

RISING RUSSIA-UKRAINE CONFLICT ONLY A MINOR SETBACK FOR TOP GLOVE

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KUALA LUMPUR: The escalating Russia-Ukraine conflict will only pose minimal impact on Top Glove Corp Bhd's operation.

Managing director Datuk Lee Kim Meow said the impact from the Russia-Ukraine war was still manageable as it only affected less than five per cent of the company's total contribution.

Lee said Top Glove had rolled out necessary mitigation measures to manage the situation and keep its operations at a good level.

"We have been in close touch with our customers to ensure that we have minimal disruptions in the supply of goods that are necessary for humanitarian purposes as well as medical and other purposes," he said at Top Glove's results briefing for the second quarter (Q2) ended February 28, 2022.

Lee said the invasion of Ukraine was hurting the company's global logistics and shipping in terms of vessel space, container vulnerability, etc to Russia and its neighbouring countries.

"Talking about the situation in Russia and Ukraine, we have experienced logistic issues as the borders were closed in both countries.

"Thus we are working closely with our customers to look at how to redirect some of these shipments to nearby ports," he said.

However, Lee said some of its customers still have the possibility to send the goods to Ukraine because the country still has a lot of boundaries.

As an example, he said the customers can still ship the goods to Moldova, Poland and a few other countries in Ukraine.

"So some of these countries are still able to be in contact with them. We're also looking closely at how to delay the shipments of some of our customers so that we can send the goods in an appropriate time.

"In a lot of these cases ,we always ensure that we take care of the payment because it is important. Our customers also understand that they are in a difficult situation, so they have been cooperating with us.

"We are positive that good news will come in, in the coming weeks where the conflict could be resolved peacefully, for the benefit of all," he said.

Top Glove's net profit fell 97 per cent to RM87.55 million Q2 from RM2.87 billion a year earlier.

The company's revenue fell 73 per cent to RM1.45 billion from RM5.37 billion a year ago.

Top Glove said the softer financial performance came on the back of normalising average selling prices which were moving closer to pre-pandemic levels.

No dividend was proposed by Top Glove for the current quarter under review.

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