

TOP GLOVE UNIT PRICES RM1.3B PERPETUAL SUKUK AT 3.95% IN MAIDEN OFFERING

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MALAYSIA-BASED glove manufacturer Top Glove on Thursday said its wholly-owned subsidiary TG Excellence is set to raise RM1.3 billion (S\$435.3 million) from its maiden sukuk transaction.

The initial yield on the perpetual non-callable five-year sukuk was priced at 3.95 per annum.

The issue date is scheduled for Feb 27, 2020, while the expected first call date is Feb 27, 2025. That means Top Glove has the option to redeem it five years from the issue date, or on every six-months interval thereafter.

Issuance proceeds will be used to pare down Top Glove's borrowings and also earmarked for capital expenditure, working capital and general corporate purposes.

The RM1.3 billion perp sukuk is rated AA- by the Malaysian Rating Corporation Berhad.

Top Glove said the deal attracted a strong order book of more than RM7 billion at the final price, with participation from asset managers, insurance firms, private banking, corporates and financial institutions.

In a media statement on Thursday, Top Glove said the initial yield of 3.95 per cent per annum represents the "lowest yield ever achieved for a corporate perpetual transaction in the Malaysian markets".

CIMB Investment Bank Berhad and Hong Leong Investment Bank Berhad are the joint principal advisers, joint lead arrangers and joint bookrunners for the deal. CIMB Islamic Bank Berhad is the Syariah adviser.

Last month, TG Excellence had lodged a RM3 billion perp sukuk programme, guaranteed by Top Glove.

As at 3.20pm on Thursday, shares in Top Glove were trading at S\$1.78, down S\$0.05 or 2.7 per cent. The company had called for a trading halt at 12.30pm on the same day, but lifted it after the midday break following the sukuk announcement.

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