

OTHERS TIME DOTCOM BERHAD ("TIME" or "the Company") - JOINT INVESTMENT WITH SYMPHONY COMMUNICATION PUBLIC COMPANY LIMITED ("SYMPHONY") TO CONSTRUCT AND OPERATE A DATA CENTRE BUSINESS IN THAILAND

TIME DOTCOM BERHAD

Type	Announcement
Subject	OTHERS
Description	TIME DOTCOM BERHAD ("TIME" or "the Company") - JOINT INVESTMENT WITH SYMPHONY COMMUNICATION PUBLIC COMPANY LIMITED ("SYMPHONY") TO CONSTRUCT AND OPERATE A DATA CENTRE BUSINESS IN THAILAND

We refer to the Company's announcement dated 5 June 2020 in respect of the proposed transactions to be entered into with its associate company, Symphony via TIME's subsidiary, AIMS Data Centre (Thailand) Limited ("ADCTH") for the construction and operation of a data centre business in Thailand ("Joint Investment").

The Board of Directors of TIME ("the Board") wishes to announce that on 31 July 2020, Symphony's shareholders have approved for Symphony to enter into the Joint Investment in ADCTH, thereby satisfying the main outstanding condition precedent for the transaction.

Pursuant to the abovementioned, the following definitive agreements have been entered into today:-

1. Share Sale and Purchase Agreement between TIME's wholly-owned subsidiary Planet Tapir Sdn Bhd ("PT") and Symphony ("SPA") for the acquisition by Symphony of 270,039 existing ordinary shares, representing 49% of total shares in ADCTH, for a total cash consideration of THB27,003,900 (approximately RM3,656,000).
2. Shareholders' Agreement between the Company, TIME's wholly-owned subsidiary AIMS Data Centre Sdn Bhd ("ADCSB") and Symphony ("SHA") to regulate their relationship in the management and control of the affairs of ADCTH, as a carrier-neutral data centre business.
3. Novation Agreements between Symphony, ADCTH and the relevant parties ("NVA") for the novation of Symphony's rights and obligations relating to the office lease and the construction and the development of the data centre to ADCTH.
4. Loan Agreement for a total value not exceeding THB 306,000,000 (approximately RM41,433,000) between Symphony, TIME and ADCTH ("LA") whereby Symphony and TIME agree to grant a shareholder loan to ADCTH in proportion to their respective shareholding ratio in ADCTH i.e. up to THB150,000,000 (approximately RM20,310,000) by Symphony and THB156,000,000 (approximately RM21,123,000) by TIME.

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

This announcement is dated 11 August 2020.

Please refer attachment below.

Attachments

TIME-Joint Investment with Symphony.pdf
118.4 kB

Announcement Info

Company Name	TIME DOTCOM BERHAD
Stock Name	TIMECOM
Date Announced	11 Aug 2020
Category	General Announcement for PLC
Reference Number	GA1-30072020-00116

TIME DOTCOM BERHAD (“TIME” OR “THE COMPANY”)

JOINT INVESTMENT WITH SYMPHONY COMMUNICATION PUBLIC COMPANY LIMITED (“SYMPHONY”) TO CONSTRUCT AND OPERATE A DATA CENTRE BUSINESS IN THAILAND

1. INTRODUCTION

We refer to the Company’s announcement dated 5 June 2020 in respect of the proposed transactions to be entered into with its associate company, Symphony via TIME’s subsidiary, AIMS Data Centre (Thailand) Limited (“ADCTH”) for the construction and operation of a data centre business in Thailand (“Joint Investment”).

The Board of Directors of TIME (“the Board”) wishes to announce that on 31 July 2020, Symphony’s shareholders have approved for Symphony to enter into the Joint Investment in ADCTH, thereby satisfying the main outstanding condition precedent for the transaction.

Pursuant to the abovementioned, the following definitive agreements have been entered into today:-

- (i) Share Sale and Purchase Agreement between TIME’s wholly-owned subsidiary Planet Tapir Sdn Bhd (“PT”) and Symphony (“SPA”) for the acquisition by Symphony of 270,039 existing ordinary shares, representing 49% of total shares in ADCTH, for a total cash consideration of THB27,003,900 (approximately RM3,656,000).

Please refer to Appendix I for particulars of the SPA.

- (ii) Shareholders’ Agreement between the Company, TIME’s wholly-owned subsidiary AIMS Data Centre Sdn Bhd (“ADCSB”) and Symphony (“SHA”) to regulate their relationship in the management and control of the affairs of ADCTH, as a carrier-neutral data centre business.

Please refer to Appendix I for particulars of the SHA.

- (iii) Novation Agreements between Symphony, ADCTH and the relevant parties mentioned below (“NVA”) for the novation of Symphony’s rights and obligations relating to the office lease and the construction and the development of the data centre to ADCTH.

- (a) Office Lease Agreement and Office Services Agreement both dated January 18, 2019 entered into by and between Siam Health Group Co., Ltd. and Symphony;

- (b) Installation, CFRP Material Purchasing and Structure Reinforcement Agreement dated October 31, 2019 entered into by and between Smart and Bright Co., Ltd. and Symphony; and

- (c) Construction Agreement dated December 20, 2019 entered into by and between Vertiv (Thailand) Co., Ltd. and Symphony.

- (iv) Loan Agreement for a total value not exceeding THB306,000,000 (approximately RM41,433,000) between Symphony, TIME and ADCTH (“LA”) whereby Symphony and TIME agree to grant a shareholder loan to ADCTH in proportion to their respective shareholding ratio in ADCTH i.e. up to THB150,000,000 (approximately RM20,310,000) by Symphony and THB156,000,000 (approximately RM21,123,000) by TIME.

The exchange rate used in this announcement is based on THB100 : RM13.5403.

2. RATIONALE

The rationale for the Joint Investment is as follows:-

2.1 Establishment of a data centre outside Malaysia

TIME will be able to develop its first AIMS branded data centre in Thailand, to satisfy the regional demands for a data centre presence from its customers and to accelerate its growth outside Malaysia.

2.2 De-risking by combining the Strengths of TIME and Symphony

Symphony contributes valuable local expertise and customer relationships to the Joint Investment, whilst TIME contributes the AIMS brand and data centre operating experience. The strengths of the two parties are intended to de-risk the investment.

3. PROSPECTS

The Board of Directors believes that the future prospects of the Company remain positive and the Joint Investment with Symphony would enhance the growth potential and business efficiency of TIME.

4. RISK

TIME Group will be exposed to certain risks inherent to international joint venture investments. These risks include but are not limited to changes in the general economic conditions, market conditions, credit and interest rates, rising cost of resources, etc, as well as, the relationship risk with the joint venture partner. The Board believes that the Joint Investment allows the Shareholders to leverage on the experience and competencies mutually in addressing such risks. However, there can be no assurance that any changes in the factors described will not have a material adverse effect on the businesses and operations of TIME.

5. SOURCE OF FUNDS

The Company will fund its share of the financial commitment to ADCTH through internally generated funds and/or borrowings.

6. FINANCIAL EFFECTS

6.1 Share Capital and Substantial Shareholders' Shareholdings

The Joint Investment will not have any effect on the share capital and substantial shareholders' shareholdings of TIME as it does not involve any allotment or issuance of new shares in the Company.

6.2 Net assets per share and gearing

The Joint Investment is not expected to have any immediate material impact on net assets per share and gearing ratio of TIME.

6.3 Earnings and earnings per share ("EPS")

The Joint Investment will not have any immediate material effect on the earnings and earnings per share of TIME.

7. APPROVAL REQUIRED

The Joint Investment is not subject to approval of the shareholders of the Company and/or any regulatory authorities.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save for Encik Afzal Abdul Rahim and Mr Patrick Corso who are Directors of the Company and Symphony, none of the directors and/or major shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Joint Investment.

9. DIRECTORS' STATEMENT/RECOMMENDATION

The Board of Directors of TIME, after having considered all relevant aspects of the Joint Investment, is of the opinion that the Joint Investment is in the best interest of the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

The Joint Investment is expected to be completed no later than 30 September 2020.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA, SHA, NVA and LA will be available for inspection at the registered office of the Company at Level 4, No. 14 Jalan Majistret U1/26, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 11 August 2020.

A. PARTICULARS OF THE SPA

1. ADCTH has a registered capital of THB55,110,000 divided into 551,100 shares, all of which are fully paid-up. Symphony, (“the Purchaser”) shall be purchasing from PT (“the Seller”) 270,039 shares representing 49% of the total shares in ADCTH (“Sale Shares”).
2. The purchase price for the Sale Shares is THB27,003,900 (approximately RM3,656,000).
3. The SPA contains standard terms for this type of transaction, including conditions precedent and representations and warranties.
4. Upon satisfaction of all of the conditions precedent, all the necessary documents including share transfer instrument will be effected by the Purchaser and the Seller in exchange for the consideration to be paid by the Purchaser (“the Closing”).
5. The Closing is to take place on 11 August 2020.

B. PARTICULARS OF THE SHA**1. Shares**

- i. On the date of the SHA (the "Effective Date") entered into between TIME and ADCSB who are both "Group A Shareholders" and Symphony who is "Group B Shareholder" (collectively referred to as "Shareholders"), the registered and paid-up capital of ADCTH is THB55,110,000 divided into 551,100 shares having a par value of THB100 each.
- ii. The following are the shareholdings details of the parties as at Effective Date:-

Name	Number of Shares	Percentage of Ownership (%)
TIME	281,060	50.9999
ADCSB	1	0.0001
Symphony	270,039	49
Total	551,100	100

- iii. The Shareholders will subscribe to additional shares in proportion to their shareholdings to increase the share capital of ADCTH to THB100,000,000.
2. The Board of Directors of ADCTH shall consist of a minimum of 2 and a maximum of 4 directors (the "Directors") out of each 2 from Group A Shareholders and 2 from Group B Shareholder.
 3. The Chairman of the Board shall be a Director nominated by the Group A Shareholders (the "Chairman"). In the case of an equality of votes, the Chairman shall have the casting vote.
 4. The Shareholders agreed upon a list of Reserve Matters which shall be passed by a simple majority vote of Directors present at the meeting and entitled to vote, with one vote from the Directors appointed by the Group A Shareholders and one vote from the directors appointed by the Group B Shareholder.
 5. Responsibility of Shareholders
 - i. Group A Shareholders' responsibility:-
 - a) Providing technical know-how in setting up, running and managing a data centre business, in accordance with best practices currently implemented at ADCSB;
 - b) Providing financial and commercial expertise to ensure that the costs are managed, and pricing is appropriate;
 - c) Conducting international sales to OTTs (Over-the-top) and other international customers; and
 - d) Granting the right to use the AIMS brand.
 - ii. Group B Shareholder's responsibility:-
 - a) Conducting sales to Enterprise customers; and
 - b) Providing office space and back office support for ADCTH at management charges and/or expenses on an arm's length basis.