

MISCELLANEOUS :: JOINT VENTURE AGREEMENT WITH MR KOZO YOKOTA

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Name of Announcer *	JACKSPEED CORPORATION LIMITED
Company Registration No.	199300300W
Announcement submitted on behalf of	JACKSPEED CORPORATION LIMITED
Announcement is submitted with respect to *	JACKSPEED CORPORATION LIMITED
Announcement is submitted by *	Chua Sze Chyi
Designation *	Joint Company Secretary
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	JOINT VENTURE AGREEMENT WITH MR KOZO YOKOTA
Description	Please refer to attachment.
Attachments	📎 Announcement on_JVA_26Nov2012.pdf Total size =9K (2048K size limit recommended)

JACKSPEED CORPORATION LIMITED
(Company Registration No. 199300300W)
(Incorporated in Singapore)
(the “**Company**”)

JOINT VENTURE AGREEMENT WITH MR KOZO YOKOTA

1. ENTRY INTO JOINT VENTURE AGREEMENT

The Board of Directors (the “**Board**”) of Jackspeed Corporation Limited (the “**Company**” or the “**Group**”) wishes to announce that the Company has entered into a Joint Venture Agreement with Mr Kozo Yokota (“**KY**”) on 26 November 2012 (“**JV Agreement**”) to set up a joint venture company (“**JV Company**”) with an issued and paid-up capital of S\$80,000, comprising of 80,000 ordinary shares at S\$1 each. The Company and KY will each equally hold 50% shareholding in the JV Company. (Collectively known as the “**JV**”)

2. INFORMATION ON JOINT VENTURE COMPANY

The principal activities of the JV Company are to carry on the business of designing, distributing and installing seat covers in the automotive aftermarket industry and the sale and production of seat covers for Original Equipment Manufacturers (“**OEM**”) and any other related automotive upholstery businesses in Japan.

3. MATERIAL TERMS OF THE JV AGREEMENT

- 3.1 Pursuant to the JV Agreement, the Company and KY shall commit to provide additional funding of S\$40,000 each (“**Additional Funding**”) as loan to JV Company. In the event that the amounts of Additional Funding contributed are unequal, the party that has contributed the higher amount of Additional Funding shall be entitled at his sole discretion to convert all or part of the difference between the amounts contributed into new shares at the conversion price of S\$1.
- 3.2 During the term of the JV Agreement and for a period of one year from the date the Company ceases to be a party to the JV Agreement, the Company agrees not to engage in any business in Japan that relates to the automotive OEM business which is in direct competition with the business of the JV Company.

4. RATIONALE FOR JOINT VENTURE

The rationale for the JV is in line with the Group’s strategy plan to diversify and expand its product range and customer base in the business of designing, distributing and installing seat covers in the automotive aftermarket industry and the sale and production of seat covers for OEM business and any other related automotive upholstery businesses in Japan.

5. FINANCING AND FINANCIAL EFFECTS OF JOINT VENTURE

The incorporation of the JV Company shall be funded through the Company's internal resources.

The JV is not expected to have any material impact on the consolidated earnings per share and consolidated net tangible assets per share of the Company for the financial year ending 28 February 2013.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the JV.

BY ORDER OF THE BOARD

Yap Kian Peng
Executive Chairman and Chief Executive Officer
26 November 2012