



**Top Glove Corporation Bhd**

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## **PRESS RELEASE**

For Immediate Release

**TOP GLOVE SIGNS TERM SHEET TO ACQUIRE SPIRON SDN BHD TOWARDS NEXT-LEVEL GROWTH**

*World's largest rubber glove manufacturer set to also become world's largest surgical glove manufacturer*

**Shah Alam, Friday, 24 Nov 2017** – Top Glove Corporation Bhd (“Top Glove”) today announced that it had entered into a term sheet to negotiate definitive agreements to acquire Spion Sdn Bhd (“Spion”). Upon completion of the proposed transaction, Top Glove will emerge the world’s largest surgical glove manufacturer, in addition to being the world’s largest rubber glove manufacturer.

*A Value-Enhancing Acquisition*

Spion is the world’s leading surgical glove producer with an established presence in the operating room market and a comprehensive range of surgical gloves in multiple specialty categories. Spion’s focussed portfolio has also made significant inroads into a highly regulated environment with strong user preferences, rendering it a fitting acquisition for Top Glove in view of several benefits associated with the transaction.

***1. Accords immediate leadership in the rapidly expanding surgical glove sector***

Top Glove will see a marked increase in its surgical glove market share upon the conclusion of the transaction, which will put Top Glove in command of the fast-growing and recession-resilient global surgical glove market.

## ***2. Moves Top Glove into the highly specialised surgical glove space and up the value chain***

Top Glove's core strength lies in the cost-efficient manufacturing of high quality examination gloves and a wide variety of other gloves, while also producing surgical gloves for general surgery application. With access to Aspion's wide portfolio of specialised surgical gloves, Top Glove will be well-placed to expand its surgical glove product offerings to cater for a broader range of medical practice areas including high risk surgery, micro-surgery, cardiothoracic surgery, orthopaedics and obstetrics & gynaecology, thereby moving up the value chain. Moreover, breaking into the production of higher margin glove products will also exert a positive impact on profit margins going forward.

## ***3. Expand Top Glove's presence in surgical gloves into new regions and countries***

As Aspion's geographical coverage is complementary to Top Glove's markets, the proposed transaction will provide immediate access into North America, Europe and Japan.

## ***4. Overcome formidable entry barriers into the sector***

The proposed transaction enables the Group to overcome significant entry barriers which confront manufacturers eyeing the surgical glove market, which include stringent quality standards, lengthy product approval and registration processes, and in terms of specialised technical and manufacturing know-how.

## ***5. Access to cutting-edge technology and game-changing products***

The transaction is also not merely an acquisition of new production lines, but of new cutting-edge technological know-how and breakthrough surgical glove products. Aspion's accumulated production experience as well as research and development efforts have enabled the production of surgical gloves using a new breakthrough synthetic material which does not contain natural rubber latex proteins nor any rubber processing chemicals such as accelerators which may cause allergies.

Additionally, Aspion possesses a substantial intellectual property portfolio, with trademarks and patents registered in major countries.

Tan Sri Dr Lim Wee Chai, Executive Chairman of Top Glove enthused, "Our proposed acquisition of Aspion is well-aligned with Top Glove's strategy of growth and product diversification. We are confident the resulting significant synergies, economies of scale and enlarged market presence will strengthen the Group's growth profile and bring greater long-term value to our stakeholders. The combined capabilities within the enlarged Group will also support sustainable and higher growth and profitability in a fast-growing global healthcare industry. We look forward to progressing swiftly to the next stage, towards finalizing this transaction".

The proposed transaction envisages that Mr Low Chin Guan, Aspion's Managing Director will continue to helm its operations, together with his management team. Aspion's employees, customers, suppliers and key stakeholders will also be retained, towards business continuity and enabling positive synergies for the enlarged Group.

Tan Sri Dr Lim continued, "We look forward to working with Mr Low, who brings with him extensive industry experience, as well as his team of highly committed people, to take our business to the next level of

success.”

The Purchase Consideration is intended to be satisfied via a combination of cash and the issuance of new ordinary shares in the Company (“Shares”). The new Shares to be issued will comprise not more than 10.0% in value of the Purchase Consideration.

The global market value for surgical gloves is estimated at USD1.4 billion (2015) and is a rapidly growing sector, expected to expand by CAGR of 9% while demand, currently at 2 billion pairs, is expected to grow to 3 billion pairs at a CAGR of 8% by 2020. Growth is driven by developed regions including North America, Europe, and parts of Asia Pacific and Middle East where there are increasingly stringent regulations, a higher number of complex surgeries which require high durability gloves and a growing emphasis on R&D. Growth will also stem from developing countries where usage is relatively low, but rapidly on the rise.

Hong Leong Investment Bank Berhad has been appointed by Top Glove as the Principal Adviser and Transaction Adviser for this transaction.

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### **About Top Glove Corporation Bhd**

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Mainboard. It is also one of the component stocks of the FTSE Bursa Malaysia (“FBM”) Mid 70 Index, FBM Top 100 Index, FBM Emas Index, FBM Emas Syariah Index, FTSE Bursa Malaysia Hijrah Shariah Index and FTSE4Good Bursa Malaysia Index. Top Glove is currently the world’s largest rubber glove manufacturer with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has over 2,000 customers worldwide and exports to more than 195 countries.

#### ***Summary of key information:***

	<b>As at 24 November 2017</b>
Number of Factories	33 (28 in Malaysia, 4 in Thailand, 1 in China)
Number of Glove Production Lines	550
Glove Production Capacity	51.9 billion pieces per annum
Number of Employees	12,000

### **About Aspion Sdn Bhd**

Aspion Sdn Bhd was incorporated in Malaysia on 5 July 2012 as a private limited company under its present name. Aspion is principally an investment holding company. Its subsidiaries are principally involved in the manufacturing and distribution of surgical gloves, medical gloves, medical examination gloves and protection gloves. Aspion is a wholly owned subsidiary of Adventa Capital Pte. Ltd.

To maintain its market leadership in product innovation, Aspion has in-house R&D capabilities and experience. Its consistent investments in R&D have produced a strong pipeline of new products, knowhow and patents, including a new range of synthetic gloves that is unique in material and properties, and delivers features unlike any existing product in the market, giving it exciting and transformational potential.

Aspion has a strong market presence in many countries around the world, from North America to Asia, and particularly in Europe.