

TOP GLOVE ENTERS NEGOTIATIONS FOR ASPION PURCHASE

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KUALA LUMPUR: Top Glove Corp Bhd entered into a memorandum of understanding to negotiate the terms for the acquisition of Adventa's unit Aspion Sdn Bhd.

According to the term sheet, the purchase consideration will be based on a profit after tax (PAT) of RM80mil for Aspion in FY2018, a guarantee by Adventa to reimburse Top Glove for any shortfall in the PAT, and a contemplated price-to-earnings multiple of 16 to 18 times the 2018 target PAT.

The transaction will be satisfied via cash and shares, with the issuance of new shares not exceeding 10% of the value of the acquisition.

Following the acquisition, the current management team of Aspion is expected to stay on with the company.

The exclusivity period for the negotiations will expire on Jan 15, 2018.

Top Glove said the proposed acquisition of surgical glove maker Aspion is grow the group's business via a products extension merger.

It will help to establish the group as the largest surgical glove exporter in Malaysia, develop its presence in the surgical glove market as well as boost gross profit margins.