

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS
TASCO BERHAD - PROPOSED ISSUANCE AND ALLOTMENT
OF 58,878,000 NEW ORDINARY SHARES (REPRESENTING
30% OF THE ENLARGED EQUITY INTEREST) IN TASCO
YUSEN GOLD COLD SDN BHD, A WHOLLY-OWNED
SUBSIDIARY OF TASCO (TYGC), TO JAPAN OVERSEAS
INFRASTRUCTURE INVESTMENT CORPORATION FOR
TRANSPORT & URBAN DEVELOPMENT (JOIN) FOR A CASH
SUBSCRIPTION PRICE OF RM125.00 MILLION**

TASCO BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	TASCO BERHAD - PROPOSED ISSUANCE AND ALLOTMENT OF 58,878,000 NEW ORDINARY SHARES (REPRESENTING 30% OF THE ENLARGED EQUITY INTEREST) IN TASCO YUSEN GOLD COLD SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TASCO (TYGC), TO JAPAN OVERSEAS INFRASTRUCTURE INVESTMENT CORPORATION FOR TRANSPORT & URBAN DEVELOPMENT (JOIN) FOR A CASH SUBSCRIPTION PRICE OF RM125.00 MILLION

Please refer to the attachment below for further details.

Please refer attachment below.

Attachments

TASCO - Proposed Subscription from JOIN (20190329).pdf
1.1 MB

Announcement Info

Company Name	TASCO BERHAD
Stock Name	TASCO
Date Announced	29 Mar 2019
Category	General Announcement for PLC
Reference Number	GA1-29032019-00144

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

PROPOSED ISSUANCE AND ALLOTMENT OF 58,878,000 NEW ORDINARY SHARES (REPRESENTING 30% OF THE ENLARGED EQUITY INTEREST) IN TASCO YUSEN GOLD COLD SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF TASCO ("TYGC"), TO JAPAN OVERSEAS INFRASTRUCTURE INVESTMENT CORPORATION FOR TRANSPORT & URBAN DEVELOPMENT ("JOIN") FOR A CASH SUBSCRIPTION PRICE OF RM125.00 MILLION

1. Introduction

The Board of Directors of TASCO ("**Board**") wishes to announce that TASCO and TYGC had on 29 March 2019, entered into a share subscription agreement ("**SSA**") with JOIN for the proposed issuance and allotment of 58,878,000 new ordinary shares (representing 30% of the enlarged equity interest) in TYGC ("**Subscription Shares**") to JOIN for a cash subscription price of RM125.00 million ("**Subscription Price**") ("**Proposed Investment from JOIN**"). Arising therefrom, TASCO's equity interest in TYGC will be diluted from 100% to 70%.

Further details of the Proposed Investment from JOIN are set out in the ensuing sections.

2. Details of the Proposed Investment from JOIN

As at 28 March 2019, being the latest practicable date prior to the date of this announcement ("**LPD**"), the issued share capital of TYGC is RM2,000,000 comprising 2,000,000 ordinary shares ("**TYGC Shares**"). In order to facilitate the Proposed Investment from JOIN, TYGC will be capitalising RM69.26 million of outstanding shareholders' advances from TASCO ("**Capitalisation of Shareholders' Advances**") via the issuance and allotment of 135,382,000 new TYGC Shares to TASCO, concurrently with the Proposed Investment from JOIN.

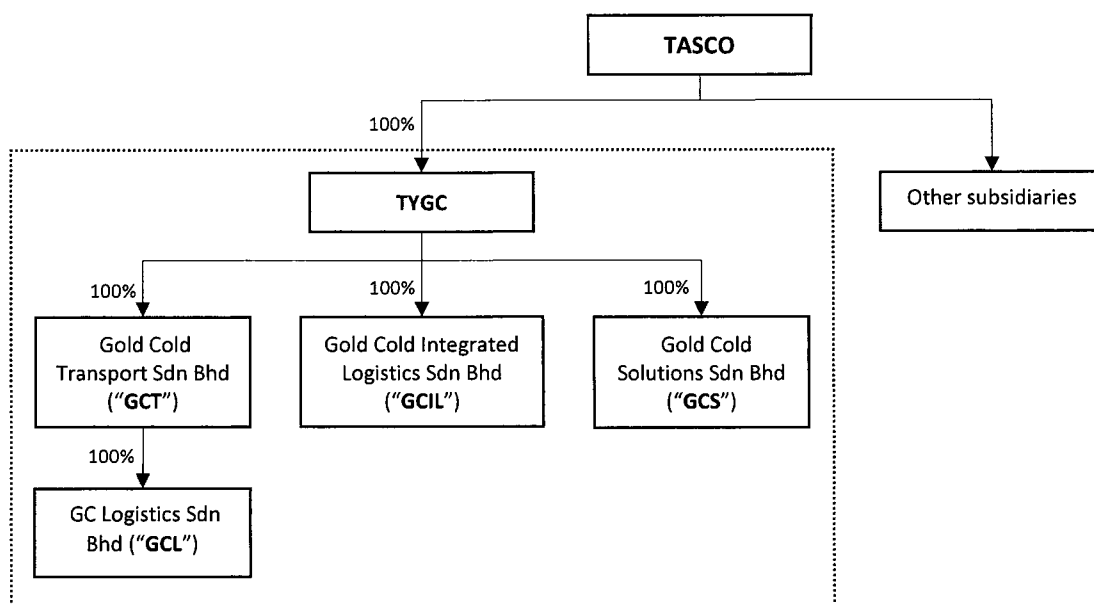
The changes in the issued share capital of TYGC pursuant to the Proposed Investment from JOIN shall be as follows:

	No of TYGC Shares
As at the date of this announcement	2,000,000
Issuance of 135,382,000 new TYGC Shares to TASCO, pursuant to the Capitalisation of Shareholders' Advances	135,382,000
Proposed Investment from JOIN	58,878,000
After the Proposed Investment from JOIN	196,260,000

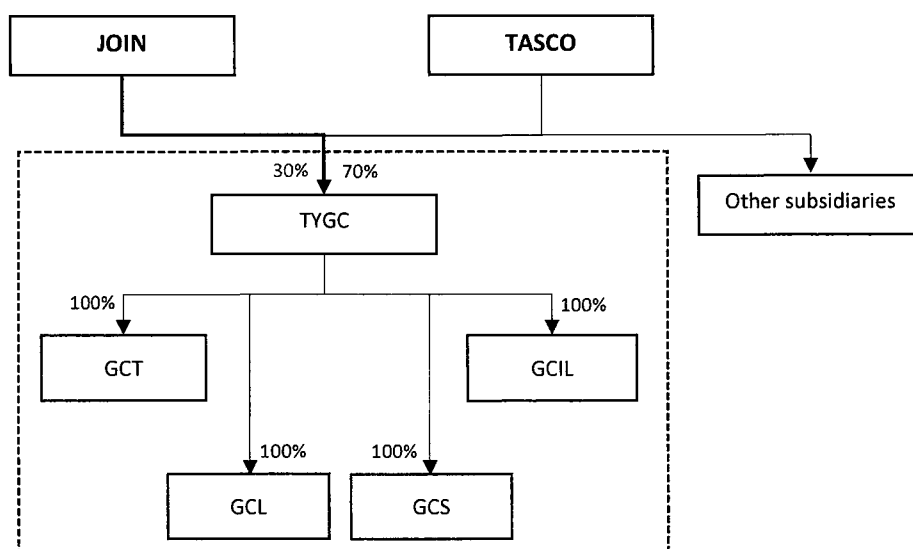
Upon completion of the SSA, the enlarged share capital of TYGC shall be RM196.26 million comprising 196,260,000 TYGC Shares and the respective proportions of the shareholdings in the enlarged issued and paid-up share capital of TYGC shall be as follows:

Shareholders	No. of TYGC Shares	%
TASCO	137,382,000	70
JOIN	58,878,000	30
Total	196,260,000	100

As at the LPD, the shareholding structure of TYGC is as follows:



Subsequent to the Proposed Investment from JOIN, the shareholdings structure of TYGC will be as follows:



Upon the completion of the SSA, TASCO will enter into a shareholders' agreement with JOIN to regulate the conduct of the business of TYGC ("**Shareholders' Agreement**"), covering areas including, amongst others, board composition, dividend policy and matters requiring shareholders' approval.

2.1 Information on JOIN

Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development was incorporated in Japan on 20 October 2014 under the Act on Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development, with its office located at Marunouchi Nakadori Building, level 2F, 2-2-3 Marunouchi, Chiyoda-ku, Tokyo, Japan.

JOIN is a government-private sponsored fund in Japan that specializes in overseas infrastructure investment. Its role is to support and facilitate Japanese corporations to participate in the global infrastructure market. In addition to being a financial partner, JOIN is also an active partner in its investment projects who cooperates and shares responsibilities with its partners and collaborates with overseas corporations and governments.

The Minister of Finance, Japan owns 87.19% in JOIN, with the remaining shareholders consisting of various Japanese corporations. The directors of JOIN are Takuma Hatano, Fumio Inagawa, Yoshiko Shirata, Keisuke Takeuchi, Kazuyo Hachisuka, Toru Masutani and Jun Mizoguchi.

Amongst the recent investments made by JOIN are:

Date	Country	Description
19 Mar 2019	Myanmar	Investment in International Bulk Terminal (Thilawa) Co. Ltd. For the construction of a bulk terminal powered by silos and warehouse for grains and feed crops.
18 Dec 2018	Thailand	Investment in the urban development project in Amata City Chonburi Industrial Estate to construct and manage a hotel and public facilities jointly with Fujita Corporation and AMATA Corporation PCL.
24 Jan 2017	Indonesia	Investment in the Cold Storage Warehouse Project jointly with Kawanishi Warehouse Co., Ltd. For the construction and operation of cold storage rooms in Daiwa Manunggal Industrial Town in Indonesia.

(Source: <http://www.join-future.co.jp/english/index.html>)

2.2 Information on TYGC

TYGC was incorporated in Malaysia on 27 May 2003 under the Companies Act, 1965 and deemed registered under Companies Act, 2016 under the name of NYK Harimau Express Sdn Bhd. On 16 May 2008, it changed its name to TASCOS Express Sdn Bhd before adopting its current name on 17 July 2017.

TYGC has not undertaken any business activities in the past years until its acquisitions of the entire equity interest in Gold Cold Transport Sdn Bhd ("GCT") and Gold Cold Integrated Logistics Sdn Bhd (formerly known as MILS Cold Chain Logistics Sdn Bhd) ("GCIL") which were completed on 12 July 2017 and 1 June 2018, respectively.

TYGC, through its wholly-owned subsidiaries, namely GCT, GCIL, GCS and GCL (collectively, the "TYGC Group") provides fully integrated cold chain and convenience retail logistics services encompassing cold storage warehousing, temperature-controlled trucking, convenience retail distribution services, freight forwarding and customs clearance etc.

Further information on TYGC is set out in **Appendix I** of this announcement.

2.3 Basis and justification of arriving at the Subscription Price

The Subscription Price was negotiated taking into consideration the long term strategic benefits and potential value accretion to be derived from the collaboration between TASCOC Group and JOIN. As further explained in Section 4 of this announcement, the parties intend to pool together resources to advance TYGC's expertise and technical capability in the area of cold chain logistics solutions, supported by JOIN's global network and links to the Japanese government.

2.4 Mode of Settlement

JOIN shall pay the Subscription Price within seven (7) Business Days from the date of the execution of the unconditional certificate that all Conditions Precedent have been satisfied (or waived, as the case may be). The payment of Subscription Price shall be effected by telegraphic or other electronic means or such other mode of payment as mutually agreed between TASCOC, JOIN and TYGC.

2.5 Utilisation of proceeds

The entire proceeds from the Subscription Price of RM125.00 million would be utilised by TASCOC in the manner as set out below:

Utilisation		Estimated timeframe	Amount	
			(RM'000)	%
(1)	Repayment of bank borrowings ⁽¹⁾	Within 12 months from receipt of the Subscription Price	97,000	77.6
(2)	Working capital purposes ⁽²⁾	Within 6 months from receipt of the Subscription Price	26,500	21.2
(3)	Estimated expenses relating to the Proposed Investment from JOIN ⁽²⁾	Immediately upon receipt of the Subscription Price	1,500	1.2
Total			125,000	100.0

Notes:

- (1) *As at 31 December 2018, the total borrowings of TASCOC Group stood at approximately RM375.20 million. TASCOC has earmarked approximately RM97.00 million towards reduction of this debt which primarily comprise of term loans with fixed scheduled repayments over the next 12 months.*

Based on the average interest cost of 4.7% per annum, the repayment of bank borrowings is expected to result in interest savings of approximately RM4.56 million per annum.

- (2) *The working capital requirements include administrative and operating expenses and payment to creditors. Administrative and operating expenses encompass staff salaries, utilities payment and repair/ refurbishment cost while creditors payments are towards, amongst others, airlines and sea carriers.*
- (3) *The estimated expenses include professional fees, regulatory fees, printing and advertising costs, costs to convene the extraordinary general meeting ("EGM") and miscellaneous expenses in relation to the Proposed Investment from JOIN. Any excess or deficit of the estimated expenses from the actual amount would be adjusted from the amount earmarked for repayment of bank borrowings.*

Pending the utilisation of such proceeds, the monies (together with interest earned) will be placed in fixed deposits with financial institutions and/or short-term money market instruments.

2.6 Liabilities to be assumed by JOIN pursuant to the Proposed Investment from JOIN

JOIN would also provide an initial loan of approximately RM5.50 million to TYGC within 7 business days of the completion of SSA for TYGC Group's working capital purposes. Save for obligations and liabilities arising from or in connection with the SSA, there are no liabilities, including contingent liabilities and guarantees, to be assumed by JOIN pursuant to the Proposed Investment from JOIN.

2.7 Original cost and date of investment

The details of the original cost and date of investment by TASC0 in TYGC are as follows:

Date of investment	Number of TYGC shares issued	Cost of investment (RM)
27 May 2003	100,000	100,000
29 Sept 2017	1,900,000	1,900,000
Capitalisation of Shareholders' Advances (date to be determined later)	135,382,000	69,260,000
Total	137,382,000	71,260,000

2.8 Cash company or Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements")

The Proposed Investment from JOIN will not result in TASC0 becoming a cash company or a PN17 issuer pursuant to Paragraphs 8.03 and 8.04 of the Listing Requirements.

3. Salient terms of the SSA

The salient terms of the Subscription Agreement are, amongst others, as set out below:

3.1 Conditions Precedent

The completion of the SSA is expressly conditional upon the satisfaction (or waiver by JOIN) of the following conditions within 6 months from the date of the SSA (or such other date as may be mutually agreed between the parties in writing) ("**Longstop Date**"):

- (i) the Warranties as defined in the SSA are true, accurate and correct and are not misleading in any material respect;
- (ii) there is no occurrence of any mater and/or any event (other than a matter and/or an event as expressly stated or contemplated under this Agreement) which has effect on the earnings or net asset value of TYGC Group in excess of RM12.0 million ("**Material Adverse Effect**");
- (iii) TASC0 having procured the relevant approval from its shareholders for the subscription of the Subscription Shares by JOIN in TYGC and all other ancillary transactions contemplated hereunder ("**Transaction**") in accordance with the applicable laws as defined in the SSA; and

- (iv) TYGC having procured the relevant approval from its board of directors and shareholders for the issuance and allotment of the Subscription Shares to JOIN in accordance with the applicable laws defined in the SSA

(collectively, the “**Conditions Precedent**”).

Upon the fulfilment of the Conditions Precedent and the execution of the unconditional certificate by TASC0 and JOIN, the completion for the Proposed Joint Venture shall take place within seven (7) business days from the date of the unconditional certificate or such other date as may be mutually agreed by all the parties in writing (“**Completion Date**”).

3.2 Undertaking

TASC0 undertakes that, pending the Completion:

- (i) it shall not sell or otherwise transfer (i) all or any part of TYGC Shares or (ii) interest in or right relating to all or any part of TYGC Shares;
- (ii) it shall not permit all or any part of TYGC Shares to become subject to, directly or indirectly, any encumbrance;
- (iii) it shall not do any act or thing, or omit to do any act or thing, the commission of which or (as the case may be) the omissions of which would (i) result in any breach of, or (ii) constitute any event of default under, any security, guarantee or indemnity granted by it in connection with any loans, advances, credit facilities, borrowings, leasing facilities or hire purchase facilities obtained by TYGC Group which are valid and effective prior to the Completion;
- (iv) subject to Paragraph 2 of Schedule 2 of the SSA, it shall not, and shall procure that none of its (i) connected persons, and representatives, and/or (ii) affiliates, and their respective shareholders (if applicable), continue, solicit, initiate, encourage or enter into any discussions or negotiations with any third party relating to:
 - (a) the sale and purchase of any of TYGC Shares;
 - (b) the sale or disposal of shares or other ownership rights in any of TYGC Group and/or any assets (or part thereof) of TYGC;
 - (c) any investment in any of TYGC Group; and/or
 - (d) any other arrangement or transaction which will preclude, restrict or delay the Transactions.

3.4 Termination

Notwithstanding anything contained in the SSA, the SSA (other than the surviving provisions of the SSA) may be terminated at any time prior to the Completion:

- (i) by JOIN in writing to TASC0 and TYGC:
 - (a) if the Conditions Precedent are not satisfied on or before the Longstop Date;
 - (b) if there is a breach of TASC0 and/or TYGC’s covenants, undertakings or obligations herein and if such breach is capable of being remedied, and TASC0 and/or TYGC failed to remedy such breach to JOIN’s reasonable satisfaction within 10 business days after the date of JOIN’s written notice to TASC0 and TYGC requesting such breach to be remedied;

- (c) if there is any material breach of any Warranties or if any Warranties proves to be incorrect, inaccurate or misleading in any material respect;
 - (d) if any event shall occur (other than an event constituting or giving rise to a breach of any of the Warranties) which has or is likely to have a Material Adverse Effect (as determined by JOIN); and/or
 - (e) if an insolvency event listed in the SSA ("**Insolvency Event**") occurs in respect of TASC0 and/or TYGC prior to the issuance and allotment of the Subscription Shares by TYGC to JOIN;
- (ii) TASC0/TYGC in writing to JOIN:
- (a) if there is a breach of the JOIN's covenants, undertakings or obligations herein and if such breach is capable of being remedied, and JOIN failed to remedy such breach to TASC0 and/or TYGC's reasonable satisfaction within 10 business days after the date of TASC0 and/or TYGC's written notice to JOIN requesting such breach to be remedied;
 - (b) if there is any material breach of any investor warranties stated in the SSA ("**Investor Warranties**") or if any Investor Warranties proves to be incorrect, inaccurate or misleading in any material respect; and/or
 - (c) if an Insolvency Event occurs in respect of JOIN prior to Completion;
- (iii) by either party, by written notice to the other party:
- (a) if it is or will become unlawful or illegal under the applicable laws as defined in the SSA for any party to observe, perform or comply with any one or more of its material obligations under the SSA;
 - (b) any party having received notice of any injunction or other order, directive or notice from any government authority restraining or prohibiting the consummation of the Transaction, or notice that any of the foregoing is pending or threatened; and/or
 - (c) any material provision of the SSA is or becomes for any reason, illegal or unlawful under the applicable laws as defined in the SSA,

provided that the right to terminate pursuant to (iii) above shall not be available to a party whose breach of its warranties, covenants, obligations or undertakings under the SSA in any respect shall have directly or indirectly caused the events set out in (a) to (c) above; and/or

- (d) if all parties mutually agree in writing to terminate the SSA, and the SSA shall terminate on the date of such written agreement or such other date as may be specified by all parties in the written agreement.

4. Rationale of the Proposed Investment from JOIN

TYGC is the arm under the TASCOC Group which provides cold chain and convenience retail logistics services.

TYGC is currently the market leader for cold chain logistics in Malaysia due to the comprehensive range of logistics services that it is capable of providing as well as the state-of-the-art facilities it possesses. As at the LPD, TYGC has a combined temperature-controlled storage capacity of 37,000 pallet space supplied through its two (2) logistics centre, namely:

- Berjaya Industrial Logistics Centre in Shah Alam, being one amongst a handful of cold storage facilities in Malaysia that is capable of reaching -30°C temperature for storage; and
- Westport Logistics Centre in Westport, being the largest cold chain warehouse in the Free Commercial Zone as gazetted by the Ministry of Finance, Malaysia.

The Proposed Investment from JOIN in TYGC is strategic in nature and will allow TASCOC to establish a partnership with the Japanese Government in the cold chain and convenience retail logistics segment, which could potentially provide TASCOC with greater access to other markets which JOIN has a presence. Further, this Proposed Investment from JOIN would bring knowledge and expertise to enable the TYGC Group to grow its cold chain business and contribute positively to the future performance of TYGC, as well as enhancing TYGC's profile and reputation in the cold chain logistics industry.

As for TASCOC, the receipt of the Subscription Price would strengthen the cash flow and reduce the gearing position of TASCOC, which arose from the funding for the acquisition of GCT, GCIL and the freehold lands measuring approximately 40 acres in Pulau Indah, Westport between the year 2017 and 2018. The proceeds would mainly to be utilised towards the repayment of bank borrowings, which would reduce the gearing of TASCOC Group and result in interest cost saving of approximately RM4.56 million annually.

5. Risk factors

5.1 Non-completion of the Proposed Investment from JOIN

The completion of the Proposed Investment from JOIN is subject to the fulfilment (or waiver, as the case may be) of the Conditions Precedent as set out in Section 3.1 of this announcement.

There can be no assurance that such conditions precedent can be fulfilled or waived within the timeframe stipulated in the SSA. Nevertheless, TASCOC shall use its best endeavours to complete the Proposed Investment from JOIN within the stipulated timeframe contained in the SSA.

5.2 Contractual risk

TASCOC has given certain warranties and/ or undertakings regarding the business/ operations of TYGC, in favour of JOIN, as set out in the SSA and the Shareholders' Agreement. In this respect, TASCOC may be subject to the risk of claims from JOIN in accordance with the terms and conditions of the SSA and the Shareholders' Agreement for the breach of any of the warranties and/ or undertakings.

In this regard, the Board and management of TASCOC endeavour to ensure compliance with the obligations under the SSA and the Shareholders' Agreement in order to minimise the risk of any breach of the warranties and/ or undertakings given.

5.3 Regulatory risk

The Proposed Investment from JOIN may be affected by changes in the regulatory environment in the relevant jurisdictions. Such risks include, but are not limited to, changes in government policies including changes in the applicable legislation on licensing and foreign shareholdings regulations. There can be no assurance that any unfavourable development in the prevailing regulatory environment will not have any material impact on the Proposed Investment from JOIN.

Nevertheless, TASCOCO will endeavour to ensure compliance with any changes in the regulatory environment in the relevant jurisdictions.

5.4 Valuation risk

No independent valuer was engaged to conduct a valuation as the Board believes that it has sufficient internal expertise to appraise the valuation of TYGC Group. However, there is a risk that the Subscription Price is lower than the ascribed market value if TYGC Group is being appraised by an independent valuer.

Further, the Board also takes into consideration the long term strategic benefits and potential value accretion to be derived from the collaboration between TASCOCO Group and JOIN, and believes the valuation of TYGC Group to be reasonable and fair.

6. Effects of the Proposed Investment from JOIN

For illustration purposes, the effects of the Proposed Investment from JOIN are as follows:

6.1 Issued share capital and substantial shareholder's shareholdings

The Proposed Investment from JOIN will not have any effect on the issued share capital and substantial shareholders' shareholdings of TASCOCO as the Proposed Investment from JOIN does not involve any transfer of shares nor issuance of new shares in TASCOCO.

6.2 Earnings and earnings per share ("EPS")

Although the Company will continue to consolidate the revenue and profits from TYGC on an overall basis, only 70% of TYGC's net profits will accrue to TASCOCO Group's profit attributable to shareholders upon completion of the Proposed Investment from JOIN. Accordingly, the Proposed Investment from JOIN is expected to have an effect on the earnings and EPS of TASCOCO Group for the FYE 31 March 2020. The proceeds received from the Proposed Investment from JOIN are expected to strengthen TASCOCO's financial position in view of the interest savings arising from the repayment of borrowings.

In accordance with MFRS 10, changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions. When the proportion of the equity held by non-controlling interests to reflect the changes in their relative interests in the subsidiary. The entity shall recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received, and attribute it to the owners of the parent. Accordingly, no gain or loss shall be recognised in the Company's consolidated statement of profit or loss pursuant to the Proposed Investment from JOIN.

6.3 Net assets ("NA"), NA per share and gearing

The proforma effect on the NA, NA per share and gearing of the Proposed Investment from JOIN are set out below:

	Audited as at FYE 31 March 2018 (RM'000)	Proforma I After adjustment for subsequent event⁽¹⁾ (RM'000)	Proforma II After Proforma I and the Proposed Investment from JOIN (RM'000)
Share capital	100,801	100,801	100,801
Revaluation reserve	1,401	1,401	1,401
Hedge reserve	(124)	(124)	(124)
Exchange translation reserve	(162)	(162)	(162)
Retained earnings	260,475	255,475	^{(2) (3)} 320,281
	362,391	357,391	422,197
Non-controlling interests	1,319	1,318	⁽²⁾ 60,012
Total	363,709	358,709	482,209
Number of shares in issue ('000)	200,000	200,000	200,000
NA per share (RM)	1.82	1.79	2.11
Total borrowings	275,947	275,947	⁽⁴⁾ 178,947
Gearing (times)	0.76	0.77	0.42

Notes:

- (1) Subsequent event incorporates the effect of the dividend of 2.5 sen per ordinary share of TASCOS, amounting to approximately RM5.0 million for the FYE 31 March 2018, which was paid on 13 July 2018.
- (2) After adjusting based on MFRS 10 whereby the Company shall recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received, and attribute it to TASCOS.
- (3) After taking into account the estimated expenses of RM1.50 million as set out in Section 2.5 of this announcement.
- (4) After taking into account the repayment of borrowings of RM97.00 million as set out in Section 2.5 of this announcement.

7. Approvals required

The Proposed Investment from JOIN is subject to the following approvals being obtained:

- (i) the shareholders of TASCOS at an EGM to be convened; and
- (ii) any other relevant authorities and/or parties, if required.

8. Corporate proposals announced but not yet completed

As at the LPD, there is no other outstanding proposal that has been announced by TASCOS which is not yet completed prior to this announcement.

The Proposed Investment from JOIN is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

9. Estimated completion date

Barring any unforeseen circumstances and subject to the fulfilment of all condition precedent, the Proposed Investment from JOIN is expected to be completed by the middle of 2019.

10. Interest of directors, major shareholders and/or persons connected with them

None of the directors or major shareholders of TASCOS or persons connected with them has any interest, direct or indirect, in the Proposed Investment from JOIN.

11. Statement by the Board

The Board, having considered all aspects of the Proposed Investment from JOIN, including but not limited to, the basis and justification of the Subscription Price, salient terms of the SSA and the Shareholders' Agreement, rationale, risk factors and financial effects, is of the opinion that the Proposed Investment from JOIN is in the best interest of TASCOS.

12. Highest percentage ratio

The highest percentage ratios as set out in Paragraph 10.02(g) of the Listing Requirement applicable to the Proposed Investment from JOIN is 34.49%, which is the Subscription Price compared with the NA of TASCOS Group based on the audited consolidated financial statements of TASCOS for the FYE 31 March 2018.

13. Adviser

UOB Kay Hian Securities (M) Sdn Bhd has been appointed by the Company to act as the Principal Adviser for the Proposed Investment from JOIN.

14. Documents available for inspection

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

This announcement is dated 29 March 2019.

Appendix I – Further information on TYGC Group

1. TYGC

1.1 History and business

TYGC was incorporated in Malaysia on 27 May 2003 under the Companies Act, 1965 and deemed registered under Companies Act, 2016 under the name of NYK Harimau Express Sdn Bhd. On 16 May 2008, it changed its name to TASCOS Express Sdn Bhd before adopting its current name on 17 July 2017.

TYGC has not undertaken any business activities in the past years until its acquisitions of the entire equity interest in GCT and GCIL which were completed on 12 July 2017 and 1 June 2018, respectively. TYGC Group provides fully integrated cold chain and convenience retail logistics services encompassing cold storage warehousing, temperature-controlled trucking, convenience retail distribution services, freight forwarding and customs clearance etc.

1.2 Share capital

As at the LPD, the share capital of TYGC is as follows:

Type of shares	Number of TYGC Shares	Amount (RM)
Ordinary shares	2,000,000	2,000,000

1.3 Shareholders

As at the LPD, TYGC is a wholly-owned company of TASCOS.

1.4 Directors

The directors of TYGC and their respective shareholdings in TYGC are as follows:

Name	No. of shares held in TYGC			
	Direct	%	Indirect	%
Lee Check Poh	-	-	-	-
Tan Kim Yong	-	-	-	-
Haris Fazail Bin Harron	-	-	-	-
Lee Wan Kai	-	-	-	-

Appendix I – Further information on TYGC Group

1.5 Summary of financial information

A summary of the key audited financial information of TYGC are as follows:

	(Audited) FYE 2016⁽¹⁾ (RM'000)	(Audited) FYE 2017⁽²⁾ (RM'000)	Nine (9)-month financial period ended ("FPE") 31 December 2018 (RM'000)
Revenue	89,536	95,487	72,127
Profit before tax	12,248	12,953	8,989
Profit after tax	9,688	9,840	7,259
Number of TYGC Shares ('000) ⁽³⁾	2,000	2,000	2,000
NA (shareholders' fund) ⁽⁴⁾	63,169	73,009	14,976
NA per share (RM)	31.58	36.50	7.49
Borrowings ⁽⁵⁾	52,391	49,232	44,267
EPS (RM)	4.84	4.92	3.63
Gearing ratio (times)	0.83	0.67	2.96

Notes:

- (1) *The combined financial information is calculated based on the following:*
- (i) *audited consolidated financial statements of GCT and its subsidiary company, GCL, for the FYE 30 November 2016; and*
 - (ii) *audited financial statement of GCIL for the FYE 31 December 2016.*
- (2) *The combined financial information is calculated based on the following:*
- (i) *combined audited financial statements of GCT and GCL for the FYE 30 November 2017; and*
 - (ii) *audited financial statement of GCIL for the FYE 31 December 2017.*
- (3) *Assuming the increase of TYGC Shares as set out in Section 2.7 of this announcement has been effected since the beginning of the financial year 2016.*
- (4) *NA for FYE 2016 and 2017 is based on audited numbers of GCT and GCIL for the respective years. Lower NA in FPE 31 December 2018 is based on unaudited consolidated NA of TYGC.*
- (5) *Excluding the amount owing to holding company.*

There has been no audit qualification on financial statements of TYGC for the past three (3) FYE 31 March 2016, 2017 and 2018

Commentary on financial performance:

FYE 2016

TYGC Group recorded an increase in revenue of RM9.9 million, or approximately 12%, for FYE 2016 as compared to FYE 2015. The increase is due to GCT securing more business from its customers and a favourable pricing revision with certain customers during the financial year. TYGC Group records an increase of PBT of RM1.1 million, representing 10%, for FYE 2016 as compared to FYE 2015 due to higher contribution from increased revenue.

Appendix I – Further information on TYGC Group

FYE 2017

TYGC Group recorded an increase in revenue of RM6.0 million, or approximately 7%, for FYE 2017 as compared to FYE 2016. The increase is due to GCT and GCIL securing more business from its existing customer. TYGC Group records an increase of PBT of RM0.7 million in FYE 2017, representing 6% increase compared with FYE 2016 mainly due to higher contribution from increased revenue.

9-month FPE 31 December 2018

For the 9-month FPE 31 December 2018, TYGC Group recorded a revenue of RM72.1 million, as compared to the revenue of RM69.6 million recorded for the corresponding period, representing an increase in revenue of RM2.5 million or approximately 4%. The increase in revenue is due to higher business secured from the existing customer.

For the 9-month FPE 31 December 2018, TYGC Group recorded a PBT of RM9.0 million, as compared to the PBT of RM6.2 million recorded in the corresponding period. This represents an increase in PBT by RM2.8 million or approximately 45% increase compared to 9-month FPE 31 December 2017. The increase is due to higher contribution from higher revenue and cost rationalisation implemented which result in lower operating cost.