



BUSINESS

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Market share of tea products to double

THONG Guan Industries Bhd plans to increase the market share of its tea products in the country to 10% in the next two years from the current 5%.

The main board-listed company manufactures the famous 888 branded tea and coffee products.

Group managing director Ang Poon Chuan said it was investing RM3mil to increase the number of production lines at its Sungai Petani plant.

“When the expansion exercise is completed in two years, the new production lines will increase the annual output of tea to 1,200 tonnes from the present 850.

“In line with the expansion, we will also produce new items such as 2-in-1 and 3-in-1 tea and coffee products, tea bags and tea pot bags, flavoured tea, and various types of green tea and Chinese tea,” he added.

Ang said the group expected the yearly revenue contribution from tea and coffee to increase to RM20mil when its market share in the

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country reached 10%.

“The tea business currently generates a revenue of RM10mil for the group,” he added.

Ang said after the expansion exercise, the group planned to increase its tea exports under the 888 brand name to countries in Asean, Europe and China.

“We now export about 10% of our tea to Thailand and Brunei,” he said.

Ang said Thong Guan's original business was tea manufacturing.

The 888 brand name was started in 1942 by his grandfather Ang Thong Guan, who had worked as a salesman for a tea merchant in Penang Road in the late 1930s.

“He learned about tea formulation and the tea trade while working for the merchant. After World War II, he expanded his business to other states by establishing a fleet of vans to distribute his tea and other consumer products which included plastic packaging products such as bags and drinking straws,” he said.

Ang said it was in the 1970s that Thong Guan, under his helm, ventured into the production of plastic packaging materials.

“The industrialisation of Malaysia in the 1980s created opportunities for Thong Guan to serve industrial customers and learn about quality improvement,” he said.

“Thong Guan ventured into the export market in the 1990s, exporting its first container of garbage bags to Japan with the help of the Japan External Trade Organisation.

“Today, the company exports more than 2,000 containers of garbage bags to Japan annually from its plants in Malaysia and China,” he said.

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