

TOP GLOVE INITIATES LEGAL ACTION AGAINST ASPION DIRECTORS, ADVENTA CAPITAL

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KUALA LUMPUR (July 6): In a surprise move, Top Glove Corp Bhd and its wholly-owned unit Top Care Sdn Bhd have initiated a writ action against two directors of Aspion Sdn Bhd for a sum of no less than RM714.86 million.

In a statement today, Top Glove and Top Care also initiated two separate originating summons against Aspion's former parent company Adventa Capital Pte Ltd to restrain the latter from disposing of its assets in Malaysia and Singapore by the same amount.

In the writ action, Top Glove alleged Aspion directors Low Chin Guan and Wong Chin Toh were in a conspiracy to defraud the company by tricking it into acquiring Aspion from Adventa Capital for RM1.37 billion earlier this year.

Meanwhile, the two originating summons against Adventa Capital entailed an ex-parte Mareva injunction awarded separately by the Kuala Lumpur High Court and Singapore High Court on July 2 for the restrain

order.

The restrain order, said Top Glove, is effective until any award obtained by Top Glove and Top Care in the arbitration is fully satisfied or until further order.

On Jan 12, Top Glove inked a conditional share purchase agreement with Adventa Capital to acquire surgical glovemaker Aspion via a combination of RM1.23 billion cash and RM137 million via 20.51 million new Top Glove shares at RM6.68 apiece.

The proposed acquisition came with a two-year profit guarantee of RM100 million.

The acquisition, completed on April 4, made Top Glove the world's largest producer of surgical gloves, with annual revenue from the segment anticipated to rise to between 13% and 20% of group revenue, from 5% last year.

A spokesperson with Top Glove declined to share further details of the proceedings because it is now a legal matter.

Low, 58, is also executive managing director in Adventa Bhd and an executive director in Top Glove.

It is understood that Bursa Malaysia-listed Adventa is the parent company of Adventa Capital.

In a separate statement, Adventa said the allegations by Top Glove in its lawsuits "have no merit and are denied".

"We have full confidence in our legal position and will vigorously defend ourselves against the lawsuits," said Adventa.

Shares of Top Glove slipped 20 sen or 1.63% to close at RM12.10 on Friday, giving it a market capitalisation of RM13.13 billion.

Shares of Adventa traded unchanged at 54.5 sen, giving it a market capitalisation of RM83.27 million.