

TOP GLOVE'S Q3 NET PROFIT FALLS 36.5% TO RM74.67 MILLION

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Top Glove Bhd's net profit for the third quarter (3Q19) ended May 31, 2019 fell 36.5% year-on-year (YoY) to RM74.67 million from RM117.57 million reported on the corresponding quarter (3Q18), due to a surge in the price of natural rubber latex and stiff competition.

In an exchange filing today, the group stated that its revenue rose 8.1% to RM1.19 billion for the period, supported by growth in sales volume.

According to the rubber glove manufacturer, the average natural rubber latex price rose by 22% to RM4.42/KG and reached a peak of RM5.105 on April 9, 2019.

Top Glove Executive Chairman, Tan Sri Lim Wee Chai (*pic*) said the group will continue to focus on improving its product quality, cost structures and process efficiency, through the adoption of Artificial Intelligence (AI), digitisation, advanced technologies and Research & Development (R&D).

"As our product is closely linked with a commodity, short-term volatility is to be expected, which may affect our margins during certain financial quarters.

"However, this is only in the interim. In our business, we expect to perform better in the following quarters and over the longer term," he said.

On the group's future prospects, Top Glove is projected to have 872 production lines and a production capacity of 83 billion per annum by December 2020.

The group also announced its inclusion in the Hijrah Syariah Index recently, following a semi-annual

review of FTSE Bursa Malaysia Index Series.

Separately Top Glove has recently launched its flagship green product, BioGreen Biodegradable Nitrile Gloves (Powder-Free), in conjunction with World Environment Day.

These gloves, it said, are proven to biodegrade at least 10 times faster compared to conventional nitrile examination gloves, thereby providing an “end-of-life solution” to help reduce the accumulation of waste in landfills.

Top Glove declared its first interim dividend of 3.5 sen per share, to be paid on July 16, 2019.

The Malaysian Reserve