

TOP GLOVE SEES 7.5% INCREASE IN Q4 NET PROFIT

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PETALING JAYA: Top Glove Corp Bhd saw net profit for the fourth quarter ended Aug 31, 2018 rise 7.5% on higher sales volume and lower operating expenses.

This was despite an almost 69% increase in taxes for the quarter.

The group made a net profit of RM101.6 million for the quarter under review, compared with RM94.5 million for the corresponding quarter in 2017.

Revenue for the period was up 34.9% at RM1.2 billion, compared with RM902.4 million for the same period in 2017, making it the highest ever sales revenue ever recorded in a single quarter.

The group said an impairment test performed showed that there is no impairment required for the provisional goodwill arising from the acquisition of Aspion on RM1.16 billion as at Aug 31, 2018.

The group has recommended a final dividend of 10 sen per share (before bonus issue), which if approved will bring the total FY2018 dividend payout to 17 sen per share, an increase of 2.5 sen or 17% over FY2017.

Top Glove said it would continue to pursue strategic expansion, with the expansion of several existing facilities, as well as explore inorganic expansion via mergers and acquisitions, as well as new set ups in related industries in order to grow faster and more efficiently.

The facilities expansion are to be completed in 2019, while its newest factory in Thailand, is scheduled to be operational early 2020. These will boost the group's total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per annum.

By 2020, Top Glove is projected to have 746 production lines and a production capacity of 69.1 billion gloves per annum.

Top Glove is also looking to expand its operations to Vietnam and has entered into an agreement to acquire a piece of land for a factory, which is to be operational within the next two years.

For the full year ended Aug 31, 2018 the group made a net profit of RM433.6 million, compared with RM328.6 million for the financial year 2017.

Revenue for the financial year 2018 was 23.7% higher at RM4.2 billion, compared with RM3.4 billion for the same period in 2017.

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