

TOP GLOVE Q4 EARNINGS SURGE TO RECORD RM103.12 MILLION

16 October 2015 / 12:10



PETALING JAYA: Top Glove Corp Bhd's net profit more than doubled to RM103.12 million for the fourth quarter ended August 31, 2015, compared with RM46.32 million in the previous corresponding period, buoyed by higher sales, lower raw material prices and stronger US dollar against the ringgit.

This was the highest ever quarterly earnings for the glove manufacturer. Revenue for the quarter rose 22.51% from RM579.11 million to RM709.45 million. Top Glove has proposed a final dividend of 12 sen, bringing the total proposed dividend payout to 20 sen, which is a 25% increase compared with the 16 sen last year.

In a filing with the stock exchange, Top Glove founder and chairman Tan Sri Lim Wee Chai said the exceptionally good performance was largely attributed to continuous internal quality and cost efficiency improvements which the group had embarked on, in particular, concerted efforts in automation, research and development as well as reengineering.

"Upgrading initiatives resulting in newer and more efficient production lines, as well as glove quality enhancements also contributed to higher margins," he noted.

Lim said Top Glove also benefitted from a strong US dollar and weak raw material prices. In line with industry norms, Top Glove has shared the gains with customers and adjusted its selling prices. Looking ahead, Lim said the group remains alert to challenges within the industry as the advantage from the strengthening US dollar is not permanent.

Top Glove is upbeat in terms of outlook, expecting demand for rubber gloves to keep growing at a rate of 5% to 6% every year. The group has a healthy balance sheet, with a positive net cash position of RM186.5 million.

Full-year net profit was up 55.19% from RM180.52 million to RM280.15 million on the back of a 10.33% rise in revenue from RM2.28 billion to RM2.51 billion.

Meanwhile, Top Glove has proposed a bonus issue of up 630.7 million shares on the basis of one bonus share for every existing share held. The bonus issue will be capitalised from the group's share premium and retained earnings.

It also proposed an employees' share grant plan of up to 15% of the group's issued and paid-up share capital (excluding treasury shares) for eligible employees and executive directors of Top Glove and its subsidiaries.

Top Glove was the second-largest top gainer yesterday, rising 39 sen or 4.84% to RM8.44 on some 4.16 million shares done.