

TOP GLOVE TO LAUNCH OWN CONDOM BRAND BY YEAR-END

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SHAH ALAM: The world's largest glove manufacturer Top Glove Corp Bhd plans to launch its own condom brand Top Feel by year-end and will emulate its glove business model for its condom business, where 80% will be catered for original equipment manufacturers.

Chairman Tan Sri Dr Lim Wee Chai said the group intends to start condom production by June or July this year and is also looking to acquire condom and glove factories now.

“Condom is a business that is related to our glove production. If we just depend on the glove business, growth may not be good enough. Especially if we aim (to become) Fortune 500 company, we have to diversify,” he said after signing a US\$310 million (RM1.2 billion) unsecured syndicated credit facilities agreement with a consortium of eight banks for the acquisition of surgical glovemaking Aspion Sdn Bhd last Friday.

“In terms of quality improvement, speed, cost and efficiency, glove has been growing and improving faster than condom because there are more players in the glove business and it is more competitive,” he explained.

Lim noted that Top Glove is eyeing the world market for its condom business, starting with Europe, Africa, Latin America and Asia. Its glove business has 2,000-3,000 customers and these customers also buy gloves and condoms.

“If 1% (of our customers) buy, we already have 20-30 customers. It's a good business to go in and a good opportunity for us to diversify. The investment is not big, it's low risk and the potential is big.”

He opined that the signing of Comprehensive and Progressive Agreement for Trans-Pacific Partnership is good for Malaysia as it opens up more markets for exporters.

In business, we encourage free trade and have less trade barriers, which give inefficiency.” He added that the demand for glove is always there and that the drop in sales in certain markets, such as the US, will be compensated by the increase of sales in other markets.

Top Glove’s acquisition of Aspion for RM1.37 billion is expected to complete in April, which is expected to push the group’s sales to a record RM1 billion in Q3, from RM958.4 million in Q2.

Executive director Lim Cheong Guan said the group would have reached RM1 billion in sales in Q2 if the ringgit had not strengthened 5% then.

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