

TOP GLOVE ACHIEVES RECORD HIGH PBT IN 3QFY15

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KUCHING: Top Glove Corporation Bhd (Top Glove) achieved record profit before tax (PBT) of RM100.6 million in the third quarter financial year 2015 (3QFY15) ended May 2015.

The company in a statement said the PBT recorded in 3QFY15 was its all-time high since its listing and represented a surge of 82.6 per cent year-on-year (y-o-y) and an increase of 44.5 per cent quarter-on-quarter (q-o-q).

At the same time, the world largest glove manufacturer in a Bursa filing to Bursa Malaysia yesterday said net profit in 3QFY15 jumped by 71 per cent y-o-y to RM72.27 million.

Turnover in 3QFY15 grew 15.2 per cent y-o-y to RM661.19 million while revenue for nine months financial year 2015 (9MFY15) ended May 2015 gained 6.2 per cent y-o-y to RM1.8 billion.

Net profit in 9MFY15 jumped 32 per cent y-o-y to RM177.03 million,

Meanwhile, Top Glove said the stellar financial results in 3QFY15 were attributed to higher sales volume of gloves, an upturn of almost 10 per cent compared with 2QFY15 and 3QFY14, stemming from continued

robust demand for both natural rubber and nitrile gloves.

Additionally, Top Glove said it has reaped in fuller measure the benefits of automation and reengineering, as well as production line upgrading and glove quality improvement initiatives, which it had embarked intensively on.

Another factor significantly contributed to its performance were better margins arising from more advanced and efficient glove factories.

Moreover, it observed tailwinds in the form of a stronger US dollar and softer raw material prices also delivered a boost to its earnings.

Top Glove said compared with 2QFY15, the average natural rubber latex prices increased by six per cent to RM3.85 per kg while average nitrile latex prices decreased by seven per cent to US\$0.96 per kg.

Commenting on the group's splendid financial performance, Top Glove chairman Tan Sri Lim Wee Chai said the results were a testament to the effectiveness of our internal improvement initiatives and our strategic marketing efforts, which we have pursued vigorously.

Going forward, Top Glove said it will continue to expand its production capacity to leverage the strong global demand.

The company pointed out that its latest optimised facilities will feature faster, more efficient and technologically-advanced production lines that enable factories to operate more profitably.

Top Glove noted that currently in progress are expansion plans for Factory 27 in Lukut, Port Dickson (to be completed by January 2016) and Factory 6 in Thailand (to be completed by July 2016), as well as the construction of a new facility Factory 30 in Klang (to be completed by December 2016) which will respectively bring the number of production lines and capacity to 540 and 52.4 billion gloves per annum.

To complement organic expansion, Top Glove said it is also keenly pursuing merger and acquisition (M&A) opportunities that synergise with its current business, in similar or related industries, with a view to increasing its revenue and profit base.

Apart from that, in keeping with its commitment to deliver shareholder value, Top Glove declared an interim dividend of 8 Sen per share, an increase from 7 Sen last year, which is payable on July 15 in conjunction with the announcement of the company's 3QFY15 and 9MFY15 financial results yesterday.

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