

TOP GLOVE SET TO RAISE RM1.3B FROM PERPETUAL SUKUK

20 February 2020 / 12:02



KUALA LUMPUR (Feb 20): Top Glove Corp Bhd's ultimate fully-owned subsidiary TG Excellence Bhd is set to raise RM1.3 billion from its perpetual sukuk issuance to pare down the company's borrowings as well for capital expenditure, working capital and general corporate purposes.

In a statement today, Top Glove said the perpetual sukuk, rated AA- by Malaysian Rating Corp Bhd (MARC), has no legal maturity date and the company has the option to redeem the perpetual sukuk five years from the issue date, or on every six-month interval thereafter.

It said the initial yield on the perpetual sukuk was priced at 3.95% per annum (p.a.), which represents the lowest yield ever achieved for a corporate perpetual transaction in the Malaysian markets.

The glove maker said the perpetual sukuk attracted an order book of more than RM7 billion at the final price, with participation coming from a diversified investor base, including asset managers, insurance companies, private banking, corporates and financial institutions.

Top Glove executive chairman Tan Sri Dr Lim Wee Chai said the final pricing of 3.95% p.a., as well as the very strong order book exceeding RM7 billion, reflects the confidence that investors have in Top Glove and the current favourable market conditions.

The perpetual sukuk is scheduled to be issued on Feb 27, 2020.

CIMB Investment Bank Bhd, which is the Shariah adviser as well, and Hong Leong Investment Bank Bhd are the joint principal advisers, joint lead arrangers and joint bookrunners for the perpetual sukuk.

At the midday break today, Top Glove shares were 2.58% or 14 sen lower at RM5.29, valuing it at RM13.55 billion.