

TOP GLOVE PROPOSES BONUS ISSUE, US\$300M BOND SALE

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KUALA LUMPUR (April 20): Top Glove Corp Bhd proposed a bonus issue involving up to 1.28 billion new shares to reward shareholders. The group also plans to issue up to US\$300 million worth of bonds, which will raise funds mainly to repay Top Glove's bank borrowings. In a statement to Bursa Malaysia today, Top Glove said it plans to implement the bonus issue on the basis of one bonus share for one existing Top Glove share. The company said the bonds may be exchanged "at the option of the holders of the bonds" into new Top Glove shares.

"The company undertakes the proposed bonus issue to reward the company's shareholders in the form of bonus shares which will enable the shareholders to have greater participation in the equity of Top Glove in terms of number of shares while retaining their percentage of equity interest held. In addition, the proposed bonus issue will increase the number of Top Glove shares in issue, which may potentially improve the liquidity and marketability of Top Glove shares.

"The exact amount of proceeds to be raised from the proposed bonds issue cannot be determined at this juncture as the amount would depend on the actual issue size and the fixed exchange rate. For illustrative purposes only, based on the maximum issue size of US\$300 million and the exchange rate of RM3.8643:US\$1.00 (based on Bloomberg 'BFIX' spot mid price as at 12.00 pm on the LPD (latest practicable date/April 4, 2018), the proposed bonds issue is expected to raise gross proceeds of approximately RM1.16 billion," Top Glove said.

According to Top Glove, CIMB Investment Bank Bhd is the principal adviser for the bonus share and bond issue. CIMB, BNP Paribas Malaysia Bhd and their affiliates have been appointed as joint global coordinators, lead managers and bookrunners for the bond issue, the company said.

At 12:30pm, Top Glove shares settled at RM10.24 for a market value of RM13.15 billion. Top Glove said it has an existing issued base of 1.28 billion shares.