

THIS CIRCULAR TO SHAREHOLDERS OF TASCO BERHAD ("TASCO" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



TASCO BERHAD

(Registration No. 197401003124 (20218-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

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

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



RHB INVESTMENT BANK BERHAD

(Registration No. 197401002639 (19663-P))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The above proposal will be tabled as an Ordinary Resolution at the Extraordinary General Meeting ("**EGM**") of the Company. In view of the COVID-19 outbreak and as part of the safety measures, the EGM will be conducted entirely on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities via the meeting platform at Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx> from the Broadcast Venue at TASCO Berhad, Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan ("**Broadcast Venue**") on Thursday, 25 February 2021 at 2.30 p.m. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and shareholders will not be allowed to attend the EGM in person at the Broadcast Venue on that day of the meeting. For further information, please refer to the Notice of EGM and the Administrative Guide for the EGM which is enclosed together with the circular in order to register, participate, speak and vote remotely via the RPEV.

The Notice of the EGM and the Proxy Form can be downloaded at the Company's website at www.tasco.com.my or Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

A member entitled to participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. In such event, please complete and return the Proxy Form in accordance with the instructions therein as soon as possible and shall be deposited at the office of SS E Solutions Sdn Bhd, the Poll Administrator for the EGM, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the EGM. The lodging of the Proxy Form will not preclude you from participating, speaking and voting remotely at the EGM should you subsequently wish to do so. Alternatively, the proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx> not less than forty-eight (48) hours before the EGM. For further information on the electronic submission of the Proxy Form and participation at the EGM, kindly refer to the Administrative Guide for the EGM which is enclosed together with this Circular.

Last date and time for lodging the Proxy Form..... : Tuesday, 23 February 2021, at 2.30 p.m.

Date and time of the EGM..... : Thursday, 25 February 2021, at 2.30 p.m.

The circular is dated 10 February 2021

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout the Circular:

"Act"	:	Companies Act, 2016
"Board"	:	The Board of Directors of TASC0
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	This circular dated 10 February 2021 in relation to the Proposed Share Split
"Director(s)"	:	The director(s) of TASC0 and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
"EGM"	:	Extraordinary general meeting
"Entitled Shareholders"	:	The shareholders of TASC0 who are registered as a member and whose name appears in the Record of Depositors of the Company on the Entitlement Date
"Entitlement Date"	:	The date as at the close of business at 5.00 p.m. to be determined by the Board and announced later by the Company at a later date, on which the name of shareholders of TASC0 must be registered as a member and whose names must appear in the Record of Depositors of the Company in order to be entitled to the Subdivided Shares in relation to the Proposed Share Split
"EPS"	:	Earnings per Share
"FYE"	:	Financial year ended/ending, as the case may be
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	19 January 2021, being the latest practicable date prior to the date of this Circular
"Market Day(s)"	:	A day on which the stock market of Bursa Securities is open for trading in securities
"NA"	:	Net assets
"Proposed Share Split"	:	Proposed share split involving the subdivision of every one (1) TASC0 Share into four (4) Subdivided Shares
"Record of Depositors"	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
"RHBIB" or the "Principal Adviser"	:	RHB Investment Bank Berhad
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively

DEFINITIONS (CONT'D)

"Rules of Bursa Depository"	:	The Rules of Bursa Depository as issued pursuant to the SICDA
"SICDA"	:	Securities Industry (Central Depositories) Act 1991
"Subdivided Shares"	:	TASCO Shares after the completion of the Proposed Share Split
"TARP"	:	Theoretical adjusted reference share price per Subdivided Share
"TASCO" or the "Company"	:	TASCO Berhad
"TASCO Group" or the "Group"	:	TASCO Berhad and its subsidiaries, collectively
"TASCO Share(s)" or the "Share(s)"	:	Ordinary share(s) in TASCO
"VWAP"	:	Volume weighted average price

References to "our Company" in this Circular are to TASCO and references to "our Group" are to our Company and our subsidiaries. References to "we", "us", "our" and "ourselves" in this Circular are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to "you" in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in its quarterly results or annual reports, is due to rounding.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Share Split. You are advised to read and carefully consider the contents of this Circular and the appendix contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Share Split before voting at the forthcoming EGM.

Salient Information	Description	Reference to Circular
Summary of the Proposed Share Split	TASCO proposes to undertake a proposed share split involving the subdivision of every one (1) existing Share in the Company into four (4) Subdivided Shares.	Section 1 and Section 2
Rationale and justification for the Proposed Share Split	<ol style="list-style-type: none">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 TASCO Shares in issue without affecting the size of the market capitalisation of the Company; andiii. 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.	Section 3
Interests of Directors, major shareholders, chief executive and/or persons connected with them	None of the Directors of the Company, major shareholders and 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 the Entitlement Date.	Section 8
Approvals required/ obtained for the Proposed Share Split	The Proposed Share Split is subject to the following approvals: <ol style="list-style-type: none">i. Bursa Securities, vide its letter dated 4 February 2021, for the listing of the Subdivided Shares on the Main Market of Bursa Securities;ii. the shareholders of the Company at an EGM to be convened; andiii. any other relevant parties/authorities, if required.	Section 6

EXECUTIVE SUMMARY (CONT'D)

Board's recommendation	<p>The Board, having considered the rationale and all other aspects of the Proposed Share Split, is of the opinion that the Proposed Share Split is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that the shareholders <u>VOTE IN FAVOUR</u> of the resolution pertaining to the Proposed Share Split to be tabled at the forthcoming EGM.</p>	Section 10
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TASCO BERHAD
(Registration No. 197401003124 (20218-T))
(Incorporated in Malaysia)

Registered Office

802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

10 February 2021

Board of Directors

Lee Check Poh (*Non-Independent Executive Chairman*)
Andy Lee Wan Kai (*Non-Independent Group Chief Executive Officer*)
Tan Kim Yong (*Non-Independent Deputy Group Chief Executive Officer*)
Freddie Lim Jew Kiat (*Non-Independent Executive Director*)
Norihiko Yamada (*Non-Independent Executive Director*)
Kwong Hoi Meng (*Independent Non-Executive Director*)
Raymond Cha Kar Siang (*Independent Non-Executive Director*)
Raippan S/O Yagappan @ Raiappan Peter (*Independent Non-Executive Director*)
Datuk Dr Wong Lai Sum (*Independent Non-Executive Director*)

To: The Shareholders of TASCO Berhad

Dear Sir/ Madam

PROPOSED SHARE SPLIT

1. INTRODUCTION

On 25 January 2021, RHBIB had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Share Split.

On 4 February 2021, RHBIB had, on behalf of the Board, announced that Bursa Securities had, vide its letter on even date, granted its approval for the Proposed Share Split, subject to the conditions as set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED SHARE SPLIT AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE SPLIT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE SPLIT TO BE TABLED AT THE FORTHCOMING EGM.

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 TASCOS Share held by the Entitled Shareholders on the Entitlement Date, into four (4) Subdivided Shares.

As at the LPD, the Company has an issued share capital of RM100,801,317 comprising 200,000,000 TASCOS Shares and it does not hold any treasury shares. Upon completion of the Proposed Share Split, the enlarged issued share capital of the Company will be RM100,801,317, comprising 800,000,000 Subdivided Shares.

Fractional entitlements for the Subdivided Shares arising from the Proposed Share Split, if any, will 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 Entitlement Date of the Proposed Share Split will be implemented in a single issuance and the Entitlement Date will be determined by the Board and announced at a later date upon receipt of all relevant approvals for the Proposed Share Split.

2.2 Reference price to the Subdivided Shares

The Proposed Share Split will result in an adjustment to the reference share price of the TASCOS Shares listed and quoted on the Main Market of Bursa Securities.

For illustration purposes, based on the last transacted market price of TASCOS Share on the LPD of RM3.83 per Share, the TARP upon the completion of the Proposed Share Split is set out below:

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

Notes:

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

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

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

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

Additionally, the Proposed Share Split is in compliance with Paragraph 6.30(1A) of the Listing Requirements as the share price adjusted for the Proposed Share Split is not less than RM0.50 based on the daily VWAP share price during the 3-month period before 27 January 2021, being the submission date of the listing application to Bursa Securities for the Proposed Share Split.

For illustration purposes, based on the five (5)-day VWAP of TASCOS Shares up to and including the LPD as well as the lowest daily VWAP of TASCOS Shares during the three (3)-month period before 27 January 2021, being the submission date of the listing application to Bursa Securities for the Proposed Share Split, 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 and including the LPD	3.5057	0.8764
Lowest daily VWAP during the three (3)-month period before 27 January 2021	2.0911	0.5228

2.3 Ranking

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

2.4 Listing and quotation of the securities

Bursa Securities had vide its letter dated 4 February 2021 approved the Proposed Share Split.

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.

The relevant notice for the Subdivided Shares will be issued and despatched to the Entitled Shareholders within four (4) Market Days after the listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

As the Subdivided Shares are prescribed securities under Section 14(5) of the SICDA, the Subdivided Shares will be subjected to the SICDA and the Rules of Bursa Depository. Accordingly, the Subdivided Shares will be credited into the respective Central Depository System accounts of the Entitled Shareholders and no physical share certificates will be issued.

3. RATIONALE AND JUSTIFICATION 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 TASCOS 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 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	334,089 ^(a)
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) ^(b)	2.18	0.54
Total interest-bearing borrowings (RM'000)	336,900	336,900
Gearing ratio (times) ^(c)	0.77	0.77

Notes:

(a) After deducting the estimated expenses of RM100,000 in relation to the Proposed Share Split.

(b) Computed based on the shareholders' funds over the number of Shares in issue.

(c) 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 TASC0. However, the number of Shares held by the substantial shareholders of TASC0 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 TASC0 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	31.38	47,980,364 ^(a)	23.99	251,118,312	31.38	191,921,456 ^(a)	23.99
Yusen Logistics (Singapore) Pte Ltd	47,980,364	23.99	-	-	191,921,456	23.99	-	-
Nippon Yusen Kabushiki Kaisha	19,179,182	9.59	110,759,942 ^(b)	55.38	76,716,728	9.59	443,039,768 ^(b)	55.38
Real Fortune Portfolio Sdn Bhd	19,660,876	9.83	-	-	78,643,504	9.83	-	-
Lee Check Poh	-	-	19,660,876 ^(c)	9.83	-	-	78,643,504 ^(c)	9.83

Notes:

(a) Deemed interested by virtue of its equity interest in Yusen Logistics (Singapore) Pte Ltd pursuant to Section 8 of the Act.

(b) 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.

(c) Deemed interested by virtue of his equity interest in Real Fortune Portfolio Sdn Bhd pursuant to Section 8 of the Act.

4.4 Earnings and 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 the Group for the FYE 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 Shares in issue pursuant to the Proposed Share Split.

For illustration purposes, based on the latest audited consolidated financial statements of TASCOS for the 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. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of TASCOS Shares as transacted on Bursa Securities for the past 12 months from February 2020 to January 2021 are set out below:

	High RM	Low RM
2020		
February	1.160	1.070
March	1.080	0.700
April	0.905	0.760
May	1.050	0.910
June	1.000	0.885
July	0.980	0.860
August	1.020	0.815
September	1.520	1.080
October	2.300	1.400
November	2.760	2.140
December	3.090	2.430
2021		
January	2.850	4.110
Last transacted market price on 22 January 2021, being the last trading day immediately prior to the announcement of the Proposed Share Split on 25 January 2021		3.95
Last transacted market price on the LPD		3.83

(Source: Bloomberg)

6. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY

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

- i. Bursa Securities for the Proposed Share Split and the listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities which was obtained on 4 February 2021, subject to the following conditions:

No	Condition	Status of Compliance
(a)	TASCO and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Share Split;	Noted
(b)	TASCO and RHBIB are required to inform Bursa Securities upon completion of the Proposed Share Split;	To be complied
(c)	TASCO is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Split is completed;	To be complied
(d)	TASCO and RHBIB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements pertaining to the Proposed Share Split; and	To be complied
(e)	TASCO to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Share Split prior to the listing and quotation of the Subdivided Shares.	To be complied

- ii. the shareholders of TASCO, for the Proposed Share Split at the forthcoming EGM to be convened by way of a poll; 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.

7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Share Split, there are no other corporate exercises which have been announced by the Company but are pending completion as at the date of this Circular.

8. 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.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to approvals from the relevant regulatory authorities and parties being obtained, the Proposed Share Split is expected to be completed by the first (1st) quarter of year 2021.

The tentative timetable for the implementation of the Proposed Share Split is set out below:

Date/month	Events
25 February 2021	<ul style="list-style-type: none">• Convening of EGM to obtain the approval of the shareholders of TASCO for the Proposed Share Split
end February 2021	<ul style="list-style-type: none">• Announcement of the Entitlement Date for the Subdivided Shares
mid March 2021	<ul style="list-style-type: none">• Entitlement Date• Listing of the Subdivided Shares on the Main Market of Bursa Securities

10. DIRECTORS' STATEMENT AND RECOMMENDATION

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.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Split to be table at the forthcoming EGM.

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted entirely on a virtual basis at the Broadcast Venue at TASCO Berhad, Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan on Thursday, 25 February 2021 at 2.30 p.m. for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Share Split.

A member entitled to participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. In such event, please complete and return the Proxy Form in accordance with the instructions therein as soon as possible and shall be deposited at the office of SS E Solutions Sdn Bhd, the Poll Administrator for the EGM, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the EGM. Your proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx>. The lodging of the Proxy Form will not preclude you from participating, speaking and voting remotely at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

You are advised to refer to the attached appendix for further information.

Yours faithfully
For and on behalf of the Board
TASCO BERHAD

LEE CHECK POH
Non-Independent Executive Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the completeness and accuracy of the information given in this Circular. The Board hereby confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST

RHBIB, being the Principal Adviser to TASCO for the Proposed Share Split, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

RHBIB, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad ("**RHB Bank**"), and the subsidiaries and associated companies of RHB Bank ("**RHB Banking Group**") form a diversified financial group. RHB Banking Group may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for the Company and/or its affiliates, in addition to the role as set out in this Circular. RHB Banking Group, its directors and major shareholders may from time to time hold or deal in the securities of the Company and/or its affiliates for their own accounts or their proprietary accounts.

Furthermore, in the ordinary course of business, RHB Banking Group may at any time offer or provide its services or engage in any transactions (whether on its own account or otherwise) with the Company and/or affiliates and/or any other entity or person, hold long or short positions in the securities offered by the Company and/or its affiliates, make investments recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of the Company and/or its affiliates.

The business of RHB Banking Group generally act independently of each other, and accordingly, there may be situations where parts of RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the said regulations issued by the relevant authorities governing its advisory business, which require, amongst others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

As at the LPD, RHB Banking Group had extended credit facilities amounting to RM1.01 million ("**Credit Facilities**") (with an amount of approximately RM0.84 million outstanding) to TASCO Group. The Credit Facilities represent less than 0.01% of the audited consolidated NA of RHB Bank of approximately RM25.78 billion as at 31 December 2019.

Notwithstanding the above, RHBIB is of the opinion that concerns of any potential conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to TASCO for the Proposed Share Split is mitigated by the following:

- (a) RHBIB is a licensed investment bank and its appointment as the Principal Adviser to TASCO for the Proposed Share Split is in the ordinary course of its business and RHBIB does not received or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser to TASCO for the Proposed Share Split;

- (b) the Credit Facilities were approved by RHB Banking Group's relevant credit committee and granted on an arm's length basis and is not material when compared to the audited consolidated NA of RHB Bank of approximately RM25.78 billion as at 31 December 2019;
- (c) the Corporate Finance division of RHBIB is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (d) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and RHB Banking Group's own internal controls which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

As at the LPD, save as disclosed above, RHBIB confirms that it is not aware of any conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to TASCO for the Proposed Share Split.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there is no material commitments incurred or known to be incurred by the Group which may have a material impact on the financial results/position of the Group:

Capital commitments	RM'000
<u>Approved and contracted for:</u>	
• Purchase of equipment	6,862
• Professional and regulatory fees in relation to the construction of TASCO Group's warehouse	433
• Purchase of truck fleets	4,951
	<u>12,246</u>
<u>Approved but not contracted for:</u>	
• Construction of warehouse	120,000
• Construction of additional loading bay for warehouse	435
	<u><u>132,681</u></u>

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there is no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:

	RM'000
Corporate guarantees in favour of the suppliers of its joint venture company for supplying such goods and services on credit	5,400
Corporate guarantee in favour of a licensed bank of its joint venture company, for trade facilities	6,800
	<u><u>12,200</u></u>

5. MATERIAL LITIGATION

As at the LPD, the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the forthcoming EGM:

- i. Constitution of TASC0;
- ii. audited consolidated financial of statements of TASC0 for the FYE 31 March 2019 and FYE 31 March 2020 as well as the latest unaudited consolidated financial statements of TASC0 for the 9-month Financial Period Ended 31 December 2020; and
- iii. the letter of consent and declaration of conflict of interest referred to in Section 2 of Appendix I above.

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TASCO BERHAD
(Registration No. 197401003124 (20218-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of TASCO Berhad ("**Company**") will be conducted entirely on a virtual basis at the Broadcast Venue at TASCO Berhad, Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan ("**Broadcast Venue**") on Thursday, 25 February 2021 at 2.30 p.m. for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

ORDINARY RESOLUTION

PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY ONE (1) EXISTING ORDINARY SHARE IN TASCO BERHAD HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED AT A LATER DATE INTO FOUR (4) SUBDIVIDED ORDINARY SHARES

"**THAT** subject to the approvals being obtained from the relevant authorities or parties (if required), authority be and is hereby given to the Board of Directors of TASCO ("**Board**") to subdivide every one (1) existing ordinary share in the Company held by the shareholders of the Company whose name appears in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**"), into four (4) subdivided ordinary shares ("**Subdivided Shares**") ("**Proposed Share Split**").

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

THAT the Subdivided Shares shall, upon completion of the Proposed Share Split, rank equally in all respects with each other, save and except that the Subdivided Shares will not be entitled to any dividends, rights, allotment and/or any other distribution that may be declared, made or paid prior to the date of issue of the Subdivided Shares.

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give full effect to the Proposed Share Split with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities."

By Order of the Board

TASCO BERHAD

KANG SHEW MENG (MAICSA 0778565) (CCM PC 201908002065)
SEOW FEI SAN (MAICSA 7009732) (CCM PC 201908002299)
LOH LAI LING (MAICSA 7015412) (CCM PC 201908002445)
Company Secretaries

Petaling Jaya
10 February 2021

Notes:

1. As part of the initiative to curb the spread of Covid-19 and Government of Malaysia's official guidance on social distancing, the EGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/login.aspx>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate, speak and vote remotely.
2. The Broadcast Venue, which is the main venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the EGM is to inform shareholders where the electronic EGM production and streaming would be conducted from. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the Broadcast Venue.

With the RPEV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the EGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the EGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the EGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the EGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. Only depositors whose name appears in the Record of Depositors as at 19 February 2021 shall be regarded as members and entitled to participate, speak and vote at the EGM.
4. A member entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to participate, speak and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy.
5. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the EGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the EGM, as follows:
 - (a) **In hard copy form**

*The original instrument appointing a proxy ("**Proxy Form**") and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of SS E Solutions Sdn Bhd, the Poll Administrator for the EGM, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.*
 - (b) **By electronic means**

The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Securities Services (Holdings) Sdn Bhd's Online Portal at <https://sshsb.net.my/login.aspx> or email to eservices@sshsb.com.my. Please follow the procedures in the Administrative Guide for the EGM in order to deposit the Proxy Form(s) electronically.
8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic EGM by yourself, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the ordinary resolution set outs in the Notice of EGM will be put to vote by way of poll.



NYK GROUP COMPANY

TASCO BERHAD

(Registration No. 197401003124 (20218-T))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

No. of shares held

I/We _____ Tel: _____
 of [Full name in block, and as per NRIC/Passport/Company No.]

being member(s) of **TASCO Berhad**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

and

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held full virtual and broadcasted from TASCO Berhad, Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan on Thursday, 25 February 2021 at 2.30 p.m. and any adjournment thereof.

The proxy is to vote on the Resolution set out in the Notice of the Meeting as indicated with an "X" in the appropriate places. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion, as he will on any other matter arising at the Meeting.

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION – PROPOSED SHARE SPLIT		

Dated this _____ day of _____, 2021

Signature/Common Seal of Shareholder

Notes:

1. As part of the initiative to curb the spread of Covid-19 and Government of Malaysia's official guidance on social distancing, the EGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/login.aspx>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate, speak and vote remotely.
2. The Broadcast Venue, which is the main venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the EGM is to inform shareholders where the electronic EGM production and streaming would be conducted from. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the Broadcast Venue.

With the RPEV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the EGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the EGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the EGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the EGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

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7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the EGM, as follows:

(a) In hard copy form

*The original instrument appointing a proxy ("**Proxy Form**") and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of SS E Solutions Sdn Bhd, the Poll Administrator for the EGM, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.*

(b) By electronic means

The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Securities Services (Holdings) Sdn Bhd's Online Portal at <https://sshsb.net.my/login.aspx> or email to eservices@sshsb.com.my. Please follow the procedures in the Administrative Guide for the EGM in order to deposit the Proxy Form(s) electronically.

8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic EGM by yourself, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the ordinary resolution set out in the Notice of EGM will be put to vote by way of poll.

Fold this flap for sealing

Then fold here

AFFIX
SUFFICIENT
STAMP

THE POLL ADMINISTRATOR

SS E SOLUTIONS SDN BHD

Registration No. 202001010461 (1366781-T)

LEVEL 7, MENARA MILENIUM
JALAN DAMANLELA
PUSAT BANDAR DAMANSARA
DAMANSARA HEIGHTS
50490 KUALA LUMPUR

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