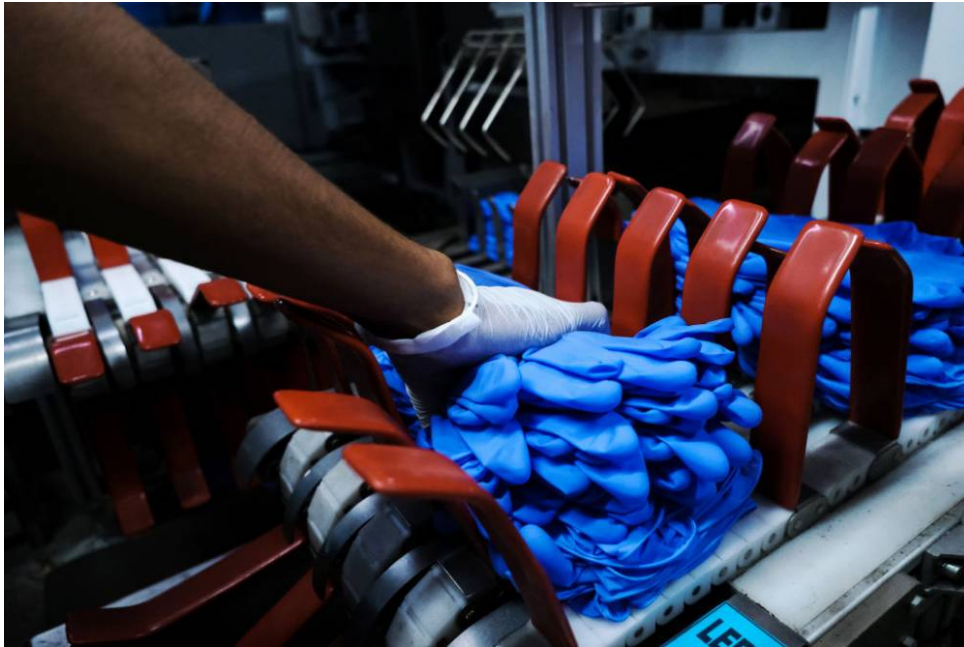


TOP GLOVE ON THE PROWL TO SWALLOW SMALLER RIVALS

06 January 2016 / 12:01



SHAH ALAM, Jan 6, 2016: The world's largest rubber glove manufacturer, Top Glove Corp Bhd, is set to acquire two or three local glove companies by August this year, said chairman Tan Sri Dr Lim Wee Chai.

"We have shortlisted three companies, which are all in the rubber-related industry, and we are planning to acquire two to three during this financial year ending Aug 31, 2016," he said at a briefing here today.

Lim said the company has allocated between RM100 million and RM1 billion to fund these acquisitions.

"We have enough cash to fund the acquisitions or if not, we will borrow from banks or maybe through some issuing of shares," he said, pointing out that Top Glove's net cash stood at RM1850 million.

Acquiring one or two companies especially glove-related ones is one of Top Glove's key performance indicators, he said.

Executive director Lim Cheong Guan said the company's sales are expected to grow 10-15% year-on-year this year as compared to 8-10% growth previously.

He said the sales would be backed by the expansion of Factory 29 in Klang, which began full operations at the end of the 2015 financial year.

"Factory 27 in Lukut, Port Dickson, which will be completed by this February, will also add in extra nitrile capacity."

Lim added the company's current utilisation rate of around 75-78% could also contribute to the achievement of the sales target without putting in new capacity.

Together with Top Glove's Factory 6 in Thailand, which is expected to commence production by August this year, as well as Factory 30 (to commence production by February 2017), the company's number of production lines is expected to increase to 540 and capacity to 52 billion gloves annually. Top Glove recorded a 15% growth in sales for the first quarter ended November 2015.

The Rakyat Post