated on the findings of the Board’s and Committees’ assessment and reported the findings in Board meeting;
(c) Deliberated the appointment and retirement of Directors;
(d) Discussed on the re-designation of SINED;
(e) Reviewed and recommended the adoption of Succession Planning Policy and Diversity Policy for the Board’s approval;
(f) Recommended to the Board to hold a Corporate Strategy Meeting to deliberate on the strategy and business planning of the Company; and
(g) Review the Succession Planning of the Directors and senior management.

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 in their responsibilities in assessing the Directors’ fees, allowances and other benefits of the Board. The members of the RC are as follows:

1) Dato' Lim Han Boon (INED)                                 ~ Chairman
2) Tan Sri Dr Lim Wee Chai (Executive Chairman)  ~ Member
3) Sharmila Sekarajasekaran (INED)                      ~ Member    (Appointed on 18 March 2015)
4) Sekarajasekaran a/l Arasaratnam (INED) (Retired on 18 March 2015)

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

A Remuneration Policy was adopted by the Board in October 2015. The Remuneration Policy was adopted to link the level of remuneration to the experience and level of responsibilities undertaken by a Non-Executive Director and to structure the component parts of remuneration so as to link rewards to corporate and individual performance of Executive Directors.

The details of the Directors’ remuneration comprising remuneration received/ receivable from the Company and subsidiaries during the FY 2015 are as follows:

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

<table>
<thead>
<tr>
<th></th>
<th>Salaries (RM’000)</th>
<th>Fees (RM’000)</th>
<th>Bonus (RM’000)</th>
<th>Employees’ Share Option Scheme (RM’000)</th>
<th>Benefit-in-kind (RM’000)</th>
<th>Total (RM’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td>3,446</td>
<td>865</td>
<td>528</td>
<td>190</td>
<td>98</td>
<td>5,127</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>-</td>
<td>395</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>395</td>
</tr>
</tbody>
</table>
(b) 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></td>
<td>Executive</td>
</tr>
<tr>
<td>RM50,000 and below</td>
<td>-</td>
</tr>
<tr>
<td>RM50,001 to RM100,000</td>
<td>-</td>
</tr>
<tr>
<td>RM250,001 to RM300,000</td>
<td>1</td>
</tr>
<tr>
<td>RM550,001 to RM600,000</td>
<td>1</td>
</tr>
<tr>
<td>RM650,001 to RM700,000</td>
<td>1</td>
</tr>
<tr>
<td>RM800,001 to RM850,000</td>
<td>1</td>
</tr>
<tr>
<td>RM2,750,001 to RM2,800,000</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 Dr Lim Wee Chai – Chairman
2) Lee Kim Meow – Member
3) Lim Cheong Guan – Member
4) Wu Kin Yeap – Member
5) Hue Kon Fah – Member
6) Ngian Yoke Fung – Member

During the FY 2015, 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 Main LR on independence. In addition to the annual review by the NC of the Directors’ independence, each INED also submits an annual declaration regarding his/her independence.

All of the INEDs 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

Top Glove has not established term limits for the INEDs as the Board believes that term limit does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company. Moreover, the term limit has the disadvantage of causing to lose the contributions of INEDs.
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.

Currently, the Company has one (1) long-serving INED, Tan Sri Dato’ Seri Utama Arshad Bin Ayub, whose tenure is more than nine (9) years. The NC has reviewed and recommended to the Board for Tan Sri Dato’ Seri Utama Arshad Bin Ayub to continue to act as INED of the Company, who has been contributing and providing invaluable insight into the Company’s business, thereby increasing his contribution to Top Glove.

The Nomination Committee was of the view that the INED has carried out his responsibilities in good faith in the best interest of the Company and has safeguarded the interests of the minority shareholders of the Company. There are significant advantages to be gained from the long-serving INED who possesses tremendous insight and knowledge of the Company’s affairs.

Chairman and Managing Director

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

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

PRINCIPLE 4 : FOSTER COMMITMENT

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

Board Meetings ~ Time Commitment

The Board meeting calendar scheduling the meeting dates of the Board, Board Committees and AGM for each financial year were fixed in advance for the whole year to ensure all Directors’/ Committees Members’ dates are booked and also enable Management’s planning for the whole financial year.

The Board meets quarterly to review its quarterly performances and discuss new policies and strategies. Additional meetings will be called as and when necessary. During the FY 2015, six (6) Board Meetings were held and the attendance of the Board and Committees members is as follows:
<table>
<thead>
<tr>
<th>Name of Directors</th>
<th>Board of Directors</th>
<th>Board Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>AC@ RMC* NC RC</td>
</tr>
<tr>
<td>Tan Sri Dr Lim Wee Chai (Chairman)</td>
<td>6/6 (100%)</td>
<td>2/2 (100%)§</td>
</tr>
<tr>
<td>Tan Sri Dato' Seri Utama Arshad Bin Ayub</td>
<td>6/6 (100%)</td>
<td>8/8 (100%)#</td>
</tr>
<tr>
<td>Tan Sri Mohd Sidek Bin Haji Hassan</td>
<td>5/6 (83%)</td>
<td>4/4 (100%)#</td>
</tr>
<tr>
<td>Tan Sri Rainer Althoff</td>
<td>6/6 (100%)</td>
<td>4/4 (100%)§</td>
</tr>
<tr>
<td>Puan Sri Tong Siew Bee</td>
<td>5/6 (83%)</td>
<td></td>
</tr>
<tr>
<td>Lee Kim Meow</td>
<td>6/6 (100%)</td>
<td>4/4</td>
</tr>
<tr>
<td>Lim Hooi Sin</td>
<td>6/6 (100%)</td>
<td>(100%)§</td>
</tr>
<tr>
<td>Lim Cheong Guan</td>
<td>6/6 (100%)</td>
<td>4/4</td>
</tr>
<tr>
<td>Dato’ Lim Han Boon</td>
<td>6/6 (100%)</td>
<td>8/8 (100%)#</td>
</tr>
<tr>
<td>Datuk Noripah Binti Kamso (appointed</td>
<td>4/4 (100%)</td>
<td>2/3</td>
</tr>
<tr>
<td>on 18 March 2015)</td>
<td></td>
<td>(67%)§</td>
</tr>
<tr>
<td>Sharmila Sekarajasekaran (appointed</td>
<td>4/4 (100%)</td>
<td></td>
</tr>
<tr>
<td>on 18 March 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tan Sri Dato’ Dr. Lin See Yan</td>
<td>2/2 (100%)</td>
<td></td>
</tr>
<tr>
<td>(retired on 8 January 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sekarajasekaran a/l Arasaratnam (</td>
<td>2/2 (100%)</td>
<td></td>
</tr>
<tr>
<td>retired on 18 March 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total no. of Meetings:</strong></td>
<td><strong>6</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

**Note:**
- # : Chairman
- § : Member
- @ : AC had eight (8) meetings, includes two (2) meetings with External Auditors (without Executive Directors’ and Management’s presence) and one (1) meeting with Internal Auditors (without Executive Directors’ and Management’s presence).
- * : Risk Management Committee

The above meetings were held either in the Company’s Conference Room at Lot 4969, Jalan Teratai, Batu 6, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan or A-11-01, Empire Subang Office, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan.

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

The Board decisions made at the Board meetings shall be by a majority as prescribed by the Articles of Association of the Company.
During the FY2015, some of the Board agenda items are as follows:

(a) Quarterly Unaudited Consolidated Results;
(b) Half-year financial performance report;
(c) Business Plan;
(d) Proposals and updates on investment projects;
(e) Corporate Proposals;
(f) Regulatory updates;
(g) Investor relations updates;
(h) Capital structure review and balance sheet management; and
(i) Sustainability initiatives of the Group and reporting.

All AC members are financially literate. Dato’ Lim Han Boon is a member of Malaysian Institute of Accountants, the Chartered Management Institute, UK and fellow of Association of Chartered Certified Accountant, UK, fulfilled the financial expertise as required by the Main LR.

Our Executive Director (Finance) and General Manager, Finance attend all meetings of the AC, other than meetings held between the AC and External Auditors (without Executive Directors’ and Management’s presence). The AC met with the External Auditors (without Executive Directors’ and Management’s presence) twice during the FY 2015.

Further details on the summary of activities of the AC during the FY 2015 and its term of reference are set out separately in the AC Report on pages 69 to 75 of this Annual Report.

Supply of Information to the Board

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

The Notices of the Board and Committees’ meetings were sent in average twelve (12) days prior to meetings and had at all times endeavour to deliver the meeting papers within five (5) days.

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

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

Directors’ Training

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

The newly appointed INEDs, Datuk Noripah Binti Kamso and Ms Sharmila Sekarjasekaran had completed the Mandatory Accreditation Programme in April 2015 and May 2015 respectively. Both individuals attended the induction programme organised by the Company Secretary to be familiarised with the Group’s business and governance process. They were also familiarised with operations through briefings by the relevant Management teams.
During the FY2015, the Directors have continued to participate in training programmes to equip themselves and to effectively discharge their duties as Directors as and when beneficial. The Directors have constantly kept themselves updated on both local and international affairs, and to changes in regulations affecting the Company through advisories from regulatory bodies, the Management and through self-reading.

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

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

During the FY 2015, all Directors had collectively or individually attended/participated in the following seminars/forum/conference/training programmes:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Seminars/Forum/Conference/Training attended</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Dr Lim Wee Chai</td>
<td>• 18th China International Fair for investment &amp; Trade at Xiamen</td>
<td>7 to 10 September 2014</td>
</tr>
<tr>
<td></td>
<td>• Forbes Global Conference, Singapore</td>
<td>28 to 30 October 2014</td>
</tr>
<tr>
<td></td>
<td>• ASEAN Business Club Delegation to KL launch of LTB report 2014 &amp; Press Conference</td>
<td>1 December 2014</td>
</tr>
<tr>
<td></td>
<td>• UBS Special event for client, family office summit Asia at Hong Kong</td>
<td>20 May 2015</td>
</tr>
<tr>
<td></td>
<td>• FMM Selangor Entrepreneurship &amp; Innovation Conference</td>
<td>21 March 2015</td>
</tr>
<tr>
<td></td>
<td>• FMM CEO Forum ~ Overcoming Business Challenges</td>
<td>31 July to 1 August 2015</td>
</tr>
<tr>
<td></td>
<td>• Special Dialogue with H.E. Nguyen Tan Dung, Prime Minister of Vietnam</td>
<td>8 August 2015</td>
</tr>
<tr>
<td></td>
<td>• Top Glove Leadership’s Summit</td>
<td>15 August 2015</td>
</tr>
<tr>
<td>Tan Sri Dato’ Seri Utama</td>
<td>• Revisiting Directors’ Statutory Obligations</td>
<td>21 May 2015</td>
</tr>
<tr>
<td></td>
<td>• Board Chairman Series part 2 : Leadership Excellence from The Chair</td>
<td>27 July 2015</td>
</tr>
<tr>
<td>Tan Sri Mohd Sidek Bin Haji</td>
<td>• Governance, Director Duties and Regulatory Updates Seminar 2015</td>
<td>25 February 2015</td>
</tr>
<tr>
<td>Hassan</td>
<td>• “Trouble in the Boardroom?”</td>
<td>5 March 2015</td>
</tr>
<tr>
<td></td>
<td>• 7th Annual Corporate Governance Summit</td>
<td>9 June 2015</td>
</tr>
<tr>
<td></td>
<td>• CG Breakfast Series with Directors: “The Board’s Response in Light of Rising Shareholder Engagements”</td>
<td>4 August 2015</td>
</tr>
<tr>
<td></td>
<td>• Top Glove Leadership’s Summit</td>
<td>15 August 2015</td>
</tr>
<tr>
<td>Tan Sri Rainer Althoff</td>
<td>• Top Glove Leadership’s Summit</td>
<td>15 August 2015</td>
</tr>
<tr>
<td></td>
<td>• Master Class Building &amp; Sustaining Competitive Advantage</td>
<td>20 August 2015</td>
</tr>
<tr>
<td>Puan Sri Tong Siew Bee</td>
<td>• CG Breakfast Series with Directors: “The Board’s Response in Light of Rising Shareholder Engagements”</td>
<td>4 August 2015</td>
</tr>
<tr>
<td></td>
<td>• Top Glove Leadership’s Summit</td>
<td>15 August 2015</td>
</tr>
<tr>
<td>Directors</td>
<td>Seminars/Forum/Conference/Training attended</td>
<td>Date</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
</tbody>
</table>
| Lee Kim Meow         | • 7th International Rubber Glove Conference and Exhibition: Beyond Just Infection Control  
• Siemens Sharing Session @ Siemens’ Office  
• FMM Integrity Seminar : Delivering Business value Through Integrity  
• Team Building Workshop  
• Samsung Benchmarking Program to Korea  
• ASEAN Rubber Glove Manufacturers’ Association Conference at Hadyai  
• Health Talk : Keeping the Glory or Our Crown by Dr Cheng Yuin Yin  
• Private Meeting of Vietnam & Dialogue Session  
• Top Glove Leadership’s Summit  | 2 to 4 September 2014  
28 October 2014  
29 January 2015  
7 January 2015  
4 March 2015  
14 March 2015  
15 July 2015  
8 August 2015  
15 August 2015  |
| Lim Hooi Sin         | • 7th International Rubber Glove Conference and Exhibition: Beyond Just Infection Control  
• Knowledge Sharing Event: Building Trust with Investors in a Digital-Social Age  
• Top Glove Leadership’s Summit  | 2 to 4 September 2014  
14 May 2015  
15 August 2015  |
| Lim Cheong Guan      | • JP Morgan Asia Pacific Conference  
• Board Chairman Series: The Role of the Chairman  
• Daiwa Investment Conference Hong Kong 2014  
• Panelist in Malaysia Anti-Corruption Commission’s (MACC) Open Day 2014 Anti-Corruption Forum  
• HSBC Asian Outlook Strategies For Success 2015  
• ASEAN Capital Market CEO Summit: ASEAN Consumerism and Connectedness: Paths to Prosperity  
• Bank Negara Malaysia’s 2014 Annual Report/ Financial Stability & Payment Systems Reports Briefing  
• Invest Malaysia 2015  
• Macquarie ASEAN Corporate Day 2015  
• Invest Malaysia Tokyo 2015  
• Top Glove Leadership’s Summit  
• GST Conference  
• ESG Workshop for FTSE4 Good Bursa Malaysia Index  
• UOB Kay Hian Corporate Roadshow 2015  | 3 to 4 September 2014  
6 November 2014  
18 to 19 November 2014  
9 December 2014  
19 January 2015  
12 February 2015  
12 March 2015  
24 April 2015  
16 to 17 April 2015  
29 to 30 June 2015  
15 August 2015  
24 August 2015  
25 August 2015  
27 to 28 August 2015  |
| Dato’ Lim Han Boon   | • Asia Pacific Outsourcing Summit  
• Smart Sourcing Summit  
• 6th World Business Ethics Forum  
• Risk Management and Internal Control for ACs – Post Workshop Discussion  
• AC Institute Breakfast Roundtable  
• Revisiting Directors’ Statutory Obligations  
• Board Chairman Series Part 2: Leadership Excellence from the Chair  
• CG Breakfast Series with Directors “The Board’s Response in Light of Rising Shareholder Engagements”  
• Top Glove Leadership’s Summit  
• Exclusive Talk by Mark Coopersmith  | 22 to 23 September 2014  
15 October 2014  
25 to 26 October 2014  
30 October 2014  
12 November 2014  
21 May 2015  
27 July 2015  
4 August 2015  
15 August 2015  
27 August 2015  |
Directors | Seminars/Forum/Conference/Training attended | Date
--- | --- | ---
Datuk Noripah Binti Kamso | • Mandatory Accreditation Programme for Directors of Public Listed Companies | 8 to 9 April 2015
| • Audit Oversight Board Conversation with AC | 7 May 2015
| • Revisiting Directors’ Statutory Obligations | 21 May 2015
Sharmila Sekarajasekaran | • Mandatory Accreditation Programme for Directors of Public Listed Companies | 6 to 7 May 2015
| • Revisiting Directors’ Statutory Obligations | 21 May 2015
| • Directors Corporate Governance Series: Building Effective Finance Function: From Reporting to Analytics to Strategic Input | 10 August 2015
| • Top Glove Leadership’s Summit | 15 August 2015

**PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING**

_The Board should ensure financial statements are a reliable source of information._

**Financial Reporting**

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

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

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

The AC was established to assist the Board in overseeing the Group’s activities within its clearly defined terms of reference. Principle 5 of the MCCG 2012 and Paragraph 15.12 of the Main LR spelled out the duties of the AC. The scope of duties of the Top Glove’s AC includes primarily the duties detailed therein. Pursuant to Paragraph 15.15 of the Main LR, the AC Report for the current FY 2015 can be found on pages 69 to 75 of this Annual Report which also contain other information as required under the MCCG 2012.

The Directors’ Responsibility Statement for the Audited Financial Statements of the Company is set out on page 76 of this Annual Report. The details of the Company’s and Group’s Financial Statements for the FY 2015 can be found on pages 77 to 160 of this Annual Report.

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

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

**External Auditors and its Independence**

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

The AC is assigned to assess, review and supervise the performance, suitability and independence of External Auditors. An External Auditors Assessment Policy was adopted by the AC which outlined the guidelines and procedures for the AC to assess and review the External Auditors.
The AC invites the External Auditors to attend all its meetings and as and when required. The External Auditors had met the AC eight (8) times during reporting year. During the meetings, the External Auditors highlight and discuss the nature, scope of the audit, audit programme, internal controls and issues that may require the attention of the AC or the Board.

The AC had met with the External Auditors separately without the presence of Executive Directors and Management twice (2) during FY 2015 on any matters relating to the Group and its audit activities.

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

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

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

Details of statutory audit, audit-related and non-audit fees paid/payable in the FY 2015 to the External Auditors are set out below:

<table>
<thead>
<tr>
<th>Type of Fee</th>
<th>Total (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Audit fee</td>
<td></td>
</tr>
<tr>
<td>(i) E&amp;Y Malaysia</td>
<td>230,000</td>
</tr>
<tr>
<td>(ii) Member firms of E&amp;Y international</td>
<td>5,566</td>
</tr>
<tr>
<td>(iii) Review of subsidiaries work papers</td>
<td>20,000</td>
</tr>
<tr>
<td>(b) Other audit services rendered by E&amp;Y Malaysia</td>
<td></td>
</tr>
<tr>
<td>(i) Review of statement of internal control</td>
<td>10,000</td>
</tr>
<tr>
<td>(ii) IT annual review</td>
<td>30,000</td>
</tr>
<tr>
<td>(c) Tax and Tax Related Fee</td>
<td></td>
</tr>
<tr>
<td>(i) Annual Tax filing</td>
<td>36,000</td>
</tr>
<tr>
<td>(ii) Others</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td><strong>346,566</strong></td>
</tr>
</tbody>
</table>

**PRINCIPLE 6 : RECOGNISE AND MANAGE RISKS**
The Board should establish a sound risk management framework and internal controls system.

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

**Risk Management Committee**
The members of the Risk Management Committee (“RMC”) are as follows:

1) Tan Sri Mohd Sidek Bin Haji Hassan (SINED) - Chairman
2) Tan Sri Rainer Althoff (INED)
3) Dato’ Lim Han Boon (INED)
4) Lee Kim Meow (Managing Director)
5) Lim Cheong Guan (Executive Director)
The primary responsibility and purpose of the RMC is to assist the Board in fulfilling its responsibility with respect to review and monitor Group’s risk management framework and activities. RMC reports to the Board regarding the Group’s risk exposures, including review risk assessment model used to monitor the risk exposures and Management’s views on the acceptable and appropriate level of risks faced by the Group’s Business Unit.

Internal Audit

The IA Department carries out the IA function, which reports directly to the AC on its activities based on the approved annual IA plan.

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

The AC had met with the Internal Auditors separately without the presence of Executive Directors and Management twice (2) during the FY 2015 on any matters relating to the Group and IA activities.

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

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

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

An overview of the state of internal control within the Group, which includes the risk and key internal control structures, are set out in the Statement on Risk Management and Internal Control on pages 65 to 68 of this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

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

Corporate Disclosure

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

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

Effective Dissemination of Information

An effective communication channel between the Board, stakeholders, institutional investors and the investing public at large is essential to provide a clear and complete picture of the Group’s performance and development, in a comprehensive, timely and continuing disclosure manner. Essentially, the Board is fully committed in maintaining a high standard in the dissemination of relevant and material information on the development of the Group.
The Company had always been providing as much information on a voluntary basis in addition to complying with the Main LR through media releases. The Board is mindful of the legal and regulations governing the release of materials and sensitive information so as not to mislead the shareholders. Therefore, information that is price-sensitive or any undisclosed material information about the Group is not disclosed to any party until it is already for simultaneous distributions.

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

(a) Annual Report

The Annual Report remains a major channel of communication disclosing information not only on the Group’s business, financials and additional information such as the Company’s mission and vision, operations performance, outlooks and senior management team. The Board places great importance on the content of the Annual Report to ensure the accuracy of the information as the Annual Report is a vital source of information for investors, shareholders and the general public.

Management constantly improved the contents of Annual Report to incorporate developments amongst others, in corporate governance and Reports of Committees. The Chairman and Executive Director (Finance) oversee the production of the Annual Report and reviews its contents before it is published.

Annual Reports of the Company are available online at the Company’s website at http://www.topglove.com.my/index.php/annual-report

Corporate related queries may be referred to the Company Secretary, Ngian Yoke Fung (Tel: +603-3362 3098, Fax: +603-3362 3860, e-mail: yfngian@topglove.com.my).

(b) Announcements to Bursa Securities

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

All announced announcements are also made available on Top Glove’s own corporate website.

Filings and announcements to Bursa Securities are available online at the Company’s website at http://www.topglove.com.my/index.php/investor-relations/bursa-announcements

Announcements related queries may be referred to the Company Secretary, Ngian Yoke Fung (Tel: +603-3362 3098, Fax: +603-3362 3860, e-mail: yfngian@topglove.com.my).

(c) Quarterly Results and Analyst Briefings

Analyst briefing via conference call will usually be held immediately after release of quarterly results to Bursa Securities or an actual briefing will be held a week after the release of the quarter results chaired by the Chairman, Managing Director and Executive Director (Finance). This briefing provides an avenue for the fund managers and research analysts to have dialogue with the Group’s Management to facilitate receiving a balanced and complete view of the Group’s performance and challenges at the most timely manner.

(d) Investor Relations

The Investor Relations ("IR") team has been scheduling regular engagement sessions with investors and is usually attended by Executive Director (Finance) and IR team.

The IR team also attends to conferences, non-deal roadshows, and one-on-one meetings with equity analysts, fund managers and institutional shareholders to provide updates on the Company’s quarterly financial performance, corporate and regulatory developments as well as to discuss strategic matters and address issues that the investing community may have with respect to the business or operations of the Company. Some of the investor conferences and roadshows attended by our IR team were as follows:
• JP Morgan Asia Pacific Conference - September 2014
• Daiwa Investment Conference Hong Kong 2014 - November 2014
• CLSA ASEAN Forum Bangkok 2015 - March 2015
• Nomura ASEAN Corporate Day Hong Kong 2015 - March 2015
• UBS ASEAN Conference - April 2015
• Macquarie ASEAN Corporate Day 2015 - April 2015
• Invest Malaysia 2015 - April 2015
• Equity Tracker Club Session - June 2015
• Invest Malaysia Tokyo 2015 - June 2015
• UOB Kay Hian Corporate Roadshow 2015 - August 2015

Investor queries pertaining to financial performance or developments may be directed to the Executive Director of Top Glove, Mr Lim Cheong Guan (Tel: +603-3362 3089, Fax: +603-3362 3860, e-mail: invest@topglove.com.my)

(e) Company website

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

The Group has also included a Corporate Governance section on its website where information such as the Board Charter, Directors’ Code, Employee’s Code, Succession Planning Policy, Corporate Disclosure Policy, Whistle-Blowing Policy and various good governance compliance statements are made available to the shareholders and public at http://www.topglove.com.my/index.php/about-us/corporate-governance

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

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS
The Board should facilitate the exercise of ownership rights by shareholders.

Encourage shareholder participation at general meetings

The Company despatches Annual Report to all shareholders of the Company, includes the notice of AGM, which notice is also advertised in the newspaper and released via BURSA LINK. The notices of AGMs and the Annual Reports are sent out to shareholders at least twenty one (21) days before the date of the meeting in accordance with the Company’s Articles of Association.

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

The AGM is the principal forum for dialogue with shareholders.

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

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

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

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

Effective communication and proactive engagement

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

At the last AGM, the Chairmen of the AC, NC and RC and the External Auditors were present and will endeavour to be present at the forthcoming AGM to assist the Directors in addressing queries raised by the shareholders. Based on the past, the Company’s AGM have been well attended. It has always been the practice for the Chairman to provide ample time for the questions and answers sessions in the AGM.

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

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

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that the Statement on Corporate Governance provides the information necessary to enable shareholders to evaluate how the MCCG 2012 has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the MCCG 2012, the Main LR and all applicable laws and regulations throughout the FY 2015.

This Statement is made in accordance with a resolution of the Board of Directors dated 15 October 2015.
1. **Utilisation Of Proceeds**

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

2. **Recurrent Related Party Transactions**

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

3. **Share Buy-Back**

The shares bought back and retained as treasury shares during the financial year are set out as below:

<table>
<thead>
<tr>
<th>Monthly Breakdown</th>
<th>No. of Shares Purchased and Retained as Treasury Shares</th>
<th>Purchase Price per Share (RM)</th>
<th>Average Cost per Share (RM)</th>
<th>Total Cost* (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2014</td>
<td>2,847,700</td>
<td>4.25 to 4.60</td>
<td>4.40</td>
<td>12,533,856.79</td>
</tr>
<tr>
<td>January 2015</td>
<td>476,700</td>
<td>4.53 to 4.62</td>
<td>4.59</td>
<td>2,188,153.37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,324,400</strong></td>
<td></td>
<td><strong>4.43</strong></td>
<td><strong>14,722,010.16</strong></td>
</tr>
</tbody>
</table>

* The total cost paid for the repurchase was excluding transaction costs.

4. **Depository Receipt Programme**

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

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

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

As at 30 September 2015, the total number of Depository Receipts sold under the Depository Receipt Programme was amounted to 71,636 shares.

5. **Imposition of Sanctions/Penalties**

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

6. **Non-Audit Fees**

During the financial year, the amount of non-audit fees paid to the External Auditors amounted to RM51,000.00.

7. **Variation In Results**

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

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

9. **Material Contracts**

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

10. **Contracts Relating To Loans**

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

11. **Insider Trading**

    During the financial year ended 31 August 2015, there was no insider trading reported.

12. **Options or Convertible Securities**

    During the current financial year ended 31 August 2015, a total of 3,520,100 new ordinary shares were issued and allotted pursuant to the exercise of the Employees’ Share Option Scheme (“ESOS”). The details of the issued and paid-up share capital of the Company as at 31 August 2015 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of Shares</th>
<th>RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 September 2014</td>
<td>620,664,062</td>
<td>310,332,031.00</td>
</tr>
<tr>
<td>Ordinary shares of RM0.50 each issued pursuant to the ESOS</td>
<td>3,520,100</td>
<td>1,760,050.00</td>
</tr>
<tr>
<td>As at 31 August 2015</td>
<td>624,184,162</td>
<td>312,092,081.00</td>
</tr>
</tbody>
</table>

Other than the above, there were no issuance of convertible securities and new ESOS option granted during the financial year.

The number of ESOS option exercised by the directors are disclosed in page 80 of this Annual Report.
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD’S RESPONSIBILITIES

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

RISK MANAGEMENT FRAMEWORK

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

RMC’S RESPONSIBILITIES

The primary responsibility and purpose of the RMC is to assist the Board in fulfilling its responsibility with respect to review and monitor the Group’s risk management framework and activities.

The members of the RMC are as follows:

1) Tan Sri Mohd Sidek Bin Haji Hassan : Chairman
2) Tan Sri Rainer Althoff : Member
3) Dato’ Lim Han Boon : Member
4) Lee Kim Meow : Member
5) Lim Cheong Guan : Member

RMC reports to the Board of Directors regarding the Group’s risk exposures, including review of risk assessment model used to monitor the risk exposures and Management’s views on the acceptable and appropriate level of risks faced by Group’s Business Unit.

THE RISK MANAGEMENT PROCESS

The Group had formed a Risk Working Committee (“RWC”) in May 2013 to assess risk contained at the respective business unit level by complying with the Risk Management Framework laid down by the RMC. The RWC consists of standing members comprising Executive Director as Chairman and key Management Staff, and submits its Risk Management Report to the RMC on a quarterly basis.

The RWC, subject to the general supervision of RMC, has in the past one year conducted the following:

• Identified risks and corresponding controls in place to mitigate these risks for each significant business process;
• Compiled Risk Management Report and submitted to RMC for review, deliberation and recommendation for approval by the Board;
• Presented and discussed Extreme and High Risks identified to RMC members during quarterly RMC meetings;
• Followed-up on queries and suggestions raised by the RMC and reported the status of follow-up to the RMC.

The RWC assessed risks contained in the Group by referring to risk categorisation laid down in the Risk Management Framework. The Group has categorised risks into Business, Information, Production, Credit, Financial, Operational, System and Human Resource.
STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL
(CONT’D)

The key risk areas for 2015 are outlined below:

(a) Technology

An inability to leverage rapid technological advancements to improve production efficiency represents a threat to the Group’s competitiveness. To mitigate this risk, the Group continuously invests in Research & Development and allocates a sufficient budget for machine and equipment upgrades. New factories were designed and built with the current technology to ensure competitiveness in the marketplace. It also ensures change-readiness through constant market surveillance and intelligence, which enables the Group to continue producing consistently high quality gloves at efficient low cost.

(b) Production

Interruptions to production is a risk that can cause a temporary shutdown of factory operations resulting in financial losses to the Group. The three major risks i.e. fire, water and flood identified by the RWC as being able to cause interruption to production, were closely monitored by respective Risk Owners, with risk mitigation plans proposed and implemented as follows:

a. Explored alternative water source;
b. Treated tube wells water, built on-site retention for rain water and recycled water to reduce water usage;
c. Strengthened fire prevention controls, improved housekeeping and cleaning routine and performed daily checks on high risk areas;
d. Cleaned main drainage system periodically to prevent flooding during the rainy season.

(c) Energy

The Group has to absorb any increase in the cost of energy that would result in higher production costs. To mitigate this risk, the Group embarked on energy efficiency improvement projects at factories to reduce energy consumption to stay competitive and efficient.

(d) Information

The Group’s businesses may be vulnerable to security breaches to key systems, assets and facilities resulting from acts of vandalism or sabotage. Potential disruptions to operational systems or destruction of facilities from such security breaches and attacks, could adversely affect the Group’s reputation, its businesses, or financial result. To mitigate this risk, the Group had been continuously upgrading and enhancing the Group system security.

THE INTERNAL CONTROL PROCESS

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

The Audit Committee (“AC”) is also responsible for reviewing and monitoring the effectiveness of the Group’s internal control system. In this respect, the Group’s Internal Audit Department was set up in the financial year ended 31 August 2003 to undertake the obligation to conduct regular reviews on the Group’s various operations and reports directly to the AC.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements. Further areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the AC through management letters, or discussed at AC meetings.
THE INTERNAL AUDIT FUNCTION

The internal audit function is headed by Mr. Chin Wen Jye and provided by the Group’s internal audit department ("GIA") based on the annual audit plan approved by AC. GIA work practices is governed by the Internal Audit Charter which is approved by the AC. The scope of work of GIA encompasses the examination and evaluation of the adequacy, existence and effectiveness of the system of internal control, risk management framework and corporate governance of the Group, which include, inter alia, the following:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Evaluating the system established to ensure compliance with policies, plans, procedures, laws, and regulations which could have significant impact on operations;
- Examining the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Assessing the economy and efficiency with which resources are employed;
- Appraising operations to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned;
- Reporting significant issues related to the business and operational processes for controlling the activities of the Group together with recommendations for improvements by issuing periodic audit reports summarizing results of audit activities and follow-up reports on a timely basis to the AC and Management; and
- Assisting in the investigation of suspected fraudulent activities and notifying the AC of the results.

During the financial year, no significant control weaknesses were identified. A number of minor control weaknesses identified which were mainly related to operational controls had been reported to the AC periodically. Furthermore, GIA works closely with and briefs salient audit issues to Top Management during bi-monthly internal audit meetings. Relevant Heads of Factories or Heads of Departments will be called to attend these meetings to explain to the Managing Director and Executive Director and develop action plans with timelines to rectify issues where the factories or departments are found not complying with Group’s Procedures, Guidelines and Direction by the factories or departments. Subsequent follow-up audits conducted by GIA also revealed that measures had been or are being taken by the Management Team to address these weaknesses.

REVIEW OF EFFECTIVENESS

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

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

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

This statement does not include the state of internal control in associate companies, which has not been dealt with as part of the Group and was made in accordance with a resolution of the Board of Directors dated 15 October 2015.
REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide (“RPG”) 5, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysia Institute of Accountants (“MIA”) for inclusion in the Annual Report of the Group for the year ended 31 August 2015, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion in the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.
The Audit Committee ("AC") of Top Glove Corporation Bhd is pleased to present the AC Report for the financial year ended 31 August 2015 ("FY2015").

AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

In FY2015, the AC had met eight (8) times, two (2) of which was meeting with the External Auditors, without Executive Directors’ and Management’s presence and one (1) of which was meeting with the Internal Auditors (without Executive Directors’ and Management’s presence). The composition and the attendance record of AC members are as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Directorship</th>
<th>Meeting Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Dato’ Seri Utama Arshad Bin Ayub (Chairman of AC)</td>
<td>Independent Non-Executive Director</td>
<td>8/8 (100%)</td>
</tr>
<tr>
<td>Dato’ Lim Han Boon</td>
<td>Independent Non-Executive Director</td>
<td>8/8 (100%)</td>
</tr>
<tr>
<td>Datuk Noripah Binti Kamso (Appointed w.e.f. 18 March 2015)</td>
<td>Independent Non-Executive Director</td>
<td>2/3 (63%)</td>
</tr>
<tr>
<td>Sharmila Sekarajasekaran (Appointed w.e.f. 15 October 2015)</td>
<td>Independent Non-Executive Director</td>
<td>-</td>
</tr>
<tr>
<td>Sekarajasekaran a/l Arasaratnam (Retired w.e.f. 18 March 2015)</td>
<td>Independent Non-Executive Director</td>
<td>5/5 (100%)</td>
</tr>
</tbody>
</table>

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

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

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

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

THE MEMBERS

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

Dato’ Lim Han Boon is a member of MIA, the Chartered Management Institute, UK and fellow of Association of Chartered Certified Accountant, UK, fulfills the financial expertise as required by the MMLR. He also has vast working experience in area of corporate finance.
Datuk Noripah Binti Kamso has vast experience in the Banking and Investment industry. She was the former Advisor of CIMB Islamic and was the founding Chief Executive of CIMB-Principal Islamic Asset Management Sdn Bhd. Under her stewardship as the Chief Executive Officer of CIMB-Principal Asset Management Berhad since 2004, it evolved from a Malaysian company to a regional asset management house with offices in Malaysia, Indonesia and Singapore. She pioneered the listing of the world’s first Regional ASEAN Exchange Traded Fund, “CIMB ASEAN 40 ETF” listed in Singapore in 2007.

Sharmila Sekarajasekaran was appointed as Audit Committee member on 15 October 2015.

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

The Company Secretaries acts as the secretaries to the AC. Minutes of each AC meeting are noted by the Board via distribution to each Board member and the Chairman of the AC reports key issues at each Board meeting.

The performance of AC would be assessed annually through an AC evaluation by the Nomination Committee and the Board reviews the term of office of the AC members once every three (3) years. During the FY 2015, the Board is satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference (“TOR”) of the AC.

Notice of AC meetings shall be given to all the AC members unless the AC waives such requirement. All notice of meeting was issued in average of twelve (12) days and meeting papers be delivered by hand within five (5) days and the remaining papers were be sent electronically within two (2) days.

The Finance Director, the Head of Internal Audit and a representative of the External Auditors should normally attend the AC meetings. Other Board members and employees may attend meetings upon the invitation of the AC.

AUDIT COMMITTEE’S TERMS OF REFERENCE

The AC had discharged its function and carried out its duties as set out in the TOR, appended herewith as Appendix A.

The TOR of the AC is accessible through the Company’s website at https://www.topglove.com.my/index.php/about-us/corporate-governance

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

1. Financial Reporting

   (a) Reviewed all the four (4) Quarter’s Financial Statements and the annual Audited Financial Statements of the Company at the AC meetings. Discussion focused particularly on any change in accounting policies and practices, significant adjustments arising from the audit, the going concern assumption; and compliance with accounting standards and other legal requirements. Upon reviewed, the AC will recommend the same for the Board’s approval.

   (b) Reported its findings on the financial and Management performance, and other material matters to the Board.

2. Internal Audit

   (a) Reviewed and approved the Annual Audit Plan for FY2015 proposed by the Internal Auditors to ensure the adequacy of the scope, coverage of work and that it has the necessary authority to carry out its work.

   (b) Reviewed the Internal Audit programme and results of Internal Audit together with the recommendations from Internal Auditors. The AC will consider Internal Auditors’ recommendations taken into account the Management’s responses and upon which will approve Internal Auditors’ proposals for rectification and implement the recommendations for improvement.
(c) Undertook assessment of the performance of the Internal Audit Function and reviewing its effectiveness of the audit process and assessed the performance of the overall Internal Audit department.

(d) Held separate meeting to discuss the result of assessment with the Internal Auditors and other areas of Internal Audit’s concern, without the presence of Executive Directors and Management.

(e) Conducted exit interview with the Head of Internal Audit to understand the reason of resignation.

(f) Conducted interview with the potential candidate to fill the vacancy as the Head of Internal Audit.

3. External Audit

(a) Discussed with the External Auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved; as well as the External Auditors’ evaluation of the system of internal controls and audit report.

(b) Discussed and deliberated on the External Auditors’ report and recommendations regarding opportunities for improvement to the significant risk areas, internal control and financial matters areas based on observations made in the course of interim and final audit.

(c) Held two (2) private meetings with the External Auditors without the presence of the Executive Directors and Management.

(d) Undertook an annual assessment on the suitability and the independence of the External Auditors pursuant to the Company’s External Auditors’ Policy.

(e) Reviewed the performance of the External Auditors and recommended its re-appointment and remuneration to the Board.

4. Related Party Transactions

Reviewed if there is any related party transaction that is required to be transacted at an arm's length basis and is not detrimental to the interest of minority shareholders.

5. Annual Reporting

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

6. Others

(a) Reviewed the progress of all investment projects of the Company.

(b) Deliberated the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements.

(c) Considered and discussed acquisition and corporate exercise of the Company for the Board’s approval.

(d) Verified the allocation of employees’ share option scheme (“ESOS”) in compliance with the criteria as stipulated in the by-laws of ESOS of the Company.
AUDIT COMMITTEE REPORT
(CONT’D)

TRAINING

During the FY 2015, all the AC members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed in the Corporate Governance Statement on pages 55 to 57 of this Annual Report.

INTERNAL AUDIT FUNCTION

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

During the FY 2015, the areas audited included audits of the various departments covering all the factories and subsidiaries within the Group. Internal Audit reports were issued to the AC regularly and tabled in the AC meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management’s responses with regards to any audit findings on the weaknesses in the systems and controls of the operations. The Internal Audit department also follows up with Management on the implementation of the agreed audit recommendations.

The costs incurred in maintaining the Internal Audit Function which is performed in-house for the financial year under review was RM543,387.00 (2014: RM 501,472.00).

RISK MANAGEMENT

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

RISK MANAGEMENT COMMITTEE COMPOSITION AND ATTENDANCE

In FY2015, the Risk Management Committee (“RMC”) had met four (4) times. The composition and the attendance record of the RMC members are as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Directorship</th>
<th>Meeting Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Mohd Sidek Bin Haji Hassan (Chairman of RMC)</td>
<td>Senior Independent Non-Executive Director</td>
<td>4/4 (100%)</td>
</tr>
<tr>
<td>Tan Sri Rainer Althoff</td>
<td>Independent Non-Executive Director</td>
<td>4/4 (100%)</td>
</tr>
<tr>
<td>Dato’ Lim Han Boon</td>
<td>Independent Non-Executive Director</td>
<td>4/4 (100%)</td>
</tr>
<tr>
<td>Lee Kim Meow</td>
<td>Managing Director</td>
<td>4/4 (100%)</td>
</tr>
<tr>
<td>Lim Cheong Guan</td>
<td>Executive Director</td>
<td>4/4 (100%)</td>
</tr>
</tbody>
</table>
RISK MANAGEMENT COMMITTEE’S TERM OF REFERENCE

The RMC had discharged its function and carried out its duties as set out in the TOR, appended herewith as Appendix B.

The TOR of the RMC is accessible through the Company’s website at https://www.topglove.com.my/index.php/about-us/corporate-governance

This is elaborated in details under a separate statement called “Statement on Risk Management and Internal Control” on pages 65 to 68 of this Annual Report.

APPENDIX A
Terms of Reference of Audit Committee ~ Key Summary

The key roles of AC in performing its duties and discharging its responsibilities are summarised as follows:

1. Objectives

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

   (a) evaluate the quality of the audits performed by the Internal and External Auditors;

   (b) provide assurance that the financial information presented by Management is relevant, reliable and timely;

   (c) oversee compliance with laws and regulations and observance of a proper code of conduct; and

   (d) determine the quality, adequacy and effectiveness of the Group’s control environment.

2. Authority

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

   (a) have explicit authority to investigate any matter within its TOR, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the AC.

   (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the Internal and External Auditors and senior management of the Company and Group.

   (c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.

   (d) have direct communication channels with the External Auditors and person(s) carrying out the Internal Audit Function or activity (if any).

   (e) where the AC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR, the AC shall promptly report such matter to Bursa Securities.

3. Duties and Responsibilities

   The duties and responsibilities of the AC are as follows:

   (a) To consider the appointment and re-appointment of the External Auditor, the audit fee and any question of resignation or dismissal;
(b) To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;

(c) To review with the External Auditor his evaluation of the system of internal controls, audit plan, audit report and assistance given by the employees of the Company to the External Auditor; To review the quarterly results and year-end financial statements of the Board, prior to the approval by the Board of Directors, focusing particularly on:
   - any changes in or implementation of accounting policies and practices;
   - significant and unusual events;
   - significant adjustments arising from the audit;
   - the going concern assumption; and
   - compliance with accounting standards and other legal requirements.

(d) To discuss problems and reservations arising from the interim and final audits, and any matter the Auditor may wish to discuss (in the absence of Management, where necessary);

(e) To review the external auditor’s management letter and management’s response;

(f) To do the following, in relation to the Internal Audit Function:
   - review the adequacy of the scope, functions, competency and resources of the Internal Audit Function, and that it has the necessary authority to carry out its work;
   - review the Internal Audit programme, processes and results of the Internal Audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the Internal Audit Function;
   - review any appraisal or assessment of the performance of members of the Internal Audit Function;
   - approve any appointment or termination of senior staff members of the Internal Audit Function; and
   - take cognisance of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(g) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity;

(h) To report its findings on the financial and Management performance, and other material matters to the Board;

(i) To consider the major findings of internal investigations and Management’s response;

(j) To verify the allocation of ESOS in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

(k) To determine the remit of the Internal Audit Function;

(l) To consider other topics as defined by the Board;

(m) To consider and examine such other matters as the AC considers appropriate; and

(n) To review the Annual Statement on Risk Management and Internal Control to be published in the Annual Report.
APPENDIX B
Terms of Reference of Risk Management Committee ~ Key Summary

The key roles of RMC in performing its duties and discharging its responsibilities are summarised as follows:

1. Objectives

The principal objective of the RMC is to assist the Board of Directors in their responsibilities to identify, assess and monitor key business risks to safeguard shareholders’ investments and the Company’s assets.

2. Authority

The RMC shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company, have authority to make decisions on whether the Company has acted in good faith in relation to its contracts and make recommendations to the Board in an advisory capacity.

3. Duties and Responsibilities

The duties and responsibilities of the RMC are as follows:

(a) Review and monitor Group’s risk management framework and activities;

(b) Report to Board of Directors regarding the Group’s risk exposures, including review risk assessment model used to monitor the risk exposures and Management’s views on the acceptable and appropriate level of risks faced by Group’s Business Unit.

(c) To review and discuss with Top Management and Internal Audit department, every quarterly:

   • the key guidelines and policies governing the Group’s significant processes for risk assessment and risk management;
   • the validity of the identified risks and ensuring that appropriate actions are taken to mitigate the risks;
   • the adequacy of infrastructure, resources and system for risk management, the staff responsible for implementing risk management system perform those duties efficiently and effectively; and
   • the periodical risk rating report and risk management activities.
The Directors are required under the Companies Act 1965 to prepare financial statements for each financial year in accordance with applicable approved accounting standards and which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company at the financial year.

In preparing the financial statements, the Directors have:

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

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