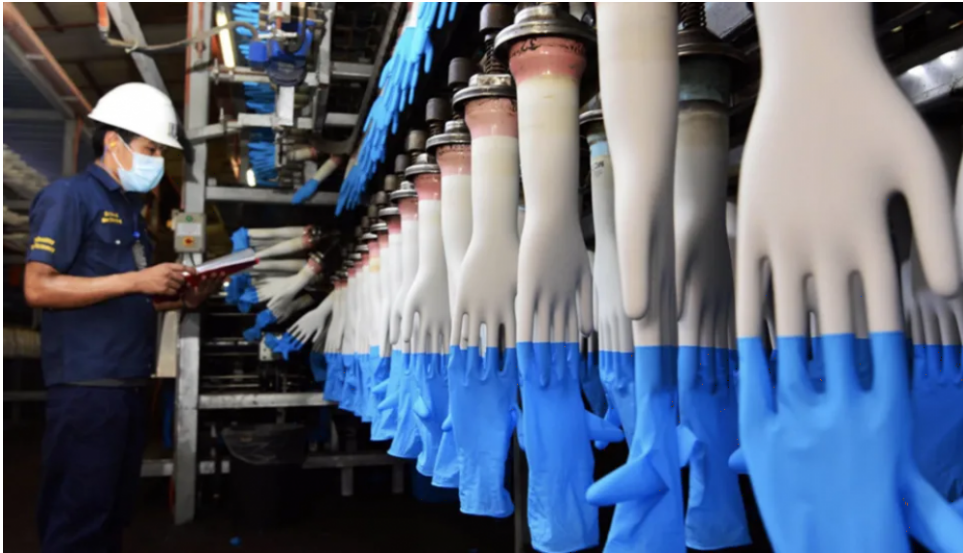


MALAYSIA'S TOP GLOVE EYES EXPANSION IN CHINA VIA MERGER AND ACQUISITION

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KUALA LUMPUR, June 6 (Xinhua): Malaysia's Top Glove, the world's largest rubber glove manufacturer, is looking for merger and acquisition (M&A) or joint venture (JV) opportunities to grow its market share in China.

The company, which accounts for 13 percent of Malaysia's total rubber product exports to China, aims to acquire existing glove factories, in which the group can put in additional machinery, in order to compete more efficiently, Lim Wee Chai, Top Glove's executive chairman told Xinhua in an interview, adding the company is also open for M&A (mergers and acquisitions) or JV (joint venture) possibilities in distribution companies in China. In May, the company acquired two plants in Malaysia to expand its access to China.

"Our target is to capture 30 percent of China's market share, which we would be achieving with our two acquisitions as exports from these two factories contribute an additional 15 percent of Malaysia's total rubber products exports to China," Lim said.

More than 95 percent of Top Glove's rubber gloves are exported, with an export network covering 195 countries. The company, which has 29 factories and 499 production lines around the world, has an annual production capacity of 48 billion pieces.

Another reason Lim cited for Top Glove to seek M&A chances is that the sole factory Top Glove has in China produces polyvinyl chloride gloves, which is being phased out for environmental and health reasons,

"As customers become more environmentally aware, expanding in China will be much more challenging. However, we will continue to run more production lines in our current factory," Lim said, adding that the group is also setting up marketing distribution companies under its subsidiaries in China, to sell natural rubber gloves into China.

For Lim, China, as the fastest-growing major economy in the world, offers companies attractive business and investment opportunities. He sees potential in China as glove usage per capita is still low for China.

He also noted that in recent years, glove demand has increased with improvement in health care standards as China reforms its healthcare system. Besides, healthcare spending is on the rise as China's population becomes increasingly affluent, aware and willing to invest in their health.

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