

Headline	Kossan Ready to Buy Back 10pc Share
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RESTORING CONFIDENCE: CEO says current price does not reflect firm's performance

KUALA LUMPUR

KOSSAN Rubber Industries Bhd, the world's second largest glove producer, is ready to buy back 10 per cent of its shares to restore confidence in its nearly 40-year business.

Founder and chief executive officer Datuk Lim Kuang Sia said Kossan's current share price did not reflect its performance and prospects.

"I think there's a negative impres-



sion that the glove industry may not do well with the ringgit getting stronger, that's why our share price experienced a drop.

"But we have the mandate to buy back 10 per cent of our shares if we want to. If we feel that the price in the market does not reflect the actual business performance or the prospects of our company, it may be worthwhile to take it back," said Lim on the sidelines of Invest Malaysia 2016, here, yesterday.

He added that its competitors were also facing a similar situation with their share prices trading low.

Kossan dropped to RM7.11 on

February 29 from a high of RM9.25 January 6. It eased eight sen to close at RM6.22 yesterday.

The company's revenue surged to RM1.63 billion last year from RM1.3 billion in 2014. Its net profit also rose to RM207.11 million from RM148.84 million in 2014.

Lim said Kossan would spend about RM500 million in capital expenditure over the next five years.

It spends about RM100 million to RM150 million on expansion every year.

Kossan is building four new manufacturing plants with a total output of at least 18 billion pieces of gloves a year on its 22.66ha land in Bestari Jaya, Selangor.

It is also building a new nitrile glove plant in Jalan Meru, Klang.

The plant is scheduled for completion by the second half of next year.