

TOP GLOVE EYES M&A BY AUGUST

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Top Glove chairman Tan Sri Lim Wee Chai

SHAH ALAM: Cash rich Top Glove Corp Bhd is eyeing on embarking at least one acquisition exercise by August this year.

Chairman Tan Sri Lim Wee Chai said that the company is already in talks with three parties in the rubber related industry for the planned acquisition.

"Merger and acquisition exercise would be part of our KPI for this year," he said at a media and analyst briefing on Wednesday.

The rubber glove manufacturer has RM366mil in net cash as at Nov 30, 2015.

"With our cash position we are looking at acquisition possibilities of at least RM100mil, and we are able to gear up to RM1bil," he said.

He highlighted that Top Glove is keen to acquire companies in the rubber gloves sector and could be extended to rubber-related industries.

"We prefer local companies because it would be easier to manage but we are open to any opportunities," Lim said.

He added that the company has also allocated about RM200mil in capital expenditure this year to expand its capacity.

The group currently has 25 glove factories located in Malaysia, Thailand and China with total capacity of 44.6 billion pieces of gloves annually.

Lim said Top Glove would be operating 27 glove factories with a total capacity of 52.4 billion pieces of gloves per year by February next year.

For the first quarter ended Nov 31, 2015, Top Glove posted a 163.6% surge in net profit to RM128.3mil from RM48.7mil a year ago, driven by a strong US dollar and efficiency improvements.

Revenue for the quarter rose 41% to RM800mil from RM567.6mil previously due to higher sales volume for nitrile gloves.

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