

TOP GLOVE INKS AGREEMENT TO BUY ASPION FOR RM1.37BIL

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KUALA LUMPUR: Top Glove Corp Bhd has signed a deal to acquire Aspion Sdn Bhd, one of the largest surgical glove producers globally, for a purchase consideration of RM1.37bil in cash and shares.

In a statement on Friday, the glovemakinger said it had entered into a share purchase agreement with Adventa Capital Pte Ltd for the proposed acquisition. The parties had in November 2017 entered into a term sheet to negotiate definitive agreements.

On the purchase consideration, Top Glove said RM1.23bil will be satisfied by cash while the balance of RM137mil will be satisfied via the issuance of 20.5 million shares at RM6.6813 each .

Top Glove said the cash portion would be funded entirely from a combination of conventional and Islamic term financing.

It added that the proposed acquisition comes with a profit guarantee of two years, up to a maximum of RM100mil.

Upon completion of the proposed acquisition of Aspion, Top Glove will emerge the global leader in surgical glove manufacturing, further solidifying its status as the world's largest manufacturer of gloves.

Top Glove said the acquisition was well-aligned with the group's strategy to effectively and sustainably grow its business, representing an initiative to inorganically grow the business via a product extension merger, alongside Top Glove's organic expansion plans.

“Upon completion, the acquisition will not only provide Top Glove with an expanded product range, but full access to Aspion’s technologies and innovations as well, reinforcing Top Glove’s market leadership,” it said.

Top Glove executive chairman Tan Sri Lim Wee Chai said: “We are pleased to move towards finalising the acquisition of Aspion, which marks an important milestone for Top Glove and bodes well for our future growth. We are confident our intended acquisition will further cement our leadership position in the glove industry and take our business to the next level of success”.

Upon completion of the proposed acquisition, Low Chin Guan will be appointed managing director of Aspion.

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