

TOP GLOVE TO BUYS ASPION GROUP TO BECOME WORLD'S LARGEST SURGICAL GLOVE PRODUCER

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KUALA LUMPUR: Top Glove Corporation Bhd is set to reinforce its market leadership as the world's largest medical glove producer after it announced plans to buy surgical glovemaking Aspion Sdn Bhd.

In a filing to Bursa Malaysia today, the company said it had entered into a term sheet with Adventa Capital Pte Ltd (ACPL) to buy the entire stakes in Aspion, a wholly-owned subsidiary of ACPL.

Top Glove said as part of the strategy to effectively and sustainably grow the business of the group, the board had continually explored both organic expansion plans by constructing new facilities and optimising existing facilities as well as inorganic expansion plans by acquiring or merging with businesses that synergise with its current business.

The acquisition represents an initiative by the board to inorganically grow the group's business by a products extension merger with the Aspion Group, which is a significant player in the surgical glove market.

"As such, the proposed transaction will provide the group with an expanded product range as well as the use of technologies and innovations of the Aspion Group, thereby reinforcing the group's market leadership as the world's largest medical glove producer," it said.

Top Glove said the acquisition is expected to add value by merging and leveraging both companies' skills and experience, management talent as well as valued customers and suppliers, thereby strengthening the group's growth profile and long-term value creation potential.

"In particular, the group will be able to serve its enlarged customer base more effectively with an enhanced range of high quality and cost effective medical gloves across multiple categories, including examination gloves, surgical gloves and new market leading innovative glove products," it said.

Top Glove said among the term agreed includes Aspion's target of a net profit of at least RM80 million in the fiscal year ending October 31, 2018.

If it fails to hit that target, ACPL will reimburse any shortfall from that figure.

Top Glove said the purchase consideration will be paid via a combination of cash and issuance of new shares.

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