

TOP GLOVE SECURES US\$310M SYNDICATED LOAN FACILITY

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SETIA ALAM (March 16): Top Glove Bhd, the world's largest rubber glove manufacturer, has secured a US\$310 million syndicated facility to part-finance the acquisition of Aspion Sdn Bhd — one of the largest surgical glove producers globally, for a purchase consideration of RM1.37 billion.

This loan agreement comes on the back of Top Glove's announcement last November of its proposal to acquire Aspion from Adventa Capital Pte Ltd.

Its executive chairman Tan Sri Dr Lim Wee Chai said it is not easy to draw interest from several international and local banks.

"It is not easy for us to get a lot of banks' support, so a good track record is important. We will never fail the banks' expectation and will continue to build our reputation as a company or person.

"Bankers like to deal with people with good image and we will continue to practice good business ethics to deliver a good track record," Lim said at the loan signing ceremony today.

The US\$310 million credit facility comprise US\$155 million two-year term loan facility and US\$155 million five-year murabahah facility.

The syndication credit facility was led by Citibank Bhd with seven others financial institutions which include Bank of Tokyo-Mitsubishi UFJ (Malaysia) Bhd, Hong Leong Bank, Mizuho Bank (Malaysia) Bhd, Sumitomo Mitsui Banking Corporation Malaysia Bhd, BNP Paribas Malaysia Bhd, Bangkok Bank Bhd and Bank of China.

Lim said strong response from investors has led to oversubscriptions of 2.5 times of the facility size.

“This syndicated credit facility with Citi and its partners also underscores their confidence in our business prospects and growth strategy,” he added.

Meanwhile Citi Malaysia chief executive officer Lee Lung Nien said large investor interest in this syndication reflects the strong liquidity and demand for Malaysian credit from global investors.

“This landmark transaction by Top Glove underscores the great potential and opportunities for more Malaysian companies to raise cost-effective financing,” Lee said.

The proposed acquisition comes with a profit guarantee of two years, up to a maximum of RM100 million, based on Aspion financial year ending Oct 31, 2019.

The acquisition is targeted for completion by early April this year. Upon completion, Top Glove will emerge as the largest surgical glove manufacturing, from its 12% market share as of last year.

At 12.09pm, Top Glove dipped 0.81% or 8 sen to RM9.77, with 1.07 million shares traded.