

NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) : ESOS GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR "COMPANY") (I) PROPOSED ESTABLISHMENT OF A NEW EXECUTIVE SHARE SCHEME COMPRISING A PROPOSED NEW EXECUTIVE SHARE OPTION SCHEME AND A PROPOSED NEW EXECUTIVE SHARE GRANT SCHEME (II) PROPOSED ALLOCATION OF OPTIONS AND/OR GRANTS TO THE GROUP MANAGING DIRECTOR OF GLM (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

GUOCOLAND (MALAYSIA) BERHAD

Type	Announcement
Subject	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) ESOS
Description	GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR "COMPANY") (I) PROPOSED ESTABLISHMENT OF A NEW EXECUTIVE SHARE SCHEME COMPRISING A PROPOSED NEW EXECUTIVE SHARE OPTION SCHEME AND A PROPOSED NEW EXECUTIVE SHARE GRANT SCHEME (II) PROPOSED ALLOCATION OF OPTIONS AND/OR GRANTS TO THE GROUP MANAGING DIRECTOR OF GLM (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

On behalf of the Board of Directors of GLM, Hong Leong Investment Bank Berhad ("**HLIB**") wishes to announce that the Company proposes to undertake the following:

(i) establish and implement a new executive share scheme, which comprises a proposed new executive share option scheme and a proposed new executive share grant scheme of up to 10% of the total number of issued ordinary shares in GLM ("**Shares**") (excluding treasury Shares) for the eligible executives and/or directors of GLM and its subsidiaries ("**Proposed ESS**"); and

(ii) allocation of options and/or grants to the Group Managing Director of GLM under or pursuant to the Proposed ESS ("**Proposed Allocation**").

(The Proposed ESS and the Proposed Allocation are collectively referred to as the "**Proposals**").

Kindly refer to the attached document for further details on the Proposals.

This announcement is dated 13 October 2022.

Please refer attachment below.

Attachments

 [GLM - Proposed ESS \(13.10.2022\).pdf](#)
173.6 kB

 **Announcement Info**

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	13 Oct 2022
Category	General Announcement for PLC
Reference Number	GA1-13102022-00021

GUOCOLAND (MALAYSIA) BERHAD (“GLM” OR “COMPANY”)

- (I) PROPOSED ESTABLISHMENT OF A NEW EXECUTIVE SHARE SCHEME COMPRISING A PROPOSED NEW EXECUTIVE SHARE OPTION SCHEME AND A PROPOSED NEW EXECUTIVE SHARE GRANT SCHEME
 - (II) PROPOSED ALLOCATION OF OPTIONS AND/OR GRANTS TO THE GROUP MANAGING DIRECTOR OF GLM
-

1. INTRODUCTION

On behalf of the Board of Directors of GLM (“**Board of GLM**”), Hong Leong Investment Bank Berhad (“**HLIB**”) wishes to announce that the Company proposes to undertake the following:

- (i) establish and implement a new executive share scheme, which comprises a proposed new executive share option scheme (“**Proposed ESOS**”) and a proposed new executive share grant scheme (“**Proposed ESGS**”) (collectively, “**Proposed ESS**”) of up to 10% of the total number of issued ordinary shares in GLM (“**Shares**”) (excluding treasury Shares) for the eligible executives and/or directors of GLM and its subsidiaries (“**Group**”) (“**Eligible Executives**”); and
- (ii) allocation of Options (as defined herein) and/or Grants (as defined herein) to the Group Managing Director of GLM under or pursuant to the Proposed ESS (“**Proposed Allocation**”).

(The Proposed ESS and the Proposed Allocation are collectively referred to as the “**Proposals**”).

GLM currently has in place an existing value creation incentive plan which was established on 22 August 2011 for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over Shares in GLM (“**VCIP**”), all of which are to be satisfied through the transfer of existing Shares and/or cash settlement, which will be expiring on 21 August 2061. Further information on the VCIP is set out in **Appendix I** of this announcement.

Notwithstanding the establishment and implementation of the Proposed ESS, the aggregate number of Shares available under the Proposed ESS and VCIP shall not, in any event, exceed 10% of GLM’s total number of issued Shares (excluding treasury Shares) at any one time. For the avoidance of doubt, the Company has no treasury Shares as at 30 September 2022, being the latest practicable date prior to this announcement (“**LPD**”).

2. DETAILS OF THE PROPOSED ESS

The Proposed ESS shall be administered by the Board of GLM or the Board of Directors of its relevant subsidiaries (in respect of Eligible Executives in the said subsidiary only) or a duly authorised committee thereof or an individual authorised by the relevant Board of Directors (“**Board**”).

The Proposed ESS, which shall be governed by the bye-laws (“**Bye-Laws**”), entails the making of 1 or more offers to the Eligible Executives as follow:

- (i) option(s) under the Proposed ESOS which entitle an Eligible Executive who has accepted the offer (“**Option Holder**”) to acquire Shares at pre-determined exercise prices (“**Option(s)**”); and/or
- (ii) grant(s) under the Proposed ESGS which entitle an Eligible Executive who has accepted the offer (“**Grant Holder**”) to receive Shares without any consideration payable by the Grant Holder (“**Grant(s)**”).

(The Option Holder(s) and Grant Holder(s) are collectively referred to as the “**Holder(s)**”).

The Board may at its discretion impose such vesting conditions (including financial and performance targets, the performance period within which such targets are to be achieved and the vesting period, if any) as it deems fit with the offer of the Options and/or Grants ("**Offer(s)**"). In determining whether to make an Offer, the Board may take into consideration market practice, the quantum of the award, the length of the performance targets and performance period.

In implementing the Proposed ESS, it is the intention of the Company to have the flexibility, at the absolute discretion of the Board, to enable the satisfaction of the Options and/or Grants through the following:

- (i) issuance of new Shares;
- (ii) transfer of treasury Shares;
- (iii) transfer of existing Shares (other than treasury Shares); and/or
- (iv) cash settlement pursuant to the Bye-Laws.

To facilitate the implementation of the Proposed ESS, the Company may make the necessary arrangements, including appointing a trustee, to acquire treasury Shares or other existing Shares or to subscribe for new Shares, for the purpose of the Proposed ESS ("**Trustee**") under a trust to be established ("**Trust**"). The Trustee shall administer the Trust in accordance with a deed of trust to be executed between the Trustee and the Company.

The salient features of the Proposed ESS are as follows:

2.1 Maximum number of new Shares available under the Proposed ESS

At any point of time during the existence of the Proposed ESS, the aggregate number of Shares comprised in the Options and/or Grants under the Proposed ESS, and any other executive share schemes established by the Company which are still subsisting, shall not exceed an amount equivalent to 10% of the total number of issued Shares (excluding treasury Shares) at any one time ("**Maximum Aggregate**").

2.2 Eligibility

The participants in the Proposed ESS must be at least 18 years of age and:

- (i) be an executive of GLM or any of its subsidiaries ("**Member of the Group**") and has been confirmed in service; or
- (ii) be a director of a Member of the Group,

as at the date of an Offer.

The Board may from time to time at its absolute discretion select and identify suitable Eligible Executives to be made Offers.

Notwithstanding that non-executive directors may be eligible to participate in the Proposed ESS, in the event the Company decides to offer Options or Grants to the non-executive directors of the Company, the Company will seek shareholders' approval for authority to do so and the rationale for the same will then be provided.

2.3 Offers

The Board may at its absolute discretion make one or more than one Offer over the duration of the Proposed ESS, and determine the number of Shares and the terms and conditions to be comprised in an Offer. The maximum number of Shares to be allocated for each financial year has not been determined.

Where an Eligible Executive holds 20% or more of the total number of issued Shares (excluding treasury Shares), either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”)) with the Eligible Executive, the allocation to such Eligible Executive must not exceed 10% of the Maximum Aggregate.

The Board may at its absolute discretion determine the aggregate allocation to the directors and senior management of the Group under the Proposed ESS. For information purposes, up to 100% of the total number of Shares made available under the Proposed ESS may be allocated to the directors and senior management of the Group, but in any case, it shall not exceed the Maximum Aggregate and where applicable, to be in accordance with the additional limit as set out above. This is in view that the directors and senior management of the Group are the key drivers to the development and growth of the Group’s financial, business and/or operational performances.

The directors and senior management of Member of the Group shall not participate in any deliberation or discussion of their own respective allocations and/or allocations to persons connected with them under the Proposed ESS.

2.4 Pricing of Options

The Board may at its absolute discretion determine the exercise price of the Options (“**Option Price**”) provided that the Option Price fixed shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day volume weighted average market price (“**VWAMP**”) of the Shares preceding the date of Offer.

2.5 Ranking of Shares pursuant to the Proposed ESS

In the event that any new Shares are to be allotted and issued pursuant to the Proposed ESS, the new Shares shall, upon allotment and issue, rank equally in all respects with the existing issued Shares, except that they will not rank for any dividend, right, entitlement and/or distribution, in respect of which the record date precedes the allotment date of the new Shares and will be subject to all the provisions of the constitution of the Company relating to transfer, transmission or otherwise.

In the event any treasury Shares or existing Shares are to be transferred upon the exercise of an Option or vesting of a Grant pursuant to the Proposed ESS, the treasury Shares or existing Shares shall be transferred together with all dividends, rights, entitlements and distributions, in respect of which the record date is on or after the transfer date.

2.6 Duration of the Proposed ESS

The Proposed ESS shall be in force for a period of 10 years from the effective date for the implementation of the Proposed ESS to be determined by the Board of GLM after fulfilment of all the relevant requirements of the Listing Requirements.

The Proposed ESS may be terminated by the Company at any time prior to the expiry of the duration of the Proposed ESS. Notwithstanding the termination, the Company will fulfil its contractual obligation to the Holders. Upon termination of the Proposed ESS, no further Offers shall be made by a Member of the Group.

The termination of the Proposed ESS prior to its expiry will be announced to Bursa Securities in accordance with the Listing Requirements.

2.7 Listing of and quotation for the new Shares to be issued pursuant to the Proposed ESS

An application will be made to Bursa Securities for the listing of and quotation for new Shares, to be issued pursuant to the Proposed ESS, on the Main Market of Bursa Securities.

3. DETAILS OF THE PROPOSED ALLOCATION

GLM proposes to seek the approval of shareholders of the Company for authority to grant Options and/or Grants to Mr Tan Wee Bee, the Group Managing Director of GLM, subject always to the provisions of the Bye-Laws and the relevant laws and requirements.

The Proposed Allocation to the Group Managing Director is up to 7 million Shares comprised in the Options and/or Grants under the Proposed ESS or 10% of the Maximum Aggregate, whichever is higher. He shall be subject to the individual allowable limit as stated in **Section 2.3** of this announcement. For ease of reference, where an Eligible Executive holds 20% or more of the total number of issued Shares (excluding treasury Shares), either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Executive, the allocation to such Eligible Executive must not exceed 10% of the Maximum Aggregate.

4. USE OF PROCEEDS

The proceeds to be received by GLM upon the exercise of the Options will depend on, amongst others, the Option Price and the number of Options granted and exercised at the relevant point in time. As such, the amount of proceeds to be received from the exercise of the Options is not determinable at this juncture.

The proceeds from the exercise of the Options shall be used to pay for the cost of purchasing the said Shares and/or to purchase additional Shares for the purpose of the Proposed ESS.

GLM will not receive any proceeds pursuant to the Proposed ESS as the Grant Holders will not be required to pay for the Shares to be issued and/or transferred to them.

The estimated expenses in relation to the Proposals are approximately RM0.12 million.

For information purposes, the Company has not undertaken any equity fund raising exercise in the past 12 months before the date of announcement of the Proposals.

5. RATIONALE FOR THE PROPOSALS

The Proposed ESS is a separate plan from the VCIP as the latter entails grant of options only and are satisfied through the transfer of existing Shares and/or cash settlement. Hence, the Proposals are intended to:

- (i) enable the Company to align the long-term interests of Eligible Executives with those of the shareholders of the Company, as well as to motivate and reward them; and
- (ii) provide flexibility to the Board to satisfy the Options and/or Grants through other avenues such as by issuance of new Shares and transfer of treasury Shares.

6. EFFECTS OF THE PROPOSALS

6.1 Issued share capital

The Proposals are not expected to have an immediate effect on the issued share capital of the Company. The issued share capital of GLM will increase depending on the number of new Shares to be issued under the Proposals. However, if existing Shares or treasury Shares are transferred to any Holder pursuant to the exercise of Option or vesting of Grant respectively, or if GLM cash-settles the Options and Grants, there will be no effect on the issued share capital of the Company.

For information purposes, the issued share capital of the Company stood at RM385,318,195 comprising 700,458,518 Shares as at the LPD.

6.2 Substantial shareholders' shareholdings

The Proposals are not expected to have any immediate effect on the shareholdings of substantial shareholders of the Company until and unless new Shares are issued or treasury Shares are transferred, as the case may be, to the Holder. Any effect on the shareholdings of the Company's substantial shareholders will depend on the number of such new Shares issued or such treasury Shares transferred pursuant to the Proposals at the relevant point in time.

In the event that existing Shares are transferred to the Holder as a mode of settlement for the Options and Grants or if GLM cash-settles them, there will be no impact to the shareholdings of the Company's substantial shareholders.

As at LPD, the substantial shareholders of GLM together with their respective shareholdings as at the LPD are as follows:

Name	Direct		Indirect	
	No. of Shares		No. of Shares	
	('000)	%	('000)	%
GuoLine Capital Assets Limited ("GCA")	-	-	455,506,780	(1)65.03
GuoLine Overseas Limited	-	-	455,506,780	(1)65.03
Guoco Group Limited	-	-	455,506,780	(1)65.03
GuocoLand Assets Pte Ltd	-	-	455,506,780	(1)65.03
GuocoLand Limited	-	-	455,506,780	(1)65.03
GLL (Malaysia) Pte Ltd ("GLLM")	455,506,780	65.03	-	-
Tan Sri Quek Leng Chan	19,506,780	2.78	478,766,996	(2)68.35
Kwek Leng Beng	-	-	479,266,996	(3)68.42
Kwek Holdings Pte Ltd	-	-	479,266,996	(3)68.42
Hong Realty (Private) Limited	-	-	479,266,996	(3)68.42
Hong Leong Investment Holdings Pte Ltd	-	-	479,266,996	(3)68.42
Kwek Leng Kee	-	-	479,266,996	(3)68.42
Davos Investment Holdings Private Limited	-	-	479,266,996	(3)68.42

Notes:

- (1) Held through GLLM.
- (2) Held through GCA and a company in which the substantial shareholder has interest.
- (3) Held through GCA and companies in which the substantial shareholder has interest.

6.3 Net assets (“NA”) and gearing

The Proposals are not expected to have an immediate effect on the NA, NA per Share and gearing of the Group based on its latest audited consolidated financial statements as at 30 June 2021 until such time when the new Shares are issued, treasury Shares and/or existing Shares to be held in a Trust pursuant to the Proposals are transferred, and/or cash settlement in connection with the exercise of Options and/or vesting of Grants is made.

Any potential effect on the NA, NA per Share and gearing of GLM will depend on the mode of settlement of the Options and Grants, which will only be determined at the time of exercise of Options and/or vesting of Grants. Any allotment and issuance of new Shares, transfer of treasury Shares and/or existing Shares to be held in a Trust pursuant to the Proposals may have a dilutive effect on the NA per Share of GLM due to the resultant increase in the total number of issued Shares (excluding treasury Shares and/or existing Shares to be held in a Trust pursuant to the Proposals).

6.4 Earnings and earnings per Share (“EPS”)

In accordance with the Malaysian Financial Reporting Standard 2 on Share Based Payment issued by the Malaysian Accounting Standards Board, the potential cost of the Options and Grants cannot be determined at this juncture as they will be measured at fair value on the date of the Offers granted and recognised as an expense in the profit or loss over the vesting period of such Options and Grants.

The extent of the effect of the Proposed ESS cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Shares at the respective dates of the Offers granted. However, depending on the manner in which the Options and Grants are satisfied, the potential cost of granting them may not necessarily represent a cash outflow and may only be an accounting treatment.

If the Options and Grants are being satisfied via allotment and issuance of new Shares, transfer of treasury Shares and/or existing Shares to be held in a Trust pursuant to the Proposals, the Proposals may have a dilutive effect on the EPS of the Company due to the resultant increase in the number of issued Shares (excluding treasury Shares and/or existing Shares to be held in a Trust pursuant to the Proposals).

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed ESS;
- (ii) the shareholders of GLM at a general meeting of GLM to be convened for the Proposals; and
- (iii) any other relevant authorities/parties, if required.

The Proposed Allocation is conditional upon the Proposed ESS and not vice versa. The Proposed ESS is not conditional upon any other corporate exercise of GLM.

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

Save as disclosed below, none of the directors, major shareholders and/or persons connected with them has any interest, direct and/or indirect, in the Proposals.

Mr Tan Wee Bee, by virtue of his eligibility to participate in the Proposed ESS, is deemed interested in respect of his Proposed Allocation. As such, Mr Tan Wee Bee:

- (i) has abstained and will continue to abstain from deliberation and voting by the Board of GLM in regard to the Proposed Allocation;
- (ii) will abstain from voting on his direct and/or indirect shareholdings in GLM, if any, on the ordinary resolution pertaining to the Proposed Allocation to be tabled at a general meeting to be convened; and
- (iii) will ensure that persons connected with him will abstain from voting on their direct and/or indirect shareholdings in GLM, if any, on the ordinary resolution pertaining to the Proposed Allocation to be tabled at a general meeting to be convened.

As at the LPD, Mr Tan Wee Bee does not hold any Shares in GLM.

9. DIRECTORS' RECOMMENDATION

The Board of GLM, having considered all aspects of the Proposed ESS (including but not limited to the rationale for the Proposed ESS), is of the opinion that the Proposed ESS is in the best interest of GLM.

The Board of GLM (save for Mr Tan Wee Bee as set out in **Section 8** of this announcement who has abstained from expressing any opinion in relation to the Proposed Allocation), having considered all aspects of the Proposed Allocation, is of the opinion that the Proposed Allocation is in the best interest of GLM.

10. EXPECTED TIMEFRAME FOR SUBMISSION TO AUTHORITIES

Barring any unforeseen circumstances, an application to Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed ESS is expected to be made within 2 months from the date of this announcement.

11. EXPECTED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed ESS is expected to be implemented within 6 months from the date of Bursa Securities' approval for the listing application in relation to the Proposed ESS.

12. ADVISER

HLIB has been appointed as the Principal Adviser to the Company for the Proposals.

This announcement is dated 13 October 2022.

FURTHER INFORMATION ON THE VCIP

INFORMATION ON THE VCIP OF THE COMPANY

Implementation date : 22 August 2011

Duration of scheme : 50 years

Expiry date : 21 August 2061

Eligibility : The Board may from time to time at its absolute discretion select and identify suitable eligible executives to be offered option(s) under the VCIP.

The VCIP is extended to eligible executives of the Group who is eligible to participate in accordance with the bye-laws of the VCIP which includes the following conditions:

- (i) at least 18 years of age as at the date on which an offer to participate in the VCIP is made; and
- (ii) be an executive of a Member of the Group and has been confirmed in service or be a director holding salaried employment or office in a Member of the Group.

Maximum number of Shares available under the VCIP : The maximum number of Shares available under the VCIP shall not exceed an amount equivalent to 15% of the total number of issued Shares (excluding treasury Shares) of the Company at any one time.

Number of options offered under the VCIP	As at the LPD (unless otherwise stated)	Director(s) of GLM	Other executive(s) of the Group	Total
No. of Shares under options offered and accepted since the commencement of the VCIP	25,000,000	25,000,000	22,500,000	47,500,000
No. of Shares under exercised options	-	-	-	-
No. of Shares under lapsed options	25,000,000	25,000,000	22,500,000	47,500,000
No. of Shares under valid outstanding options	-	-	-	-

Maximum allocation to directors and senior management since commencement of the VCIP : The aggregate allocation to the directors and senior management of the Group under the VCIP is at the discretion of the Board provided that such allocation does not exceed 15% of the total number of issued Shares (excluding treasury Shares) of the Company at any one time.

As at the LPD, the total Shares underlying the options granted to the directors (including past directors) and senior management of the Group since the commencement of the VCIP represent approximately 6.64% of the total issued Shares (excluding treasury Shares).