

**TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS  
PROPOSED ACQUISITION OF SEVEN (7) PARCELS OF  
LEASEHOLD INDUSTRIAL LANDS LOCATED IN PORT  
KLANG, SELANGOR BY GOLD COLD SOLUTIONS SDN. BHD.  
AND TITIAN PELANGI SDN. BHD.**

**TASCO BERHAD**

<b>Type</b>	Announcement
<b>Subject</b>	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
<b>Description</b>	PROPOSED ACQUISITION OF SEVEN (7) PARCELS OF LEASEHOLD INDUSTRIAL LANDS LOCATED IN PORT KLANG, SELANGOR BY GOLD COLD SOLUTIONS SDN. BHD. AND TITIAN PELANGI SDN. BHD.

Please refer to the attachment below for further details.

Please refer attachment below.

**Attachments**

TASCO Proposed Acquisition (20190510).pdf  
970.1 kB

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**Announcement Info**

<b>Company Name</b>	TASCO BERHAD
<b>Stock Name</b>	TASCO
<b>Date Announced</b>	10 May 2019
<b>Category</b>	General Announcement for PLC
<b>Reference Number</b>	GA1-29042019-00009

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

**PROPOSED ACQUISITION OF SEVEN (7) PARCELS OF LEASEHOLD INDUSTRIAL LANDS LOCATED IN PORT KLANG, SELANGOR BY GOLD COLD SOLUTIONS SDN BHD AND TITIAN PELANGI SDN BHD**

**1. Introduction**

The Board of Directors of TASCO ("**Board**") wishes to announce that Gold Cold Solutions Sdn Bhd ("**GCS**") and Titian Pelangi Sdn Bhd ("**TPSB**"), both being subsidiaries of TASCO (GCS and TPSB are collectively referred to as the "**Purchasers**") had on 10 May 2019 entered into a sale and purchase agreement ("**SPA**") with Hai San Holdings Sdn Bhd (In Liquidation) (Company No: 182740-T) ("**HSH**") and Hai San & Sons Sdn Bhd (In Liquidation) (Company No: 9269-K) ("**HSS**") (HSH and HSS are collectively referred to as the "**Vendors**") for the proposed acquisition of seven (7) parcels of leasehold industrial lands located in Port Klang, Selangor measuring approximately 16.3 acres in total, together with the building(s) erected thereon and bearing postal address Lot 506, Jalan Pelabuhan Utara, Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan for a total cash consideration of RM25,827,000 ("**Purchase Consideration**") ("**Proposed Acquisition**").

Further details of the Proposed Acquisition are set out in the ensuing sections.

**2. Details of the Proposed Acquisition**

The Proposed Acquisition entails the acquisition of all seven (7) parcels of contiguous leasehold industrial lands measuring approximately 16.3 acres, all of which are located at Jalan Pelabuhan Utara, Bandar Sultan Suleiman, Pelabuhan Klang, Selangor on "as is where is" basis as follows:

<b>Property</b>	<b>Lot/ PT no.</b>	<b>Land size (sqm)</b>	<b>Description</b>	<b>Purchaser</b>	<b>Vendor<sup>^</sup></b>
1	Lot 15728	25,114	A leasehold industrial land upon which is a single-storey detached factory/ warehouse with cold room facility	GCS	HSH
2	PT 73156	2,578	A leasehold industrial land	GCS	HSH
3	PT 506	16,592	A leasehold industrial land upon which are three (3)-storey factories and a 2.5 storey office building	TPSB	HSS
4	PT 507	18,210	A leasehold industrial land erected upon which are two (2) single-storey factories and a one-and-a-half storey detached factory	TPSB	HSS
5	PT 9998	2,287	A leasehold industrial land erected upon which is a single-storey detached factory/ warehouse	GCS	HSS
6	PT 73517	493	A leasehold industrial land	GCS	HSS
7	PT 73158	955	A leasehold industrial land	GCS	HSS
<b>Total</b>		<b>66,229</b>			

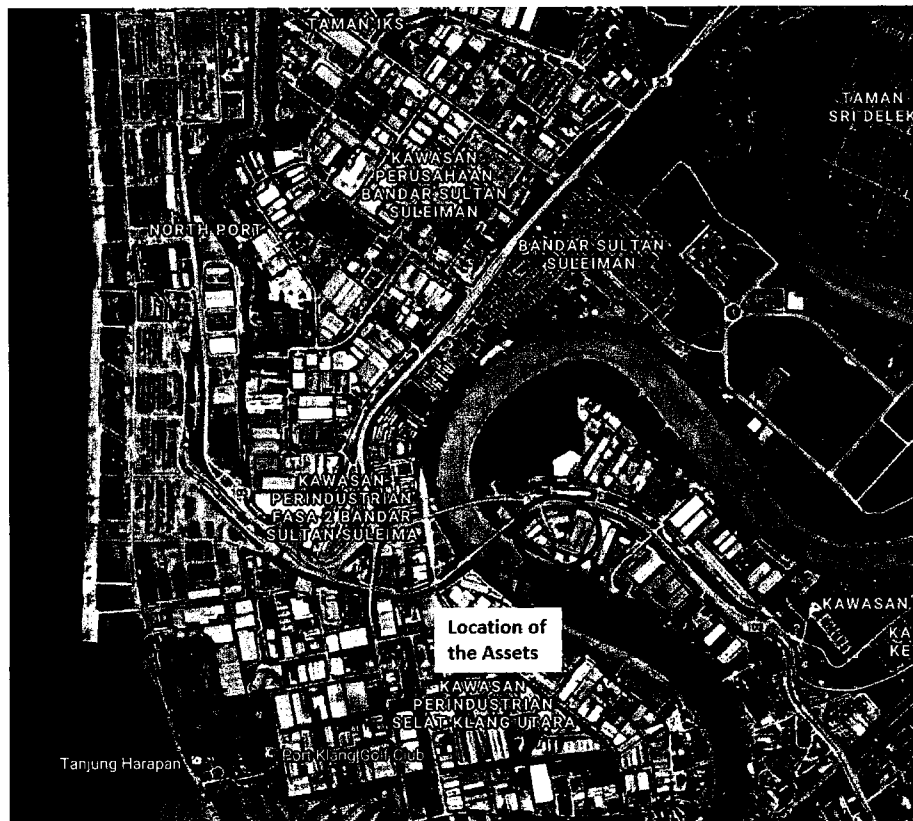
(collectively referred to as the "**Assets**")

<sup>^</sup> Ong Hock An has been appointed liquidator of HSH whilst Ong Hock An and Mok Chew Yin have been appointed liquidators of HSS.

The audited net book value of the Assets have not been provided to the Purchasers.

The Assets are strategically located within an established industrial neighbourhood of North Port, Kawasan Perusahaan Selat Klang Utara and Perdana Industrial Park with the immediate surroundings consisting of several developed large-scale detached factories with warehousing facilities, light industrial factories and terraced shop offices. The area is also known as a regional distribution hub as well as a trade and logistic centre and is located within close proximity to Port Klang.

Situated about 12km south-west of Klang Town Centre, about 20km to the north-east of Shah Alam city centre and 44km to the south-west of Kuala Lumpur City Centre, the Assets can be easily accessed to and from various parts of the Klang Valley via Jalan Pelabuhan Utara, Shapadu Highway and the North Klang Straits Bypass which further leads to the New Klang Valley Expressway (NKVE).



Further details of the Assets are set out in **Appendix I** of this announcement.

### 3. Basis and justification of arriving at the Purchase Consideration

TASCO was selected as the winning bidder of the Assets through a tender process initiated by the liquidators of HSH and HSS. The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis and after taking into consideration, among others, the strategic location of the Assets as well as the rationale and prospects set out in **Section 10** of this announcement. No valuation was carried out to ascertain the market value of the Assets.

#### 4. Salient Terms of the SPA

4.1 Subject to the fulfilment of the Conditions Precedent, the Vendors agree to sell and the Purchasers agree to purchase the Assets together with the fixtures and fittings (if available) on an "as is where is basis" in its present state and condition, with legal possession but without vacant possession, without any representation and warranty from the Vendors, and irrespective of the outcome of the pending legal suits regarding the fixtures and fittings within the Assets, at the Purchase Consideration of RM25,827,000.

#### 4.2 Conditions Precedent

The SPA is conditional upon:

- (i) the Purchasers having obtained at its own costs and expenses, the written approval of the State Authority of Selangor to transfer Property 2, Property 5, Property 6 and Property 7 to GCS as Property 2, Property 5, Property 6 and Property 7 are subject to the restrictions in interest as stated in the Appendix I ("**State Authority Approval**");
- (ii) the Purchasers having obtained at its own costs and expenses, the written approval from the State Authority of Selangor for the acquisition of the Assets as required under Section 433B of the National Land Code ("**S433B Approval**"); and
- (iii) the Vendors having, at its own costs and expenses, successfully remove all the existing private caveats entered on Property 1, Property 3, Property 4, Property 5 and Property 6 ("**Removal of the Existing Caveats**"),

within six (6) months from the date of the SPA or any other period as mutually agreed upon by the parties, provided that if any of the Conditions Precedent is not fulfilled or obtained by the expiry of the said six (6) months period, the conditions precedent period shall be automatically extended for a further period of six (6) months ("**Conditions Precedent**").

The SPA shall become unconditional on the date the purchasers' solicitors receipt of all the original State Authority Approval, the S433B Approval, and/or the Removal of the Existing Caveats, whichever is latest ("**Unconditional Date**").

#### 4.3 Default by Purchasers

In the event that the Purchasers fail to pay the balance purchase consideration, or the Purchasers fail to perform any terms, conditions, or obligations contained in the SPA and fail to remedy the same within three (3) business days from receipt of the Vendors' written notice specifying and requiring the same to be remedied, the Vendors shall be entitled at the Vendors' sole and absolute discretion to either seek specific performance or terminate the SPA whereupon the deposit, late payment interest and tax (if any) shall be forfeited/paid to the Vendors as liquidated damages.

#### 4.4 Default by Vendors

In the event that the Vendors fail to complete the sale and purchase as agreed in accordance with the terms and conditions of the SPA or in the event of any material breach by the Vendors of any terms, conditions, obligations contained in the SPA which is not capable of remedy or if remediable is not remedied by the Vendors thirty (30) days after written notice thereof is given to the Vendors by the Purchasers, the Purchasers shall be entitled to terminate the SPA and the Vendors shall refund the full Purchase Consideration and/or all monies paid by the Purchasers to or for the account of the Vendors free of interest and compensation provided always that the money received are in the possession of the Vendors and/or any money paid to the chargees shall first be refunded to the Vendors.

#### 4.5 Non registration

In the event that the transfer of the Assets ("Transfer") cannot be registered for any reason whatsoever or defect not caused by the Vendors and/or the Purchasers, or any caveat is entered on any title of the Assets prior to presentation of the Transfer (save and except the existing caveats which shall be removed by the Vendors), each party shall use its best endeavours and at their own costs and expense to rectify such non-registration or to remove such caveat in order for the sale of the Assets to the Purchasers to be completed and the Transfer to be registered. In the event that it cannot be rectified, or the caveat cannot be or is not removed, within a period of six (6) months from the date of such non-registration or caveat is made known, either party shall have the option not to proceed with the sale and purchase under the SPA and all monies paid by the Purchasers shall be refunded.

#### 5. Mode of settlement

The Purchase Consideration will be paid in the following manner:

	<b>Timeframe</b>	<b>Payment (RM)</b>
Earnest deposit	Paid as part of the tender process	456,600
Balance deposit	Upon execution of the SPA	2,126,100
Retention sum <sup>(1)</sup>	Upon execution of the SPA	774,810
Balance purchase consideration	Within three (3) months from the date of the SPA or forty five (45) days from the Unconditional Date, whichever is later	22,469,490
<b>Total</b>		<b>25,827,000</b>

**Note:**

(1) Being retention sum towards payment of real property gains tax.

#### 6. Liabilities to be assumed

There are no liabilities including contingent liabilities and guarantees to be assumed by TASCO arising from the Proposed Acquisition.

## **7. Source of funding**

The Purchase Consideration is expected to be funded via a combination of bank borrowings and/or internally generated funds, the proportion of which will be determined at a later date.

## **8. Information of the Vendors**

### **8.1 HSH**

HSH was incorporated in Malaysia on 5 June 1989 under the Companies Act, 1965 and deemed registered under the Companies Act, 2016. HSH is a wholly-owned subsidiary of Haisan Resources Berhad. It was principally involved in the leasing of cold rooms.

On 30 March 2018, Ong Hock An of BDO Consulting Sdn Bhd was appointed as liquidator of HSH. As at the 3 May 2019, being the latest practicable date prior to this announcement (“LPD”), the directors of HSH are Aralis a/l Babanhamy, Kalaiarasi A/P Suppayan @ Suppiah and Kamarul Ariffin bin Md Derum.

### **8.2 HSS**

HSS was incorporated in Malaysia on 16 January 1970 under the Companies Act, 1965 and deemed registered under the Companies Act, 2016. HSS is a wholly-owned subsidiary of Haisan Resources Berhad. It was principally involved in the leasing of properties and cold rooms.

On 11 July 2018, Mok Chew Yin and Ong Hock An of BDO Consulting Sdn Bhd were appointed as liquidators of HSS. As at the LPD, the directors of HSS are Aralis a/l Babanhamy, Kalaiarasi A/P Suppayan @ Suppiah and Kamarul Ariffin bin Md Derum.

## **9. Information on the Purchasers**

### **9.1 GCS**

GCS was incorporated in Malaysia on 26 March 2019 under Companies Act, 2016 and its principal activity is to undertake cold chain warehousing and storage business. As at the date of this announcement, GCS is a wholly-owned subsidiary of TASCOS Yusen Cold Chain Sdn Bhd, which in turn is a subsidiary of TASCOS. The directors of GCS are Tan Kim Yong, Lee Wan Kai and Haris Fazail Bin Haroon.

### **9.2 TPSB**

TPSB was incorporated in Malaysia on 11 March 1993 under the Companies Act, 1965 and deemed registered under the Companies Act, 2016. TPSB is currently a dormant company. As at the date of this announcement, TPSB is a wholly-owned subsidiary of TASCOS. The directors of TPSB are Lee Check Poh and Lim Jew Kiat.

## **10. Rationale of the Proposed Acquisition and prospects of the Assets**

The Proposed Acquisition provides TASCOS with the opportunity to acquire a sizeable landbank with existing warehousing facilities (with a combination of cold and ambient warehousing facilities) strategically located in Port Klang, which is the busiest container ports in Malaysia and can be easily accessed to and from various expressway connection.

The Assets are also in close proximity to TASC0's Port Klang Logistics Centre, which provides convenience for the management of TASC0 to easily manage the warehousing operations in both locations. The temperature-controlled warehouses on the Assets would provide TASC0 with the opportunity to scale up its cold chain warehousing operations, which are currently operating at full capacity.

## **11. Risk factors**

### **11.1 Non-completion of the Proposed Acquisition**

The completion of the Proposed Acquisition is subject to the fulfilment of the Conditions Precedent as set out in **Section 4.2** of this announcement and there can be no assurance that such conditions precedent can be fulfilled within the timeframe as prescribed in the SPA.

Nevertheless, the Board shall use its best endeavours to complete the Proposed Acquisition within the stipulated timeframe contained in the SPA.

### **11.2 Funding and interest rate risk**

The Board may seek external financing to fund the Proposed Acquisition. There can be no assurance that the necessary financing will be available in terms and conditions which are acceptable to the Company. Moreover, TASC0 could potentially be exposed to fluctuations in interest rates on such financing obtained, leading to higher borrowing costs which may adversely affect TASC0's future results.

Nevertheless, the Board shall continuously monitor and review its debt financing by taking into consideration its existing gearing level, interest costs and cash flows to achieve an overall optimal capital structure.

### **11.3 Losses from latent building and equipment defects**

The Board has not conducted a detailed inspection on the Assets and there can be no assurance that the buildings and equipment are in satisfactory working condition. Any material defects and/or breaches of law and regulation may result in additional expenses on repairs and rectifications being incurred. Nevertheless, the Board will undertake proper measures and assessments to reinstate the Assets to proper working conditions (if required) and to ensure compliance with laws and regulations.

## **12. Financial effects**

The Proposed Acquisition is not expected to have any material effect on the earnings, net assets nor gearing of TASC0 Group for the financial year ending 31 March 2020.

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholding of TASC0 as they do not involve any allotment or issuance of new shares by TASC0.

**13. Approvals required and expected timeframe for submission of application to relevant authorities**

Save as disclosed below, the Proposed Acquisition does not require approval from the shareholders of TASC0 or any other relevant authorities:

<b>Approvals required</b>	<b>Expected timeframe for submission</b>
(a) the S433B Approval for the Assets	One (1) month from the date of this announcement
(b) the State Authority Approval for Property 2, Property 5, Property 6 and Property 7	Within seven (7) business days after the receipt of the S433B Approval

For clarity, the Proposed Acquisition is not conditional upon any other corporate exercise undertaken or to be undertaken by TASC0 Group.

**14. Estimated completion date**

Barring any unforeseen circumstances and subject to the fulfilment of the Conditions Precedent, the Proposed Acquisition is expected to be completed in the 2<sup>nd</sup> half of calendar year 2019.

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

None of the directors or major shareholders of TASC0 or persons connected with them have any interest, direct or indirect, in the Proposed Acquisition.

**16. Statement by the Board**

The Board, having considered all aspects of the Proposed Acquisition, including but not limited to the basis and justification of the Purchase Consideration, salient terms of the SPA, rationale of the Proposed Acquisition and risk factors of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of TASC0.

**17. Highest percentage ratio**

The highest percentage ratios as set out in Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad applicable to the Proposed Acquisition is 7.13%, which is the value of the Assets compared with the net assets of TASC0 based on the audited financial statements of TASC0 for the financial year ended 31 March 2018.

**18. Documents available for inspection**

A copy of the SPA is available for inspection at the business address of 802, 8<sup>th</sup> 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 10 May 2019.**



Appendix I – Further details on the Assets

	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6	Property 7
Register owner	HSH	HSH	HSS	HSS	HSS	HSS	HSS
Title no	PN 4390	HSM 32120	HSD 23023	HSD 5848	HSM 11745	HSM 32121	HSM 32122
Lot no	Lot 15728	PT 73156	PT 506	PT 507	PT 9998	PT 73157	PT 73158
Land area	25,114 sqm	2,578 sqm	16,592 sqm	18,210 sqm	2,287 sqm	493 sqm	955 sqm
Tenure expiry	1 May 2029	11 October 2099	18 June 2034	18 June 2034	7 September 2082	11 October 2099	11 October 2099
Encumbrance	OCBC Bank (Malaysia) Berhad	Hong Leong Bank Berhad	Public Bank Berhad	Public Bank Berhad	OCBC Bank (Malaysia) Berhad	OCBC Bank (Malaysia) Berhad	OCBC Bank (Malaysia) Berhad
Category of land use	Industrial						
Restriction in interest	Nil	"Tanah yang diberi milik ini tidak boleh dipindah milik, digadai atau dipajak melainkan dengan kebenaran Pihak Berkuasa Negeri"	Nil	Nil	"Tanah yang diberi milik ini tidak boleh dipindah milik, digadai atau dipajak melainkan dengan kebenaran Pihak Berkuasa Negeri"	"Tanah yang diberi milik ini tidak boleh dipindah milik, digadai atau dipajak melainkan dengan kebenaran Pihak Berkuasa Negeri"	"Tanah yang diberi milik ini tidak boleh dipindah milik, digadai atau dipajak melainkan dengan kebenaran Pihak Berkuasa Negeri"
Buildings: Existing building	Single storey detached factory / warehouse, with cold room facility	N/A	(i) A single storey detached factory; (ii) A single storey detached factory; (iii) A single storey detached factory; and (iv) A 2.5 storey office building.	(i) A single storey detached factory; (ii) A single storey detached factory; and (iii) A 1.5 storey detached factory (cross docking cold room facility)	A single storey detached factory / warehouse	N/A	N/A

**Appendix I – Further details on the Assets**

	<b>Property 1</b>	<b>Property 2</b>	<b>Property 3</b>	<b>Property 4</b>	<b>Property 5</b>	<b>Property 6</b>	<b>Property 7</b>
<b>Gross build up area (square feet)</b>	183,600 sq. ft	N/A	(i) 26,000 sq. ft; (ii) 25,000 sq. ft; (iii) 29,000 sq. ft; and (iv) 10,600 sq. ft	(i) 24,750 sq. ft; (ii) 30,000 sq. ft; and (iii) 41,000 sq. ft	7,280 sq. ft	N/A	N/A
<b>Estimated Age of building (years)</b>	26 years	N/A	40 years	(i) 40 years; (ii) 40 years; and (iii) 10 years	35 years	N/A	N/A