

TOP GLOVE SEEKS TO BOLSTER POSITION WITH TWO ACQUISITIONS IN 2015

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Reuters pic

KUALA LUMPUR, March 18: Top Glove Corporation Bhd, the world's largest rubber gloves manufacturer, plans to acquire one or two companies this year as part of its merger and acquisition (M&A) strategy.

Chairman Tan Sri Lim Wee Chai said the company was interested to acquire existing rubber glove factories, preferably a Malaysian company for easy operation control.

“Like in the past, Top Glove has been acquiring quite number of glove factories and we have the target for acquisition every year.

“This year, hopefully we can acquire one or two companies,” he told reporters and market analysts during a conference call today.

Lim said the company had not made any specific allocation for the potential M&A in similar and related industries, but it could reach as high as RM1 billion.

“We have the financial strength to acquire, we just have to wait for the right company at the right time,” he said.

Top Glove also aimed to increase production of nitrile gloves to about 35 per cent from 25 per cent at present, in tandem with the company’s factory expansion activities to cater growing global demand.

Lim noted that Top Glove’s expansion plans, which are on track, would enable the company to remain competitive in the tough market environment going forward.

For the second quarter of its financial year ended February 28, 2015, Top Glove’s sales volume for nitrile increased by 15 per cent against the same quarter in 2014. — Bernama