

MULTIPLE PROPOSALS TOP GLOVE CORPORATION BHD BONDS ISSUE

TOP GLOVE CORPORATION BHD

Type	Announcement
Subject	MULTIPLE PROPOSALS
Description	TOP GLOVE CORPORATION BHD BONDS ISSUE

TOP GLOVE CORPORATION BHD (“TOP GLOVE” OR THE “COMPANY”)

ISSUANCE OF GUARANTEED EXCHANGEABLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO UNITED STATES DOLLARS 300 MILLION (“BONDS ISSUE”)

We refer to the announcements dated 20 April 2018, 23 April 2018, 24 April 2018, 8 June 2018, 20 July 2018, 5 September 2018, 11 October 2018, 26 October 2018 and 29 October 2018 in relation to the Bonds Issue (“**Announcements**”). Unless otherwise defined, the terms used herein shall have the same meaning as those defined in the Announcements.

On behalf of the Company, we wish to announce that the Company and Top Glove Labuan Ltd. have successfully priced USD200 million in principal amount of the Bonds on 20 February 2019 (“**Pricing Date**”) via a bookbuilding exercise. BNP Paribas Securities (Asia) Limited, CIMB Bank (L) Limited and Citigroup Global Markets Limited are the joint global coordinators, joint lead managers and joint bookrunners for the Bonds Issue.

We set out in the attachment below the salient terms of the Bonds for your further information.

This announcement is dated 21 February 2019.

Please refer attachment below.

Attachments

[TopGlove_Salient Terms.pdf](#)
164.2 kB

Announcement Info

Company Name	TOP GLOVE CORPORATION BHD
Stock Name	TOPGLOV

Date Announced	21 Feb 2019
Category	General Announcement for PLC
Reference Number	GA1-21022019-00025

TOP GLOVE CORPORATION BHD (“TOP GLOVE” OR THE “COMPANY”)

ISSUANCE OF GUARANTEED EXCHANGEABLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO UNITED STATES DOLLARS 300 MILLION (“BONDS ISSUE”)

The salient terms of the Bonds are set out as follows:

Issuer	:	Top Glove Labuan Ltd.
Guarantor	:	Company.
Issue size	:	USD200 million.
Issue Price	:	100% of the principal amount.
Tenure of issue	:	5 years from the Issue Date.
Use of Proceeds	:	Refinance the existing debt of the Top Glove Group and payment of fees and expenses relating to the Bonds Issue.
Issue Date	:	1 March 2019.
Maturity Date	:	1 March 2024.
Coupon	:	2.00% per annum, payable on a semi-annual basis. The coupon rate was determined after taking into consideration among others, the prevailing market conditions on the Pricing Date and investors' demand during the bookbuilding exercise.
Guarantee	:	<p>The Company will unconditionally and irrevocably guarantee:</p> <ul style="list-style-type: none">(i) the due payment of all sums to be payable by the Issuer under the Trust Deed and the Bonds; and(ii) the due and punctual performance of all the Issuer's obligations under the Trust Deed and the Bonds, <p>(the “Guarantee”).</p> <p>The payment obligations of the Company under the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable laws and subject to the Negative Pledge (as defined below), at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.</p>
Rating	:	The Bonds will not be rated.
Form and denomination	:	The Bonds will be issued in registered form in the denomination of USD200,000 each and in integral multiples of USD1,000 in excess thereof.
Selling restrictions	:	In the primary market, the Bonds will be offered exclusively to (1) persons in Labuan or outside of Malaysia or entities established or registered under the laws of Labuan and (2) persons falling within the categories of excluded offers and invitation of securities and excluded offers and invitation of debentures as set out in Section 8(5)(a) and Section 8(5)(b) of the Labuan Financial Services and Securities Act 2010 and to certain non U.S. resident persons as defined in Section 902(k) of Regulation S in offshore transactions under the U.S. Securities Act subject to the relevant selling restriction on the offer, sale and transfer of the Bonds, in, among others, the U.S., the United Kingdom, European Economic Area (excluding the United Kingdom), Malaysia, Hong Kong, Singapore and Japan.

Redemption Price	:	109.53%. The Redemption Price was determined based on the Issue Price, Coupon Rate and Yield (as defined below under Early Redemption Amount) of the Bonds.
Reference Share Price	:	RM5.17, being the closing share price on 20 February 2019.
Exchange Premium	:	20% above the Reference Share Price. The Exchange Premium was determined after taking into consideration among others, the prevailing market conditions on the Pricing Date and investors' demand during the bookbuilding exercise.
Exchange Price	:	RM6.2040 per Share.
Fixed Exchange Rate	:	USD1.00 : RM4.0703, being the Bloomberg "BFIX" USDMYR Spot Mid Price at 12:00 p.m. Malaysian time on 20 February 2019.
Exchange Ratio	:	The initial Exchange Ratio shall be 656.0767 Top Glove Shares per U.S.\$1,000 in principal amount of the Bonds.
Exchange Property	:	The Bonds may be exchanged into new Top Glove Shares at the option of the Bondholders during the Exchange Period. Fractions of new Top Glove Shares will be disregarded and not be delivered on exchange and no cash adjustments will be made subject to certain conditions to be set out in the Trust Deed.
Cash Settlement Option	:	The Issuer shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount (as defined in the Trust Deed) in order to satisfy the exchange right in full or in part (in which case the other part shall be satisfied by the delivery of Top Glove Shares).
Maximum number of new Top Glove Shares	:	Up to 131,215,344 new Top Glove Shares may be issued arising from the exchange of the Bonds, subject to certain adjustments as set out in the Trust Deed.
Exchange Period	:	At any time on or after the 41st day after the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for exchange) 10 days prior to Maturity Date, or if such Bond shall have been called for redemption before 10 days prior to Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 7 business days (in the place aforesaid) prior to the date fixed for redemption thereof, provided that the Exchange Period shall not include any such closed period.
Adjustment to Exchange Price	:	The Exchange Price is subject to adjustments pursuant to certain events (including but not limited to subdivision, or consolidation of shares, capitalisation of profits or reserves, capital distribution, rights issues and other dilutive events) as set out in the Trust Deed. Any such adjustments will be subject to the applicable rules and laws (including but not limited to the MMLR).
Redemption at maturity	:	All Bonds which are not redeemed, exchanged, or purchased and cancelled in the manner allowed pursuant to the terms and conditions of the Bonds shall be redeemed in cash by the Issuer on the Maturity Date at the Redemption Price together with accrued but unpaid interest.

- Early Redemption Amount : An amount which, for each USD1,000 principal amount of such Bond, together with accrued but unpaid interest from the immediately preceding Interest Payment Date (as defined in the Trust Deed) (or if none, the Issue Date) and after taking into account any interest paid in respect of the Bonds in the preceding periods, represents for the Bondholder on the relevant date a gross yield of 3.75 per cent. per annum calculated on a semi-annual basis (“Yield”). The Yield was determined after taking into consideration among others, the prevailing market conditions on the Pricing Date and investors’ demand during the bookbuilding exercise.
- Events that may trigger early redemption : Please refer to “Redemption at the option of Issuer” and “Redemption at the option of the Bondholders” below.
- Redemption at the option of Issuer : (a) Issuer Call:
 At any time on or after 16 March 2022, but not less than seven business days prior to the Maturity Date, in whole but not in part, at the Early Redemption Amount together with accrued but unpaid interest if the closing price of Top Glove Shares (translated into U.S. dollars at the Prevailing Rate (as defined in the Trust Deed)) on Bursa Securities for each of 20 consecutive trading days in any 30 consecutive trading day period, the last of which occurs not more than 5 trading days prior to the date upon which notice of such redemption was given, is at least 130% of the applicable Early Redemption Amount divided by the Exchange Ratio, in effect on such trading day.
- (b) Clean Up Call:
 At any time, in whole but not in part, at the Early Redemption Amount together with accrued but unpaid interest in the event the principal amount of the Bonds outstanding is 10% or less of the aggregate principal amount originally issued (including any Bonds issued pursuant to the terms and conditions of the Bonds).
- (c) Tax Call:
 At any time, in whole but not in part, at the Early Redemption Amount together with accrued but unpaid interest in the event of changes of changes in the taxation in Labuan or Malaysia resulting in an increase in tax obligation and such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it.
- Redemption at the option of Bondholders : Upon the occurrence of the following events, the Bondholders may be entitled to exercise a right prior to the maturity date to require the Issuer to redeem all or part of the Bonds in cash:
- (a) Bondholders’ Put:
 On 1 March 2022, in whole or in part, at 105.50% of their principal amount together with accrued but unpaid interest.
- (b) Change of Control Put:
 Following the occurrence of a Change of Control (as defined below), the Bondholders will have the right at such holder’s option, to require the Issuer to redeem in whole but not in part such holders’ Bonds at their Early Redemption Amount, together with accrued but unpaid interest.

“Change of Control” occurs when:

- Any person or persons acting together acquired control of the Company if such person or persons does not or do not have, and would not be deemed to have, control of the Company on the Issue Date; or
- The Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person, unless the consolidation, merger, sale or transfer will not result in such other person or persons acquiring Control over the Company or the successor entity

“control” means (i) the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or (ii) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company.

(c) **Delisting or Suspension of Trading Put:**

In the event the Top Glove Shares cease to be listed or admitted to trading on Bursa Securities and are not listed on an Alternative Stock Exchange or, if applicable, cease to be listed or admitted to trading on an Alternative Stock Exchange, or are suspended for a period equal to or exceeding 45 consecutive days on Bursa Securities or an Alternative Stock Exchange, as the case may be, each Bondholder shall have the right at such Bondholders’ option to require the Issuer to redeem all (but not less than all) of such Bondholders’ Bonds at their Early Redemption Amount, together with accrued but unpaid interest.

“Alternative Stock Exchange” means at any time, in the case of the Top Glove Shares, if they are not at that time listed and traded on Bursa Securities, the principal stock exchange or securities market on which the Top Glove Shares are then listed or quoted or dealt in.

Status : Subject to the Negative Pledge and save for such exceptions as may be provided by applicable laws, the Bonds constitute direct, unconditional, unsubordinated, unsecured obligations of the Issuer and will at all time rank equally and without any preference or priority among themselves.

Trust Deed : The Bonds shall be constituted by the Trust Deed, which shall be administered by a trustee acting on behalf of the Bondholders (**“Trustee”**).

Events of default : Customary events of default including, without limitation (i) default in payment on the Bonds, (ii) the Issuer's or the Company's failure to comply with its obligations under the conditions of the Bonds and/or the Guarantee, (iii) insolvency and winding-up proceedings against the Company and the Issuer and (iv) cross default. Events of default will be subject to exceptions, qualifications, grace periods, thresholds and reservations to be agreed.

If an event of default occurs and is continuing, the Trustee at its sole discretion may, and if so requested in writing by the Bondholders of not less than 25% in principal amount of the Bonds then outstanding or if so directed by an extraordinary resolution shall (subject to the Trustee's rights under the Trust Deed to be indemnified, pre-funded and/or secured by the Bondholders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount together with accrued but unpaid interest (subject as provided in the Trust Deed and without prejudice to the right of Bondholders to exercise the right to exchange the Bonds into new Top Glove Shares in accordance with the Trust Deed).

Negative Pledge : So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will create or permit to subsist, and each of the Issuer and the Guarantor will procure that none of their respective Subsidiaries (as defined below) will create or permit to subsist, any Security upon the whole or part of its present or future undertakings, assets or revenues, to secure any International Investment Securities or to secure any guarantee of or indemnity in respect of any International Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed or, as the case may be, the Guarantor's obligations under the Guarantee (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an extraordinary resolution of the Bondholders.

"International Investment Securities" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other investment securities which are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market.

"Security" means any mortgage, charge, pledge, lien, hypothecation, fiduciary security, or other form of encumbrance or security interest.

"Subsidiary" or **"subsidiary"** of any person means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent., of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity.

Modification and Waiver : The Bondholders may, by extraordinary resolution, sanction, inter-alia, any modification or compromise of their rights and consent to any modification to the Trust Deed or the Bonds subject to and in accordance with applicable rules and laws (including but not limited to the Listing Requirements).

The Trustee may at any time, but shall not be obliged to without any consent of the Bondholders, concur with the Issuer in making any modification to the Bonds or the Trust Deed which in the Trustee's opinion is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law.

Listing : The Bonds will be listed on Bursa Securities (under the exempt regime) and on Singapore Exchange Securities Trading Limited.

Governing Law : English law.