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BUSINESS

Teladan Setia Group Bhd aims to raise RM77.3 mln from IPO

KUALA LUMPUR, Feb 23 -- Melaka-based property developer Teladan Setia Group Bhd, which is scheduled to be listed on the ACE Market of Bursa Malaysia Securities Bhd on March 16, 2021, aims to raise RM77.3 million from its initial public offering (IPO) exercise.

Of the total proceeds, RM35.0 million (45.3 per cent) will be allocated for land acquisition in Melaka, RM33.1 million (42.8 per cent) for working capital for project development, RM4.0 million (5.2 per cent) million for repayment of bank borrowings, and the balance of RM5.2 million (6.7 per cent) for listing expenses.

Managing director Richard Teo Lay Ban said with a track record spanning over two decades as a property developer in Melaka, the company has built a strong market reputation among local residents.

"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," he told reporters at the virtual digital prospectus launch on Tuesday.

Teladan Setia is a property developer with a diversified portfolio of developments comprising landed, low-rise and high-rise residential properties, as well as landed shophouses, offices, and retail shops.

Since the group's establishment in 1997, Teladan Setia has completed property projects with a total gross development value (GDV) of RM2.1 billion.

It currently has an undeveloped land bank totalling approximately 29.9 hectares, of which majority is located in Melaka.

Teo said with the reintroduction of the Home Ownership Programme (HOC) by the government, a low-interest rate environment, and attractive development projects in the pipeline, the company believes these will further stimulate property purchases.

"It will be an exciting time ahead for us as we embark on our on-going and future development projects which carry an estimated GDV of RM623.0 million and RM995.2 million, respectively."

Teo said there are three ongoing projects right now, namely Taman Belimbing Setia, Taman Desa Bertam, and Bali Residences.

He said the current market environment has also presented the company with opportunities for growth as land prices are attractive right now.

"We are currently in the midst of acquiring six parcels of land with combined land size of 58.76 hectares for RM39.4 million in Melaka. These parcels, together with the land acquisitions to be undertaken from the IPO proceeds in the near future, will significantly enhance our available land bank for future development."

Looking ahead, Teo said the group is optimistic about its growth prospects as the property development industry in Melaka is supported by robust long-term fundamentals.

Teladan Setia's IPO exercise entails a public issue of 161.1 million new shares, representing 20 per cent of its enlarged share capital, together with an offer for sale of 40.8 million existing shares, of which there will be public issue of 161.1 million new shares consisting of 40.3 million new shares available for the Malaysian public and 10.5 million new shares available for eligible directors, employees and persons who have contributed to the success of the group.

Meanwhile, the other 80.5 million new shares by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry (MITI), and 29.8 million new shares by way of private placement to selected investors, and offer for sale of 40.8 million existing shares by way of private placement to selected investors.

Pursuant to the launch of Teladan Setia's prospectus, applications for the public issue are open today and will close on March 2, 2021 at 5pm.

Upon listing, Teladan Setia will have a market capitalisation of RM386.5 million based on the issue price of RM0.48 and its enlarged share capital of 805.3 million shares.

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