

TOP GLOVE SAYS RUSSIA-UKRAINE WAR HAS MINIMAL IMPACT ON ITS SALES

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Tan Sri Dr Lim Wee Chai

KUALA LUMPUR: The war between Russia and Ukraine has minimal impact on glovemaker Top Glove Corporation Bhd as both countries' contribution to the group's sales value was less than 5 per cent.

"Basically, the necessary mitigation measures have already been put in place, but what is more important is also to keep in close touch with our customers to ensure that we have minimal disruptions in the supply of goods that are necessary for humanitarian, medical, and other purposes," executive chairman Tan Sri Lim Wee Chai said after a virtual media and analysts' briefing on Top Glove's results for the second quarter ended Feb 28, 2022 (Q2 FY2022).

However, managing director Datuk Lee Kim Meow said the group is being very careful, especially on the payments side, in view of the developments in the banking industry there.

"We have kept in touch closely with our customers to find out what is the best way to handle the situation," he said.

Top Glove's net profit fell 97 per cent to RM87.55 million in the second quarter, from RM2.87 billion a year earlier, while its revenue shrank 73 per cent to RM1.45 billion from RM5.37 billion, as average selling prices (ASPs) normalised closer to pre-pandemic levels.

Lee said the ASPs are expected to be close to bottoming out and the industry could see prices improving in the next few quarters.

Earlier in the briefing, Lee said the company's US sales volume has jumped 220 per cent to date as its sales continued to recover following the lifting of the US import ban in September 2021.

Top Glove products, which were banned on alleged forced labour concerns, said it has resolved all issues related to that in its operations.

"In September 2021, our sales to the US comprised 4 per cent of total group global sales and by February 2022, sales to the US had grown to contribute 13 per cent towards total group global sales," he said.

"There are more growth opportunities for us to sell in the US," he added. - Bernama

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