

LIFT FROM WEAK RINGGIT

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Improved performance: Top Glove says the exceptionally good performance is largely attributed to continuous internal quality and cost efficiency improvements.

KUALA LUMPUR: Top Glove Corp Bhd said the weak ringgit and lower raw material prices lifted its income in the three months ended Aug 31 to a new high.

Net profit in the last quarter jumped 122% to RM103mil from RM46.32mil previously, as revenue increased 22.5% to RM709.44mil.

The company has announced a final dividend of 12 sen a share, boosting its full-year payout to 20 sen a share.

“We are very pleased with our performance, as the greatest satisfaction comes from bettering our results continuously,” chairman Tan Sri Lim Wee Chai said in a statement.

The glove maker attributed its record-high financial performance to internal quality and cost efficiency improvements, the strong US dollar

and weak raw material prices.

“Our fourth-quarter and full-year financial results represent a new historical high for Top Glove, even better than the record high we had set in the third quarter,” he said.

Top Glove’s full-year net profit rose 55% to RM280.14mil, or 45.36 sen earnings per share from RM180.52mil, or 29.09 sen earnings per share in financial year 2014 (FY14). Its revenue increased by 10.3% to RM2.51bil from RM2.27bil.

“We view the strengthening US dollar as a bonus,” Lim said.

Top Glove also recorded robust growth in sales volume (quantity) of 8%, having strengthened its presence in developed markets where nitrile glove sales increased by more than 27% versus FY14. Meanwhile, natural rubber glove sales continued to rise steadily.

In the statement, Top Glove said the exceptionally good performance was largely attributed to continuous internal quality and cost efficiency improvements.

“A sustained turnaround in its China operations had a positive effect on the group’s bottomline as well,” it said.

Raw material prices remained soft in FY15, with average latex prices dropping by 17% to RM3.94 per kg and average nitrile latex prices decreasing by 2.8% to US\$1.05 per kg compared with FY14.

On the back of strong demand, Top Glove said it would continue to aggressively pursue capacity expansion, building new optimised facilities that feature faster, more efficient and technologically-advanced production lines towards better profitability.