

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisers immediately.

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This Circular has been reviewed by M & A Securities Sdn Bhd as the Adviser to Teladan Setia Group Berhad ("**Teladan**" or the "**Company**") for the Proposed Bonus Issue of Warrants (as defined below) and Sponsor to Teladan.



TELADAN SETIA GROUP BERHAD
(Registration No. 201901004975 (1314302-V))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED BONUS ISSUE OF UP TO 241,589,400 WARRANTS IN TELADAN ("WARRANT(S)") ON THE BASIS OF 3 WARRANTS FOR EVERY 10 EXISTING ORDINARY SHARES HELD IN TELADAN ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



M & A SECURITIES SDN BHD
Registration No. 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of our Company in respect of the abovementioned Proposed Bonus Issue of Warrants will be conducted on a fully virtual basis vide the online meeting platform hosted on Securities Services e-Portal at <https://sshb.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Friday, 27 August 2021 at 10:00 a.m., or at any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his behalf. The Form of Proxy must be lodged at our Company's Share Registrar office at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, on or before the date and time indicated below in order for it to be valid. The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the EGM, should the member subsequently wish to do so. Please follow the procedure provided in the Administrative Guide in order to register, participate and vote remotely.

Last date and time for lodging the Form of Proxy : 25 August 2021 at 10:00 a.m.

Date and time of EGM : 27 August 2021 at 10:00 a.m. or at any adjournment thereof

This Circular is dated 12 August 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

"5D-VWAMP"	: 5-day volume weighted average market price
"ACE Market"	: ACE Market of Bursa Securities
"Announcement"	: Announcement dated 12 July 2021 pursuant to the Proposed Bonus Issue of Warrants
"Board"	: Board of Directors of Teladan
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CDS Account"	: Securities account maintained through the central depository system operated by Bursa Depository
"Circular"	: This circular to shareholders dated 12 August 2021
"COVID-19"	: Coronavirus disease 2019
"Deed Poll"	: The deed poll constituting the Warrants and governing the rights of Warrant Holders to be executed by our Company and as may be supplemented from time to time
"EGM"	: Extraordinary general meeting
"Entitled Shareholders"	: The shareholders of Teladan whose names appear on Teladan's Record of Depositors on the Entitlement Date
"Entitlement Date"	: 5:00 p.m. on a date to be determined by our Board and announced later, on which the names of shareholders of Teladan must appear on the Record of Depositors of Teladan as at the close of business on that date in order to be entitled to participate in the Proposed Bonus Issue of Warrants
"EPS"	: Earnings per Share
"FYE"	: Financial year ended or ending 31 December, as the case may be
"Government"	: The federal government of Malaysia or the states' government and includes any instrumentality of any such government, any other person or organisation authorised by law to perform any executive, legislative, judicial, regulatory, administrative, military, or police functions of any such government and any intergovernmental organisation
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 30 July 2021, being the latest practicable date prior to the date of printing of this Circular
"LTD"	: 9 July 2021, being the last trading day immediately prior to the Announcement
"M & A Securities"	: M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))

DEFINITIONS (Con't)

"NA"	:	Net assets
"Proposed Bonus Issue of Warrants"	:	Proposed bonus issue of up to 241,589,400 Warrants on the basis of 3 Warrants for every 10 existing Teladan Shares held by the Entitled Shareholders on the Entitlement Date
"Record of Depositors"	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Teladan" or "Company"	:	Teladan Setia Group Berhad (Registration No. 201901004975 (1314302-V))
"Teladan Group" or "Group"	:	Teladan and its subsidiaries, collectively
"Teladan Share(s)" or "Share(s)"	:	Ordinary share(s) in Teladan
"Warrants"	:	Up to 241,589,400 free warrants to be issued pursuant to the Proposed Bonus Issue of Warrants
"Warrant Holders"	:	Any person for the time being holding Warrants in our Company

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of our Company.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED BONUS ISSUE OF WARRANTS. SHAREHOLDERS OF TELADAN ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDIX FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED BONUS ISSUE OF WARRANTS BEFORE VOTING AT THE FORTHCOMING EGM

Our Board is recommending shareholders of Teladan to vote **IN FAVOUR** of the resolutions in relation to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM.

Key information	Description	Reference to Circular
Summary	: Up to 241,589,400 Warrants will be issued on the basis of 3 Warrants for every 10 existing Teladan Shares, held by the Entitled Shareholders.	Section 2
Exercise price	: The Warrants will be issued at no cost to the Entitled Shareholders. The illustrative exercise price of the Warrants is RM0.50 per Warrant. The final exercise price of the Warrants shall not be discounted more than 20% from the theoretical ex-all price of Teladan Shares computed based on the 5D-VWAMP of Teladan Shares up to and including the price fixing date as determined by our Board.	Section 2.2
Rationale	: The Proposed Bonus Issue of Warrants will: <ul style="list-style-type: none">(i) enable shareholders of our Company to participate in convertible securities of our Company, which are tradable on the ACE Market, without incurring any cost;(ii) provide existing shareholders of our Company with an opportunity to increase their equity participation in our Company at a pre-determined price during the tenure of the Warrants, and to allow shareholders to further participate in the future growth of our Company when the Warrants are exercised;(iii) allow the existing shareholders of our Company to benefit from any potential appreciation of the Warrants;(iv) enhance the marketability and trading liquidity of the Teladan Shares on the ACE Market; and(v) help to strengthen our Company's capital base and shareholders' funds as well as potentially provide additional working capital for our Group, as and when the Warrants are exercised.	Section 4
Effects of the Proposed Bonus Issue of Warrants	: (i) The Proposed Bonus Issue of Warrants will not have any immediate impact to our Company's share capital as well as our Group's NA and earnings; and (ii) When the Warrants are exercised, the share capital and NA of our Company will increase. The exercise of the Warrants will affect our Group's future earnings and EPS depending on the number of Warrants exercised and the utilisation of proceeds raised therefrom.	Section 5



TELADAN SETIA GROUP BERHAD
(Registration No. 201901004975 (1314302-V))
(Incorporated in Malaysia)

Registered Office:
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

12 August 2021

Directors:

Roy Thean Chong Yew (*Independent Non-Executive Chairman*)
Teo Lay Ban (*Managing Director*)
Sia Ah Piew (*Executive Director*)
Teo Lay Lee (*Non-Independent Non-Executive Director*)
Teo Siew May (*Non-Independent Non-Executive Director*)
Annandan A/L Chandran (*Independent Non-Executive Director*)
Madeline Lee May Ming (*Independent Non-Executive Director*)
Foo Yit Lan (*Independent Non-Executive Director*)

To: Shareholders of Teladan

Dear Sir / Madam,

PROPOSED BONUS ISSUE OF WARRANTS

1. INTRODUCTION

On 12 July 2021, M & A Securities had on behalf of our Board announced that our Company propose to undertake the Proposed Bonus Issue of Warrants.

On 4 August 2021, M & A Securities had on behalf of our Board announced that Bursa Securities had vide its letter dated 4 August 2021 approved-in-principle the following:

- (a) Admission to the Official List and listing of and quotation for up to 241,589,400 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- (b) Listing of and quotation for up to 241,589,400 new Teladan Shares to be issued arising from exercise of the Warrants on the ACE Market.

Bursa Securities' approval-in-principle is subject to the following conditions:

<u>Conditions</u>	<u>Status of Compliance</u>
(a) Teladan and M & A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants.	To be complied
(b) Teladan and M & A Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants.	To be complied
(c) Teladan to furnish Bursa Securities with a written confirmation of its compliance with terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed.	To be complied
(d) Teladan to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(e) The Warrants to be issued to the promoters whose shareholdings are currently under moratorium shall also be subject to a similar moratorium.	To be complied
(f) Teladan is required to incorporate Bursa Securities' comments made on the circular to shareholders.	Complied

The purpose of this Circular is to provide you with details of the Proposed Bonus Issue of Warrants, to set out our Board's opinion and recommendation in relation to the Proposed Bonus Issue of Warrants and to seek your approval for the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM of our Company, scheduled to be conducted on a fully virtual basis vide the online meeting platform hosted on Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Friday, 27 August 2021 at 10:00 a.m., or at any adjournment thereof. The Notice of EGM together with the Proxy Form are enclosed with this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED BONUS ISSUE OF WARRANTS AT THE FORTHCOMING EGM.

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2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS

2.1 Basis and number of Warrants to be issued

The Proposed Bonus Issue of Warrants entails the issuance of up to 241,589,400 Warrants on the basis of 3 Warrants for every 10 existing Teladan Shares held by the Entitled Shareholders on the Entitlement Date.

As at LPD, Teladan has a total issued share capital of RM399,427,802 comprising 805,298,002 Teladan Shares.

The basis and number of Warrants to be issued were determined after taking into consideration the following:

- (a) the Warrants are issued at no cost to the Entitled Shareholders;
- (b) the enlarged number of Teladan Shares upon exercise of the Warrants;
- (c) the dilutive effect on Teladan's EPS upon exercise of the Warrants; and
- (d) the number of new Teladan Shares which arise from the exercise of the Warrants must not exceed 50% of our Company's total number of issued shares at all times, in compliance with Rule 6.51 of the Listing Requirements.

Fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with in such a manner as our Board shall in their absolute discretion deem fit and expedient, and in the best interests of our Company.

The Entitlement Date will be determined and announced at a later date by our Board upon receipt of all relevant approvals. The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

No reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants. As such, the requirement to ensure that our Company has sufficient reserves to cover for capitalisation of the bonus issue pursuant to Rule 6.31(2)(b) of the Listing Requirements is not relevant for the Proposed Bonus Issue of Warrants.

2.2 Basis and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants will be determined and fixed by our Board at a later date after all relevant approvals have been obtained but before the announcement of the Entitlement Date, after taking into consideration the following:

- (a) the historical price movement of Teladan Shares;
- (b) the 5D-VWAMP of Teladan Shares prior to the price-fixing date and prevailing market conditions; and
- (c) the future funding requirements of our Group.

In any event, the discount of the exercise price of the Warrants shall not be more than 20% from the theoretical ex-all price of Teladan Shares computed based on the 5D-VWAMP of Teladan Shares up to and including the price fixing date. This discount range was determined by our Board to stimulate more demand for the Teladan Shares before the Entitlement Date and encourage the exercise of the Warrants.

For illustrative purpose only, the indicative exercise price of the Warrants is assumed to be at RM0.50, which represents a discount of approximately 13.5% to the theoretical ex-all price of Teladan Shares at RM0.5782, calculated based on the 5D-VWAMP of Teladan Shares up to and including LTD of RM0.6016 per Share.

2.3 Ranking of the new Teladan Shares to be issued arising from the exercise of the Warrants

The new Teladan Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Teladan Shares, except for any entitlements given on entitlement date prior to the date of allotment of the said Shares.

2.4 Listing of and quotation for the Warrants and the new Teladan Shares to be issued arising from the exercise of Warrants

Approval-in-principle has been obtained from Bursa Securities, vide its letter dated 4 August 2021, for:

- (a) The admission of the Warrants to the Official List; and
- (b) The listing of and quotation for the Warrants and new Shares to be issued from the exercise of the Warrants,

on the ACE Market.

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2.5 Indicative salient terms of the Warrants

Terms	Details
Issue size	: Up to 241,589,400 Warrants
Form	: The Warrants will be issued in registered form and constituted by the Deed Poll
Tenure	: 5 years commencing from and inclusive of the Warrant issue date (" Issue Date ").
Exercise Rights	: Each Warrant shall entitle the Warrant Holders to subscribe for 1 new Teladan Share at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll
Exercise Price	: The exercise price of the Warrants shall be determined and fixed by our Board and announced at a later date, after obtaining the relevant approvals but before the announcement of the Entitlement Date. Kindly refer to Section 2.2 of this Circular for the basis of determining the Exercise Price.
Exercise Period	: The Warrants may be exercised any time during the tenure of the Warrants including and commencing from the Issue Date and ending at 5.00 p.m. on the Expiry Date. Any Warrants which have not then been exercised will lapse and every Warrant not exercised by then will cease to be valid for any purpose.
Expiry Date	: A date which falls on the day before the 5 th anniversary of the Issue Date, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day.
Adjustment in the Exercise Price and/or the number of Warrants	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants held by each Warrant Holders shall be adjusted, calculated or determined by our Board in consultation with an approved adviser appointed by our Company and certification by the auditors of Teladan in the event of alteration to the share capital of our Company, capital distribution or issue of shares at any time during the Tenure in accordance with the provisions of the Deed Poll.
Ranking of the new Teladan Shares to be issued from the exercise of the Warrants	: The new Teladan Shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the then existing Teladan Shares, except for any entitlements given on an entitlement date prior to the date of allotment of the said Shares.

- Modification of rights of Warrant Holders : Our Company may, from time to time, without the consent or sanction of the Warrant Holders but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant Holders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, Rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or Listing Requirements.
- Subject to the approval of Bursa Securities and/or other relevant authorities (if required), any modifications to the Deed Poll may be effected only by a deed poll, executed by our Company and expressed to be supplemental to the Deed Poll and comply with the requirements of the Deed Poll. Our Company must notify the holders of the Warrant of any modification as soon as practicable after such modification is effected in accordance with the Deed Poll.
- Rights of Warrant Holders : The Warrant Holders are not entitled to any voting rights in any general meeting of our Company or to participate in any rights, allotments, dividends and/or other distributions in our Company until and unless such Warrant Holders are issued with new Teladan Shares arising from their exercise of the Warrants.
- Rights in the event of winding up, liquidation or an event of default : Where a resolution has been passed by our Company for a members' voluntary winding-up ("**Resolution**") or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies then:
- (a) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrants Holders or some persons designated by them for such purposes by special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant Holders; and
 - (b) in any other case, every Warrants Holder shall be entitled at any time within 6 weeks after the passing of such Resolution or 6 weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrants together with payment of the relevant Exercise Price monies, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such Warrants, to the extent specified in the exercise notice and be entitled to receive out of the assets of our Company (which would be available in liquidation) if he had on such date been the holder of the Teladan Shares, to which he would have become entitled pursuant to such exercise; and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all Exercise Rights shall lapse and cease to be valid for any purpose.

Board Lot	:	The Warrants are tradeable upon listing in board lots of 100 Warrants carrying the right to subscribe for 100 new Teladan Shares at any time during the Exercise Period or such other denomination as may be prescribed by Bursa Securities.
Listing	:	The Warrants will be listed on the ACE Market.
Transferability	:	The Warrants will only be transferable in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Governing law	:	Laws of Malaysia.

3. UTILISATION OF PROCEEDS

3.1 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants is not expected to raise immediate funds for Teladan as the Warrants will be issued at no cost to the Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the tenure of the Warrants as well as the exercise price of the Warrants, which will be determined and fixed at a later date. Notwithstanding that, our Group expects to fully utilise the proceeds to be raised arising from the exercise of the Warrants within 12 months from the date of receipt of the proceeds.

For illustrative purpose only, the gross proceeds to be raised upon full exercise of the Warrants based on the indicative exercise price of RM0.50 is approximately RM120.79 million. Such proceeds will be utilised as additional working capital for our Group. The proceeds may be utilised to finance, amongst others, our Group's day-to-day operating cost comprising operational and administrative expenses such as infrastructure costs, building material costs undertaken by our contractors, salaries and wages as well as utilities. The exact allocation of which can only be determined as and when the Warrants are exercised.

Pending utilisation of the proceeds to be raised from the exercise of the Warrants, the proceeds may be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital for our Group. These proceeds earmarked for additional working capital may be used for, among others, payment to suppliers and subcontractors as well as other operating expenses (i.e. marketing expenses and office upkeep). The proceeds to be utilised for each component of working capital are subject to our Group's operating requirements at the time of receipt of the proceeds and hence cannot be determined at this juncture.

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3.2 Details of equity fund-raising exercises undertaken in the past 12 months

Save as disclosed below, Teladan has not undertaken any equity fund-raising exercise in the past 12 months before Announcement.

A total of 805,298,002 Teladan Shares were issued and listed on the ACE Market on 16 March 2021, pursuant to our initial public offering ("IPO"). The status of utilisation of proceeds raised from the IPO is as follows:

<u>Utilisation of proceeds</u>	<u>Timeframe for utilisation</u>	<u>Actual proceeds raised</u>	<u>Actual utilisation as at LPD</u>	<u>Unutilised amount as at LPD</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Acquisition of land for development ⁽¹⁾	Within 36 months	35,000	27,285	7,715
Working capital for project development	Within 24 months	33,109	8,500	24,609
Repayment of borrowings	Within 3 months	4,000	4,000	-
Estimated listing expenses	Within 1 months	5,200	5,200	-
Total proceeds		77,309	44,985	32,324

Note:

- (1) As at LPD, our Group utilised RM27.29 million to fund the incidental costs (deposit fees, stamp duty, differential sum and legal fees) arising from the acquisition of 14 parcels of land, which including the proposed acquisition of lands as set out in Section 12 of this Circular. The exact timeframe to utilise the remaining portion of unutilised proceeds raised cannot be determined at this juncture as our Group is still in the midst of sourcing potential land banks for future development.

4. RATIONALE OF THE PROPOSED BONUS ISSUE OF WARRANTS

After due consideration, our Board is of the view that the Proposed Bonus Issue of Warrants will:

- (a) enable shareholders of our Company to participate in convertible securities of our Company, which are tradable on the ACE Market, without incurring any cost;
- (b) provide existing shareholders of our Company with an opportunity to increase their equity participation in our Company at a pre-determined price during the tenure of the Warrants, and to allow shareholders to further participate in the future growth of our Company when the Warrants are exercised;
- (c) allow existing shareholders of our Company to benefit from any potential capital appreciation of the Warrants;
- (d) enhance the marketability and trading liquidity of the Teladan Shares on the ACE Market; and
- (e) help to strengthen our Company's capital base and shareholders' funds as well as potentially provide additional working capital for our Group, as and when the Warrants are exercised.

The Proposed Bonus Issue of Warrants is an appropriate avenue to achieve the above objectives as opposed to other corporate proposals in view that it will progressively raise proceeds as and when the Warrants are exercised for the proposed utilisation as set out in Section 3.1 above as compared to other corporate proposals such as a bonus issue of shares.

5. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

5.1 Issued share capital

The Proposed Bonus Issue of Warrants will not have an immediate effect on the share capital of Teladan until such time when the Warrants are exercised. The share capital of Teladan will increase progressively as and when new Teladan Shares are issued arising from the exercise of Warrants.

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue of Warrants on the issued share capital of Teladan are as follows:

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at LPD	805,298,002	399,427,802
To be issued assuming full exercise of Warrants	241,589,400	⁽¹⁾ 120,794,700
Enlarged issued share capital	<u>1,046,887,402</u>	<u>520,222,502</u>

Note:

(1) Calculated based on the indicative exercise price of the Warrants of RM0.50.

Based on the illustration above, the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities does not exceed 50% of the total number of issued shares of the Teladan, and as such, are in compliance with Rule 6.51 of the Listing Requirements.

5.2 Existing convertible securities

Our Company does not have any convertible securities outstanding as at LPD.

5.3 NA and gearing

For illustration purpose, the pro forma effects of the Proposed Bonus Issue of Warrants on the NA and gearing of Teladan based on the latest audited combined statement of financial position of our Group as at 31 December 2020 are as follows:

	<u>I</u>	<u>II</u>	<u>III</u>
Audited as at 31 December 2020	⁽¹⁾Unaudited as at 31 March 2021	After the Proposed Bonus Issue of Warrants	⁽⁴⁾After I and assuming full exercise of Warrants
RM'000	RM'000	RM'000	RM'000
Share capital	3,750	⁽²⁾ 397,045	397,045
Merger deficit	-	(318,369)	(318,369)
Retained profits	365,935	373,200	⁽³⁾ 373,100
Equity attributable to the owners of our Company	<u>369,685</u>	<u>451,876</u>	<u>451,776</u>
			<u>572,571</u>

	Audited as at 31 December 2020	I ⁽¹⁾Unaudited as at 31 March 2021	II After the Proposed Bonus Issue of Warrants	III ⁽⁴⁾After I and assuming full exercise of Warrants
No. of Shares ('000)	644,238	805,298	805,298	1,046,887
NA per Share (RM)	0.57	0.56	0.56	0.55
Borrowings ('000)	133,447	143,680	143,680	143,680
Gearing (times)	0.36	0.32	0.32	0.25

Notes:

- (1) Being the latest available consolidated financial statements of our Group, which have accounted for:
- acquisition of the entire equity interest in Teladan Setia Sdn Bhd for a total consideration of RM322,119,000, satisfied by the issuance of 644,238,000 Teladan Shares at an issue price of RM0.50 each, which was completed on 20 January 2021;
 - public issue of 161,060,000 new Teladan Shares at the issue price of RM0.48 each, which was completed on 16 March 2021; and
 - utilisation of proceeds arising from the IPO of RM5.20 million for the estimated listing expenses.
- (2) After deducting listing expenses of RM2.38 million, being used to offset against the share capital for the issuance of new Teladan Shares pursuant to our IPO exercise.
- (3) After deducting estimated expenses of RM100,000 for the Proposed Bonus Issue of Warrants.
- (4) Assuming full exercise of 241,589,400 Warrants into 241,589,400 new Teladan Shares at the indicative exercise price of RM0.50 per Warrant.

5.4 Earnings and EPS

The Proposed Bonus Issue of Warrants, which is expected to be implemented by the third quarter of 2021, is not expected to have any material effect on the earnings of our Group for FYE 2021. However, the EPS of our Group may be diluted as a result of the issuance of new Teladan Shares arising from the exercise of Warrants.

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5.5 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Warrants will not have any effect on the substantial shareholders' percentage of shareholding in our Company as the Warrants will be allotted on a pro-rated basis to all shareholders of our Company. However, the number of Teladan Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants.

The effects of the Proposed Bonus Issue of Warrants on the shareholdings of the substantial shareholders of our Company are set out below:

Substantial shareholders	Existing as at LPD				After full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Teo Lay Ban	335,004	41.6	-	-	435,505	41.6	-	-
Teo Lay Lee	89,478	11.1	-	-	116,321	11.1	-	-
Teo Siew May	89,478	11.1	-	-	116,321	11.1	-	-
Datin Wan Lei Chin	89,478	11.1	-	-	116,321	11.1	-	-

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic ("E&E") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector expenditure and strong exports. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

Despite the recent re-imposition of containment measures, the impact on growth is expected to be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Higher production from existing and new manufacturing facilities, particularly in the E&E and primary-related sub-sectors, as well as oil and gas facilities will provide a further impetus to growth. The roll-out of the domestic COVID-19 vaccine programme will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors.

(Source: Economic and Financial Developments in Malaysia, BNM Quarterly Bulletin, First Quarter (1Q) 2021, 11 May 2021, Bank Negara Malaysia)

Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of the year, cushioning the significant contraction in the first half.

Malaysia's gross domestic product ("GDP") contracted 3.4% for the fourth quarter of 2020 as compared to a decline of 2.6% in the third quarter. For overall year 2020, Malaysia's GDP contracted 5.6% as compared to 4.3% in 2019.

The performance of the fourth quarter of 2020 in terms of Malaysia's monthly GDP performance, the Malaysian economy recorded a contraction of 4.7% in October, declining slower in November (-4.0%) and December (-1.7%). For the quarter-on-quarter seasonally adjusted was recorded at negative growth 0.3% (Q3 2020: 18.2%) in the fourth quarter.

Thus, Malaysia's GDP is expected to rebound between 6.5% and 7.5% in 2021.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia and Malaysia Economic Performance Fourth Quarter 2020, Department of Statistics Malaysia)

6.2 Overview and outlook of the property development industry in Malaysia

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign, exemption of real properties gain tax, the introduction of rent to own (RTO) scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects, including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

(Source: Macroeconomic Outlook, Economic Outlook 2021, Ministry of Finance Malaysia)

The property market performance recorded a significant decline in 2020 compared to 2019. A total of 295,968 transactions worth RM119.08 billion were recorded, showing a decrease of 9.9% in volume and 15.8% in value compared to 2019, which recorded 328,647 transactions worth RM141.40 billion.

Volume of transactions across the sub-sectors contracted sharply in 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 8.6%, 21.0%, 24.0%, 10.7% and 2.6% respectively.

In terms of value of transactions, residential, commercial, industrial and development land sub-sectors recorded sharp decline of 9.0%, 32.6%, 14.0% and 34.0% respectively, whereas agriculture recorded otherwise, increased by 0.6%.

The residential sub-sector led the overall property market, with 64.7% contribution in volume. This was followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%). In terms of value, residential took the lead with 55.3% share, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%).

(Source: Annual Property Market Report 2020, JPPH Malaysia)

The property market performance is expected to remain cautious and soft in 2021 with dependency on the country's economic and financial outlook. Incentives introduced under Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-term Economic Recovery Plan (PENJANA) in 2020 as well as Budget 2021 would continue to support the property market. The availability and rolling out of COVID-19 vaccine throughout the country is seen as fundamental to deter any new wave of infection spread. This will help boost business confidence, household sentiments as well as the general economy, which will likely see a soft upturn in the property market in the second half of 2021.

(Source: Press Release Malaysia Property Market 2020, 05 April 2021, JPPH Malaysia)

6.3 Future prospect of our Group

The COVID-19 pandemic continues to cause unprecedented impact and uncertainties to the global economic activities. Movement control order (“MCO”) has been re-enforced by the authorities in Peninsular Malaysia, Labuan, Sabah and some parts of Sarawak, due to the rise in the number of COVID-19 cases. The property market is expected to recover in year 2021 with few incentives introduced by the Government under the PENJANA programme, namely reintroduction of the Home Ownership Campaign that grants stamp duty exemption, Real Property Gains Tax exemption and the removal of the 70% margin of financing limit. The incentives had created a positive spill-over effect on the overall property market.

Our Group’s property development segment is expected to continue to be driven by our on-going projects with an estimated gross development value (“GDV”) of about RM590.70 million, subject to the market and economic conditions as well as the approval from the relevant authorities.

Our major projects expected to be ongoing once the MCO imposed by the Government is lifted, which are as follows:

- (a) Bali Residences, Melaka – This mixed development project consists of 18 shoplots and 2 towers of service apartments with an estimated GDV of RM319.60 million;
- (b) Taman Desa Bertam (Phase 2), Melaka – This project consists of 2-storey landed terrace and 2-storey semi-detached houses on a 40.2-acres piece of land with an estimated GDV of RM143.10 million; and
- (c) Taman Desa Bertam (Phase 3A), Melaka – This project consists of 2-storey semi-detached houses with an estimated GDV of RM134.40 million. Further to Phase 3A of the project launched by our Group in September 2020, we expected to launch Phase 3B of Taman Desa Bertam in September 2021 with an estimated GDV of approximately RM128.00 million.

During the re-imposition of MCO as well as implementation of full MCO period in January 2021 and June 2021 respectively, our Group’s construction activities were suspended. Notwithstanding the suspension to the construction activities, our selling and marketing activities of both our existing and ongoing projects have been on-going through virtual engagements (i.e. phone calls, social media marketing and virtual meeting) with our potential investors and/or customers.

As illustrated in our IPO prospectus, our Group plans to launch and develop Phase 1A and Phase 1B of Taman Bertam Heights, a gated and guarded residential development in 4th quarter of 2021 on a 83.2-acres piece of land with an estimated GDV of approximately RM242.70 million. Continuous efforts (i.e. virtual selling and marketing activities as mentioned) are being made to ensure that scheduled launch of Taman Bertam Heights can be achieved and we also believe that our brand name in Melaka will bring us a good take up rate on this project despite implementation of MCO.

Since February 2021, the Government has been rolling out vaccines under the national COVID-19 immunisation program. Whilst helping to curb the spread of the virus, such immunisation program also serves to revitalise economic activities which should translate to improved sentiment for the investment in properties and property development segments. For FYE 2021, our Group is expected to report a satisfactory performance. We will continue to monitor the impact of the COVID-19 pandemic and to undertake preventive and counter measures from time to time to face the challenges posed by this pandemic in order to deliver satisfactory positive returns for the stakeholders.

We have put in place a series of future plans to achieve the following objectives for the next 3 to 5 years in order to ensure our sustainability in earnings and enhance shareholders' value:

- (i) To further strengthen Teladan's market presence as an established residential and mixed development property developer in Melaka with a focus on landed residential properties; and
- (ii) To expand Teladan's business through the acquisition of landbank for future projects in Melaka.

As at LPD, we have not identified any landbank to be acquired. In the event that landbank has been identified, we will make the necessary announcement and/or seek shareholders' approval.

(Source: Management of Teladan)

7. APPROVALS REQUIRED FOR THE PROPOSED BONUS ISSUE OF WARRANTS

The Proposed Bonus Issue of Warrants is subject to the approvals being obtained from the following:

- (a) Bursa Securities which was obtained on 4 August 2021 for the following:
 - (i) admission of the Warrants to the Official List of Bursa Securities;
 - (ii) listing of and quotation for the Warrants and new Shares to be issued from the exercise of the Warrants, on the ACE Market;
- (b) shareholders of Teladan at the forthcoming EGM of our Company; and
- (c) any other relevant authority, if required.

The Proposed Bonus Issue of Warrants is not conditional upon any other proposals undertaken or to be undertaken by our Company.

The voting on the resolution for the Proposed Bonus Issue of Warrants at the EGM will be taken on a poll.

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8. HISTORICAL SHARE PRICE PERFORMANCE

The monthly highest and lowest market prices of Teladan Shares as traded on Bursa Securities since its listing on the ACE Market are as follows:

	High	Low
	RM	RM
2021		
March	0.645	0.527
April	0.705	0.610
May	0.765	0.580
June	0.635	0.590
July	0.645	0.580
The last transacted market price of Teladan Shares immediately prior to the Announcement		0.595
Last transacted market price on LPD		0.620

(Source: M & A Securities)

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders and/or chief executive of our Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue with Warrants, other than their respective entitlements as shareholders of our Company, the rights of which are also available to all other existing shareholders of our Company as at the Entitlement Date.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Bonus Issue of Warrants, including but not limited to the rationale and effects of the Proposed Bonus Issue of Warrants, our Board is of the opinion that the Proposed Bonus Issue of Warrants are in the best interest of our Company, and accordingly recommend that the shareholders of our Company to **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM of our Company.

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11. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable in relation to the Proposed Bonus Issue of Warrants is as follows:

Date	Events
Late August 2021	EGM to approve the Proposed Bonus Issue of Warrants
Early September 2021	Announcement of the Entitlement Date for the Proposed Bonus Issue of Warrants
Late September 2021	<ul style="list-style-type: none">• Admission of the Warrants to the Official List and the listing of and quotation for the Warrants on the ACE Market• Completion of the Proposed Bonus Issue of Warrants

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed Bonus Issue of Warrants is expected to be completed by the third quarter of 2021.

12. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the Proposed Bonus Issue of Warrants and as set out below, there are no other corporate exercises which have been announced by our Company but are still pending completion prior to the printing of this Circular:

On 14 April 2021, we announced that Asal Harta Sdn Bhd (as purchaser), a wholly-owned subsidiary of our Company, had entered into a sale and purchase agreement with Eramaju Tegas Sdn Bhd (as vendor), for the acquisition of 3 parcels of leasehold land located in Mukim Ayer Panas, District of Jasin, State of Melaka, with an aggregate area of approximately 210.35 hectares, at a cash consideration of RM95.10 million, for the purpose of developing housing project. As at LPD, the implementation of the abovementioned acquisition of lands is still ongoing but pending completion.

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13. EGM

The EGM, the notice of which is enclosed together with this Circular, will be conducted on a fully virtual basis via the online meeting platform hosted on Securities Services e-Portal at <https://sshshb.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Friday, 27 August 2021 at 10:00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the resolution so as to give effect to the Proposed Bonus Issue of Warrants.

If you are unable to attend and vote in person at the EGM, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of our Company's Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time set for holding the EGM or at any adjournment thereof (i.e. on Wednesday, 25 August 2021 at 10:00 a.m.). The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

You are advised to refer to the appendix attached to this Circular for further information.

Yours faithfully,
for and on behalf of our Board of Directors,
TELADAN SETIA GROUP BERHAD

TEO LAY BAN
Managing Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION

Consent

M & A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

Conflict of interest

There is no conflict of interest that exists or is likely to exist in M & A Securities' capacity as the Adviser to Teladan in relation to the Proposed Bonus Issue of Warrants.

3. MATERIAL LITIGATION

As at LPD, neither Teladan nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of our Board's knowledge and belief, our Board is not aware of any proceedings, pending or threatened against Teladan Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Teladan Group.

4. MATERIAL COMMITMENTS

Saved as disclosed below, as at LPD, there are no material commitments, incurred or known to be incurred, which may have a material impact on the results or financial position of Teladan Group.

Capital commitments	RM'000
Authorised and contracted for	
Land held for property development	93,813
Acquisition of Polyintan Sdn Bhd	11,468

5. CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the results or financial position of Teladan Group.

Contingent liability	RM'000
Bank guarantee for deposits with the housing and local authorities as well as utilities provider	13,751

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) Constitution of our Company;
- (b) Audited combined financial statements of Teladan for FYE 31 December 2020 as well as the latest unaudited quarterly report on consolidated results for the 3-month financial period ended 31 March 2021;
- (c) Letter of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix; and
- (d) Draft Deed Poll.

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TELADAN SETIA GROUP BERHAD
(Registration No. 201901004975 (1314302-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of Teladan Setia Group Berhad (“**Teladan**” or the “**Company**”) will be conducted on a fully virtual basis via the online meeting platform hosted on Securities Services e-Portal at <https://sshbs.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Friday, 27 August 2021 at 10:00 a.m., for the purpose of considering and if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 241,589,400 WARRANTS (“WARRANT(S)”) ON THE BASIS OF THREE (3) WARRANTS FOR EVERY TEN (10) EXISTING ORDINARY SHARES IN TELADAN ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)

“THAT subject to the approvals of all relevant regulatory authorities being obtained, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to issue and allot of up to 241,589,400 Warrants on the basis of three (3) Warrants for every ten (10) existing ordinary shares in Teladan (“**Teladan Shares**”) held by the shareholders whose names appear on the Record of Depositors of the Company as at the close of business on the entitlement date to be determined and announced later;

THAT fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and the aggregate of such fractions shall be dealt with in such manner as the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company;

THAT up to 241,589,400 Warrants be allotted and issued in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants (“**Deed Poll**”);

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants (“**Additional Warrants**”) as may be required or permitted to be revised as consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit and/or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT the new Teladan Shares to be issued and allotted arising from the exercise of the Warrants and/or the Additional Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Teladan Shares, save and except that the new Teladan Shares to be issued and allotted arising from the exercise of the Warrants and/or the Additional Warrants will not be entitled to participate in any rights, allotments, dividends, and/or other distributions that may be declared, made or paid to the shareholders of the Company, where the entitlement date is before the date of allotment and issuance of such new Teladan Shares;

THAT the proceeds raised from the exercise of the Warrants, if any, be utilised for the purposes set out in the Circular to shareholders of the Company dated 12 August 2021 (“**Circular**”) and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (when required) to the approval of the relevant authorities;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required or permitted by the relevant authorities or at the Board may deem necessary in the interest of the Company and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants.”

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No. 201908002648 & MAICSA 0777689)
CHENG CHIA PING (SSM PC No. 202008000730 & MAICSA 1032514)
Company Secretaries

Kuala Lumpur
12 August 2021

Notes :

1. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 20 August 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent revisions, the right to speak is not limited to verbal communication only but includes other modes of expression.

Therefore, all shareholders and proxies shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshbsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/Management/relevant advisers during the Meeting.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An "exempt authorised nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
5. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarially certified copy of that power or authority shall be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the Meeting, or any adjournment thereof, at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the office of Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

(ii) By electronic means via email

In the case of an appointment made via email transmission, this Form of Proxy must be received via email at eservices@sshbsb.com.my.

For option (ii), the Company will require the member to deposit the original executed Form of Proxy as in (i) above no later than Wednesday, 25 August 2021 at 10:00 a.m. for verification purpose.

(iii) Online

In the case of an appointment made via online lodgement facility, please submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshbsb.net.my/>.

6. Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshbsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting available for download at <https://teladansetia.com/investor-relations/investor-centre-reports/> for further details.
7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.



TELADAN SETIA GROUP BERHAD
(Registration No. 201901004975 (1314302-V))
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We _____ *NRIC/Passport no./Registration no. _____

of _____

being a *member/members of TELADAN SETIA GROUP BERHAD, hereby appoint:

(1) Name of proxy : _____ *NRIC/Passport no. : _____

Address : _____

Email address : _____ Telephone no. : _____

(2) Name of proxy : _____ *NRIC/Passport no. : _____

Address : _____

Email address : _____ Telephone no. : _____

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company which will be conducted on a fully virtual basis vide the online meeting platform hosted on Securities Services e-Portal at <https://sshb.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Friday, 27 August 2021 at 10.00 a.m. and at any adjournment thereof in respect of *my/our shareholding in the manner indicated below:

Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

Ordinary Resolution	For	Against
Proposed Bonus Issue of Warrants		

Dated this _____ day of _____ 2021

*Signature of Shareholder/Common Seal

** Strike out whichever is not applicable*

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100



Notes :

1. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 20 August 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he/she shall specify the proportion of his/her holdings to be represented by each proxy.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent revisions, the right to speak is not limited to verbal communication only but includes other modes of expression.

Therefore, all shareholders and proxies shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshbs.com.my during the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/Management/relevant advisers during the Meeting.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An "exempt authorised nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
5. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarially certified copy of that power or authority shall be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the Meeting, or any adjournment thereof, at which the person named in the appointment proposes to vote:

- (i) In hard copy form
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the office of Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.
- (ii) By electronic means via email
In the case of an appointment made via email transmission, this Form of Proxy must be received via email at eservices@sshbs.com.my.

For option (ii), the Company will require the member to deposit the original executed Form of Proxy as in (i) above no later than Wednesday, 25 August 2021 at 10:00 a.m. for verification purpose.
- (iii) Online
In the case of an appointment made via online lodgement facility, please submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshbs.net.my/>.

6. Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshbs.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting available for download at <https://teladansetia.com/investor-relations/investor-centre-reports/> for further details.
7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

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AFFIX
STAMP

The Share Registrar

TELADAN SETIA GROUP BERHAD
(Registration No. 201901004975 (1314302-V))
(Incorporated in Malaysia)

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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