

TOP GLOVE TO REDIRECT SHIPMENTS TO PORTS NEAR UKRAINE TO SOLVE LOGISTICAL CHALLENGES

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Top Glove Corp Bhd managing director Datuk Lee Kim Meow says in view of the Russo-Ukrainian conflict, necessary mitigation measures have been put in place to ensure minimal disruptions in the supply of goods to its customers. – Top Glove Facebook pic, March 9, 2022

KUALA LUMPUR – Top Glove Corp Bhd is looking into redirecting shipments to ports near Ukraine in order to solve logistical challenges following the escalating war in the former Soviet territory.

In a press conference after presenting the company's results for the second-quarter this afternoon, managing director Datuk Lee Kim Meow said the world's largest medical glove maker is working closely with its customers after ports in Ukraine have been closed due to Russia's invasion.

Lee said the company is doing its best to find ways and means to help its customers to

overcome the challenges.

“There are possibilities for us to send the goods to Ukraine for some of our customers because the country has borders with Europe – like Poland and a few other countries.

“Some of these countries are still able to contact Ukraine.”

He said Top Glove is also exploring ways to delay the shipments to some of its customers to ensure that the goods can be delivered at an appropriate time.

The conflict between Russia and Ukraine has had minimal business impact on the group, he said, as both nations contributed less than 5% of the group's sales value.

Elaborating on the matter, he said necessary mitigation measures have been put in place.

“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.”

However, Lim said the group is being very careful about payments in view of the developments in the banking industry.

He reiterated that the company has kept in touch closely with its customers to find out what is the best way to handle the situation.

Top Glove continued to see a drop in net profit after recording RM102 million in its second quarter this year ended February 28, compared to RM185.72 million in its first quarter.

Revenue also fell to RM1.45 billion from RM5.36 billion compared to the same quarter last year.

The company said its softer financial performance was affected by the price of raw materials; operating costs such as utilities, manpower, and chemical costs; and intensifying competition with the new glove supply, causing pricing pressure in light of the global Covid-19 vaccine roll-out.

In related news, Top Glove said that it had delayed its plans to go ahead with the US\$347 million (RM1.5 billion) listing on the Hong Kong stock exchange (HKEX), citing “changing developments in the industry” and current equity market conditions.

In a statement yesterday, Top Glove said it is in no hurry to pursue the listing exercise “to give ourselves more time”.

On Monday, Reuters quoted a source as saying that Top Glove had planned to launch the deal last month, but it was postponed due to Russia’s invasion of Ukraine that weighed on investor sentiment and heightened market volatility.

At closing today, Top Glove fell 19 sen (10.16%) to RM1.68, largely due to its second quarter announcement this afternoon. – The Vibes, March 9, 2022

The Vibes