

NOT ALL GLOOM AND DOOM FOR TOP GLOVE

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Legal action: Top Glove is now taking legal action against the vendors of Aspion and has claimed a sum of no less than RM714.86mil in overstatement of assets and valuations.

On July 5, the share price of the world's largest glove manufacturer, Top Glove Corp Bhd, hit a record high and its market capitalisation rose to RM15.72bil.

Barely four days later, the stock tumbled 30% and hit limit-down, erasing nearly RM3.8bil off its market value in a single day.

The reason? Allegations of fraudulent misrepresentation related to Aspion Sdn Bhd, a surgical glove specialist which Top Glove acquired in April 2018.

Top Glove said in a Bursa Malaysia filing on July 6 that there was a conspiracy to defraud the group by Aspion's vendors during its acquisition of Aspion from former owner Adventa Capital Pte Ltd.

One of the vendors is Low Chin Guan, Adventa Bhd's managing director, who is also an executive director of Top Glove. Low, the previous owner of Aspion, has since been suspended from Aspion's operations.

Following an investigation, the Top Glove management found out that Aspion may not be able to achieve the profit guaranteed by Adventa Capital, due to inaccurate historical information provided earlier during the bidding process.