

# TOP GLOVE Q3 PROFIT TUMBLES 36.5% ON HIGHER RAW MATERIAL PRICES, STRONG COMPETITION

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RUBBER glove manufacturer Top Glove's net profit for the third quarter to May 31 tumbled 36.5 per cent to RM74.7 million (S\$24.5 million) from RM117.6 million for the year-ago period.

Top Glove attributed the sharp drop in net profit to a 22 per cent increase in natural rubber latex prices from the preceding quarter, and intense competition.

Earnings per share was 2.92 sen compared with 4.64 sen. Top Glove shares were flat at S\$1.62 as at 2.21pm.

The Malaysia-based company declared an interim dividend of 3.5 sen per share versus seven sen per share a year ago. The dividend is payable on July 16.

Revenue for the quarter was up 8.1 per cent to RM1.19 billion from RM1.10 billion due to a 9 per cent rise in sales volume versus the year ago period.

Finance costs rose to RM20.02 million from RM12.67 million for Q3 2018.

To offset the increase in rubber latex prices, Top Glove has increased its average selling prices. The impact of the revision will only be reflected in the fourth quarter, the company said.

Separately, Top Glove said it will be added to the Hijrah Shariah Index on June 24, 2019, following a semi-annual review of the FTSE Bursa Malaysia Index Series.

"We have achieved volume growth, although external conditions were highly unfavourable, affecting this quarter's results," said Lim Wee Chai, Top Glove's executive chairman.

He added Top Glove will continue to focus its resources on improving its product quality, cost structures and process efficiency.

"As our product is closely linked with a commodity, short-term volatility is to be expected, which may affect our margins during certain financial quarters. However, this is only in the interim. In our business, we expect to perform better in the following quarter and over the longer term," he said.

*The Business Times*