

Type : Announcement
Subject : Memorandum of Understanding
Description : Memorandum of Understanding between Amalgamated Batteries Manufacturing (Sarawak) Sdn Bhd and Jujiang Power Technology Co Ltd

INTRODUCTION

The Board of Directors of ABM Fujiya Berhad (“Fujiya”) wishes to announce that its wholly-owned subsidiary, Amalgamated Batteries Manufacturing (Sarawak) Sdn Bhd (Company No. 11108-A) (“ABM”) has on 9 October 2019 entered into a Memorandum of Understanding (“MOU”) with Jujiang Power Technology Co Ltd (Company No.: 68166729-9) (“Jeje”). ABM and Jeje are collectively known as the “Parties”.

BACKGROUND

ABM was incorporated in Malaysia as a private limited company and has its registered office at Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak. ABM is in the business of manufacturing automotive batteries and ABM wishes to expand into more advanced technology in the future.

Jeje was incorporated under the laws of People’s Republic of China and has its correspondence address at Youbu Industrial Park, Lanxi, Zhejiang. Jeje is a large-scale company engaged in researching, developing and manufacturing of lead-acid starter batteries for vehicles.

The Parties wish to discuss, explore and evaluate the possibilities derive from the MOU in respect of the terms and conditions to be agreed upon with regards to the operating of batteries factory in Malaysia.

SALIENT TERMS OF THE MOU

The MOU creates no contractual relationship between ABM and Jeje but is aimed to provide a framework of cooperation and for any future term arrangement between the Parties for batteries.

The Parties agree to cooperate and collaborate into looking at their future plan to set up a new battery manufacturing plant with a proposed investment value of approximately RM500 million.

EFFECTS OF THE PROPOSED COLLABORATION

The directors of Fujiya believe that a collaboration between ABM and Jeje will give an advantageous platform to expand its existing batteries business and achieve better prospects in the future.

RISK FACTORS

The directors of Fujiya are not aware of any risk factors arising from the MOU as the MOU is not legally binding until the execution of a formal agreement to formalise the potential collaboration between ABM and Jeje and the agreed terms in the future. ABM will exercise due care in considering the risks and benefits associated and will take appropriate measures in planning the successful implementation of the MOU vis-à-vis its current business operations.

DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS

None of the directors, major shareholders and persons connected with directors or major shareholders of Fujiya have any interest in the MOU.

APPROVAL REQUIRED

The MOU is not subject to the approval of shareholders of Fujiya or any regulatory authority.

DIRECTORS' STATEMENT

The Board, having considered all relevant aspects of the MOU, is of the opinion that the MOU is in the best interest of the Company.

DOCUMENTS FOR INSPECTION

The MOU is available for inspection at the Registered Office of ABM at Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak during normal business hours for a period of three (3) months from the date of this announcement.

This announcement is dated 9 October 2019.