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By Lokini Segaran | December 23, 2020



Melaka-based property developer, Teladan Setia Group Berhad (Teladan Setia), has entered into an underwriting agreement with M&A Securities Sdn. Bhd. (M&A Securities) in conjunction with its upcoming initial public offering (IPO) on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Securities).

Teladan Setia's IPO exercise entails a public issue of 161.060 million new shares and an offer for sale of 40.800 million existing shares by way of the private placement to selected investors.

Of the total 161.060 million new shares, 40.265 million will be allocated to the Malaysian public via balloting, 10.469 million shares to eligible directors, employees, and persons who have contributed to the success of the Group.

Whereas, 29.796 million shares will be offered via private placement to selected investors while the remaining 80.530 million new shares will be placed out to Bumiputera investors approved by the Ministry of International Trade and Industry.

Under the agreement, M&A Securities will underwrite new shares made available for the Malaysian public and the Group's eligible directors, employees, and persons who have contributed to the success of the Group.

During the underwriting agreement signing ceremony, Teladan Setia's Managing Director, Richard Teo Lay Ban said that "These are exciting times for the company as we head towards a defining chapter in our corporate journey. Becoming a public listed entity has been on our minds, and we are glad to be one step closer to the goal."

"The funds raised from the listing exercise will enable us to pursue our business expansion plans. We aim to solidify our position as one of the top property developers in Melaka by leveraging on the positive market acceptance of our property projects as well as our extensive knowledge and experience of the property industry in Melaka.

To further enhance our market presence, we are allocating a significant sum of the proceeds to acquire more land and for working capital to partly fund our on-going projects and future developments that are already in place. We will remain focused on developing affordable and value-for-money landed residential properties in Melaka," he stated.

Teo further added that "Apart from the proceeds raised, going public will also elevate our corporate and market reputation in terms of marketing our development projects. In addition, the listing status will provide us with the financial flexibility to tap into the equity capital market for future fund raising as well."

Teladan Setia is scheduled to be listed on the ACE Market of Bursa Securities by March 2021, with M&A Securities as the Adviser, Sponsor, Underwriter, and Placement Agent for the IPO exercise.