



Top Glove Corporation Bhd

(Company No. 199801018294 [474423-X])

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PRESS RELEASE

For Immediate Release

TOP GLOVE LAUNCHES MAIDEN EXCHANGEABLE BOND OFFERING

- **The first exchangeable conventional bond priced out of Malaysia within a decade**
- **Exchangeable bonds of USD200 million priced**

Shah Alam, Thursday, 21 Feb 2019 Top Glove Corporation Bhd (“the Company”) has successfully priced its maiden exchangeable bonds (“Bonds”) in the principal amount of USD200 million on 20 February 2019, via its subsidiary Top Glove Labuan Ltd. The proceeds from the offering of the Bonds after deducting fees and expenses, will be utilised for the refinancing of existing foreign currency borrowings of Top Glove’s group of companies.

The Bonds have a tenure of 5 years and will mature on 1 March 2024. The Bonds include an exchange option which enables bondholders to exchange their Bonds for the Company’s shares at an initial exchange price of RM6.20 per share. The Bonds were priced at a commendable exchange premium of 20% with a coupon of 2.00% per annum.

The Bonds represent another important milestone in the Company’s 28-year history, as it is the Company’s inaugural offering in the international capital markets. The bond offering also came on the heels of the Company’s successful inclusion into the FTSE Bursa Malaysia KLCI Index in December 2018. It marks the first exchangeable conventional bonds priced out of Malaysia, after almost a decade. The bond offering was priced through an accelerated book-building process and well-received by investors across Asia and Europe.

The Bonds offer numerous benefits to Top Glove which include:

- i. lower funding costs due to the equity optionality embedded in the instrument;

- ii. mitigation of exposure to fluctuating interest rates due to the fixed nature of the coupon under the Bonds, resulting in a more efficient cashflow management;
- iii. diversification of funding sources;
- iv. the new shares to be issued upon exchange of the Bonds by the bondholders, are expected to strengthen the Company's equity base, lower gearing ratios, increase shareholding spread and potentially enhance the liquidity of the Company's shares; and
- v. ability to naturally hedge its USD-denominated funding instrument against the group's revenue from its export business, which is mainly denominated in USD.

Commenting on the corporate exercise, Tan Sri Dr Lim Wee Chai, Executive Chairman of the Company said, "Raising funds via the issuance of exchangeable bonds will enable us to refinance existing loans at a lower annual interest rate. This in turn, helps us to enhance our working capital and strengthen our financial position".

"Exchangeable bonds also enable investors to participate in the equity of our company upon exchange and allow them to benefit from an appreciation in the future share price", Tan Sri Dr Lim added.

The joint global coordinators and joint bookrunners for the bond issuance are BNP Paribas Securities (Asia) Limited, CIMB Bank (L) Limited and Citigroup Global Markets Limited.

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About Top Glove

Top Glove Corporation Bhd is listed on the Main Board of Bursa Malaysia Securities Berhad and Mainboard of Singapore Exchange Securities Trading Ltd. It is also one of the component stocks of the MSCI Global Standard Index, FTSE Bursa Malaysia KLCI Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, and FTSE4Good Bursa Malaysia Index. Top Glove is currently the world's largest manufacturer of gloves with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. It has over 2,000 customers worldwide and exports to 195 countries.

Summary of key information:

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