

TOP GLOVE EYES DOUBLE DIGIT SALES, PROFIT GROWTH FROM CHINA

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Executive director Tan Sri Dr Lim Wee Chai said demand for nitrile and rubber gloves in China had been good due to the growing standard of living, high purchasing power and increased life expectancy.

SHAH ALAM: The world's largest glove producer Top Glove Corp Bhd is aiming for a double-digit increase in sales revenue and profit from China in the financial year ending Aug 31, 2019.

Executive director Tan Sri Dr Lim Wee Chai said demand for nitrile and rubber gloves in China had been good due to the growing standard of living, high purchasing power and increased life expectancy.

"Demand for medical gloves or disposal gloves are definitely increasing. The usage is still very low compared to that of advanced countries like Japan, the United States and Europe," he told reporters after a briefing on the company's second quarter financial performance ended Feb 28, 2019, here today.

The group currently has 40 factories, of which, 35 are located in Malaysia, four in Thailand and another in China.

Currently, Top Glove's export to China constituted about four to five per cent of the group's sales revenue.

Lim said the group had revised the selling price of its natural rubber gloves for three times over the past three months due to the strengthening of natural rubber prices.

"We hope that the latex concentrated price will be more stable. The price for latex concentrated within the range of RM5 per kg would be fair for both producers and buyers," he added.

Lim reiterated that the group's wholly-owned subsidiary Aspion Sdn Bhd would complete its turnaround within one year to two years.

"Aspion's growth is improving for over the past 10 months. It shows a good sign of improvement. We have sent about 50 engineers, managers, chemists to improve their operations, quality and productivity.

"We have also reduced their workers by about 30 per cent. We prefer graduate staff rather than general workers," he noted.

The group is allocating an additional capital expenditure of over RM200 million to expand its factories for the second half of 2019.

"Total capital expenditure allocated for the year is about RM450 million to RM500 million for factories expansion and business creation," said Lim.