

TOP GLOVE EYES THREE ACQUISITIONS IN 2018

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TOP Glove Corporation Bhd is expected to make three acquisitions this year as part of the group's ongoing effort to expand its business.

Executive chairman Tan Sri Dr Lim Wee Chai said the move is part of the group's effort to accelerate growth to about 10% a year, against its current annual growth rate of 2.35%.

"Investors want us to grow at a faster pace so we need to conduct merger and acquisition activities. Last year, we acquired two companies. This year, we plan to acquire three," Lim said at Top Glove's quarterly financial briefing in Shah Alam today.

The world's largest glove manufacturer has just agreed to acquire surgical glove exporter, Aspion Sdn Bhd – a subsidiary of Adventa Capital Pte Ltds – for a purchase consideration of RM1.4 billion.

The deal, set to be completed in April 2018, will propel the world's largest glove manufacturer as the dominant player in the surgical gloves segment.

Aspion is one of the leaders in the surgical glove industry with an 18% global market share. It has an annual production capacity of five billion pieces through its production facilities in Kulim, Kedah, Kota Baru, Kelantan and Kluang, Johor.

Top Glove said the transaction will be partly satisfied by cash and the issuance of some 20.5 million new shares at an issue price of RM6.68 apiece.

The group has appointed Hong Leong Investment Bank Bhd as its transaction and principal advisor, while Credit Suisse is the sole financial advisor to Adventa Capital.

Citigroup Global Markets Asia Ltd has also been mandated to coordinate a US\$310 million (RM1.2

billion) financing package consisting of conventional and Islamic facilities to partially finance the proposed acquisition, the company added.

The Malaysian Reserve