TOP GLOVE UNIT TG EXCELLENCE'S SUKUK PRICED AT 3.95%

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KUALA LUMPUR: Top Glove Corporation Bhd's unit TG Excellence Bhd is set to raise RM1.3bil from the perpetual sukuk issuance, having successfully priced its maiden transaction.

"The initial yield on the perpetual sukuk was priced at 3.95% per annum, which represents the lowest yield ever achieved for a corporate perpetual transaction in the Malaysian markets, " it said on Thursday.

The perpetual sukuk attracted an order book of more than RM7bil at the final price, with participation coming from a diversified investor base, including asset managers, insurance companies, private banking, corporates and financial institutions.

Top Glove said the proceeds will be used to pare down the company's borrowings, and will also be earmarked for capital expenditure, working capital and general corporate purposes.

The perpetual sukuk, rated AA- by Malaysian Rating Corporation Bhd (MARC), has no legal maturity date.

The company has the option to redeem the perpetual sukuk five years from the issue date, or on every six months interval thereafter.

Top Glove executive chairman Tan Sri Dr Lim Wee Chai said: "We are very pleased with the outcome of our debut perpetual sukuk transaction.

"The final pricing of 3.95% p.a. that we achieved, as well as the very strong order book exceeding RM7bil, reflects the confidence that investors have in Top Glove and the current favourable market conditions, " he said.

The perpetual sukuk is scheduled to be issued on Feb 27.

CIMB Investment Bank Bhd and Hong Leong Investment Bank Bhd are the joint principal advisers, joint lead arrangers and joint bookrunners. CIMB Islamic Bank Bhd is the shariah adviser for the perpetual sukuk.