

TOP GLOVE INKS RM1.37BLN DEAL TO ACQUIRE ASPION

12 January 2018 / 12:01



*Rubber glove manufacturer, Top Glove Corporation Bhd, has signed a deal to acquire Aspion Sdn Bhd, the surgical glove producing unit of Singapore's Adventa Capital Pte Ltd, for RM1.37 billion.
Pix by Rosdan Wahid*

KUALA LUMPUR: Rubber glove manufacturer, Top Glove Corporation Bhd, has signed a deal to acquire Aspion Sdn Bhd, the surgical glove producing unit of Singapore's Adventa Capital Pte Ltd, for RM1.37 billion.

On Nov 24, 2017, the world's largest manufacturer of gloves entered into a term sheet to negotiate definitive agreements for the proposed acquisition of Aspion Sdn Bhd.

Upon completion of the proposed acquisition of Aspion, Top Glove will emerge the global leader in surgical glove manufacturing, further solidifying its status as the world's largest manufacturer of gloves.

The acquisition is well-aligned with the group's strategy to effectively and sustainably grow its business, representing an initiative to inorganically grow the business via a product extension merger, alongside Top Glove's organic expansion plans, said Top Glove in a statement today.

"Upon completion, the acquisition will not only provide Top Glove with an expanded product range but full access to Aspion's technologies and innovations as well, reinforcing Top Glove's market leadership," it said.

The deal would also see the merging of skills and experience, management talent, as well as, customers and suppliers of Top Glove and

Aspion, which would strengthen the group's growth profile and long-term value creation potential.

In particular, Top Glove envisioned it would be able to serve its enlarged customer base more effectively with an enhanced range of high quality and cost-effective medical gloves across multiple categories, including surgical gloves, examination gloves, as well as, market-leading innovative glove products.

Among others, it said the acquisition would also help it to overcome entry barriers into the surgical glove market and create substantial synergies through cross-leveraging Top Glove and Aspion's respective expertise in examination and surgical gloves.

Explaining the acquisition, Top Glove said of the total RM1.37 billion purchase consideration, RM1.233 billion would be satisfied in cash while the balance of RM137.0 million was intended to be satisfied via the issuance of 20,505,000 new Top Glove shares at an issue price of about RM6.6813 each.

Hong Leong Investment Bank Bhd is acting as transaction adviser and principal adviser to Top Glove while Credit Suisse was the sole financial advisor to Adventa Capital.

Top Glove has also mandated Citigroup Global Markets Asia Limited to coordinate a US\$310 million financing package consisting of conventional and Islamic facilities to partially finance the proposed acquisition, the statement added. - Bernama

New Straits Times