

TOP 40 RICHEST IN MALAYSIA: 16-20

04 February 2017 / 12:02



20 TAN SRI LIM WEE CHAI

Flagship: Top Glove Corp Bhd

Net worth: RM2.5bil

LIM'S wealth on the list of richest Malaysians is pretty straight forward and lean. It is through a 36.9% shareholding in Top Glove that Lim owns most of his wealth as the company is the world's largest manufacturer and distributor of rubber gloves.

The group has 27 manufacturing facilities throughout Malaysia, Thailand and China with 484 production lines producing around 45 billion gloves per annum. Given its size and scale, Top Glove, which had a market capitalisation of RM8.51bil as of end-2016, has about 2,000 customers in over 195 countries around the world.

But the volatility in the global currencies, especially the ringgit and the US dollar, has a big influence on the share price of the stock. The weaker ringgit and a stronger dollar have been a boon for Top Glove as over 90% of its revenue is in US dollars.

But in 2016, Top Glove's share price dropped 21% from RM6.80 to RM5.35, trimming Lim's wealth by 22.7%. This year the stock has been trending upward from a low of RM4.20 as opinions over the counter are still mixed.

While the stronger dollar will help with the company's earnings, on the flipside, Top Glove is susceptible to rising operating costs. The price of rubber is on an uptrend owing to a shortage in

supply coupled with higher demand for rubber globally.

Such a challenge for Lim is not new as the rubber glove stalwart has seen the ups and downs in the price of natural rubber.

“The group is expanding rapidly as the demand for gloves, globally, is still very good and consistently increasing. But we have to continue to focus on quality and costing to sustain our business as the industry is very competitive,” he said in a report recently.

The Star