

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS
TASCO Berhad - Shareholders' Agreement**

TASCO BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	TASCO Berhad - Shareholders' Agreement

The Board of Directors of TASCO Berhad ("Company") wishes to announce that the Company has entered into a Shareholders' Agreement with Yee Lee Trading Co. Sdn. Bhd., a wholly-owned subsidiary of Yee Lee Corporation Bhd and the details of the agreement is set out in the attachment.

Please refer attachment below.

Attachments

Announcement- Shareholders Agreement.pdf
139.3 kB

Announcement Info

Company Name	TASCO BERHAD
Stock Name	TASCO
Date Announced	20 Dec 2017
Category	General Announcement for PLC
Reference Number	GA1-20122017-00030

TASCO BERHAD ("TASCO" OR THE "COMPANY")

SHAREHOLDERS' AGREEMENT BETWEEN TASCO BERHAD AND YEE LEE TRADING CO. SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF YEE LEE CORPORATION BHD

1. INTRODUCTION

The Board of Directors of TASCO ("**Board**") wishes to announce that the Company had on 20 December 2017 entered into a shareholders' agreement with Yee Lee Trading Co. Sdn Bhd (Company No. 7849-A) ("**YLT**"), a wholly-owned subsidiary of Yee Lee Corporation Bhd (Company No. 13585-A) ("**Yee Lee**"), to mutually cooperate in the conduct of the business and affairs of YLTC Sdn Bhd (Company No. 1256105-X) ("**YLTC**" or "**JVCO**"), as a joint venture vehicle for the purpose of carrying a trading, distribution and logistics business and to govern the rights and obligations of the parties in YLTC ("**Shareholders' Agreement**").

2. INFORMATION OF YLT and YLTC (COLLECTIVELY REFERRED TO AS "PARTIES" OR "SHAREHOLDERS")

2.1 YLT

YLT is a private limited company incorporated in Malaysia on 30 May 1968. As at the date of this announcement, the total issued share capital of YLT is RM5,000,000.00 comprising 5,000,000 ordinary shares and it is a wholly-owned subsidiary of Yee Lee. YLT is principally engaged in marketing and distribution of edible oils and other consumer products.

The current directors of YLT are Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, Mr. Lim Ee Young, Mr. Lim Kim Kow and Mr. Hooi Kook Wing @ Hooi Kok Weng.

2.2 YLTC

YLTC is a private limited company incorporated in Malaysia on 17 November 2017. As at the date of this announcement, the total issued share capital of YLTC is RM2.00 comprising 2 ordinary shares and it is a wholly-owned subsidiary of YLT. YLTC principal activities under the joint venture shall be trading, distribution and logistics business.

The current Directors of YLTC are Mr. Lim Ee Young, Mr. Seow Soon Ho and Mr. Lee Vern Ru.

Upon completion of the subscription of the ordinary shares in the JVCO by the Parties, TASCO and YLT shall hold 40% and 60% respectively of the total number of issued shares of the JVCO.

YLTC shall be treated as an associate company of TASCO.

2.3 TASC0

TASCO is a public listed company incorporated in Malaysia on 10 September 1974 and was listed on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007. As at the date of this announcement, the total issued share capital of TASCO is RM100,000,000.00 comprising 200,000,000 ordinary shares. TASCO is principally engaged as a total logistics solutions provider.

3. SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT

- 3.1 The business of YLTC shall be carrying a business involving trading, distribution and logistics.
- 3.2 Simultaneously with the execution of the Shareholders' Agreement, YLT shall procure YLTC to issue and allot 999,998 ordinary shares of YLTC whereby YLT and TASCO shall each subscribe for 599,998 new ordinary shares for the sum of RM599,998.00 and 400,000 new ordinary shares for the sum of RM400,000.00 respectively so that YLT's and TASCO's shareholding in YLTC shall at all times be held in the following proportions ("**Shareholding Proportion**"):-

Shareholders	Number of Shares (upon completion of subscription)	Percentage of Shareholding (%)
YLT	600,000*	60.0*
TASCO	400,000	40.0
Total	1,000,000	100

Note:-

* *Include 2 ordinary shares currently held by YLT in YLTC.*

- 3.3 The number of Directors in YLTC shall be five (5), comprising of three (3) Directors to be nominated by YLT, and two (2) Directors to be nominated by TASCO. Each Director shall be entitled to appoint an alternate director to represent him at any meeting of the board.
- 3.4 The finance for the business of YLTC shall be provided by way of loans and credit facilities to be obtained by YLTC or if agreed by the Shareholders on an individual basis, from loan(s) by the Shareholders, in their respective Shareholding Proportion or otherwise on such terms as the board of directors of YLTC may unanimously agree. For the avoidance of doubt, in the event that the Shareholders intend to lend or provide credit facilities to YLTC or providing any security or corporate guarantee in respect of any loans or credit facilities obtained by YLTC ("**Financial Assistance**"), such Financial Assistance, only if required, shall subject to the Shareholders procuring and/or obtaining its relevant shareholders' approval.
- 3.5 The Shareholders' Agreement shall be terminated, amongst other, if at any time as a result of a transfer of shares in the JVCO in accordance with the terms and

conditions of the Shareholders' Agreement and/or the Constitution or when the JVCO is liquidated, whether voluntary or compulsory.

4. RATIONALE FOR THE JOINT VENTURE

The joint venture in YLTC would provide the Company with an opportunity for growth expansion as well as to access to new markets and distribution networks.

5. EFFECTS OF THE JOINT VENTURE

5.1 Share capital

The joint venture will not have any effect on the issued share capital of TASCOC as the subscription of the ordinary shares in JVCO by TASCOC will be fully satisfied by way of cash.

5.2 Substantial shareholders' shareholding

The joint venture will not have any effect on the substantial shareholders' shareholding of the Company as the subscription of the ordinary shares in JVCO by TASCOC will be fully satisfied by way of cash.

5.3 Earnings and EPS

The execution of the Shareholders' Agreement is not expected to have any material effect on the earnings per share of the Company for the financial year ending 31 March 2018.

5.4 Net assets per share and gearing

The execution of the Shareholders' Agreement is not expected to have any material effect on the net assets per share and gearing of the Company for the financial year ending 31 March 2018.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders of the Company and/or persons connected to them, as defined in the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("MMLR") have any interest, whether direct or indirect, in the joint venture and/or Shareholders' Agreement.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the joint venture as per Paragraph 10.02(g) Chapter 10 of the MMLR is 0.12%, calculated based on aggregate cost of investment

8. APPROVALS REQUIRED

The joint venture and/or the Shareholders' Agreement does not require the approval of TASCOS's shareholders and/or any regulatory authority.

9. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the joint venture and after careful deliberation, is of the opinion that the joint venture undertaken is in the best interests of the Company.

10. DOCUMENTS FOR INSPECTION

The Shareholders' Agreement is available for inspection during normal business hours at TASCOS's registered office at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan, from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 20 December 2017.