

TOP GLOVE SET TO STRETCH EARNINGS

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Top Glove Corporation Bhd says Factory 31 and Factory 32, once they come online, will boost its production capacity by 7.8 billion gloves per year. Pix by Rosdan Wahid

KUALA LUMPUR: TOP Glove Corporation Bhd is set to enjoy earnings growth and rising production capacity once its two new manufacturing facilities become operational next year.

Top Glove's Factory 31 will be operational by May next year, and Factory 32 is expected to be operational by December.

They are part of the company's commitment to build one or two factories yearly.

Upon completion, the two factories will boost the group's total number of production lines by 78 and production capacity by 7.8 billion gloves per year.

By December next year, Top Glove is projected to have 31 glove factories, 628 production lines and a production capacity of 59.7 billion gloves per year.

Preparations for Top Glove's condom manufacturing facility have also started, with operations set to start by June.

"Top Glove will continue to expand by exploring mergers and acquisitions and new set-ups in synergistic industries," it said in a statement yesterday.

"Top Glove will also continue to enhance its product quality and operational efficiency."

The company had on November 24 announced its plan to acquire Aspion Sdn Bhd, which upon completion will make Top Glove the world's largest surgical glove manufacturer, besides being the largest glove manufacturer globally.

"Post-acquisition, Top Glove will have an enlarged earning base, with Aspion's new range of surgical glove products incorporated into Top Glove's existing product offering," said Top Glove executive chairman Tan Sri Dr Lim Wee Chai.

Despite its capital outlays, the group's financial position has remained healthy with a positive net cash position of RM80 million as at November 30.

Net profit jumped 43.8 per cent in the first quarter ended November 30 to RM105.45 million, from RM73.32 million previously.

Revenue also hit a new high, rising 19.4 per cent to RM938.12 million from RM785.58 million previously.

Top Glove said the improved results were due to strong demand from developed and emerging markets and the disruption in vinyl glove supply following China's strict enforcement against pollution.

Internally, new capacity coming onstream and improvement initiatives in terms of automation, better production lines and cost-savings are also contributing factors.

“Having begun the new financial year on a solid note, we are inspired to keep up our efforts to ensure we continue to do well throughout financial year 2018 and beyond,” said Lim.

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