

TOP GLOVE SLASHES HONG KONG STOCK OFFERING AGAIN, NOW PLANS TO RAISE RM2.21B

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KUALA LUMPUR (Oct 28): Top Glove Corp Bhd has again slashed the amount it plans to raise from its proposed Hong Kong listing, and now intends to raise about RM2.21 billion from its market debut there.

The amount is about half the RM4.17 billion it previously aimed to raise in April this year, and down 71% from the initial RM7.7 billion it wanted to raise in February.

This came after the world's largest glove maker said it had re-submitted the application for its initial public offering (IPO) in the Hong Kong Stock Exchange (HKEX) on Thursday (Oct 28), after its listing application lapsed two months ago.

"After taking into account the prevailing share price of the company and the funding requirements of the group, the board has resolved to revise the proceeds to be raised from the proposed issuance of new shares," Top Glove said in a bourse filing on Thursday about its decision. "For avoidance of doubt, there will be no changes to the offering size as per

the announcement dated April 22, 2021," it added.

That means the number of shares it will issue for the Hong Kong listing remains at 793.5 million shares. Initially, it wanted to issue 1.495 billion shares.

Top Glove's share price has been on a slump since October last year, as it fell from RM9.72 to a low of RM2.58 on Thursday, a whopping 73.5% drop.

According to the group's latest filing, the largest portion of the proceeds it expects to raise, RM1.33 billion, will go towards the expansion of product capacity and the development of a data-driven manufacturing system.

It plans to use RM221.28 million for research and development. It also plans to use RM442.56 million (RM221.28 million, each) to i) upgrade software systems and acquire information technology, and ii) for potential mergers and acquisitions.

It has also earmarked RM110.64 million for environmental, social and corporate governance practices, and a similar amount for its working capital requirements.

Shares in Top Glove slipped as much as 3% or eight sen to RM2.58 — its lowest since May 2020 — before settling at RM2.59 on Thursday, for a market value of RM21.26 billion.