

# TOP GLOVE PRICES USD200M MAIDEN EXCHANGEABLE BONDS

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**PETALING JAYA:** Top Glove Corp Bhd has priced its maiden exchangeable bonds in the principal amount of US\$200 million (RM814 million) on Wednesday, via its subsidiary Top Glove Labuan Ltd.

The bonds have a tenure of five years and will mature on March 1, 2024. The bonds include an exchange option which enables bondholders to exchange their bonds for the company's shares at an initial exchange price of RM6.20 per share.

The bonds, which were priced at an exchange premium of 20% with a coupon of 2% per annum, is the company's inaugural offering in the international capital markets and marks the first exchangeable conventional bonds priced out of Malaysia, after almost a decade.

"Raising funds via the issuance of exchangeable bonds will enable us to refinance existing loans at a lower annual interest rate. This in turn, helps us to enhance our working capital and strengthen our financial position," said executive chairman Tan Sri Dr Lim Wee Chai.

“Exchangeable bonds also enable investors to participate in the equity of our company upon exchange and allow them to benefit from an appreciation in the future share price,” he said in a statement today.

Top Glove said benefits of the bonds include lower funding costs due to the equity optionality embedded in the instrument; mitigation of exposure to fluctuating interest rates due to the fixed nature of the coupon under the bonds, resulting in a more efficient cashflow management; and diversification of funding sources.

The bonds also allow the group to naturally hedge its US dollar denominated funding instrument against the group’s revenue from its export business, which is mainly denominated in US dollar.

*The Sun Daily*