

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : RELATED PARTY TRANSACTIONS TIME DOTCOM BERHAD ("TIME" or "COMPANY") - PROPOSED ACQUISITION OF A 13-STOREY PURPOSE-BUILT OFFICE BUILDING FROM EMPLOYEES PROVIDENT FUND BOARD

TIME DOTCOM BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RELATED PARTY TRANSACTIONS
Description	TIME DOTCOM BERHAD ("TIME" or "COMPANY") - PROPOSED ACQUISITION OF A 13-STOREY PURPOSE-BUILT OFFICE BUILDING FROM EMPLOYEES PROVIDENT FUND BOARD

The Board of Directors of TIME ("the Board") wishes to announce that AIMS Data Centre Sdn Bhd ("ADC" or "Purchaser"), a wholly-owned subsidiary of TIME, has on 11 January 2022 entered into a conditional sale and purchase agreement ("SPA") with Lembaga Kumpulan Wang Simpanan Pekerja ("KWSP" or "Vendor") or also known as Employees Provident Fund Board, for the proposed acquisition of a 13-storey purpose-built office building together with 95 car park bays known as "Bangunan KWSP Changkat Raja Chulan" ("Bangunan KWSP" or "Property") for a total cash consideration of RM62,000,000 ("Purchase Consideration"), upon the terms and conditions as set out in the SPA ("Proposed Acquisition").

Please refer to the attached for the details of the announcement.

The announcement is dated 11 January 2022.

Please refer attachment below.

Attachments

[TIME-Proposed Acquisition.pdf](#)
553.5 kB

Announcement Info

Company Name	TIME DOTCOM BERHAD
Stock Name	TIMECOM
Date Announced	11 Jan 2022
Category	General Announcement for PLC
Reference Number	GA1-22122021-00028

**TIME DOTCOM BERHAD (“TIME” or “COMPANY”)
PROPOSED ACQUISITION OF A 13-STOREY PURPOSE-BUILT OFFICE BUILDING FROM EMPLOYEES
PROVIDENT FUND BOARD**

1. INTRODUCTION

The Board of Directors of TIME (“Board”) wishes to announce that AIMS Data Centre Sdn Bhd (“ADC” or “Purchaser”), a wholly-owned subsidiary of TIME, has on 11 January 2022 entered into a conditional sale and purchase agreement (“SPA”) with Lembaga Kumpulan Wang Simpanan Pekerja (“KWSP” or “Vendor”) or also known as Employees Provident Fund Board, for the proposed acquisition of a 13-storey purpose-built office building together with 95 car park bays known as “Bangunan KWSP Changkat Raja Chulan” (“Bangunan KWSP” or “Property”) for a total cash consideration of RM62,000,000 (“Purchase Consideration”), upon the terms and conditions as set out in the SPA (“Proposed Acquisition”).

The Proposed Acquisition is deemed a related party transaction under paragraph 10.08 of the Main Market Listing Requirement (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the interests of interested director, major shareholder and/or persons connected with them as disclosed in Section 9 of this announcement.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on ADC

ADC was incorporated in Malaysia as a private limited company on 27 June 1990 under the name of Applied Information Management Services Sdn Bhd and assumed its present name on 6 July 2007.

The issued share capital of ADC is RM17,774,549 comprising of 17,774,549 ordinary shares. ADC is principally engaged in the provision of value added network services, information services, system integration services, operation of data networks and network based applications for corporations and building management.

2.2 Information on KWSP

KWSP is a statutory body established under and governed by the Employees Provident Fund Act 1991 of Malaysia with its head office at Bangunan KWSP, Jalan Raja Laut, 50350 Kuala Lumpur. KWSP is a social security organisation focused on safeguarding member savings and delivering excellent services.

2.3 Information on Bangunan KWSP

KWSP is the registered proprietor and beneficial owner of Bangunan KWSP. Details of the Property are summarised as follows:

Property identification/location	Geran 36467, Lot No. 19, Section 57, Bandar Kuala Lumpur, District Kuala Lumpur, Federal Territory of Kuala Lumpur with the 13-storey purpose-built office building together with 95 car park bays known as Bangunan KWSP Changkat Raja Chulan erected thereon and bearing the postal address No. 3, Changkat Raja Chulan, Off Jalan Chulan, 50200 Kuala Lumpur
Description and existing use	Office
Property status	Freehold
Unaudited net book value as at 30 November 2021	RM20,590,792.86
Encumbrances	The Property is currently free from encumbrances.
Original cost of investment by KWSP in 1994	RM46,038,620.00

3. SALIENT TERMS OF THE SPA

Unless otherwise stated, the abbreviations or capitalised terms used in this section of the announcement shall have the same meaning as set out in the SPA in relation to the Proposed Acquisition.

3.1 Purchase Consideration

The Purchase Consideration of RM62,000,000.00 for the Proposed Acquisition shall be satisfied in cash by ADC in the following manner:

- (a) A sum of RM6,200,000.00 representing ten percent (10%) of the Purchase Consideration shall be paid by ADC as the deposit payable by ADC to KWSP as follows:
 - (i) a sum representing two percent (2%) of the Purchase Consideration (“Earnest Deposit”) has been paid to KWSP’s agent which has subsequently been transferred into the account of Vendor’s Solicitors as stakeholders prior to the date of SPA; and
 - (ii) a sum representing eight percent (8%) of the Purchase Consideration (“Balance Deposit”) shall be paid to Vendor’s Solicitors as stakeholders upon the execution of SPA.

- (b) A sum of RM55,800,000.00 representing 90% of the Purchase Consideration shall be fully paid by ADC to Vendor's Solicitors as stakeholders within three (3) months from the Unconditional Date ("Payment Deadline") or one (1) month from Payment Deadline with the accrued interest ("Extended Payment Deadline"), as the case may be.

3.2 Conditions Precedent

The sale and purchase of the Property shall be conditional upon the following conditions precedent ("Conditions Precedent") being obtained by ADC and/or KWSP at its own costs and expenses respectively on or before expiry of the stipulated period in the SPA:

- (a) KWSP shall obtain and procure the following:
 - (i) a letter of no objection from Tenaga Nasional Berhad as the registered lessee of the Property within three (3) months from the date of SPA or such extended period as may be mutually agreed upon between ADC and KWSP; and
 - (ii) all requisite consent and approvals from the appropriate authorities, including but not limited to the Ministry of Finance and pursuant to applicable laws, rules and/or regulations within six (6) months from the date of SPA or such extended period as may be mutually agreed upon between ADC and KWSP.
- (b) ADC shall obtain and procure the following within six (6) months from the date of SPA or such extended period as may be mutually agreed upon between ADC and KWSP:
 - (i) the Economic Planning Unit ("EPU")'s approval; and
 - (ii) where applicable, the statutory approvals from the appropriate authorities as may be required for ADC to complete the Proposed Acquisition.

3.3 Unconditional Date

The SPA shall become unconditional on the date when the last of the Conditions Precedent is fulfilled in accordance with the provisions of the SPA. Payment of the Deposit and any accrued interest accumulated shall be released to KWSP within three (3) Business Days from the Unconditional Date.

3.4 Purchaser's Default

If:

- (a) ADC defaults in the payment of the Balance Purchase Price or interest or other sums due under the SPA in accordance with the terms of the SPA; or
- (b) there is any breach by ADC of any of its representations, warranties, covenants, undertakings or obligations under the SPA which is:
 - (i) not capable of remedy; or

- (ii) capable of remedy but is not remedied within fourteen (14) Business Days from the date of a written notice from KWSP requiring the same to be remedied,

KWSP shall be entitled to either: (1) apply for an order for specific performance of the SPA against ADC; or (2) terminate the SPA by notice in writing to ADC and upon such termination:

- (a) the Deposit shall be forfeited by KWSP as agreed liquidated damages,
- (b) KWSP shall within fourteen (14) Business Days from the KWSP's issuance of the notice of termination, deposit with Vendor's Solicitors as stakeholders all other monies paid by ADC under the SPA ("the Refund Sum Less Deposit") and shall cause Vendor's Solicitors to deliver a written confirmation to Purchaser's Solicitors confirming the receipt of the same ("the Vendor's Solicitors' Confirmation for Refund Sum Less Deposit"),
- (c) ADC shall within fourteen (14) Business Days from Purchaser's Solicitors' receipt of the Vendor's Solicitors' Confirmation for Refund Sum Less Deposit:
 - (i) re-deliver to KWSP the vacant/legal possession of the Property (if the same has been delivered to ADC);
 - (ii) in the event that the ADC shall have lodged a caveat on the Property, to withdraw such caveat and to furnish documentary evidence of the withdrawal of such caveat; and
 - (iii) deposit with Purchaser's Solicitors the Transfer and the Document of Title,

whereupon Purchaser's Solicitors shall upon ADC's fulfilment of all obligations above deliver a written confirmation to Vendor's Solicitors confirming the same have been fulfilled ("the Purchaser's Solicitors Confirmation (Purchaser's Default)"). Within fourteen (14) Business Days from Vendor's Solicitors' receipt of the Purchaser's Solicitors Confirmation (Purchaser's Default), KWSP shall cause Vendor's Solicitors to release the Refund Sum Less Deposit to Purchaser's Solicitors with interest accruing from the interest-bearing account (if any) in simultaneous exchange for the Transfer and the Document of Title whereupon Purchaser's Solicitors shall be authorised to release the Refund Sum Less Deposit to ADC.

3.5 Vendor's default

If:

- (a) there is any breach by KWSP of any of its representations, warranties, covenants, undertakings or obligations under the SPA which is:
 - (i) not capable of remedy; or
 - (ii) capable of remedy but is not remedied within fourteen (14) business days from the date of a written notice from ADC requiring the same to be remedied,

ADC shall be entitled to either: (1) apply for an order for specific performance of the SPA against KWSP; or (2) terminate the SPA by notice in writing to KWSP and upon such termination:

- (a) KWSP shall within fourteen (14) Business Days from the receipt of ADC's notice of termination deposit with Vendor's Solicitors as stakeholders a sum equivalent to 10% of the Purchase Consideration as liquidated damages ("the Compensation") and all monies paid by ADC to KWSP under the SPA ("the Refund Sum"), and shall cause Vendor's Solicitors to deliver a written confirmation to Purchaser's Solicitors confirming the receipt of the same (the written confirmation of the Vendor's Solicitor's receipt of the aggregate sum of the Refund Sum and the Compensation is defined as the "Vendor's Solicitors' Confirmation for Refund Sum"),
- (b) ADC shall within fourteen (14) Business Days from Purchaser's Solicitors' receipt of the Vendor's Solicitors' Confirmation for Refund Sum:
 - (i) re-deliver to KWSP the vacant/legal possession of the Property (if the same has been delivered to ADC);
 - (ii) in the event that ADC shall have lodged a caveat on the Property, to withdraw such caveat and to furnish documentary evidence of the withdrawal of such caveat; and
 - (iii) deposit with Purchaser's Solicitors the Transfer and the Document of Title,

whereupon Purchaser's Solicitors shall upon ADC's fulfilment of all obligations above deliver a written confirmation to Vendor's Solicitors confirming the same have been fulfilled ("the Purchaser's Solicitors Confirmation (Vendor's Default)". Within fourteen (14) Business Days from Vendor's Solicitors' receipt of the Purchaser's Solicitors Confirmation (Vendor's Default), KWSP shall cause Vendor's Solicitors to release the Refund Sum with interest accruing from the interest bearing account (if any) and the Compensation with interest accruing from the interest bearing account (if any) to Purchaser's Solicitors in simultaneous exchange for the Transfer and the Document of Title whereupon Purchaser's Solicitors shall be authorised to release the Refund Sum and the Compensation to ADC.

4. RATIONALE AND PROSPECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will enable TIME to increase space for expansion of operational facilities. The management of TIME is of the view that Bangunan KWSP is in good condition to cater for such operational requirements.

5. PURCHASE CONSIDERATION

The Purchase Consideration for Bangunan KWSP of RM62,000,000 had been arrived at on a willing buyer willing seller basis after taking into consideration the market value as appraised by two independent registered valuers, whereby the Purchase Consideration is within the range appraised.

The Purchase Consideration will be satisfied in cash via internally-generated funds.

6. RISKS IN RELATION TO THE PROPOSED ACQUISITION

6.1 Non-completion

The events of non-completion following the terms of the SPA are as follows:

- 6.1.1 Where the Conditions Precedent are not met;
- 6.1.2 Where the SPA is terminated by breach of ADC or KWSP;
- 6.1.3 Where the Property is subject to compulsory acquisition pursuant to the Land Acquisition Act 1960 and ADC elects to terminate; and
- 6.1.4 Where the Transfer cannot be registered for reasons not attributable to a default of either Party.

6.2 Implementation risk

TIME intends to expand its operational facilities in the foreseeable future. The timing and cost of such expansion may be affected by uncertainties in external factors outside of management's control, such as the current COVID-19 pandemic, shortage of equipment, materials and labour and cost escalation.

6.3 Compulsory acquisition

In the event of any compulsory acquisition of the Property by the Government of Malaysia pursuant to the Land Acquisition Act 1960, the amount of compensation to be awarded shall be computed on the basis prescribed in the First Schedule of the Land Acquisition Act 1960.

7. EFFECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholdings in the Company.

The Proposed Acquisition is not expected have any material effect on the earnings per share, net assets per share and gearing of the Company for the financial year ended 31 December 2021.

8. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of TIME.

The SPA is subject to EPU Approval and the Statutory Approvals being obtained.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

The Proposed Acquisition is deemed a related party transaction under Paragraph 10.08 of the Listing Requirements of Bursa Securities as it involves the interest of a related party, namely KWSP who is a major shareholder of TIME.

The direct and indirect shareholdings of the interested major shareholder in TIME as at 31 December 2021 is as follows:

	Direct		Indirect	
	No. of TIME Shares	%	No. of TIME Shares	%
KWSP	214,557,800	11.7526	-	-

Saved as disclosed in above, none of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Acquisition.

10. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of TIME, having considered all aspects of the Proposed Acquisition, including the rationale and prospects of the Proposed Acquisition, the salient terms of the SPA and risks in relation to the Proposed Acquisition, is of the opinion that the Proposed Acquisition is:

- (a) in the best interest of TIME;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interests of the minority shareholders of TIME.

11. DIRECTORS' STATEMENT

The Board of Directors of TIME, having considered all aspects of the Proposed Acquisition, is of the opinion that it is in the best interest of TIME.

12. PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements of Bursa Securities is approximately 2.04% based on the latest audited consolidated financial statements of TIME for the financial year ended 31 December 2020.

13. TRANSACTIONS WITH RELATED PARTY(IES) FOR THE PRECEDING TWELVE (12) MONTHS

There are no other related party transactions with the interested major shareholder (including persons connected with them) for the twelve (12) months preceding the date of this announcement.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to fulfilment of the Conditions Precedents of the SPA, the Proposed Acquisition is expected to be completed within three (3) months from the Unconditional Date.

15. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection at the registered office of TIME at Level 4, No. 14, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 11 January 2022.