

MEMORANDUM OF UNDERSTANDING MEMORANDUM OF UNDERSTANDING BETWEEN TASCO BERHAD AND GD EXPRESS CARRIER BERHAD

TASCO BERHAD

Type	Announcement
Subject	MEMORANDUM OF UNDERSTANDING
Description	MEMORANDUM OF UNDERSTANDING BETWEEN TASCO BERHAD AND GD EXPRESS CARRIER BERHAD

Please refer to the attachment for details of the announcement.

Please refer attachment below.

Attachments

MOU with GDEX.pdf
83.7 kB

Announcement Info

Company Name	TASCO BERHAD
Stock Name	TASCO
Date Announced	08 Dec 2020
Category	General Announcement for PLC
Reference Number	GA1-08122020-00014

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1. INTRODUCTION

The Company wishes to announce that TASCO Berhad has on 8 December 2020 entered into a Memorandum of Understanding ("MOU") with GDEX. TASCO and GDEX shall hereinafter be collectively referred to as "Parties" and individually referred as "Party".

The Parties are desirous to jointly work together with the common objective to enhance logistics delivery services between end consumers in Malaysia with domestic and international destinations across the globe.

2. INFORMATION OF GDEX

Established in 1997, GDEX provides domestic and international express delivery service to B2B, B2C and C2C market in Malaysia. Supported by more than 600 network points, 1300 vehicles and 4300 employees, the company provides next day express courier service, customized delivery solution, international shipping, digitized shipping platform, warehouse fulfilment etc. to a diversified customer base. After many years of continuous growth in Malaysia, GDEX diversified into Southeast Asia region with first investment in Singapore in 2005, Indonesia in 2016 and Vietnam in 2019. The Group now employs almost 9,000 workforces across the region to build up its regional network.

3. DETAILS OF THE MOU

3.1 Objectives of the MOU

The Parties hereto agree to collaborate and co-operate with one another to develop opportunities arising from each party's strength and capabilities, in the following areas:-

- (i) develop and organise joint marketing activities utilising the network and capabilities of both entities;
- (ii) build on each other's strengths and comparative advantage, particularly to advance the development of seamless connectivity of e-commerce and other social commerce platforms with logistics fulfilment services; and
- (iii) enhance knowledge sharing with a view to foster improved co-ordination and synergies.

3.2 Mutual Benefits

With the stated objectives above, the mutual benefits that are expected to accrue from this collaboration include:-

- (i) the ability to set industry-leading standards in logistics fulfilment services for both Parties' customers;

- (ii) TASCO leveraging on GDEX' last mile fulfilment capabilities as well as cooperation with its strategic partners, namely Yamato Holdings Co., Ltd and Singapore Post Limited, as well as its presence in Indonesia via PT Satria Antaran Prima Tbk and in Vietnam via Noi Bai Express and Trading Joint Stock Company;
- (iii) GDEX tapping into TASCO's international logistics network, as well as its local cold supply chain infrastructure as well as convenience retail logistics network;
- (iv) greater e-commerce integration between TASCO's fulfilment solutions offering 'e-Tower' with GDEX's online shipping platform 'myGDEX', allowing coverage of major e-marketplaces and web stores to be integrated with express courier services;
- (v) greater marketing opportunities for both Parties to new and existing multinational businesses through the provision of wider range of logistics fulfilment services; and
- (vi) facilitate sharing of resources and increase economies of scale.

4. RATIONALE OF THE MOU

The MOU serves as an opportunity for the Company to achieve the shared vision of an enhanced and seamless logistics delivery services for the customers. This collaboration is also expected to open up new areas of cooperation for greater marketing activities and business development, as well as cater for more complex logistics demand for customers who require, for example, inventory management, shorter delivery lead time, e-marketplace management and possibly temperature-controlled shipments.

5. DURATION OF THE MOU

The Parties shall collaborate and work together for a period of three (3) years from the date of the MOU. After the initial three (3) year period, both Parties shall mutually negotiate on any extensions of the MOU thereof.

Both Parties may terminate the MOU at any time, by serving a one (1) month notice in writing to the other Party.

6. EFFECTS OF THE MOU

6.1 Share capital and shareholdings of substantial shareholders

The MOU will not have any effect on the Company's share capital and substantial shareholders' shareholdings in the Company.

6.2 Net assets, earnings, earnings per share ("EPS") and gearing

The MOU is also not expected to have any immediate material impact on the net assets, earnings and EPS of TASCO Group. There is no effect on the gearing of TASCO Group as no bank borrowings to be arranged for the MOU.

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

None of the directors, major shareholders and/or persons connected with them has any interest, whether direct or indirect, in the MOU.

8. DIRECTORS' STATEMENT

The Board is of the opinion that the MOU is in the best interest of the Company. The opinion was arrived at after having considered all aspect of the MOU, including but not limited to the rationale and effects of the MOU.

9. APPROVAL REQUIRED

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

The MOU is available for inspection at the registered office of at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor during normal business hours from Monday to Friday (except public holiday) for a period of three (3) months from the date of this announcement.

11. OTHERS

The Company will make the necessary announcement and/or seek the approval from shareholders, if required, in the event that the MOU's terms are extended or the Parties enter into any agreement.

This announcement is date 8 December 2020.