

NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS); OTHER ISSUE OF SECURITIES TIME DOTCOM BERHAD ("TdC" OR "COMPANY") PROPOSED GRANT OF A SHARE OPTION TO AFZAL ABDUL RAHIM, THE CHIEF EXECUTIVE OFFICER AND NON-INDEPENDENT EXECUTIVE DIRECTOR OF TdC, TO SUBSCRIBE FOR UP TO 17,215,907 NEW ORDINARY SHARES OF RM0.50 EACH IN TdC ("TdC SHARES") ("PROPOSED GRANT")

TIME DOTCOM BERHAD

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| Type | Announcement |
| Subject | NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) OTHER ISSUE OF SECURITIES |
| Description | TIME DOTCOM BERHAD ("TdC" OR "COMPANY") PROPOSED GRANT OF A SHARE OPTION TO AFZAL ABDUL RAHIM, THE CHIEF EXECUTIVE OFFICER AND NON-INDEPENDENT EXECUTIVE DIRECTOR OF TdC, TO SUBSCRIBE FOR UP TO 17,215,907 NEW ORDINARY SHARES OF RM0.50 EACH IN TdC ("TdC SHARES") ("PROPOSED GRANT") |

On behalf of the Board of Directors of TdC, CIMB Investment Bank Berhad wishes to announce that TdC proposes to undertake a grant of a share option to the CEO, to subscribe for up to 17,215,907 new TdC Shares, representing 3% of the existing issued and paid-up share capital of TdC.

Please refer to the attachment for the full announcement in relation to the Proposed Grant.

This announcement is dated 10 April 2015.

Attachments

[TdC - Proposed Grant.pdf](#)
122 KB

Announcement Info

| | |
|----------------|----------------------|
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| Stock Name | TIMECOM |
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TIME DOTCOM BERHAD ("TdC" OR "COMPANY")

PROPOSED GRANT OF A SHARE OPTION TO AFZAL ABDUL RAHIM, THE CHIEF EXECUTIVE OFFICER AND NON-INDEPENDENT EXECUTIVE DIRECTOR OF TdC ("CEO"), TO SUBSCRIBE FOR UP TO 17,215,907 NEW ORDINARY SHARES OF RM0.50 EACH IN TdC ("TdC SHARES") ("PROPOSED GRANT")

1. INTRODUCTION

On behalf of the Board of Directors of TdC ("**Board**"), CIMB Investment Bank Berhad ("**CIMB**") wishes to announce that TdC proposes to undertake a grant of a share option to the CEO, to subscribe for up to 17,215,907 new TdC Shares ("**Option Shares**") ("**Option**"), representing 3% of the existing issued and paid-up share capital of TdC.

2. DETAILS OF THE PROPOSED GRANT

Pursuant to the Proposed Grant, the Company proposes to enter into a share option agreement with the CEO ("**Share Option Agreement**").

2.1 Salient Terms of the Share Option Agreement

2.1.1 Option Period

The Option period shall commence on the date of the Share Option Agreement and end on the earlier of (a) the day prior to the fifth anniversary of the date of the Share Option Agreement, or (b) the date on which the CEO ceases to hold any executive position within TdC and its subsidiaries ("**TdC Group**") by reason of his voluntary resignation becoming effective or the lawful termination of his employment with just cause or excuse ("**Option Period**").

The Option shall automatically lapse and become null and void upon the expiry of the Option Period.

2.1.2 Option Exercise Price

The price payable for each Option Share upon exercise of the Option by the CEO ("**Option Exercise Price**") shall be determined based on a discount of 10% to the five (5)-day volume weighted average market price of the TdC Shares immediately preceding the date on which the Option is granted by TdC to the CEO, but shall not be less than the par value of TdC Shares.

2.1.3 Exercise of Option

The Option may be exercised by the CEO at any time and from time to time during the Option Period up to a maximum of 20% of the total Option Shares per annual period of the Option Period. Any portion of the Option which is unexercised can be carried forward to the next period without reducing the maximum exercisable portion in the next period.

2.1.4 Ranking of the Option Shares

The Option Shares to be allotted and issued pursuant to the exercise of the Option by the CEO shall, upon allotment and issuance, rank equally in all respects with the existing TdC Shares and shall be subject to all the provisions of the memorandum and articles of association of TdC.

Notwithstanding any provision in the Share Option Agreement, the CEO shall not be entitled to any rights, dividends or other distributions attached to the Option Shares for which the entitlement date is prior to the date on which the Option Shares are credited into the CEO's central depository system account.

2.1.5 Listing of and quotation for the Option Shares

The Option Shares to be allotted and issued pursuant to the exercise of the Option by the CEO will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

2.1.6 Alteration of share capital and adjustment

In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, unless otherwise provided in the Share Option Agreement, such corresponding alterations (if any) may be made to the Proposed Grant in terms of the Option Exercise Price and/or the number of Option Shares which have not yet been exercised so as to give the CEO a fair and reasonable entitlement in respect of the Option Shares, as shall be certified by an external auditor or an investment bank.

3. UTILISATION OF PROCEEDS

The proceeds to be received by TdC upon the exercise of the Option will depend on, amongst others, the number of Option Shares issued pursuant to the exercise of the Option at the relevant point in time and the Option Exercise Price. As such, the amount of proceeds to be received from the exercise of the Option cannot be determined at this juncture. However, TdC intends to utilise the proceeds from the exercise of the Option for the working capital of the TdC Group, as and when received over the Option Period.

4. RATIONALE OF THE PROPOSED GRANT

The Proposed Grant is to motivate the CEO towards better performance and loyalty to the TdC Group. The Proposed Grant achieves this through alignment of the CEO's interests with the interests of the TdC Group, which is to become a regional solutions provider to global carriers and service providers, and also to drive long-term shareholder value enhancement via direct participation in the equity of TdC.

In addition, the Proposed Grant is intended to reward the CEO for his contribution to the TdC Group including his involvement in the business turnaround initiative of the TdC Group in 2009 which enabled the TdC Group to record consecutive profits thereafter.

The Proposed Grant is also to retain and incentivise the CEO whose services are vital to the operation and continued growth of the TdC Group.

5. EFFECTS OF THE PROPOSED GRANT

5.1 Issued and paid-up share capital

The Proposed Grant is not expected to have any immediate effect on TdC's existing issued and paid-up share capital. However, TdC's issued and paid-up ordinary share capital will increase progressively as and when the Option Shares are allotted and issued pursuant to the exercise of the Option by the CEO.

Purely for illustrative purposes, assuming that the Proposed Grant is implemented as at 31 March 2015 and assuming that the Option is fully exercised immediately, the proforma effects of the Proposed Grant on TdC's issued and paid-up ordinary share capital at the expiry of the Option Period are set out in the table below:

| | TdC Shares | |
|---|--------------------|--------------------|
| | No. | RM |
| Issued and paid-up share capital as at 31 March 2015 | 573,863,591 | 286,931,796 |
| Maximum Shares to be issued pursuant to full exercise of the Option | 17,215,907 | 8,607,954 |
| Enlarged issued and paid-up share capital | 591,079,498 | 295,539,750 |

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5.2 Substantial shareholders' shareholdings

The Proposed Grant is not expected to have any immediate effect on the shareholdings of TdC's substantial shareholders until such time the Option Shares are allotted and issued pursuant to the exercise of the Option by the CEO. The percentage shareholding of TdC's substantial shareholders in the future would reduce depending on the number of Option Shares allotted and issued at the relevant point in time.

Purely for illustrative purposes, assuming that the Proposed Grant is implemented as at 31 March 2015 and assuming that the Option is fully exercised immediately, the proforma effects of the Proposed Grant on the shareholdings of TdC's substantial shareholders are as follows:

| | As at 31 March 2015 | | | | After the Proposed Grant and the full exercise of the Option | | | |
|---|----------------------------|-------|----------------------------|-------|--|-------|----------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of TdC Shares held | % | No. of TdC Shares held | % | No. of TdC Shares held | % | No. of TdC Shares held | % |
| Pulau Kapas Ventures Sdn Bhd ("PKV") | 180,774,359 ⁽¹⁾ | 31.50 | - | - | 180,774,359 ⁽¹⁾ | 30.58 | - | - |
| Khazanah Nasional Berhad ("KNEB") | 65,298,982 | 11.38 | 180,774,359 ⁽³⁾ | 31.50 | 65,298,982 | 10.54 | 180,774,359 ⁽³⁾ | 30.58 |
| Employees Provident Fund Board | 38,782,200 | 6.76 | - | - | 38,782,200 | 6.56 | - | - |
| Kumpulan Wang Persaraan (Diperbadankan) | 34,713,748 ⁽²⁾ | 6.05 | - | - | 34,713,748 ⁽²⁾ | 5.87 | - | - |
| Global Transit International Sdn Bhd ("GTI") | 2,105,300 | 0.37 | 180,774,359 ⁽⁴⁾ | 31.50 | 2,105,300 | 0.36 | 180,774,359 ⁽⁴⁾ | 30.58 |
| Megawisra Sdn Bhd ("Megawisra") | 24,831,363 | 4.33 | 182,879,659 ⁽⁵⁾ | 31.87 | 24,831,363 | 4.20 | 182,879,659 ⁽⁵⁾ | 30.94 |
| Megawisra Investments Limited ("Megawisra Investments") | - | - | 207,711,022 ⁽⁶⁾ | 36.20 | - | - | 207,711,022 ⁽⁶⁾ | 35.14 |
| Alzal Abdul Rahim | - | - | 207,711,022 ⁽⁷⁾ | 36.20 | 17,215,907 | 2.91 | 207,711,022 ⁽⁷⁾ | 35.14 |
| Gan Te-Shen | - | - | 207,711,022 ⁽⁸⁾ | 36.20 | - | - | 207,711,022 ⁽⁸⁾ | 35.14 |

Notes:

- ⁽¹⁾ Including shares held under Amsec Nominees (Tempatan) Sdn Bhd
- ⁽²⁾ Including shares held under Citigroup Nominees (Tempatan) Sdn Bhd
- ⁽³⁾ Deemed interested by virtue of its interests held through PKV pursuant to Section 6A of the Companies Act, 1965 ("Act")
- ⁽⁴⁾ Deemed interested by virtue of its interests held through PKV pursuant to Section 6A of the Act
- ⁽⁵⁾ Deemed interested by virtue of its interests held through PKV via its shareholdings in GTI pursuant to Section 6A of the Act
- ⁽⁶⁾ Deemed interested by virtue of its interests held through PKV and GTI via its shareholdings in Megawisra pursuant to Section 6A of the Act
- ⁽⁷⁾ Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 6A of the Act
- ⁽⁸⁾ Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 6A of the Act

5.3 Net assets (“NA”) per share and gearing

The Proposed Grant is not expected to have any effect on TdC’s consolidated NA per share until such time the Option Shares are allotted and issued pursuant to the exercise of the Option by the CEO. Any potential effect of this on the consolidated NA per share of TdC will depend on, amongst others, the number of Option Shares to be issued, which can only be determined at the point of the exercise of the Option, and the Option Exercise Price.

The Proposed Grant is not expected to have any impact on TdC’s consolidated gearing for the financial year ending 31 December 2015.

5.4 Earnings and earnings per share (“EPS”)

Based on the Malaysian Financial Reporting Standard 2 on *Share Based Payment* as issued by the Malaysian Accounting Standards Board (“MFRS 2”), the potential cost of granting the Option, after taking into account, amongst others, the number of Option Shares to be allotted and issued and the Option Exercise Price, will need to be measured at fair value on the date of the granting of the Option and recognised as an expense in the consolidated statement of income with a corresponding increase in equity over the Option Period under the Share Option Agreement.

The extent of the effect of the Proposed Grant on TdC’s consolidated earnings and EPS cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Option Shares as at the respective exercise dates of the Option. However, it is important to note that the potential cost of the Option does not represent a cash outflow and is only an accounting treatment.

The Proposed Grant will also have an effect on TdC’s EPS due to the increase in the number of TdC Shares resulting from the allotment and issuance of Option Shares pursuant to the exercise of the Option by the CEO.

The estimated expenses in relation to the Proposed Grant (excluding the potential cost of the Proposed Grant under MFRS 2) are approximately RM0.17 million, which will be funded through TdC’s internally-generated funds.

5.5 Convertible securities

As at the LPD, TdC does not have any existing convertible securities.

6. APPROVALS REQUIRED

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

- (i) Bursa Securities for the listing of and quotation for the Option Shares to be issued pursuant to the exercise of the Option by the CEO on the Main Market of Bursa Securities;
- (ii) the Company’s shareholders at an extraordinary general meeting (“EGM”) to be convened; and
- (iii) any other relevant authorities/parties, if required.

The application to Bursa Securities in relation to item (i) above is expected to be submitted within 2 weeks from the date of this announcement.

The Proposed Grant is not conditional or inter-conditional upon any other corporate exercise/scheme which has been announced by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The CEO is deemed interested in the TdC Shares held through TdC's direct major shareholders (PKV, Megawisra and GTI) via his shareholdings in Megawisra Investments pursuant to Section 6A of the Act. KNB is a partner of the CEO by virtue of its shareholding in PKV. Gan Te-Shen is a partner of the CEO by virtue of his shareholdings in Megawisra Investments.

Accordingly, PKV, KNB, GTI, Megawisra, Megawisra Investments and Gan Te-Shen ("**Interested Major Shareholders**") are deemed interested in the Proposed Grant and will abstain from voting in respect of their direct and/or indirect shareholdings in TdC on the resolution pertaining to the Proposed Grant to be tabled at the Company's EGM to be convened.

Elakumari Kantilal who is a nominee director of KNB in TdC, Gan Te-Shen and the CEO, are deemed interested in the Proposed Grant ("**Interested Directors**"). As such, the Interested Directors have abstained and will continue to abstain from deliberating on the resolution pertaining to the Proposed Grant at the relevant Board meetings. Further, Abdul Kadir Md Kassim, the Non-Independent Non-Executive Chairman of the Company, has abstained and will continue to abstain from deliberating on the resolution pertaining to the Proposed Grant at the relevant Board meetings.

The Interested Major Shareholders, Interested Directors and Abdul Kadir Md Kassim have also undertaken to ensure that persons connected to them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Grant to be tabled at the Company's EGM to be convened.

Save as disclosed above, none of the Company's Directors, major shareholders and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Grant.

8. DIRECTORS' STATEMENT

The Board, excluding the Interested Directors and Abdul Kadir Md Kassim, having considered all aspects of the Proposed Grant including the rationale and the relevant aspects of the Proposed Grant, is of the opinion that the Proposed Grant is in the best interest of the Company.

9. ADVISER

CIMB has been appointed Adviser for the Proposed Grant.

10. ESTIMATED TIMEFRAME TO COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Company expects to complete the Proposed Grant by the third quarter of 2015.

This announcement is dated 10 April 2015.