

TOP GLOVE'S Q1 NET DROPS SLIGHTLY TO RM48.68M

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KUALA LUMPUR: Top Glove Corp Bhd's net profit fell three per cent to RM48.68 million in the first quarter ended November 30 from RM50.27 million in the same period a year ago due to costlier fuel and knock-on inflationary impact.

In its filing to the stock exchange yesterday, Top Glove, the world's largest glove maker, said revenue declined one per cent to RM567.63 million from RM573.98 million a year ago.

Earnings per share slipped to 7.85 sen from 8.11 sen previously while net cash remains positive at RM186.7 million.

Top Glove enjoyed savings in the first quarter under review when natural latex price fell 12 per cent to RM3.90 per kg and nitrile latex price settled five per cent to US\$1.04 per kg.

Despite intense competition from other glove makers, Top Glove will press on to expand its capacity.

Factory 29 in Klang will be operational by next month and will be churning out nitrile gloves.

On its outlook for next year , Top Glove chairman Tan Sri Lim Wee Chai said it expects the business environment to be challenging in view of costlier natural gas and electricity and inflation induced by the implementaion of the Goods and Services Tax on April 1 next year. Lim, however, is confident of its resilience.

"Demand is still strong and the industry is estimated to continue growing at six to eight per cent per annum.

“With an unwavering focus on quality and cost efficiency, I believe we can continue to deliver growth in the quarters ahead,” he said in a separate announcement.

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