

# TOP GLOVE IN 'EXCLUSIVE' TALKS TO BUY MEDICAL GLOVES BUSINESS IN MALAYSIA

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*A health care worker removes protective glove in this representational image. Reuters*

Top Glove Corp, a Malaysia-based rubber-glove maker, on Friday said it entered into a term sheet with Adventa Capital to acquire its medical gloves business.

Top Glove intends to acquire Adventa Capital's unit Aspion, which is a significant player in the surgical glove market.

The final terms for Aspion acquisition have yet to be decided, but Adventa has agreed to only negotiate with Top Glove until January 15, 2018.

Top Glove said that the purchase consideration will be based on Aspion's after-tax profit, a possible guarantee by Adventa in case of a profit shortfall in 2018, and a possible multiple of 16 to 18 times of the 2018 target after-tax profit.

The proposed deal will provide Top Glove with an expanded product range as well as the use of technologies and innovations of the Aspion Group, the company said.

Meanwhile, the deal is expected to contribute positively to the gross profit margin of the enlarged group as surgical gloves typically command higher average selling prices than other types of gloves, including examination gloves.

Shares in Top Glove last traded at S\$2.20 on the Singapore Exchange before the trading halt.

*International Business Times*