

PROSPECTUS



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TOP GLOVE CORPORATION BHD

(Company No. 424213-X)
(Incorporated in Malaysia under the Companies Act, 1965)



Public Issue Of

7,510,000 New Ordinary Shares Of RM1.00 Each And
Offer For Sale Of 14,240,000 Ordinary Shares
Of RM1.00 Each
At RM2.70 Per Ordinary Share Of RM1.00 Each
Payable In Full On Application

Adviser and Managing Underwriter



Arab-Malaysian Merchant Bank Berhad

(23742-9) Licensed Merchant Bank
(A Member of the Arab-Malaysian Banking Group)

This Prospectus Is Dated 16 February 2001

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE
CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 19 HEREOF

TOP GLOVE CORPORATION BHD

(Company No. 479473-X)



*Factory 1 is closed to local press



Product Range:

- Powdered Latex Gloves
- Powderfree Latex Gloves (Smooth/Textured)
- Long Length 12" High Risk Gloves
- Coloured (Blue/Green) Gloves
- Flavored (Mint) Gloves
- Polymer-Bonded Gloves
- Nitrile Gloves
- Surgical Gloves
- Cleanroom Gloves



The Management Team

This Prospectus has been seen and approved by the Directors and Promoters of Top Glove Corporation Bhd (“**Top Glove**”) and/or the Offerors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

The Adviser and Managing Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering and are satisfied that the profit forecast (for which the directors of Top Glove are fully responsible) prepared for inclusion in the Prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission has approved the issue, offer or invitation in respect of the public offering and that the approval shall not be taken to indicate that the Commission recommends the public offering.

The Securities Commission shall not be liable for any non -disclosure on the part of Top Glove and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

The valuation approved or accepted by the Securities Commission shall only be utilised for the purpose of the corporate proposals submitted to and approved by the Securities Commission, and shall not be construed as an endorsement by the Securities Commission on the value of the subject assets for any other purposes.

The Kuala Lumpur Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of Top Glove or of its securities.

A copy of this Prospectus has been registered by the Securities Commission and lodged with the Registrar of Companies, Malaysia who takes no responsibility for its contents.

TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Top Glove's entire issued and paid-up share capital of RM50,000,000 on the Second Board of the Kuala Lumpur Stock Exchange is set out below:-

<u>Date</u>	<u>Event</u>
16 February 2001	→ Issue of Prospectus
1 March 2001	→ Opening and Closing of the Application lists for the Public Issue Shares /Offer for Sale Shares*
<i>Indicative Date</i>	
8 March 2001	→ Balloting of Applications
20 March 2001	→ Despatch of Notice of Allotment to successful applicants
27 March 2001	→ Listing of the entire enlarged issued and paid-up share capital of Top Glove on the Kuala Lumpur Stock Exchange

*** Important Note: The closing date of the Public Issue / Offer for Sale ("Closing Date") may be extended at the absolute discretion of the Board of Directors of Top Glove. Should there be an extension of the Closing Date, the date of Top Glove's listing on the Kuala Lumpur Stock Exchange will be extended**

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

Acquisition of GG	— Acquisition of the entire issued and paid-up share capital of GG comprising 50,000 Shares for a purchase consideration of RM58,731 based on the audited NTA of GG as at 31 August 1999 satisfied by the issuance of 50,630 new Shares in Top Glove at an issue price of approximately RM1.16 per Share which was completed on 1 September 2000
Acquisition of TG Engineering	— Acquisition of the entire issued and paid-up share capital of TG Engineering comprising 1,000,000 Shares for a purchase consideration of RM979,693 based on the audited NTA of TG Engineering as at 31 August 1999 satisfied by the issuance of 844,563 new Shares in Top Glove at an issue price of approximately RM1.16 per Share which was completed on 1 September 2000
Acquisition of TG Medical	— Acquisition of the entire issued and paid-up share capital of TG Medical comprising 2,000,000 Shares for a purchase consideration of RM10,142,301 based on the audited NTA of TG Medical as at 31 August 1999 satisfied by the issuance of 8,743,363 new Shares in Top Glove at an issue price of approximately RM1.16 per Share which was completed on 1 September 2000
Acquisition of TG USA	— Acquisition of the entire issued and paid-up share capital of TG USA comprising 231,000 Shares for a purchase consideration of RM934,021 based on the audited NTA of TG USA as at 31 August 1999 satisfied by the issuance of 805,191 new Shares in Top Glove at an issue price of approximately RM1.16 per Share which was completed on 1 September 2000
Acquisition of TGSB	— Acquisition of the entire issued and paid-up share capital of TGSB comprising 10,000,000 Shares for a purchase consideration of RM18,016,500 based on the audited NTA of TGSB as at 31 August 1999 satisfied by the issuance of 15,531,466 new Shares in Top Glove at an issue price of approximately RM1.16 per Share which was completed on 1 September 2000
Acquisitions	— Acquisitions of TGSB, TG Medical, TG Engineering, TG USA and GG collectively
Act	— Companies Act, 1965
ADA	— Authorised Depository Agent
ADA Code	— ADA (Broker) Code
Application	— Refers to application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form	— Printed application form for application for IPO Shares
AQL	— Acceptable Quality Level

DEFINITIONS (Cont'd)

Arab-Malaysian	– Arab-Malaysian Merchant Bank Berhad (Company No.23742-V)
ASTM	– American Standard Testing Material
ATM	– Automated Teller Machine
CDS	– Central Depository System
EBIDTA	– Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	– Application for IPO Shares through a Participating Financial Institution's ATM
EN	– European Norm
EPS	– Earnings Per Share
FIC	– Foreign Investment Committee
GDP	– Gross Domestic Product
GG	– Great Glove Sdn Bhd (Company No. 457953-D)
Initial Public Offering or IPO	– Public Issue and Offer for Sale collectively
IPO Shares	– Public Issue Shares and Offer Shares collectively
IT	– Information Technology
KLSE	– Kuala Lumpur Stock Exchange
Listing	– Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of Top Glove of RM50,000,000 comprising 50,000,000 Shares on the Second Board of the KLSE
MARGMA	– Malaysian Rubber Glove Manufacturers' Association
MCD or Central Depository	– Malaysian Central Depository Sdn Bhd (Company No.165570-W)
MIH or Issuing House	– Malaysian Issuing House Sdn Bhd (Company No.258345-X)
MITI	– Ministry of International Trade and Industry
NTA	– Net Tangible Assets

DEFINITIONS (Cont'd)**Offer for Sale or Offer**

- Offer for Sale of 14,240,000 Shares in Top Glove at an offer price of RM2.70 per share by the Offerors to Bumiputra investors approved by MITI as follows:-

	No of Shares
Tan Sri Datuk Arshad bin Ayub	1,865,000
Haji Shahadan Bin Haji Abd Manas	1,740,000
Fazrin Azwar Bin Md Nor	2,365,000
Osman Bin T.A. Maimunni	750,000
Amanah Saham Johor	1,000,000
Koperasi Pembangunan Belia Negara	100,000
Koperasi Permodalan Melayu Negeri Johor	100,000
Koperasi Polis DiRaja (M) Sdn Bhd	2,500,000
Koperasi Majlis Agama Islam Melaka	110,000
Tabung Kumpulan Modal Bumiputera Pahang	400,000
Yayasan Islam Perlis	1,000,000
Yayasan Pahlawan Malaysia	110,000
Yayasan Perak	100,000
Yayasan Selangor	1,500,000
Other Co-operatives and companies registered with MITI*	600,000
Total	14,240,000

* There are 60 co-operatives and organisations allocated 10,000 Shares each

Offer Shares

- The 14,240,000 Shares in Top Glove which are the subject of the Offer for Sale

Offerors

- The offerors of the Offer Shares and the number of Top Glove Shares offered for sale are as follows:-

Name	No. of Shares
Liew Chin Khew	160,759
Chew Teck Chiang	160,759
Lim Wee Chai	7,397,134
Tong Siew Bee	455,333
Lim Hooi Sin	698,376
United Gloves Sdn Bhd	1,560,518
Sekarajasekaran a/l Arasaratnam	1,040,345
Lim Quee Choo	303,307
Lee Kim Meow	93,705
TG Holding	2,369,764
TOTAL	14,240,000

Participating Financial Institution(s)

- Refers to the Participating Financial Institutions for Electronic Share Application as listed in paragraph (o) of Section 12.9 of this Prospectus

PAT

- Profit After Tax

PBT

- Profit Before Tax

PE Multiple

- Price Earnings Multiple

DEFINITIONS (Cont'd)

PVC	– Poly Vinyl Chloride
Public Issue	– Public Issue of 7,510,000 new Shares in Top Glove at an issue price of RM2.70 per Share to eligible employees, Directors, customers and suppliers of the Group and the Malaysian public
Public Issue Shares	– The 7,510,000 Shares in Top Glove which are the subject of the Public Issue
R&D	– Research and development
Rights Issue	– Rights Issue of 15,914,787 new Shares in Top Glove at an issue price of approximately RM1.16 per Share on the basis of approximately 599 Shares for every 1000 Shares held after the Acquisitions
RM and sen	– Ringgit Malaysia and sen respectively
SC	– Securities Commission
Share(s)	– Ordinary share(s) of RM1.00 each
Top Glove or Company	– Top Glove Corporation Bhd (Company No.474423-X)
Top Glove Group or Group	– Top Glove and its subsidiary companies
TG Engineering	– Top Glove Engineering Sdn Bhd (Company No.368637-K)
TG Medical	– TG Medical Sdn Bhd (Company No.283358-W)
TG USA	– TG Medical (U.S.A.) Inc
TGSB	– Top Glove Sdn Bhd (Company No.220483-T)
TG Holding	– Top Glove Holding Sdn Bhd (Company No.395963-T)
UK	– United Kingdom
USD	– United States Dollar(s)
USA	– United States of America

CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Lim Wee Chai	No. 4 Jalan 17/62 46400 Petaling Jaya Selangor Darul Ehsan	Chairman/ Managing Director	Malaysian
Tan Sri Datuk Arshad bin Ayub	25 Jalan 16/6 46350 Petaling Jaya Selangor Darul Ehsan	Independent Non- Executive Director	Malaysian
Tong Siew Bee	No. 4 Jalan 17/62 46400 Petaling Jaya Selangor Darul Ehsan	Executive Director	Malaysian
Haji Shahadan bin Haji Abd Manas	61 Jalan Setiajasa Bukit Damansara 50490 Kuala Lumpur	Executive Director	Malaysian
Lim Hooi Sin	No. 4 Jalan 17/62 46400 Petaling Jaya Selangor Darul Ehsan	Non-Executive Director	Malaysian
Sekarajasekaran a/l Arasaratnam	3 Jalan 12/9 46200 Petaling Jaya Selangor Darul Ehsan	Independent Non- Executive Director	Malaysian
Lau Boon Ann	4 Persiaran Syed Putra 4 Taman Persiaran Desa Off Persiaran Syed Putra 50460 Kuala Lumpur	Non-Executive Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Tan Sri Datuk Arshad bin Ayub	Chairman	Independent Non-Executive Director
Lim Wee Chai	Member	Managing Director
Sekarajasekaran a/l Arasaratnam	Member	Independent Non-Executive Director

COMPANY SECRETARY

Chua Siew Chuan (MAICSA No:0777689)
6 Jalan SS14/8E
Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsan

CORPORATE INFORMATION (Cont'd)

REGISTERED OFFICE

Level 22, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2557077
Fax: 03-2549940

HEAD OFFICE

Lot 5091, Jalan Teratai
Batu 5, Off Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel: 3392 7880
Fax: 3392 7229
E-Mail: top@topglove.com.my
Websites: 1) www.topglove.com.my
2) <http://topglove.asiaep.com>

REGISTRARS & TRANSFER OFFICE

Securities Services (Holdings) Sdn Bhd
Level 22, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

ISSUING HOUSE

Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

PRINCIPAL BANKERS

Public Bank Berhad
30 & 32, Persiaran Sultan Ibrahim
41300 Klang
Selangor Darul Ehsan

EON Bank Berhad
14 & 16, Jalan Kapar
41400 Klang
Selangor Darul Ehsan

HSBC Bank Malaysia Berhad
1st Floor Wisma UEP
Jalan USJ 10/1A
47620 Subang Jaya
Selangor Darul Ehsan

Standard Chartered Bank
Ground Floor, Plaza Metro
Jalan Meru
41050 Klang
Selangor Darul Ehsan

Maybank Banking Berhad
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

CORPORATE INFORMATION (Cont'd)

AUDITORS FOR TOP GLOVE

Arthur Andersen & Co
Public Accountants
Graha Maju (Bangunan PKNM)
Tingkat 10-Lot 1
Jalan Graha Maju
75300 Melaka

**AUDITORS FOR GG, TG ENGINEERING,
TG MEDICAL, TGSB**

Tan Chuan Hock & Co
Public Accountants
No. 79C, Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

REPORTING ACCOUNTANTS

Arthur Andersen & Co
Public Accountants
Graha Maju (Bangunan PKNM)
Tingkat 10-Lot 1
Jalan Graha Maju
75300 Melaka

SOLICITORS FOR IPO

Jeff Leong Poon & Wong
A-11-3A Level 11
Megan Phileo Avenue
Jalan Yap Kwan Seng
50450 Kuala Lumpur

SOLICITORS FOR THE TOP GLOVE GROUP

Soo Thien Ming & Nashrah
No. 45-47, 1st Floor, Jalan Kapar
41400 Klang
Selangor Darul Ehsan

Michael Chen, Gan, Muzafar & Azwar
5th Floor, Bangkok Bank Building
105, Jalan Tun H.S. Lee
50000 Kuala Lumpur

Ranjit Ooi & Robert Low
No. 53, Jalan Maarof
Bangsar
59000 Kuala Lumpur

ADVISER AND MANAGING UNDERWRITER

Arab-Malaysian Merchant Bank Berhad
22nd Floor, Bangunan Arab-Malaysian
55 Jalan Raja Chulan
50200 Kuala Lumpur

UNDERWRITERS

Arab-Malaysian Merchant Bank Berhad
22nd Floor, Bangunan Arab-Malaysian
55 Jalan Raja Chulan
50200 Kuala Lumpur

Arab-Malaysian Securities Sdn Bhd
15th Floor, Bangunan Arab-Malaysian
55, Jalan Raja Chulan
50200 Kuala Lumpur

CORPORATE INFORMATION (Cont'd)

UNDERWRITERS *(cont'd)*

TA Securities Berhad
TA One Tower
22, Jalan P. Ramlee
50250 Kuala Lumpur

K&N Kenanga Berhad
801, 8th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

VALUERS

CH Williams Talhar & Wong Sdn Bhd
3228, Menara Tun Razak,
32nd Floor, Jalan Raja Laut,
50350 Kuala Lumpur

LISTING SOUGHT

Second Board of the KLSE

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