

MALAYSIA'S TOP GLOVE REPORTS SURGING PROFIT IN FY21 ON STRONG DEMAND AMID PANDEMIC

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KUALA LUMPUR, Sept. 17 (Xinhua): Top Glove Corp in Malaysia announced Friday that its net profit soared more than four folds to 7.87 billion ringgit (about 1.89 billion U.S. dollars) in the financial year that ended Aug. 31 (FY21), underpinned by strong demand amid COVID-19 pandemic.

The world's largest glove maker recorded a net profit of 1.75 billion ringgit a year ago. It said in a bourse filing that its revenue for FY21 also more than doubled to 16.4 billion ringgit, from 7.24 billion ringgit a year ago.

The group attributed the strong financial performance to strong glove demand coupled with elevated average selling prices driven by the ongoing pandemic.

However, for the fourth quarter, ending Aug. 31, the group's net profit fell 48.37 percent to 607.95 million ringgit from 1.18 billion ringgit a year earlier, while its quarterly revenue slipped 31.95 percent to 2.17 billion ringgit, from 3.11 billion ringgit a year earlier.

The group said, the quarterly results were softer due to normalizing demand following mass vaccine rollout on a global scale, leading to lower sales volume and prices, which were not matched by a corresponding reduction in raw material prices.

This was further affected by the previous import ban imposed by the U.S. Customs and Border Protection (CBP), and movement restriction in the country to curb COVID-19 pandemic, it said.

However, as the CBP has lifted the import ban on Top Glove products, the group expects the positive development to boost its sales to the United States.

Notwithstanding the accelerating vaccination rate, which has sped up the moderating glove demand and tapering of average selling prices, the group also remains upbeat about industry prospects.

"We are confident that demand for gloves as an essential item in the healthcare sector will continue its upward trend, all the more with the emergence of new virus strains," said its managing director Lee Kim Meow.

While the business environment ahead is expected to be challenging and competitive, he believes Top Glove is well positioned to overcome the challenges. (1 U.S. dollar equals 4.17 ringgit)