TOP GLOVE PLANS ON CONTINUOUS OPERATIONS EXPANSION

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Top Glove executive chairman Tan Sri Dr Lim Wee Chai says having begun the new financial year on a solid note, the company is inspired to keep up its efforts to improve our quality, costing and efficiency, to ensure it continues to do well throughout financial year 2018 and beyond.

KUALA LUMPUR: Top Glove Corporation Bhd will see earnings growth and increased production capacity when two of its new manufacturing facilities becomes operational next year.

Top Glove's Factory 31 will be operational by May 2018, and Factory 32 is expected to be operational by December 2018, all part of the company's commitment in building one or two factories yearly.

Upon completion, these new factories will boost the Group’s total number of production lines by 78 and production capacity by 7.8 billion gloves per annum.

By December 2018, Top Glove is projected to have 31 glove factories, 628 production lines and a production capacity of 59.7 billion gloves per annum.

"Towards expanding more expeditiously and efficiently, Top Glove will also continue to explore mergers and acquisitions, as well as new set-ups in synergistic industries.

"In tandem, Top Glove will also continue to enhance its product quality and operational efficiency," it said in a statement yesterday.

In a related development, Top Glove had on November 24, 2017, announced its plan to acquire Aspion Sdn Bhd, upon completion of which Top Glove will emerge the world’s

largest manufacturer of surgical gloves, in addition to being the world’s largest manufacturer of gloves.

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

Notwithstanding its capital outlays, the Group's financial position remained healthy with a positive net cash position of RM80 million as at November 30, 2017.

On earnings, Top Glove’s net profit increased 43.8 per cent in the first quarter ended November 30, 2017 to RM105.45 million from RM73.32 million.

Revenue reached its new high, increasing 19.4 per cent, to RM938.12 million from RM785.58 million.

Top Glove said the improved results followed strong demand growth stemming from developed and emerging markets, where glove demand is rapidly on the rise.

Further contributing to demand was the disruption in vinyl glove supply following China’s strict enforcement against polluting industries which benefited both natural rubber and nitrile glove sales.

Internally, new capacity coming onstream, as well as continuous improvement initiatives in terms of automation, better production lines and cost-saving were also instrumental in contributing to the strong performance.

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

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