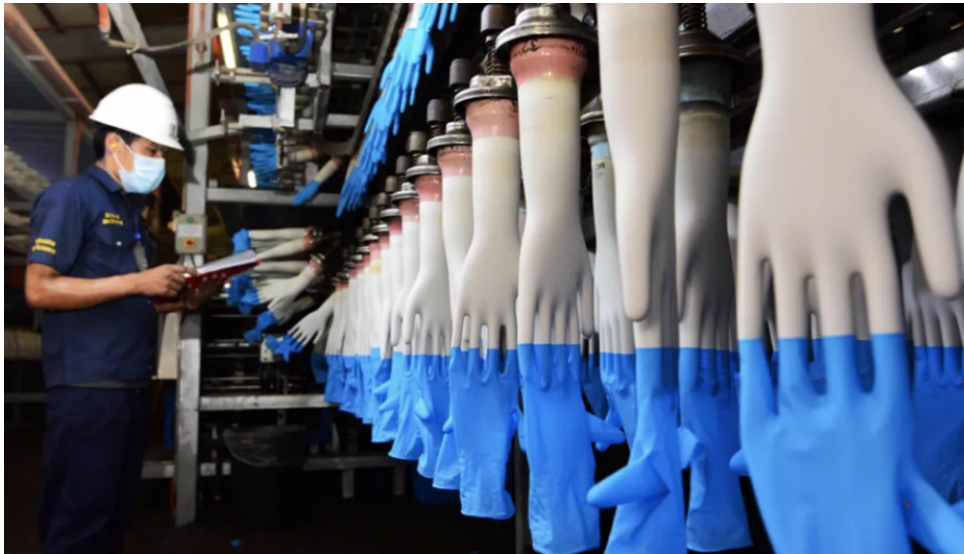


TOP GLOVE EYES SGX

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PETALING JAYA: Top Glove Corp Bhd is seeking a secondary listing on the Singapore Stock Exchange to gain a bigger audience – a move that has been undertaken by some companies previously but with little to shout about.

Top Glove is seeking a secondary listing of its shares on the Main Board of Singapore Exchange Securities Trading Ltd (SGX-ST) by the third quarter of this year.

The world's largest rubber glovemaker said the proposed secondary listing will not involve the issuance of any new Top Glove shares.

“To create liquidity and trading activity on the Main Board of the SGX-ST, the company intends to explore with its substantial shareholders the possibility of selling a portion of their shareholdings in Top Glove of S\$20mil (RM59.4mil) in value in the open market on the Main Board of the SGX-ST,” Top Glove said in a filing with Bursa Malaysia yesterday.

The major shareholder of Top Glove is executive chairman Tan Sri Lim Wee Chai who has a 29.53% direct stake and an 8.27% indirect stake.

The glovemaker said the proposed secondary listing would entail the secondary listing of and quotation of all the existing ordinary shares in Top Glove, which are listed and quoted on the Main Market of Bursa, on SGX-ST by way of introduction. It added that Bursa Securities would remain as the primary stock exchange on which the Top Glove shares were listed.

Top Glove said the proposed secondary listing could enhance its investor reach and diversify its investor base, as well as allow direct participation by investors in Singapore.

It is also expected to increase the trading liquidity of Top Glove shares, as Singapore is a global financial hub with foreign companies representing more than 30% of the companies listed on the SGX-ST supported by a high level of participation from international investors.

“It enables the company to tap into a new platform for potential future fund raising as well as merger and acquisition exercises,” Top Glove said.

The glovemaker added that the proposed secondary listing could enhance the visibility of Top Glove’s profile among international investors, analysts and the media, thereby resulting in a stronger brand awareness for Top Glove, as well as wider research coverage globally.

“Singapore is an internationally recognised fund management centre and is also Asia’s largest foreign exchange trading centre and active commodities trading centre,” the company said.

If successful, Top Glove will not be the first to have a dual listing in Singapore. Malaysia Smelting Corp Bhd and IHH Healthcare Bhd have a primary listing in Malaysia with a secondary listing in Singapore. But it has not had much of an impact on its appeal to institutional shareholders.

“There are many companies listed in Hong Kong that have a secondary listing in Singapore. Among them are Hong Kong Land and Jardine Matheson Holdings. But it has not raised their profiles,” said an investment banker.

Not all Malaysian companies had been able to secure a secondary listing on SGX-ST. In recent years, Berjaya Sports Toto Bhd and Guan Chong Bhd had proposed to list in Singapore but later withdrew their proposals.

Hong Leong Investment Bank Bhd and CIMB Investment Bank Bhd had been appointed to act as joint principal advisers to Top Glove for the proposals.

CIMB Bank Bhd (Singapore Branch) and HL Bank had been appointed joint issue managers for the proposed secondary listing in Singapore. A more successful corporate exercise involving equity had come about when companies from Singapore acquire a stake in Malaysian companies.

Among them was when Wilmar International Ltd had proposed the acquisition of certain upstream assets of PPB Group Bhd in 2006.

The deal saw PPB emerging as the second-largest shareholder in Singapore-listed Wilmar International. After the exercise, the Kuok Group’s interest in Wilmar increased to 31%, according to reports.

The deal saw the share price of Wilmar rising and shareholders of PPB also benefiting. In the latest development, PPB said that it had no plans to increase its 18.3% stake in Wilmar.