

TOP GLOVE OPEN TO FURTHER M&AS, UNDETERRED BY TROUBLED ASPION DEAL

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SHAH ALAM: Top Glove Corp Bhd remains open to further merger and acquisition (M&A) opportunities despite the company's troubled RM1.3 billion acquisition of Aspion Sdn Bhd from Singapore's Adventa Capital Pte Ltd.

Speaking to reporters after its EGM today, Top Glove founder and executive chairman Tan Sri Lim Wee Chai said the company is always on the lookout for a good opportunity, noting there are still a lot of good companies in the industry.

"We will continue to look out for good company. We will learn from this (the Aspion deal) and be more careful in acquiring things," Lim added.

After three hours of deliberations at its much awaited EGM today, Lim said the shareholders approved the removal of Low Chin Guan, Adventa Capital's representative, as a director of the company with immediate effect, following the company's lawsuit against Adventa Capital.

"We are very happy for the support from the shareholders," Lim said.

It is learnt that Low did not attend the meeting but sent a written representation instead, claiming that the action to remove him from Top Glove board of directors is unlawful and breached the sale and purchase agreement as he had not engaged in any fraudulent conduct.

Low noted that the company and its wholly owned subsidiary Top Care Sdn Bhd will be responsible for any losses he and Adventa Capital may suffer as a result of the litigation.

He also said Adventa Capital no longer considers itself obligated to guarantee the core profit after tax shortfall based on a clause in the sale and purchase agreement for Aspion.

The litigation, which seeks a sum of RM714.9 million from Adventa Capital, comes three months after Top Glove completed the acquisition, upon the latter discovering financial irregularities in Aspion's balance sheet.

Although a due diligence was done before the acquisition took place, Lim said, it was not easy to discover the irregularities as "they were very good at manipulating the financial statements".

"Even the accountant could not find out but it took us about three months to find out," he added, noting that the litigation process is ongoing and the group is confident of reclaiming the amount.

At its EGM earlier, Top Glove shareholders also approved a proposal to undertake a bonus issue on the basis of one bonus share for every one existing share held by shareholders. The exercise will see up to 1.28 billion bonus shares issued to shareholders of the company.

On Bursa Malaysia today, Top Glove closed unchanged at RM10.50 on volume of 5.88 million shares.

The Sun Daily