

Company Name : Kossan Rubber Industries Berhad  
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## Kossan 2Q profit strengthens with more gloves sold

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KUALA LUMPUR: Kossan Rubber Industries Bhd's net profit in the second quarter ended June 30, 2017 (2QFY17) rose 11% to RM45.51 million from RM40.97 million a year earlier, as revenue from glove sales improved.

Quarterly revenue grew 21% to RM490.51 million from RM403.77 million a year earlier. Gloves' revenue grew 28% year-on-year (y-o-y) to RM442.83 million from RM345.81 million.

For the cumulative six months of the year (1HFY17), Kossan's net profit slid marginally to RM92.05 million from RM92.27 million a year earlier, as contribution from its technical rubber products segment fell, mainly

due to a longer time-lag effect in passing a 55% increase in natural rubber cost to customers.

Revenue for 1HFY17, however, was up 21% y-o-y to RM990.49 million from RM816.05 million.

Moving forward, Kossan said on completion of the commissioning of Plant 16 at the end of last month, its annual glove production capacity grew to 25 billion pieces, up three billion pieces.

"This plant is expected to contribute to the group's earnings gradually from the end of third quarter," it said.

With increasing demand for its Low Derma technology nitrile gloves, the group has since commenced construction works for Plants 17 and 18.