TOP GLOVE TO ACQUIRE SURGICAL GLOVES MANUFACTURER

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PETALING JAYA: Top Glove Corp Bhd proposes to acquire Aspion Sdn Bhd, which will see it becoming the world's largest surgical gloves manufacturer.

The group told Bursa Malaysia that it had entered into a term sheet agreement with Adventa Capital Pte Ltd in relation to the acquisition. Both parties will negotiate exclusively with one another until January 15, 2018 to enter into a definitive sale and purchase agreement.

The purchase consideration is intended to be satisfied via a combination of cash and the issuance of new Top Glove shares of not more than 10% of the value of the consideration.

Aspion is a wholly owned subsidiary of Adventa Capital Pte Ltd. Its directors are Low Chin Guan, Kwek Siew Leng and Wong Chin Toh.

If the deal is sealed, Top Glove could acquire access to innovative new technologies and know-how in glove manufacturing processes and materials, improve gross profit margins, expand its presence in surgical

gloves into new regions and countries and overcome strong barriers to entry into the surgical glove market, in addition of becoming the largest surgical glove exporter in Malaysia and one of the largest surgical glove manufacturers globally.

Top Glove executive chairman Tan Sri Dr Lim Wee Chai said in a statement that the proposed acquisition is well-aligned to the glove manufacturer's strategy of growth and product diversification.

"We are confident the resulting significant synergies, economies of scale and enlarged market presence will strengthen the group's growth profile and bring greater long-term value to our stakeholders. The combined capabilities within the enlarged group will also support sustainable and higher growth and profitability in a fast-growing global healthcare industry. We look forward to progressing swiftly to the next stage, towards finalizing this transaction," he added.

Following the acquisition, Aspion's managing director Low and his management team will be retained to continue their roles.