

TOP GLOVE EXPECTS ASPION TO ACHIEVE RM80MIL PROFIT IN 4-7 YEARS

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SETIA ALAM: Top Glove's wholly-owned subsidiary Aspion Sdn Bhd will likely take four to seven years to achieve the net projected profit of RM80mil, driven by technological improvements.

Speaking at Top Glove's financial year 2018 (FY18) results briefing, executive chairman Tan Sri Dr Lim Wee Chai said Aspion's net profit for the financial year ended August 31, 2018, amounted to an estimated RM20mil to RM30mil.

"Aspion's profit did not contribute (to the group) as much as we expected, due to the manipulated financial statements.

"Although it is expensive to take corrective action and we could have just accepted the profit guarantee for the next two years, we believe that the value of integrity is much higher," he said.

Lim is optimistic that Aspion will be able to achieve the higher expected net profit going forward, given the group's track record, capability, and experience in turning around loss-making glove factories.

Top Glove is taking legal action against the vendors of Aspion to claim a sum of no less than RM714.86mil due to overstatement of assets and valuations of the company.

This came after Top Glove completed its acquisition of Aspion for RM1.37bil in April this year.

The initial profit guarantee for Aspion's financial years ending Oct 31, 2018 and 2019, was RM81mil and RM108mil, respectively.

Top Glove registered record highs in FY18, with its full year revenue at RM4.2bil and net profit at RM437mil.

The group intends to set up two new research centres next year, that will see its number of researchers grow to 400 to 450.

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