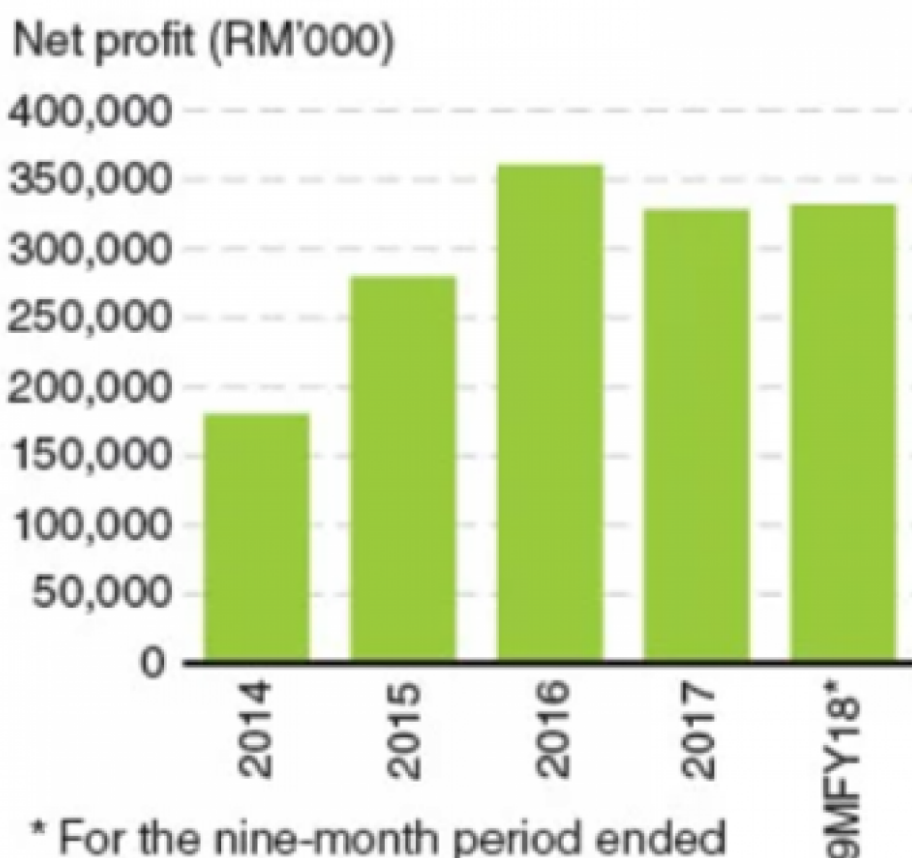


RECORD PROFIT IN THE BAG FOR TOP GLOVE

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5-year financial performance for the financial years ended Aug 31



Source: Bursa Malaysia

KUALA LUMPUR: Tan Sri Dr Lim Wee Chai is anticipating Top Glove Corp Bhd to end the current financial year with a bang. The executive chairman expects Top Glove's net profit to exceed RM400 million for the financial year ending Aug 31, 2018 (FY18) — a fresh record high.

Speaking at a conference call after the release of the company's third financial quarter ended May 31, 2018 (3QFY18) results, Wee Chai said the group is hopeful of achieving a record feat, both in terms of revenue

and net profit.

“We look forward to a record year in 2018; we should be able to touch a revenue of close to RM4 billion. On net profit, based on our projection, it would be more than RM400 million,” said Wee Chai, who controls a 28.96% stake in Top Glove.

The world’s biggest glove maker has achieved record-high revenue for three consecutive financial years since FY15.

In fact, Top Glove’s net profit of RM332.03 million for the nine-month period ended May 31, 2018 (9MFY18) surpassed the annual profit of RM328.57 million in FY17. Revenue for 9MFY18 grew 19.6% year-on-year to almost RM3 billion.

For 3QFY18, its quarterly revenue hit the RM1 billion mark for the first time, coming in at RM1.1 billion. Its sales volume surged to a record 37% higher against the previous corresponding quarter.

The quarterly earnings also included the maiden contribution of Aspion Sdn Bhd — a surgical glove manufacturer it acquired last year. The purchase was completed on April 5, 2018.

Top Glove recognised a goodwill of RM1.21 billion in its statement of financial position as of May 31, 2018, of which RM1.1 billion was a provision recognised in relation to the acquisition of Aspion. It declared a first interim dividend of seven sen per share yesterday, payable on July 17.

Expectations of a stellar set of quarterly financial results lifted Top Glove’s share price to a new peak of RM11.98 on June 12. The stock closed at RM11.32 yesterday, with a market capitalisation of RM14.46 billion.

Top Glove executive director Lim Cheong Guan acknowledged that there were teething problems in terms of integrating Aspion with Top Glove's existing operation.

"We [also] see a lot of potential synergies, especially in terms of procurement. We need to cross-sell more to increase the utilisation rate for Aspion, which is slightly below 70% currently," he said.

Meanwhile, Wee Chai said the group is looking forward to increase its global market share to 30% by 2020, from 25% last year.

"With this acquisition [of Aspion], we estimate that our global market share is around 27% now.

"In order to achieve the 2020 target of 30%, we have increased our capacity, especially for Factories No 31 and No 32, and we plan to increase the speed of the machines in our factories. We are also looking at inorganic growth, as we are on the lookout for more factories for [mergers and acquisitions]," said Wee Chai.

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