

# TOP GLOVE PLANS TO PRODUCE MORE NITRILE GLOVES

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**SHAH ALAM:** Top Glove Corp Bhd expects its production of nitrile gloves to grow rapidly, with volume firmly surpassing that of low-margin latex gloves by the end of the year.

According to its group executive chairman Tan Sri Lim Wee Chai, the company is expected to achieve a product mix of 55:45 between nitrile and latex by end-2020, compared with the existing composition of 50:50.

“We will increase our nitrile glove production at a much faster rate than that of natural rubber gloves. By the end of the year, we will have more nitrile gloves than natural rubber gloves,” Lim told reporters after the company’s AGM here yesterday.

The move is largely seen as positive, as according to analysts, latex-centric Top Glove has been plagued with competitive pressures from latex gloves that tend to command relatively lower margins compared with nitrile gloves.

Overall, Lim remained optimistic on the prospects of the company for the financial year ending Aug 31, 2020 (FY20).

“The outlook is good for this year. The medical glove industry is still growing at about 10% each year, so the industry (in general) would continue to do well, ” he said.

In addition, Lim noted that its surgical glove unit Aspion Sdn Bhd had already turned around, and would remain profitable throughout the year.

“The unit is on the right track. We have put in a lot of effort to improve its operations, and have implemented a high degree of automation in the company. So, Aspion would continue to do better from now, ” he explained.

Nevertheless, he conceded that the industry would continue to face increasing competition. “It’s not easy, as it gets more and more competitive. So, we have to work harder and smarter to improve, ” he said.

Lim said the group is expected to maintain its profit margin at about 10%.

“I think it would be fair and sustainable throughout FY20,” he said.

Top Glove's net profit rose 1.25% year-on-year to RM111.43mil for the first quarter ended Nov 30,2019, mainly due to the strong performance of its nitrile glove segment, as well as its rubber glove segment.