

**TOP GLOVE CORPORATION BHD**

(Company No. 474423-X)

(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT TG GRAND BALLROOM 1, LEVEL 9, TOP GLOVE TOWER OF 16, PERSIARAN SETIA DAGANG, SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 9 JANUARY 2018 AT 11:00 A.M.

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<b>DIRECTORS PRESENT</b>	:	Tan Sri Dr Lim Wee Chai ( <i>Chairman</i> ) Puan Sri Tong Siew Bee Tan Sri Dato' Seri Utama Arshad Bin Ayub Dato' Lee Kim Meow ( <i>Managing Director</i> ) Mr. Lim Cheong Guan Dato' Lim Han Boon Mr. Lim Hooi Sin Tan Sri Rainer Althoff Ms. Sharmila Sekarajasekaran Datuk Noripah Binti Kamsu Datuk Dr. Norma Mansor Mr. Simon Tay Seong Chee
<b>MEMBERS</b>	:	As per Attendance List
<b>CORPORATE REPRESENTATIVE</b>	:	As per Attendance List
<b>PROXYHOLDERS</b>	:	As per Attendance List
<b>BY INVITATION</b>	:	As per Attendance List
<b>IN ATTENDANCE</b>	:	Ms. Chua Siew Chuan ( <i>Company Secretary</i> ) Ms. Chin Mun Yee ( <i>Company Secretary</i> ) Ms. Ngian Yoke Fung ( <i>Company Secretary</i> )

**1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

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The Meeting was informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 August 2017 together with the Reports of the Directors and the Auditors thereon.

*At this juncture, Mr. Lim Cheong Guan presented to the shareholders the Company's performance and the queries received from Minority Shareholder Watchdog Group ("MSWG") and the response to MSWG and the Meeting noted the same as tabled, as stipulated under [Annexure "A"](#) as attached.*

Upon answering the queries from the members/proxy holders as stipulated in [Annexure "B"](#), it was declared that the Audited Financial Statements for the financial year ended 31 August 2017 together with the Reports of the Directors and the Auditors thereon, be received.

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**2.0 SINGLE-TIER FINAL DIVIDEND OF 8.5 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017**

The Meeting was informed that the next item on the Agenda was to approve the declaration of a Single Tier Final Dividend of 8.5 sen per share for the financial year ended 31 August 2017.

The Meeting was further informed that the Board of Directors of the Company had proposed that the Single-Tier Final Dividend be paid on 25 January 2018 and the last day for lodgement of transfers into the depositors' securities accounts would be on 25 January 2018 for the purpose of determining the entitlement to the dividend payment.

The resolution was proposed by [Mr. Leung Shing Fook, a shareholder](#) and seconded by [Mr. Gan Hwa Soon, a shareholder](#).

The Meeting was informed that the poll for all the resolutions would be conducted upon completion of the formality and discussion of the remaining business of the Meeting.

**3.0 RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRED PURSUANT TO ARTICLE 94 OF THE COMPANY'S ARTICLES OF ASSOCIATION AND BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR RE-ELECTION:-**

- (A) DATO' LIM HAN BOON;**
- (B) DATUK NORIPAH BINTI KAMSO; AND**
- (C) MS SHARMILA SEKARAJASEKARAN**

The Meeting was informed that the next item on the Agenda was to re-elect the retiring Directors namely, Dato' Lim Han Boon, Datuk Noripah Binti Kamso and Ms Sharmila Sekarajasekaran, who retired pursuant to Article 94 of the Company's Articles of Association, and being eligible for re-election, had offered themselves for re-election.

The resolution in relation to the re-election of Dato' Lim Han Boon was proposed by [Mr. Lim Heng Keen, a shareholder](#) and seconded by [Mr. David Poh Chung Wee, a proxy](#).

The resolution in relation to the re-election of Datuk Noripah Binti Kamso was proposed by [Mr. David Poh Chung Wee, a proxy](#) and seconded by [Mr. Lim Heng Keen, a shareholder](#).

The resolution in relation to the re-election of Ms. Sharmila Sekarajasekaran was proposed by [Mr. Abraham David Thanaraj @ David, a shareholder](#) and seconded by [Mr. Danny Ong Chong Yen, a shareholder](#).

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**4.0 RE-ELECTION OF DATUK DR. NORMA MANSOR WHO RETIRED PURSUANT TO ARTICLE 100 OF THE COMPANY'S ARTICLES OF ASSOCIATION AND BEING ELIGIBLE, HAS OFFERED HERSELF FOR RE-ELECTION**

The Meeting was informed that the next item on the Agenda was to re-elect Datuk Dr. Norma Mansor, who retired pursuant to Article 100 of the Company's Articles of Association, and being eligible for re-election, had offered herself for re-election.

The resolution was proposed by [Mr. Lim Heng Keen, a shareholder](#) and seconded by [Ms. Lim Puah Fan, a proxy](#).

**5.0 RE-APPOINTMENT OF THE FOLLOWING DIRECTORS AT THE CONCLUSION OF THE NINETEENTH ANNUAL GENERAL MEETING:-**  
**A) TAN SRI DATO' SERI UTAMA ARSHAD BIN AYUB**  
**B) TAN SRI RAINER ALTHOFF**

The Meeting was informed that the next item on the Agenda was to re-appoint Tan Sri Dato' Seri Utama Arshad Bin Ayub and Tan Sri Rainer Althoff, who were re-appointed as Directors of the Company at the Eighteenth AGM ("**18th AGM**") held on 5 January 2017 pursuant to Section 129(6) of the Companies Act 1065 to hold office until the conclusion of the 19th AGM.

In view that the Companies Act 1965 has been repealed by the Companies Act 2016 ("**the Act**") which no longer requires the continuation in office by Director over 70 years of age to be subject to shareholders' approval at each AGM. Both directors' continuation in office will thereafter be subject to retirement by rotation.

The resolution on the re-appointment of Tan Sri Dato' Seri Utama Arshad Bin Ayub was proposed by [Mr. David Poh Chung Wee, a proxy](#) and seconded by [Sekarajasekaran a/l Arasaratnam, a shareholder](#).

The resolution on the re-appointment of Tan Sri Rainer Althoff was proposed by [Mr. David Poh Chung Wee, a shareholder](#) and seconded by [Sekarajasekaran a/l Arasaratnam, a shareholder](#).

**6.0 DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017**

The Meeting was informed that the next item on the Agenda was to consider and if deemed fit to approve the payment of Directors' fees amounting to RM1,050,355.00 (Ringgit Malaysia: One Million and Fifty Thousand Three Hundred and Fifty-Five only) for the financial year ended 31 August 2017.

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The resolution was proposed by [Mr. David Poh Chung Wee, a proxy](#) and seconded by [Mr. Lim Heng Keen, a shareholder](#).

**7.0 PAYMENT OF DIRECTORS' BENEFIT (EXCLUDING DIRECTORS' FEES) TO THE NON-EXECUTIVE DIRECTORS FROM 31 JANUARY 2017 UNTIL THE NEXT ANNUAL GENERAL MEETING**

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The Meeting was informed that the next item on the Agenda was to consider and if deemed fit to approve the payment of Directors' benefits up to an amount of RM133,000.00 for the period commencing from 31 January 2017 until the next Annual General Meeting of the Company to be held in 2019.

The details of the Directors' benefit comprise the meeting allowances payable to the Non-Executive Directors are fixed as per below:-

Type of Meeting	Meeting Allowance per Meeting (RM)	
	Chairman	Non-Executive Director/Member
Board	Nil	1,000.00
General	Nil	1,000.00
Board Committee	750.00	500.00

The resolution was proposed by [Mr. David Poh Chung Wee, a proxy](#) and seconded by [Mr. Leung Shing Fook, a shareholder](#).

**8.0 RE-APPOINTMENT OF MESSRS. ERNST & YOUNG AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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The Meeting was informed that the next item on the Agenda was to re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

The Meeting was further informed that Messrs. Ernst & Young had indicated their willingness to continue as Auditors of the Company.

The resolution was proposed by [Mr. Teoh Han Chong, a shareholder](#) and seconded by [Ms. Wong Hee Chin, a shareholder](#).

**9.0 SPECIAL BUSINESS**

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(Extract of the Minutes of the Nineteenth Annual General Meeting held on 9 January 2018 - cont'd)

**ORDINARY RESOLUTION NO. 1**  
**- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

The Meeting was informed that the next item on the Agenda was a special business to approve the Ordinary Resolution No. 1 on Authority to Issue Shares pursuant to the Companies Act 2016 ("**the Act**").

The Meeting was further informed that the proposed adoption of the Ordinary Resolution No. 1 was to renew the general mandate and empowering the Directors of the Company, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expired at the conclusion of the next Annual General Meeting of the Company. The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition.

The resolution was proposed by [Mr. Teoh Han Chong, a shareholder](#) and seconded by [Mr. David Poh Chung Wee, a proxy](#).

**9.1 SPECIAL BUSINESS**  
**ORDINARY RESOLUTION NO. 2**  
**- RETENTION OF INDEPENDENT DIRECTOR**

The Meeting was informed that the next item on the Agenda was a special business to consider and if deemed fit to approve the Ordinary Resolution No. 2 on Retention of Independent Director.

The Meeting was further informed that the proposed adoption of the Ordinary Resolution No. 2 was to retain Tan Sri Dato' Seri Utama Arshad Bin Ayub as an Independent Non-Executive Director of the Company who has served more than nine (9) years and has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board, therefore, considered Tan Sri Dato' Seri Utama Arshad Bin Ayub to be independent and believed that Tan Sri Dato' Seri Utama Arshad Bin Ayub should be retained as an Independent Non-Executive Director.

The resolution was proposed by [Mr. David Poh Chung Wee, a proxy](#) and seconded by [Mr. Danny Ong Chong Yen, a shareholder](#).

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**9.2 SPECIAL BUSINESS**  
**ORDINARY RESOLUTION NO. 3**  
**- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The Meeting was informed that the next item under special business was to consider and if deemed fit to approve the Ordinary Resolution No. 3 on Proposed Renewal of Authority for Share-Buy-Back.

The Meeting noted that the proposed adoption of the Ordinary Resolution No. 4 was to renew the authority granted by shareholders of the Company at the Eighteenth Annual General Meeting held on 5 January 2017. The proposed renewal would allow the Board of Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the issued and paid-up shares capital of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The resolution was proposed by [Mr. Teoh Han Chong, a shareholder](#) and seconded by [Ms. Angela Low Kim King, a shareholder](#).

**10.0 ANY OTHER ORDINARY BUSINESS**

The Meeting noted that no notice was received to transact any other ordinary business.

**11.0 POLLING PROCESS**

Dato' Lee Kim Meow informed that the Meeting would be adjourned for electronic poll voting for all the proposed resolutions 1 to 13 and declared that the registration for attendance at the Meeting closed. The Company Secretary, Ms. Chua Siew Chuan, then briefed the Meeting on the procedure on the electronic polling process. The Meeting was adjourned at 12:30 p.m. for shareholders, proxies and corporate representatives to cast their votes.

The results of the poll were verified by the Independent Scrutineer from Commercial Quest Sdn. Bhd.

**12.0 ANNOUNCEMENT OF POLL RESULTS**

The Meeting resumed at 12:50 p.m. and the Dato' Lee Kim Meow invited the Company Secretary, Ms. Chua Siew Chuan to announce the results of the poll voting.

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The results of the poll voting were as follows:-

RESOLUTION	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<b>ORDINARY BUSINESS</b>					
<b>Resolution 1</b> To approve the declaration of a Single-Tier Final Dividend of 8.5 sen per share for the financial year ended 31 August 2017.	942,437,630	100.00	16,001	0.00	Carried
<b>Resolution 2</b> To re-elect Dato' Lim Han Boon who retires pursuant to Article 94 of the Company's Articles of Association and being eligible, has offered himself for re-election.	941,509,552	99.90	944,079	0.10	Carried
<b>Resolution 3</b> To re-elect Datuk Noripah Binti Kamso who retires pursuant to Article 94 of the Company's Articles of Association and being eligible, has offered herself for re-election.	914,280,152	97.12	27,064,779	2.88	Carried
<b>Resolution 4</b> To re-elect Ms Sharmila Sekarajasekaran who retires pursuant to Article 94 of the Company's Articles of Association and being eligible, has offered herself for re-election.	941,509,552	99.90	944,079	0.10	Carried

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RESOLUTION	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<b>ORDINARY BUSINESS (Cont'd)</b>					
<b>Resolution 5</b> To re-elect Datuk Dr. Norma Mansor who retires pursuant to Article 100 of the Company's Articles of Association and being eligible, has offered herself for re-election.	942,432,130	100.00	21,501	0.00	Carried
<b>Resolution 6</b> Approval for Tan Sri Dato' Seri Utama Arshad Bin Ayub to continue in office as Independent Non-Executive Director of the Company.	850,961,092	90.38	90,592,539	9.62	Carried
<b>Resolution 7</b> Approval for Tan Sri Rainer Althoff to continue in office as Independent Non-Executive Director of the Company.	941,509,552	99.90	944,079	0.10	Carried
<b>Resolution 8</b> To approve the payment of Directors' Fees for the financial year ended 31 August 2017.	549,182,834	100.00	23,501	0.00	Carried
<b>Resolution 9</b> To approve the payment of Directors' Benefits (excluding Directors' Fees) to the Non-Executive Directors from 31 January 2017 until the next Annual General Meeting of the Company.	941,532,130	99.90	921,501	0.10	Carried



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RESOLUTION	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<b>ORDINARY BUSINESS (Cont'd)</b>					
<b>Resolution 10</b> To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	940,457,552	99.79	1,996,079	0.21	Carried
<b>SPECIAL BUSINESS</b>					
<b>Resolution 10</b> To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	940,457,552	99.79	1,996,079	0.21	Carried
<b>Resolution 11</b> Authority to Issue Shares Pursuant to the Companies Act 2016	909,607,130	96.51	32,846,501	3.49	Carried
<b>Resolution 12</b> Retention of Tan Sri Dato' Seri Utama Arshad Bin Ayub as Independent Non-Executive Director.	859,142,482	91.16	83,266,920	8.84	Carried
<b>Resolution 13</b> Proposed Renewal of Share Buy-Back Authority.	942,430,130	100.00	23,501	0.00	Carried

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Based on the results of the poll voting, Tan Sri Dr Chairman declared the following resolutions be **CARRIED**:-

**RESOLUTION 1**

***That the Single-Tier Final Dividend of 8.5 sen per share for the financial year ended 31 August 2017 be approved and declared payable on 25 January 2018 to shareholders registered in the Record of Depositors of the Company on 12 January 2018.***

**RESOLUTION 2**

***That the retiring Director, Dato' Lim Han Boon, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.***

**RESOLUTION 3**

***That the retiring Datuk Noripah Binti Kamso, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.***

**RESOLUTION 4**

***That the retiring Director, Ms Sharmila Sekarajasekaran, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.***

**RESOLUTION 5**

***That the retiring Director, Datuk Dr. Norma Mansor, being eligible for re-election, be re-elected to serve on the Board of Directors of the Company.***

**RESOLUTION 6**

***That Tan Sri Dato' Seri Utama Arshad Bin Ayub, be re-appointed as Director of the Company to serve on the Board of Directors of the Company.***

**RESOLUTION 7**

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***That Tan Sri Rainer Althoff, be re-appointed as Director of the Company to serve on the Board of Directors of the Company.***

**RESOLUTION 8**

***That the payment of Directors' fees amounting to RM1,050,355.00 (Ringgit Malaysia: One Million and Fifty Thousand Three Hundred and Fifty-Five only) for the financial year ended 31 August 2017 be approved for payment.***

**RESOLUTION 9**

***That the payment of Directors' Benefits (Excluding Directors' Fees) to the Non-Executive Directors amounting to RM133,000.00 from 31 January 2017 until the next Annual General Meeting of the company be approved for payment.***

**RESOLUTION 10**

***That the retiring Auditors, Messrs. Ernst & Young be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be given for the Directors to fix their remuneration.***

**RESOLUTION 11**

***Ordinary Resolution No. 1***

***- Authority to Issue Shares pursuant to the Companies Act 2016 ("the Act")***

***THAT subject to the Act, the Articles of Association of the Company, and the approvals from Bursa Malaysia Securities Berhad and any relevant governmental/ regulatory authority, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities***

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***Berhad; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.***

**RESOLUTION 12**

***Ordinary Resolution No. 2***

- ***Retention of Independent Director***

***THAT subject to the passing of Resolution No. 6, Tan Sri Dato' Seri Utama Arshad Bin Ayub who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with Malaysian Code on Corporate Governance 2012.***

**RESOLUTION 13**

***Ordinary Resolution No. 3***

- ***Proposed Renewal of Authority for Share Buy-Back***

***THAT subject to the Companies Act 2016, the Company's Articles of Association, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Board from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company;***

***THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on its audited financial statements for the financial year ended 31 August 2017 of RM201,700,000.00;***

***THAT at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/ or resold on Bursa Securities and/or transferred the shares for the purposes of or under an employees' share scheme;***

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***THAT such authority shall commence immediately upon passing of this resolution until:***

- (i) the conclusion of the next Annual General Meeting of the Company following this general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;***
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or***
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,***

***whichever is earlier;***

***AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.***

**TERMINATION**

There being no other notice received to transact any other business (as confirmed by the Company Secretary), Tan Sri Dr Chairman concluded the Meeting and thanked all present for their attendance. The Meeting terminated at 12:55 p.m. with a vote of thanks to Tan Sri Dr Chairman.

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**Annexure "A"**

EXTRACT OF THE MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT TG GRAND BALLROOM 1, LEVEL 9, TOP GLOVE TOWER, 16 PERSIARAN SETIA DAGANG, SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 9 JANUARY 2018 AT 11:00 A.M.

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**REPLY TO QUERIES FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP**

1. We refer to the announcement made by the Company pertaining to the proposed acquisition of the entire equity interest in Aspion Sdn Bhd ("ASB") from Adventa Capital Pte. Ltd.
  - a. What is the status of the proposed acquisition since the exclusivity period for the Term Sheet will end after 15 January 2018?  
**Management is working towards completing the SPA before 15<sup>th</sup> January 2018.**
  - b. When is the proposed acquisition of ASB expected to be completed?  
**The proposed acquisition of ASB is expected to be completed within 3 months of signing the SPA.**
  - c. What would be the percentage contribution to the revenue and profit to the Group by ASB for FY2019 and going forward?  
**The expected revenue and profit contribution from ASB to the Group is 15% to 20% per year.**
2. Recently the regulator in China had pledged to cut excess industrial capacity. This may cause interruption to China-based glovemakers' operations:
  - a. Would this new ruling benefit the Group's export business to the Chinese market? Can the Board enlighten shareholders on the Group's strategy for its business expansion in the Chinese market?  
**We would like to clarify that owing to strict enforcement by regulators against polluting industries in China, there was a disruption to glove supply for the export market (such as the US), which we benefited from. However, should there be a shortage of gloves domestically within China, we would also be able to meet this demand.**  
  
**In terms of business expansion, we have converted 33% of the production lines in our China factory to natural gas usage and are in the process of converting the remaining lines.**
  - b. What would be the expected contribution to the Group's total revenue by the Group's operation in China?  
**Our China operations contributing around 5% to the Group's total revenue.**

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3. It was stated on page 27 of the Annual Report 2017 that the Group had ventured into the condom business as well as ambulatory care centre.

- a. What would be the CAPEX for these two new initiatives in FYE 2018 and going forward?

**Condom business**

**Our expected CAPEX for FYE 2018 is RM5 million for a capacity of 0.2 billion pieces. Going forward, our plan is to acquire existing condom manufacturers to speed up our entry into this market.**

**Ambulatory care centre**

**As our ambulatory care centre was completed in 2017, no major CAPEX is expected going forward aside from maintenance CAPEX.**

- b. What would be the expected revenue contribution of the condom business for FY2019 and going forward?

**The initial revenue contribution from the condom business is not expected to be significant (estimated at 1%) vis-à-vis the revenue contribution from the glove business of RM3.4 billion revenue registered in FY2017.**

4. What would be the expected gestation period for the expansion under the new ventures, especially the condom business, their break even and optimal performance?

**Condom business**

**We envisage a gestation period of 3 years for our condom business, and less if we are able to complete an M&A.**

**Ambulatory care centre**

**Top Glove Global Doctors was primarily established as an in-house medical facility for our office staff and foreign workers, and also to promote awareness of preventive healthcare. Breakeven is expected at the close of FY2018.**

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**Annexure "B"**

EXTRACT OF THE MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT TG GRAND BALLROOM 1, LEVEL 9, TOP GLOVE TOWER, 16 PERSIARAN SETIA DAGANG, SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 9 JANUARY 2018 AT 11:00 A.M.

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**QUERIES RECEIVED PRIOR TO THE MEETING FROM SHAREHOLDERS**

Mr. Lim Cheong Guan ("**Mr. CG Lim**") presented the queries received from shareholders prior to the Meeting and the responses as follows:

- (a) Tan Sri Dr Chairman is the Deputy Chairman of Tropicana Corporation Berhad under the property sector. What were the reasons for acquiring Tropicana's shares? Was the investment made under Top Glove or was it Tan Sri's personal investment?

Tan Sri Dr Chairman informed that the investment is his personal investment.

- (b) The share price of the Company is now RM9.16. Would there be any bonus issue if share price hits above RM10.00?

Tan Sri Dr Chairman responded that the Company would consider bonus issue or share split to promote liquidity of the shares to commensurate with the performance of the Company, just like in the past.

- (c) What were the challenges faced by the Company in view of the deprecating Ringgit Malaysia and what are the initiatives taken by the Company to ensure profit-making in 2018?

In response to question (c) above, Dato' Lee Kim Meow ("**Dato' Lee KM**") informed that the Company will reduce the usage of foreign workers and to embark on automation. Tan Sri Dr Chairman further added that in view of the increase of natural gas price in Malaysia as well as in China, the Company intends to use advance technology to reduce the cost of operation including natural gas usage.

- (d) Top Glove had recently acquired Eastern Press Sdn. Bhd. What is the business situation of this Company?

In response, Mr. CG Lim informed that Eastern Press Sdn. Bhd. used to be the major supplier of packaging material to the Group. The proposed transaction is expected to provide the Group with synergistic benefits, enabling it to improve its supply chain coordination, thereby allowing for flexible planning and better delivery time in relation to the supply of packaging material for its glove products, as well as better costs and quality control.



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(e) What were the rational for acquiring Yong Kong Group?

In response, Mr. CG Lim informed that the advantage of acquiring Yong Kong Group is its existing factory which is strategically located near Top Glove. This will enable Top Glove to expand the factory's capacity with the ready-made factory which will expedite the process of refitting it with the installation of machineries without having the process of acquiring factory land, process the regulatory approvals and construction of a factory.

Tan Sri Dr Chairman further added that Top Glove had acquired two (2) companies recently and targets to acquire another three (3) companies in 2018 as part of its expansion plan.

**QUERIES FROM THE MEMBERS/PROXY HOLDERS**

On behalf of Tan Sri Dr Chairman, Dato' Lee KM invited questions from the floor in respect of the Audited Financial Statements for the financial year ended 31 August 2017.

Puan Lya Rahman, the representative from MSWG complimented Top Glove for receiving many awards such as Minority Shareholder Watchdog Group - Asean Corporate Governance Award 2017 (Categories: Merit Award for Most Improved Corporate Governance Disclosure & Industry Excellence for Manufacturing), winner in the Healthiest Employees category in the AIA Vitality 2017 Awards and Certificate of Excellence Resource Development Awards 2017 and for being an exemplary family-controlled company with good corporate governance.

In response to the query raised by Puan Lya Rahman on any potential conflict of interest in view that Top Glove is also venturing into the condom manufacturing business, Tan Sri Dato' Seri Utama Arshad Bin Ayub informed that he had declared all interests to the Board and assured that there is no conflict of interest.

Mr. Koay Chiang Loong, a shareholder raised the following questions:

(a) What are the prospects of the Company in term of merger and acquisitions?

In respond, Tan Sri Dr Chairman noted the increasingly challenging business environment but Top Glove will continue to acquire and build own factories through organic growth as well as mergers and acquisitions.

(b) What are the prospects of the Company in glove industry?

In response, Dato' Lee KM commented that the performance of Top Glove has been commendable with product quality and operational efficiency.

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Mr. Ho Yueh Weng, a proxy for Mr. Kenneth Ho Tze Kien, raised the following questions:-

- (a) What was the rationale to diversify into condom business?

Tan Sri Dr Chairman said Top Glove would continue to expand and diversify to into synergistic industries to further improve its performance. Dato' Lee KM further added that to be a Fortune Global 500 company by 2040, Top Glove has to continue to diversify.

- (b) What were the reasons for the higher "other expenses" in the income statement?

Mr. CG Lim informed that the higher expenses were due to higher recruitment costs, staff training cost, forex losses etc.

- (c) What were the reasons for the lower tax expense?

Mr. CG Lim informed that the lower tax expense as the Company had reinvested in capital expenditure by acquiring other companies which utilised the capital allowances and hence reduces the tax expenses.

- (d) What was the purpose for share-buy-back in view that some directors sold substantial number of shares during the year?

Mr. CG Lim responded that one of the rationale for the share-buy-back exercise is to maintain the share price of a Company. The Board of Directors who had sold their shares in bulk was mainly due to the requirement for the listing in Singapore where Singapore Exchange Stock requires the major shareholder to sell their shares.

Mr. David Poh Chung Wee, a proxy complemented the Board and Management for the excellent performance and enquired on the impact on cash flow with proposed acquisition of Aspion Sdn Bhd. In respond, Mr. CG Lim informed that Aspion Sdn Bhd is a medical glove producer and it is a synergistic acquisition and Top Glove is still financially strong. The current gearing ratio is 0.19 and after proposed acquisition it would be 0.89 time and Top Glove would consider raising funds to pay down if needed in future.

Mr. Cheng Wei Heng, a proxy raised the following questions:

- (a) What are the competitive advantage of Top Glove over our competitors?

Tan Sri Dr Chairman responded that Top Glove is the world's largest rubber glove maker by capacity. Top Glove continuously adopts new technologies to produce high quality gloves at an efficient low cost manner. Tan Sri Dr Chairman further added that demand for glove will continue to grow with higher standards of living and standards of hygiene increasing in hospitals and the food industry.

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(b) Which are our target markets in the next 3 years?

Tan Sri Dr Chairman responded that Top Glove would continue to expand its production capacity in Malaysia, Vietnam and Thailand. With the marketing offices in the US and Germany, Top Glove supplied its products to about 2,000 customers in 195 countries and would continue to target the emerging countries.

(c) What is our current market share?

Tan Sri Dr Chairman informed that Top Glove has 25% of the rubber glove business in the world and aimed to achieve 30% by 2020.

In reply to [Madam Ho Soon Moi, a shareholder](#), Dato' Lee KM informed that the Company would not invest in lenses as it is not a rubber related business.