

Teladan Setia not deterred by weak property market outlook

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MELAKA-BASED property developer Teladan Setia Group Bhd which is enroute for a listing on the ACE Market on Bursa Malaysia on March 16 (tentatively) is unperturbed by the current soft market environment. The company believes that the re-introduction of the Government's home ownership campaign (HOC), a low-interest rate environment, and attractive development projects in the pipeline 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 gross development value (GDV) of RM623.0 mil and RM995.2 mil, respectively," Teladan Setia's managing director Richard Teo Lay Ban pointed out at the conclusion of the company's digital prospectus launch today.

Established in 1997, 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 shop houses, offices, and retail shops. The company will be raising RM77.3 mil from its initial public offering (IPO) exercise, of which RM35 mil or 45.3% will be allocated for land acquisition in Melaka. Besides that, RM33.1 mil (42.8%) will be used as working capital for project development, RM4 mil (5.2%) for repayment of bank borrowings, and the balance RM5.2 mil (6.7%) is earmarked for listing expenses. Teladan Setia's IPO exercise entails 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 (by way of private placement to selected investors).

Below are the breakdown for the public issue portion:

- 3 million new shares available for the Malaysian public;
- 5 million new shares available for eligible directors, employees and people who have contributed to the group's success;
- 5 million new shares by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry (MITI); and
- 8 million new 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 from today and will close on March 2 at 5pm.

Upon listing, Teladan Setia will have a market capitalisation of RM386.5 mil based on the issue price of 48 sen and its enlarged share capital of 805.3 million shares. – Feb 23, 2021