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Announcement details

SUBDIVISION / CONSOLIDATION OF SHARES (CHAPTER 13 OF LISTING REQUIREMENTS) TASCO BERHAD ("TASCO" OR THE "COMPANY") PROPOSED SHARE SPLIT OF EVERY ONE (1) ORDINARY SHARE IN TASCO HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER INTO FOUR (4) SUBDIVIDED ORDINARY SHARES IN TASCO ("PROPOSED SHARE SPLIT")

Amended Announcements

Please refer to the earlier announcement reference number: GA1-21012021-00053

TASCO BERHAD

Type	Announcement
Subject	SUBDIVISION / CONSOLIDATION OF SHARES (CHAPTER 13 OF LISTING REQUIREMENTS)
Description	TASCO BERHAD ("TASCO" OR THE "COMPANY") PROPOSED SHARE SPLIT OF EVERY ONE (1) ORDINARY SHARE IN TASCO HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER INTO FOUR (4) SUBDIVIDED ORDINARY SHARES IN TASCO ("PROPOSED SHARE SPLIT")

On behalf of the Board of Directors of TASCO, RHB Investment Bank Berhad wishes to announce that the Company proposes to undertake a share split involving the subdivision of every one (1) existing ordinary share in TASCO ("TASCO Share" or "Share") into four (4) subdivided ordinary shares ("Subdivided Share (s)").

Further details of the Proposed Share Split are set out in the attachment below.

This announcement is dated 25 January 2021.

Please refer attachment below.

Attachments

Announcement @ 25 Jan 2021.pdf
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TASCO BERHAD ("TASCO" OR THE "COMPANY")

PROPOSED SHARE SPLIT OF EVERY ONE (1) ORDINARY SHARE IN TASCO HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER INTO FOUR (4) SUBDIVIDED ORDINARY SHARES IN TASCO ("PROPOSED SHARE SPLIT")

1. INTRODUCTION

On behalf of the Board of Directors of TASCO ("**Board**"), RHB Investment Bank Berhad ("**RHBIB**") wishes to announce that the Company proposes to undertake a share split involving the subdivision of every one (1) existing ordinary share in TASCO ("**TASCO Share**" or "**Share**") into four (4) subdivided ordinary shares ("**Subdivided Share(s)**").

Further details of the Proposed Share Split are set out in the ensuing sections of this Announcement.

2. PROPOSED SHARE SPLIT

2.1 Details of the Proposed Share Split

The Proposed Share Split will entail the subdivision of every one (1) existing TASCO Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced at a later date ("**Entitlement Date**"), into four (4) Subdivided Shares.

As at 19 January 2021, being the latest practicable date prior to the date of this announcement ("**LPD**"), the Company has an issued share capital of RM100,801,317 comprising 200,000,000 TASCO Shares and it does not hold any treasury shares.

Fractional entitlements for the Subdivided Shares arising from the Proposed Share Split, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deem fit, expedient and in the best interest of the Company.

The Proposed Share Split will be implemented in a single issuance.

2.2 Reference price to the Subdivided Shares

The Proposed Share Split will result in an adjustment to the reference share price of the TASCO Shares listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

For illustration purposes, based on the last transacted market price of TASCO Share on the LPD of RM3.83 per Share, the theoretical adjusted reference share price per Subdivided Share ("**TARP**") upon the completion of the Proposed Share Split is set out below:

	Number of TASCO Shares / Subdivided Shares	Last transacted market price/ TARP RM	⁽¹⁾ Total value RM
As at the LPD	200,000,000	3.83	766,000,000
After the Proposed Share Split	800,000,000	⁽²⁾ 0.9575	766,000,000

Notes:

(1) The total value was arrived at by multiplying the number of Shares/Subdivided Shares held with the last transacted market price/ TARP.

(2) The TARP is arrived at based on the following formula:

$$\begin{aligned} \text{TARP} &= \frac{\text{Last transacted market price on the LPD}}{\text{number of Subdivided Shares}} \times \frac{\text{number of Shares held on the LPD}}{\text{number of Subdivided Shares}} \\ &= \text{RM3.83} \times \frac{200,000,000}{800,000,000} \\ &= \text{RM0.9575} \end{aligned}$$

Based on the aforesaid illustration, the Proposed Share Split will decrease the reference price of the Shares but it will not have any impact on the total market value of these Shares held by the shareholders of the Company.

Additionally, the Proposed Share Split is in compliance with Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Securities, which states that the Company must ensure that its share price adjusted for the Proposed Share Split is not less than RM0.50 based on the daily volume weighted average ("VWAP") share price during the 3-month period before the application date.

For illustration purposes, based on the five (5)-day VWAP of TASCOS Shares up to the LPD as well as the lowest daily VWAP of TASCOS Shares during the three (3)-month period up to the LPD, the TARP upon completion of the Proposed Share Split is set out below:

	VWAP before the Proposed Share Split RM	TARP after the Proposed Share Split RM
Five (5)-day VWAP up to the LPD	3.5057	0.8764
Lowest daily VWAP during the three (3)-month period up to the LPD	2.0402	0.5101

2.3 Ranking

The Subdivided Shares shall, upon issuance and allotment, rank equally in all respects with each other, save and except that the Subdivided Shares will not be entitled to any dividend, rights, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of the Subdivided Shares.

2.4 Listing and quotation of the securities

An application will be made to Bursa Securities for the listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities.

No suspension will be imposed on the trading of the TASCOS Shares on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Split. The Subdivided Shares will be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date.

3. RATIONALE FOR THE PROPOSED SHARE SPLIT

The Proposed Share Split is undertaken to:

- (i) reward the existing shareholders of the Company for their continuous support by increasing their equity participation in the Company in terms of the number of Shares held while maintaining their percentage equity shareholdings without incurring any cost;
- (ii) encourage the trading liquidity of the Shares on the Main Market of Bursa Securities at a lower adjusted trading share price and increase the number of TASCOS Shares in issue without affecting the size of the market capitalisation of the Company; and
- (iii) encourage greater participation of new investors group from the spectrum of the retail investors, corporations, investment funds and/or unit trusts, and new investors who prefer lower entry cost and affordable share price to participate in the equity of the Company, which may widen the shareholders' base in addition to the current shareholders.

4. EFFECTS OF THE PROPOSED SHARE SPLIT

4.1 Issued Share Capital

The pro forma effects of the Proposed Share Split on the issued share capital of the Company are set out below:

	No. of shares	RM
Issued share capital as at the LPD	200,000,000	100,801,317
Issued share capital after the Proposed Share Split	800,000,000	100,801,317

4.2 Consolidated Net assets ("NA"), NA per Share and gearing

Based on the latest consolidated financial statements of TASCOS as at 31 March 2020, the pro forma effects of the Proposed Share Split on the consolidated NA, NA per share and gearing of TASCOS are set out below:

	Audited as at 31 March 2020 RM'000	After the Proposed Share Split RM'000
Share capital	100,801	100,801
Revaluation reserve	1,401	1,401
Exchange translation reserve	(644)	(644)
Fair value reserve	(65)	(65)
Retained earnings	334,189	(1) 334,089
Shareholders' funds/NA	435,682	435,582
Non-controlling interest	64,577	64,577
Total equity	500,259	500,159
No. of Shares in issue ('000)	200,000	800,000
NA per Share (RM) ⁽²⁾	2.18	0.54
Total interest-bearing borrowings (RM'000)	336,900	336,900
Gearing ratio (times) ⁽³⁾	0.77	0.77

Notes:

- (1) After deducting the estimated expenses of RM100,000 in relation to the Proposed Share Split.
- (2) Computed based on the shareholders' funds over the number of Shares in issue.
- (3) Computed based on the total interest-bearing borrowings over the shareholders' funds.

4.3 Substantial shareholders' shareholdings

The Proposed Share Split will not have any effect on the substantial shareholders' shareholdings of TASCOCO as the Subdivided Shares will be allotted on a pro-rata basis to all the shareholders of TASCOCO. However, the number of Shares held by the substantial shareholders of TASCOCO will increase proportionately as a result of the Proposed Share Split.

For illustration purposes, the pro forma effects of the Proposed Share Split on the substantial shareholders' shareholdings of TASCOCO are set out below:

Substantial shareholders	As at the LPD			After the Proposed Share Split		
	Direct	Indirect	%	Direct	Indirect	%
	No. of Shares	No. of Shares	%	No. of Subdivided Shares	No. of Subdivided Shares	%
Yusen Logistics Co. Ltd.	62,779,578	(1)47,980,364	31.39	251,118,312	(1)191,921,456	23.99
Yusen Logistics (Singapore) Pte Ltd	47,980,364	-	23.99	191,921,456	-	23.99
Nippon Yusen Kabushiki Kaisha	19,179,182	(2)110,759,942	9.59	76,716,728	(2)443,039,768	55.38
Real Fortune Portfolio Sdn Bhd	19,660,876	-	9.83	78,643,504	-	9.83
Lee Check Poh	-	(3)19,660,876	-	-	(3)78,643,504	9.83

Notes:

- (1) Deemed interested by virtue of its equity interest in Yusen Logistics (Singapore) Pte Ltd pursuant to Section 8 of the Companies Act 2016 ("Act").
- (2) Deemed interested by virtue of its subsidiaries companies, Yusen Logistics Co. Ltd and Yusen Logistics (Singapore) Pte Ltd's equity interest in the Company pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its equity interest in Real Fortune Portfolio Sdn Bhd pursuant to Section 8 of the Act.

4.4 Earnings and earnings per Share ("EPS")

The Proposed Share Split is expected to be completed by the first (1st) quarter of year 2021. However, the Proposed Share Split is not expected to have any material effect on the consolidated earnings of TASCO and its subsidiary companies ("**TASCO Group**" or "**Group**") for the financial year ending 31 March 2021. Assuming that the earnings of the Group remain unchanged, the consolidated EPS of the Group will be proportionately diluted as a result of the increase in the number of ordinary shares in issue pursuant to the Proposed Share Split.

For illustration purposes, based on the latest audited consolidated financial statements of TASCO for the financial year ended ("**FYE**") 31 March 2020, the pro forma effects of the Proposed Share Split on the consolidated EPS of the Group assuming the Proposed Share Split had been completed at the beginning of the FYE 31 March 2020 are set out below:

	Audited for the FYE 31 March 2020	After the Proposed Share Split
Profit after tax attributable to owners of the Company (RM'000)	8,891	8,891
Weighted average number of Shares ('000)	200,000	800,000
EPS (sen)	4.45	1.11

4.5 Convertible Securities

As at the LPD, Company does not have any convertible securities in issue.

5. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Share Split is subject to the following approvals being obtained:

- (i) Bursa Securities for the Proposed Share Split;
- (ii) the shareholders of the Company at an extraordinary general meeting to be convened; and
- (iii) any other relevant parties/authorities, if required.

The Proposed Share Split is not conditional upon any other proposals undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors of the Company, major shareholders and/or chief executive of TASCO and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Share Split, save for their respective entitlements as shareholders of the Company under the Proposed Share Split, which are also available to all other existing shareholders on a pro-rata basis.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Share Split including the rationale and effects of the Proposed Share Split, is of the opinion that the Proposed Share Split is in the best interests of the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the receipt of all required approvals, the Board expects the Proposed Share Split to be completed by first (1st) quarter of year 2021.

9. APPLICATION TO THE AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities in relation to the Proposed Share Split will be made within two (2) months from the date of this Announcement.

10. PRINCIPAL ADVISER

RHBIB has been appointed as the Principal Adviser to TASC0 for the Proposed Share Split.

The announcement is dated 25 January 2021.