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## 11. STATUTORY AND GENERAL INFORMATION

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### 11.1 *Share Capital*

1. No Shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
2. There are no founder, management or deferred shares in the Company. As at the date of this Prospectus there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.
3. Save for the Shares reserved for Directors and eligible employees of the Group as disclosed in Section 2.2 of this Prospectus, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiary.
4. There are no restrictions on the transfer of the Shares of the Company, except as otherwise required by law.
5. A Director is not required to hold any qualification shares in the Company.

### 11.2 *Articles of Association*

The following provisions are reproduced from the Company's Articles of Association.

#### **A. CHANGES IN CAPITAL AND VARIATIONS OF CLASS RIGHTS**

##### **Shares to be under control of Directors.**

- 4.(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors, subject to any ordinary resolution of the Company, determine. No shares shall be issued at a discount except in compliance with the provisions of the Act.

Provided that

- (a) The Company shall not issue any shares which will have the effect of giving a controlling interest to any person, company or syndicate without prior approval of shareholders in General Meeting.
- (b) Every issue of shares or options to employees and/or Directors shall be approved by shareholders in general meeting and such approval shall specifically detail the amount of shares or options to be issued to each Director. Only Directors holding office in an executive capacity shall participate in such an issue of shares. However, non-executive Directors may subscribe for shares issued or offered pursuant to a public issue or public offer.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (c) The total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time.
- (d) The rights attaching to shares of a class other than ordinary shares be expressed in the Resolution creating the same.
- (e) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith but in no respect in priority thereto.
- (f) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and Balance Sheets, and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preferences shares is in arrears for more than six (6) months.

**Preference shares.**

- 5. The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholders rights, may only be made pursuant to a special resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

**Modification of rights of different classes of shares.**

- 6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these Articles relating to the General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**Shares Buyback.**

7. Subject to the provisions of the Act and the requirements of the Kuala Lumpur Stock Exchange and/ or any other relevant authorities, the Company may purchase its own shares and make payment in respect of the purchase of its own shares on such date(s), terms and manner as may be determined from time to time by the Directors and that the Directors be empowered generally to do all act and things to give effect to the purchase of the said shares and to exercise the option to cancel such shares so purchased and/or to retain the purchased shares in treasury or both.

**Power to increase capital.**

41. The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all shares for the time issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividends, return of capital or otherwise as the Company by the resolution authorising such increase directs.

**Issue of new shares to members.**

42. (a) Subject to any direction to the contrary that may be given by the Company in General Meeting, any original shares for the time being unissued and not allotted and any new share from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this regulation.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**Waiver from exchange for convening of Extraordinary General Meeting for new issue of shares.**

- (b) Notwithstanding Article 42(a) above but subject always to the Act, the Company may apply to the Exchange for waiver of convening Extraordinary General Meetings to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where in accordance with the provision of Section 132D of the Companies Act, 1965 there is still in effect a resolution approving the issuance of shares by the Company; and the aggregate issues of which in any one financial year (other than by way of bonus or rights issues) do not exceed ten per cent (10%) of the issued capital.

**How far new shares to rank with original shares.**

- 43. Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

**Consolidation, cancellation and sub-division of capital.**

- 44. The Company may from time to time by ordinary resolution : -
  - (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe ;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum; so however that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

**Provision applicable to new shares created or change of company's capital.**

- 45. All new shares created as a result of any increase or change in the Company's capital shall be subject to the same provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**Reduction of capital.**

46. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner with, and subject to, any incident authorized, and consent required by law.

**B. TRANSFER OF SECURITIES****Transfer of securities**

24. The transfer of any securities or class of securities of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the company shall be precluded from registering and effecting any transfer of securities.

**Transmission of securities from foreign register.**

- 25 (1). Where –

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act, 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities, such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the register of the company in Malaysia (hereinafter referred to as “the Malaysian Register”) subject to the following conditions:-
  - (i) there shall be no change in the ownership of such securities; and
  - (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.

- (2). For the avoidance of doubt, no company which fulfils the requirements of paragraphs (a) and (b) of article 25(1) shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**Refusal to register transfers.**

26. The Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.

**C. REMUNERATION OF DIRECTORS****Remuneration of Directors.**

78. (a) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. That remuneration shall be deemed to accrue from day to day. Remuneration paid by the company to the alternate shall be deducted from the Director nominating him. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company.
- (b) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- (c) Salaries payable to executive Directors may not include a commission on or percentage of turnover.

**Increase in Directors' remuneration**

79. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.

**Remuneration for extra services**

80. If any Director being willing and having been called upon to do so by the other Directors shall render or perform special or extraordinary services or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit, either as a fixed sum or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**D. VOTING AND BORROWING POWERS OF DIRECTORS**

**Power of Director to borrow and issue debenture**

84. (a) The Directors shall not borrow any money or mortgage or charge any of the Company or subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- b) The Directors may borrow or raise money from time to time for the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company (both present and future) including its uncalled capital for the time being or by the issue of bonds, notes or debentures (whether at par or at a discount or premium) or otherwise as they may think fit.
- (c) The Directors may exercise all the powers of the Company to guarantee the payment of money payable under contracts or obligations of any related company with or without securities.
- (d) Without prejudice to the general powers conferred by the last preceding clauses and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers that is to say:
- 1) To purchase or otherwise acquire for the Company property, rights, privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
  - 2) To secure the fulfilment of any contract or agreement entered by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
  - 3) To appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries and to require security in such instances and at such amount as they think fit.
  - 4) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- 5) To make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company.
- 6) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they think fit and from time to time to vary or realise such investments.

Provided that any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to approval by shareholders in a general meeting.

- 7) The Directors may establish any local boards or agencies for managing any of the affairs of the Company in any part of the world, and may appoint any persons to be a member of such local boards, and any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate, and may authorise the members of any local board, or any of them to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. The Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

**Directors' interest.**

- 97. A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**Contracts or arrangements which the Directors can vote**

99. A Director may vote and be counted in a quorum at a meeting in respect of :
- (i) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
  - (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

**Relaxation of Restriction voting**

100. A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 of the Act.

**11.3 *Directors and Substantial Shareholders***

10. The names, addresses and occupation of the Director are set out in Corporate Information Section of this Prospectus.
11. No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-
- a) a petition under bankruptcy laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is an executive officer;
  - b) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
  - c) the subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution or engaging in any type of business activity or practice.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

12. There are no existing or proposed service contracts between the Directors and the Company or its subsidiaries excluding contracts expiring, or terminable by the employing company without payments or compensation (other than statutory compensation) within one (1) year.
13. For the financial year ended 31 August 2000, the remuneration payable to the Directors for services in all capacities to the Company and its subsidiaries company was RM612,000. For the current financial year ending 31 August 2001, the estimated remuneration payable to the Directors for services in all capacities is RM876,000.
14. According to the Register of Directors Shareholdings of Top Glove as at 8 February 2001, the beneficial interests of the Directors in the shares of the Company are as follows:-

	BEFORE THE IPO				AFTER THE IPO			
	Direct No. of shares	%	Indirect No of shares	%	Direct No of shares *	%	Indirect No of shares	%
Lim Wee Chai	22,072,947	51.94	(a)11,417,958	26.87	14,685,813	29.37	(a)7,621,178	15.24
Tong Siew Bee	1,358,575	3.20	(b)32,132,330	75.62	913,242	1.83	(b)21,393,749	42.79
Tan Sri Datuk Arshad bin Ayub	-	-	-	-	1,875,000	3.75	-	-
Lim Hooi Sin	2,083,742	4.90	(c)31,407,163	73.91	1,395,366	2.79	(c) 20,911,625	41.82
Lau Boon Ann	-	-	-	-	10,000	0.02	-	-
Sekarajasekaran a/l Arasaratnam	3,104,076	7.31	-	-	2,073,731	4.15	-	-
Haji Shahadan Bin Haji Abd. Manas	-	-	-	-	2,510,000	5.02	-	-

\* Includes the 10,000 shares allocated to each of the Directors of Top Glove as part of the pink form's allocation

**Notes:**

- (a) Deemed interested through Tong Siew Bee, Lim Hooi Sin, Lim Quee Choo and TG Holding's direct interest in Top Glove
- (b) Deemed interested through Lim Wee Chai, Lim Hooi Sin, Lim Quee Choo and TG Holding's direct interest in Top Glove
- (c) Deemed interested through Lim Wee Chai, Tong Siew Bee, Lim Quee Choo and TG Holding's direct interest in Top Glove

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

15. According to the Register of Substantial Shareholders of Top Glove as at 8 February 2001, the substantial shareholders of Top Glove and their respective direct and indirect interests in the shares of the Company are as follows:-

	BEFORE THE IPO				AFTER THE IPO			
	Direct No. of shares	%	Indirect No of shares	%	Direct No of shares	%	Indirect No of shares	%
Lim Wee Chai	22,072,947	51.94	(a)11,417,958	26.87	14,685,813*	29.37	(a)7,621,178	15.24
Tong Siew Bee	1,358,575	3.20	(b)32,132,330	75.62	913,242*	1.83	(b)21,393,749	42.79
Lim Hooi Sin	2,083,472	4.90	(c)31,407,163	73.91	1,395,366*	2.79	(c)20,911,625	41.82
United Gloves Sdn Bhd	4,656,115	10.96	-	-	3,095,597	6.19	-	-
Sekarajasekaran a/l Arasaratnam	3,104,076	7.31	-	-	2,073,731*	4.15	-	-
Lim Quee Choo	904,978	2.13	(d)32,585,928	76.69	611,671	1.22	(d)21,695,320	43.39
TG Holding	7,070,663	16.64	-	-	4,700,899	9.40	-	-
Tan Sri Datuk Arshad bin Ayub	-	-	-	-	1,875,000	3.75	-	-
Haji Shahadan bin Haji Abd Manas	-	-	-	-	2,510,000	5.02	-	-
Lee Kim Meow	279,588	0.66	-	-	195,883	0.39	-	-

\* Includes the 10,000 shares allocated to each of the Directors of Top Glove as part of the pink form's allocation

**Notes:**

- (a) Deemed interested through Tong Siew Bee, Lim Hooi Sin, Lim Quee Choo and TG Holding's direct interest in Top Glove
- (b) Deemed interested through Lim Wee Chai, Lim Hooi Sin, Lim Quee Choo and TG Holding's direct interest in Top Glove
- (c) Deemed interested through Lim Wee Chai, Tong Siew Bee, Lim Quee Choo and TG Holding's direct interest in Top Glove
- (d) Deemed interested through Lim Wee Chai, Tong Siew Bee, Lim Hooi Sin and TG Holding's direct interest in Top Glove

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)****Directors and Substantial Shareholders of Top Glove Holding Sdn Bhd and United Gloves Sdn Bhd****Top Glove Holding Sdn Bhd**

<b>Directors and Substantial Shareholders</b>	<b><u>Direct</u></b>		<b><u>Indirect</u></b>	
	<b><u>No of shares</u></b>	<b><u>%</u></b>	<b><u>No of shares</u></b>	<b><u>%</u></b>
Lim Wee Chai	495,000	99.00	5,000*	1.00
Tong Siew Bee	5,000	1.00	495,000**	99.00

\* Deemed interested through his spouse Tong Siew Bee

\*\* Deemed interested through her spouse Lim Wee Chai

**United Gloves Sdn Bhd**

	<b><u>Direct</u></b>		<b><u>Indirect</u></b>	
	<b><u>No of shares</u></b>	<b><u>%</u></b>	<b><u>No of shares</u></b>	<b><u>%</u></b>
<b><u>Directors</u></b>				
Robert John McGregor	-	-	-	-
Yong Siew Fun	500,000	50.00	500,000*	50.00
Thomas s/o Mariasoosay	-	-	-	-
Syed Mohd Tahir Bin Dato' Syed Azman	-	-	-	-
Lau Boon Ann (alternate Director to Yong Siew Fun)	-	-	-	-
<b><u>Substantial Shareholders</u></b>				
Yong Fong Lim	500,000	50.00	500,000**	50.00
Yong Siew Fun	500,000	50.00	500,000*	50.00

\* Deemed interested through her father's (Yong Fong Lim) interest in United Gloves Sdn Bhd

\*\* Deemed interested through his daughter's (Yong Siew Fun) interest in United Gloves Sdn Bhd

16. None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiary and which is not quoted on a recognised stock exchange.
17. Save as disclosed below, no Director has any interest, direct or indirect, in the promotion of or in any assets which have, within the two (2) preceding years of the date of this Prospectus been acquired or disposed of by or leased to the Company or its subsidiaries, or are proposed to be acquired, disposed of by or leased to the Company or its subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company or its subsidiaries.

## 11. STATUTORY AND GENERAL INFORMATION (Cont'd)

TGSB (Acquisition of TGSB)	
Director/ Substantial shareholder	Nature of interest
Lim Wee Chai	Director and substantial shareholder of TGSB
Tong Siew Bee	Director and substantial shareholder of TGSB
Lim Hooi Sin	Substantial shareholder of TGSB
Lim Quee Choo	Substantial shareholder of TGSB
Sekarajasekaran a/l Arasaratnam	Substantial shareholder of TGSB

TG Medical (Acquisition of TG Medical)	
Director/ Substantial shareholder	Nature of interest
Lim Wee Chai	Director and substantial shareholder of TG Medical
Tong Siew Bee	Director and substantial shareholder of TG Medical
Lim Hooi Sin	Substantial shareholder of TG Medical
Lim Quee Choo	Substantial shareholder of TG Medical

TG Engineering (Acquisition of TG Engineering)	
Director/ Substantial shareholder	Nature of interest
Lim Wee Chai	Director and substantial shareholder of TG Engineering
Tong Siew Bee	Director and substantial shareholder of TG Engineering

TG USA (Acquisition of TG USA)	
Director/ Substantial shareholder	Nature of interest
Lim Wee Chai	Director and substantial shareholder of TG USA
Lim Hooi Sin	Director and substantial shareholder of TG USA
Tong Siew Bee	Substantial shareholder of TG USA
Lim Quee Choo	Substantial shareholder of TG USA

GG (Acquisition of GG)	
Director/ Substantial shareholder	Nature of interest
Lim Wee Chai	Director and substantial shareholder of GG
Tong Siew Bee	Director and substantial shareholder of GG

### 11.4 General

18. The nature of the Company's business and the names of all corporations which are deemed related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in Section 4 of this Prospectus.
19. The time of the opening of the Application List is set out in Section 12 of this Prospectus.
20. The amount payable in full on application to the Company/Offerors is RM2.70 per Share.
21. Save as disclosed in this Prospectus, no Shares or debentures of the Company or its subsidiaries have been issued or proposed to be issued as fully or partly paid-up for cash or otherwise than in cash within the two(2) preceding years of the date of this Prospectus.

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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22. As at the date of this Prospectus, neither the Company nor its subsidiaries have any convertible debt securities.
23.
  - a) Underwriting commission is payable to the Underwriters at the rate of 2.15% of the IPO price of RM2.70 per Share on the Shares being underwritten which form the subject of this Prospectus. In addition management fees of a 0.25% of the IPO price of RM2.70 is payable to the Managing Underwriter based on the value of the Shares underwritten by the Managing Underwriter;
  - b) Brokerage will be paid at the rate of 1% of the IPO of RM2.70 per Share to the parties in the circumstances specified in Section 2.6 of this Prospectus; and
  - c) Fees incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE amounting to RM1,500,000 will be borne by the Company. The Offerors shall bear all stamp duty, brokerage, registration and transfer fees relating to the Offer Shares.
24. Save as disclosed in paragraph 23, no commission, discount, brokerages or other special terms have been paid or granted within the two preceding years of the date of this Prospectus or is payable by the Company or its subsidiary within the two(2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of the Company or its subsidiary and no Director or proposed Director or promoter or expert is entitled to receive any such payment in connection with the issue and sale of the Company and its subsidiaries.
25. No amount or benefit has been paid or given within the two(2) years preceding the date hereof, nor is it intended to be paid or given, to any promoter.
26. The name and address of the Auditors are set out in the Corporate Information page of this Prospectus.
27. Save as disclosed in Section 3 of this Prospectus, the Directors of the Company or its subsidiaries are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiaries.
28. Save as disclosed in Section 3 of this Prospectus and the material litigation set out in paragraph 36 below, the Directors of the Company are of the view that the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:-
  - a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonable likely to result in the Company or its subsidiary's liquidity increasing or decreasing in any material way;
  - b) Material commitments for capital expenditure;

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
  - d) Known trends or uncertainties that have had or that the Company or its subsidiaries reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.
- 29. With the exception of the Public Issue, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
- 30. During the last financial year and the current financial year, there were:-
  - a) no public take-over offers by third parties in respect of the Company's shares; and
  - b) no public take-over offers by the Company in respect of other companies' shares.
- 31. Other than the 2,500,000 Shares reserved for Directors and eligible employees of Top Glove Group pursuant to this Prospectus, there are at present no other schemes involving the staff or the Directors in the capital of the Company and its subsidiaries as at the date of this Prospectus.
- 32. The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 12 of this Prospectus.
- 33. The particulars of any capital (of the Company or any of its subsidiaries), which has, within 2 years immediately preceding the publication of this Prospectus, been issued for cash has been set out in Section 4.2 of this Prospectus. The shares issued have been fully paid.
- 34. So far as is known to Top Glove, the persons who jointly or severally exercise control over Top Glove are the promoters, Lim Wee Chai, Tong Siew Bee, major shareholders Lim Hooi Sin and Lim Quee Choo and Top Glove Holding Sdn Bhd. Collectively these parties will own 22,306,991 Shares or 44.6% of Top Glove's enlarged share capital.

**11.5 Material Contracts, Litigation and Contingent Liabilities**

- 35. Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries within the two (2) years preceding the date of this Prospectus:-
  - a) On 22 November 1999, TGSB entered into 2 conditional Sale and Purchase Agreement with Safeskin Corporation (Malaysia) Sdn Bhd and Safeskin Engineering Sdn Bhd for the acquisition of 4 plots of land with factory and plant and machinery for a consideration of RM19 million;

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**


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- b) On 30 June 1999, TGSB entered into a conditional Sale and Purchase Agreement with Tan Hu Cha @ Tan Siew Mian to purchase a plot of freehold vacant land held under EMR 6158, Survey No. 5130, Mukim Kapar for a consideration of RM1,101,562; and
  - c) Sale and Purchase Agreements dated 1 September 2000 between Top Glove and Lim Wee Chai, Tong Siew Bee, Lee Kim Meow, Lim Hooi Sin, Lim Quee Choo and TG Holding for the Acquisition of TG Medical for a purchase consideration of 10,142,301 to be satisfied by the issuance of Shares in Top Glove at an issue price of approximately RM1.16 per Share.
  - d) Sale and Purchase Agreements dated 1 September 2000 between Top Glove and Lim Wee Chai, Tong Siew Bee, Lim Hooi Sin, United Gloves Sdn Bhd, Sekarajasekaran a/l Arasaratnam and Lim Quee Choo for the Acquisition of TGSB for a purchase consideration of 18,016,500 to be satisfied by the issuance of Shares in Top Glove at an issue price of approximately RM1.16 per Share
  - e) Sale and Purchase Agreements dated 1 September 2000 between Top Glove and Lim Wee Chai and Tong Siew Bee for the Acquisition of TG Engineering for a purchase consideration of 979,693 to be satisfied by the issuance of Shares in Top Glove at an issue price of approximately RM1.16 per Share
  - f) Sale and Purchase Agreements dated 1 September 2000 between Top Glove and Lim Wee Chai, Tong Siew Bee, Lim Hooi Sin and Lim Quee Choo for the Acquisition of TG USA for a purchase consideration of 934,021 to be satisfied by the issuance of Shares in Top Glove at an issue price of approximately RM1.16 per Share
  - g) Sale and Purchase Agreements dated 1 September 2000 between Top Glove and TG Holding for the Acquisition of GG for a purchase consideration of 58,731 to be satisfied by the issuance of Shares in Top Glove at an issue price of approximately RM1.16 per Share
  - h) Sale and Purchase Agreements dated 11 October 2000 between TGSB and Liew Wei Yuan for the acquisition of a piece of freehold land held under G.M. 2143 Lot No 4969, Mukim Kapar, District of Klang, Selangor measuring in area approximately 3 acres for a total purchase consideration of RM1.6 million.
  - i) Sale and Purchase Agreement dated 1 July 1999 between TG Medical and Ricwil (Malaysia) Sdn Bhd for the acquisition of a piece of land held under EMR 8769, Survey No. 5972 and 5974, Mukim Kapar, District of Klang, Selangor measuring in area approximately 1 acre for a total purchase consideration of RM74,000.
36. Save as disclosed below, the Company and its subsidiaries are not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Company or subsidiaries:-



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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**


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On 8 November, 2000 Top Glove Sdn. Bhd. ("TGSB"), a subsidiary, was served a writ of summons (Shah Alam High Court Civil Suit No. MT3-22-431-2000) by Supermax Glove Manufacturing Sdn. Bhd. ("SGM") claiming damages in the region of USD 2 million. The claim alleges passing off by TGSB of certain coloured boxes bearing the device of a glove containing gloves manufactured by TGSB under the brand name "SAFEMAX" as boxes containing gloves manufactured by SGM under the brand name "SUPERMAX". The alleged infringing boxes are also alleged to carry notations of certain certifications of quality accreditation belonging to SGM. Apart from damages, SGM have, *inter alia*, sought by way of relief injunctions preventing TGSB from carrying on certain acts relating to the alleged infringement and an order for the delivery up or destruction of the infringing goods.

SGM also applied to the Courts for interlocutory relief pending final disposal of the claim. It was initially fixed for hearing on 20 November 2000 but was adjourned to 16 April 2001. Certain limited undertakings were given by TGSB to the courts pending final disposal of the application, including that TGSB by itself or its officers shall not (i) manufacture or sell gloves under the brand name "SAFEMAX" packaged in boxes bearing certain designs, and (ii) reproduce on any packaging material produced by TGSB any registration or other identification number peculiar to SGM in respect of any certificates of quality/accreditation.

TGSB, through its appointed solicitors, M/s Ranjit Ooi & Robert Low, entered an appearance to the suit on 9 November 2000. A statement of defence to the claim was filed on 5 December 2000. TGSB also filed a counter claim against SGM on 5 December 2000 for general damages for the tort of abuse of process and/or unlawful interference with trade or business and/or the commission of positive and deliberate acts designed to injure TGSB on, *inter alia*, the alleged basis that SGM had commenced the suit with the collateral and dominant purpose of interfering with and adversely affecting the pending listing exercise of TGSB's holding company, Top Glove.

TGSB's appointed solicitors have opined that SGM's case against TGSB is weak and unlikely to succeed on the grounds, *inter alia*, that (i) the alleged infringing goods were manufactured for, and at the request of, one of TGSB's customers in Brazil in accordance with its normal trade practice with respect to "original equipment manufacturing" customers, and was never packaged for circulation or sale in Malaysia. Further, SGM's holding company has, since cessation of supply of gloves to the customer in August 2000, entered into a joint venture with the same customer, (ii) the customer had provided for adoption by TGSB, and expressly required exact reproduction by TGSB of, the complete artwork and specifications for the packaging of the gloves and (iii) after 2 initial shipments shipped out in early July and early August 2000, respectively, no further orders were received from the customer and TGSB accordingly ceased supplying the packaging of gloves under the "SAFEMAX" branding for the customer, (iv) the quality logos appearing on the alleged infringing packaging are not peculiar to SGM as TGSB itself has obtained all the quality certifications and/or accreditations associated with the quality logos, and (v) TGSB itself is a reputable and one of the leading glove manufacturers and worldwide exporters with its own established in-house brand name (including "Top Glove") having a production capacity of over 2.4 billion gloves per year. Consequently, TGSB has no reason to want or intend to pass off its goods as that of SGM's.

TGSB's appointed solicitors are of the view that it is premature at this time to ascertain the financial outcome of the civil action.

## **11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

37. As at 8 February 2001, the Group has contingent liabilities of RM1,560,990. Particulars of these contingent liabilities are set out in Section 7.2 of this Prospectus. In addition, Top Glove is also subject to the suit set out in paragraph 36 above.

### **11.6 Consents**

38. The consent of the Adviser and Managing Underwriter, Underwriters, Solicitors, Valuers, Principal Bankers, Registrars, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the context and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
39. The consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, letter on the Profit Forecast, letter on the Proforma Consolidated Balance Sheets and Accountants' Report in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
40. The consent of MARGMA for the inclusion of the statements made of MARGMA in the form and context in which the statements are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

### **11.7 Documents for Inspection**

41. Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of six(6) months from the date of the Prospectus:-
- (a) Memorandum and Articles of Association of Top Glove Group;
  - (b) Directors' Report and Accountants' Report as included herein;
  - (c) Auditors' Letters relating to the Consolidated Profit Forecast and Proforma Consolidated Balance Sheets as included herein;
  - (d) Audited accounts of Top Glove for two(2) financial years ended 31 August 2000;
  - (e) Audited accounts of TGSB for five(5) financial years ended 31 August 2000;
  - (f) Audited accounts of TG Medical for two(2) financial years ended 31 March 1996 till 1997, three(3) financial years ended 31 August 1997 till 31 August 2000;
  - (g) Audited accounts of TG Engineering since incorporation to the period ended 31 August 2000;
  - (h) Audited accounts of TG USA for four(4) financial years ended 31 December 1995 till 1998, eight(8) months ended 31 August 1999 and year ended 31 August 2000;
  - (i) Audited accounts of GG for three(3) financial periods ended 31 December 1998 and two financial years ended 31 August 1999 and 2000;
  - (j) The material contracts referred to under the Section "Material Contracts, Litigation and Contingent Liabilities";
  - (k) Valuers' letter as set out in Section 9 of this Prospectus; and

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**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (l) The letters of consent referred to under the Section “Consents” of this Prospectus.
- (m) Writ of summons (Shah Alam High Court Civil Suit No. MT3-22-431-2000) served by Supermax Glove Manufacturing Sdn. Bhd. on TGSB and the opinions from M/s Ranjit Ooi and Robert Low, solicitors for TGSB as well as TGSB’s reporting accountant, M/s Arthur Andersen & Co in respect of the aforementioned suit.

**11.8 Responsibility**

- 42. Arab-Malaysian Merchant Bank Berhad acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the IPO and the Top Glove Group, and is satisfied that the consolidated profit forecast (for which the Directors of the Company are solely responsible) have been stated by the Directors of the Company after due and careful inquiry and have been duly reviewed by the Reporting Accountants.
- 43. This Prospectus has been seen and approved by the Directors of the Company and the Offerors, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement herein misleading.

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