

TOP GLOVE'S Q2 NET PROFIT RETREATS TO RM105.7M

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KUALA LUMPUR: Top Glove Corporation Bhd's net profit for the second quarter (Q2) ended Feb 28, 2019 fell to RM105.79 million from RM109.01 million posted in the same quarter last year.

Revenue, however, rose 21 per cent to RM1.16 billion from RM958.44 million previously, it said in a filing with Bursa Malaysia today.

Top Glove said the better revenue is attributed to strong sales volume growth of 16 per cent which is higher than the projected global demand of about 10 per cent a year, as well as a higher average selling price.

"Currently, in progress, is the expansion of several existing facilities. The construction of new facilities will boost the group's total number of production lines by an additional 200 and production capacity by 20.4 billion gloves per annum.

“By December 2020, Top Glove is projected to have 848 production lines and a production capacity of 80.9 billion gloves per annum,” it added.

On March 1, the group successfully completed an issuance of US\$200 million exchangeable bonds with the purpose of retiring existing borrowings to benefit Top Glove in terms of lower interest cost, as well as improve cash flow.

As a result of this exercise, the group expects to gain about RM16 million per annum in cash savings and RM2 million in interest expenses.

Executive chairman Tan Sri Lim Wee Chai said Top Glove will continue to expand its operations in line with the growing glove demand globally.

Going forward, Top Glove envisages a highly challenging business environment both on the domestic front and macro economic level.

“However, it remains positive on industry outlook. Gloves are an essential item in the medical sector, the demand for which has proven to be relatively resilient to economic and political uncertainty and is set to grow more than 10 per cent a year,” it said.

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