

TOP GLOVE NET PROFIT JUMPS 164% TO RM128M IN 1Q - MALAYSIAN RESERVE

03 April 2017 / 12:04



Top Glove Corp Bhd posted a 164% increase in net profit to RM128.3 million in the first-quarter (1Q) ended Nov 30, 2015, boosted by the stronger US dollar and lower raw material costs.

Its revenue for the quarter jumped to RM800.3 million compared to RM567.6 million posted a year ago.

The company told Bursa Malaysia yesterday that it recorded the highest quarterly sales with a 15% growth, contributed mainly by nitrile glove sales which jumped 54%.

“The excellent set of numbers came on the back of extensive internal improvements which have been continuously implemented across the group’s operations,” the company said.

Top Glove said the company's focus on automation, research and development, and re-engineering had enhanced the quality of its products and reduced downtime.

"It has also increased levels of efficiency throughout the manufacturing process," the company said.

The local glove maker is one of the beneficiaries from the weak ringgit. Top Glove also benefitted from low rubber prices.

It said average latex prices fell by 9.8% to RM3.96 per kg while average nitrile latex prices dropped 4.6% to US\$1.03 (RM4.43) per kg compared to the 4Q of financial year 2015.

Chairman Tan Sri Dr Lim Wee Chai (picture) said the company is pleased with the record quarterly performance.

"We have been consistently investing in resources to improve our quality and efficiency, and it is encouraging to see our efforts bear such positive results.

"While we have benefitted from the strong US dollar, our performance is not reliant on tailwinds, the effects of which are only temporal," he said.

As demand continues to increase, Lim said the company will continue to expand its operations, building new facilities with faster, more efficient and technologically advanced production lines.

The company's present expansion plans include Factory 27 in Lukut, Port Dickson, which is expected to begin production in February 2016 and Factory 6 in Thailand which to start production by August 2016.

The company is also constructing a new facility, Factory 30, which will begin production by February 2017.

He said all these expansion initiatives will boost its production lines to 540 and enable it to produce 52 billion gloves per annum.

He said Top Glove is also seeking merger and acquisition opportunities which complement its current business.