

TOP GLOVE PARTNERS JAP FIRM TO MAKE RUBBER REINFORCING AGENT

27 March 2017 / 12:03



KUALA LUMPUR (March 27): Top Glove Corp Bhd said its wholly-owned subsidiary Top Glove Sdn Bhd (TGSB) has entered into a joint venture (JV) agreement with Japanese firm Fimatec Ltd, to venture into the manufacturing of rubber reinforcing agent.

“The JV is a long-term investment plan for Top Glove group of companies. It aims to reduce the overall glove production cost, improve glove quality and production efficiency through the supply of good and consistent quality of rubber reinforcing agent,” said Top Glove in a bourse filing today.

The business will be carried out through Techniglove Asia Sdn Bhd as the JV company (JVco), which will be renamed TG FMT Sdn Bhd. The proposed JVco is expected to commence operations by the first quarter of 2018.

Under the agreement, TGSB will subscribe for up to RM4.2 million of Techniglove’s paid-up capital, while Fimatec will subscribe for up to

RM1.8 million. Both parties' subscriptions will be done in stages.

"In any event of any increase of the share capital of the proposed JV company, the enlarged share capital of the proposed JV company would be 70% by TGSB and 30% by Fimatec," said Top Glove.

The group said it intends to fund the proposal via a combination of internal funds and borrowings.

Top Glove fell 8 sen or 1.58% to RM4.99 today, giving it a market capitalisation of RM6.29 billion.

The Edge Markets