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Teladan Setia targets proceeds of RM77.3mil from IPO



MARKETS

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KUALA LUMPUR: Teladan Setia Group Bhd, which is scheduled for a listing on the ACE Market of Bursa Malaysia on March 16, aims to raise RM77.3mil from its initial public offering exercise.

From the proceeds, RM35mil will go to land acquisition in Melaka while RM33.1mil will go towards working capital for project development, and the remainder to repay borrowings and cover listing expenses.

Teladan Setia will have a public issue of 161.1 million new shares, representing 20% of its enlarged share capital, together with an offer for sale of 40.8 million existing shares.

The public issue will comprise 40.3 million new shares for the Malaysian public, 10.5 million for directors, employees and eligible persons, 80.5 million by way of private placement to Bumiputera investors and 29.8 million by way of private placement to selected investors.

Following the listing, the property developer will have a market capitalisation of RM386.5mil based on the issue price of 48 sen a share and enlarged share capital of 805.3 million shares.

M&A Securities Sdn Bhd is the adviser, sponsor, underwriter, and placement agent for the IPO exercise.

Applications for the public issue open today and will close at 5pm on March 2, 2021.

In a statement, Melaka-based Teladan Setia said it has a track record of over two decades as a property developer in Melaka and completed property projects worth a total gross development value of RM2.1bil.

It has an undeveloped landbank of about 73.9 acres, of which most is located in Melaka.

"We are optimistic that the listing exercise will allow us to further solidify our position in the industry as we gain access to the capital markets to fuel our expansion plans.

"With the reintroduction of the Home Ownership Program (HOC) by the Government, a low-interest rate environment, and attractive development projects in the pipeline, we believe these will further stimulate property purchases," said Teladan Setia managing director Richard Teo Lay Ban.

He added that its ongoing projects have an estimated GDV of RM623mil while its future developments are estimated at RM995.2mil GDV.