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EASTLAND EQUITY BHD.

Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED SHARES ISSUANCE OF UP TO 64,856,314 ORDINARY SHARES REPRESENTING 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED SHARES ISSUANCE”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

MALACCA SECURITIES SDN BHD

Registration No: 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“**EGM**”) of Eastland Equity Bhd. (“**Eastland**”) will be held via a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities via <https://web.vote2u.my> on Monday, 26 July 2021 at 10.00 a.m., or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed herewith in this Circular.

You are entitled to attend, participate and vote remotely at the EGM using RPV facilities via Vote2U at <https://web.vote2u.my>. If you are unable to attend and vote remotely at the EGM, you are entitled to appoint proxy(ies) by completing and lodging the Proxy Form enclosed in this Circular in accordance with the instructions therein to Eastern Biscuit Factory Sdn. Bhd.’s (subsidiary of Eastland) address at 5th Floor, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bahru, Kelantan, Malaysia not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof. Alternatively, individual shareholder(s) may choose to submit the electronic Proxy Form (“**e-Proxy Form**”) using RPV facilities via Vote2U at <https://web.vote2u.my>, not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof. The lodging of the Proxy Form / e-Proxy Form will not preclude you from attending, participating and voting remotely in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

Last date and time for lodging the Form of Proxy	: Saturday, 24 July 2021 at 10.00 a.m.
Date and time of the EGM	: Monday, 26 July 2021 at 10.00 a.m. or at any adjournment thereof

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	: Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
Announcement	: The announcement dated 18 May 2021 in relation to the Proposed Shares Issuance
Announcement LPD	: 17 May 2021, being the latest practicable date prior to the date of the Announcement
Board	: Board of Directors of Eastland
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Circular	: This circular dated 9 July 2021 in relation to the Proposed Shares Issuance
COVID-19	: Coronavirus disease
Eastland or Company	: Eastland Equity Bhd. (Registration No.: 200001013359 (515965-A))
Eastland Group or Group	: Collectively, Eastland and its subsidiaries
Eastland Shares or Shares	: Ordinary shares in Eastland
EGM	: Extraordinary General Meeting
EPS	: Earnings per share
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
GDC	: Gross development cost
GDV	: Gross development value
LAT	: Loss after tax
LBT	: Loss before tax
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 30 June 2021, being the latest practicable date prior to the printing of this Circular
LPS	: Loss per Eastland Share
Main Market	: Main Market of Bursa Securities

DEFINITIONS (CONT'D)

Malacca Securities or Principal Adviser	:	Malacca Securities Sdn. Bhd. (Registration No.: 197301002760 (16121-H))
Market Day	:	A day on which Bursa Securities is open for trading in securities
MCO	:	Movement control order
NA	:	Net assets
Placement Shares	:	32,428,157 new Eastland Shares which was issued pursuant to the Private Placement
Private Placement	:	Private placement of 32,428,157 Placement Shares which was undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act at an issue price of RM0.1233 which was completed on 15 June 2021
Proposed Shares Issuance	:	Proposed shares issuance of up to 64,856,314 Shares representing up to 20% of the total number of issued Eastland Shares as at Announcement LPD, at an issue price to be determined and announced later
Record of Depositors	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
RM and sen	:	Ringgit Malaysia and sen, respectively
Subscription Shares	:	Up to 64,856,314 new Eastland Shares to be issued pursuant to the Proposed Shares Issuance
VWAMP	:	Volume weighted average market price

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 and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “**you**” in this Circular are to Eastland Shareholder(s).

Any reference in this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment of re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amount listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Group’s plans and objectives will be achieved.

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TABLE OF CONTENTS

LETTER FROM THE BOARD TO THE SHAREHOLDERS OF EASTLAND IN RELATION TO PROPOSED SHARES ISSUANCE

	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHARES ISSUANCE	2
3. UTILISATION OF PROCEEDS	3
4. RATIONALE FOR THE PROPOSED SHARES ISSUANCE	6
5. PROSPECTS AND OUTLOOK	11
6. EFFECTS OF THE PROPOSED SHARES ISSUANCE	14
7. HISTORICAL SHARE PRICES	17
8. APPROVALS REQUIRED	17
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED	18
10. DIRECTORS' STATEMENT AND RECOMMENDATION	18
11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	18
12. ESTIMATED TIMEFRAME FOR COMPLETION	19
13. EGM	19
14. FURTHER INFORMATION	19

APPENDICES

APPENDIX I	HISTORICAL FINANCIAL INFORMATION OF EASTLAND GROUP	20
APPENDIX II	FURTHER INFORMATION	23

NOTICE OF EGM**ENCLOSED****FORM OF PROXY****ENCLOSED**

EXECUTIVE SUMMARY

The Executive Summary highlights only the salient information of the Proposed Shares Issuance. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Shares Issuance before voting at the forthcoming EGM.

Key information	Description																		
Details of the Proposed Shares Issuance (Section 2 of this Circular)	<p>The Proposed Shares Issuance entails the issuance of up to 64,856,314 Subscription Shares, representing 20% of the total number of issued Eastland Shares as at Announcement LPD, at an issue price to be determined and announced later.</p> <p>The Subscription Shares will only be placed out to third party investor(s) to be identified at a later date.</p> <p>The Subscription Shares will be priced at not more than 10% discount to the 5-day VWAMP of Eastland Shares immediately preceding to the price-fixing date for the Subscription Shares.</p>																		
Utilisation of proceeds (Section 3 of this Circular)	<p>Assuming an illustrative issue price per Subscription Share of RM0.1081 (being 9.99% discount to the 5-day VWAMP of Eastland Shares up to the Announcement LPD of RM0.1201), Eastland is expected to raise gross proceeds of RM7.01 million from the Proposed Shares Issuance, which are proposed to be utilised in the following manner:-</p> <table><thead><tr><th>Details of utilisation</th><th>Estimated timeframe for utilisation</th><th>RM'000</th></tr></thead><tbody><tr><td>General working capital</td><td>Within 12 months</td><td>1,332</td></tr><tr><td>Repayment of bank borrowings</td><td>Within 12 months</td><td>1,504</td></tr><tr><td>Property development activities</td><td>Within 24 months</td><td>4,000</td></tr><tr><td>Estimated expenses for the Proposed Shares Issuance</td><td>Within 1 month</td><td>175</td></tr><tr><td>Total proceeds</td><td></td><td><u>7,011</u></td></tr></tbody></table>	Details of utilisation	Estimated timeframe for utilisation	RM'000	General working capital	Within 12 months	1,332	Repayment of bank borrowings	Within 12 months	1,504	Property development activities	Within 24 months	4,000	Estimated expenses for the Proposed Shares Issuance	Within 1 month	175	Total proceeds		<u>7,011</u>
Details of utilisation	Estimated timeframe for utilisation	RM'000																	
General working capital	Within 12 months	1,332																	
Repayment of bank borrowings	Within 12 months	1,504																	
Property development activities	Within 24 months	4,000																	
Estimated expenses for the Proposed Shares Issuance	Within 1 month	175																	
Total proceeds		<u>7,011</u>																	
Rationale (Section 4 of this Circular)	<p>The Proposed Shares Issuance is undertaken simultaneously with the Private Placement which was announced on 18 May 2021.</p> <p>The Private Placement and Proposed Shares Issuance will enable the Group to raise the requisite funds to address the Group's immediate working capital requirements and scheduled repayment of bank borrowings for the next 12 months as well as for the Group's property development activities, as set out in Sections 3 and 4 of this Circular.</p> <p>The Group is also of the view that the Private Placement and Proposed Shares Issuance will enable the Group to raise funds more expeditiously as compared to other forms of fundraising exercise such as a rights issue, which will typically entail a longer implementation process and with higher cost to implement.</p>																		

EXECUTIVE SUMMARY (CONT'D)

Approvals required and inter-conditionality
(Section 8 of this Circular)

The Proposed Shares Issuance is subject to the following being obtained:-

- the approval of Bursa Securities for the listing and quotation of the Subscription Shares on the Main Market of Bursa Securities;
- the approval of Eastland shareholders at the forthcoming EGM; and
- the approvals / consents of any other relevant authorities / parties, if required.

The Proposed Shares Issuance is not conditional upon any other proposals undertaken or to be undertaken by the Company. For clarification, the Private Placement and Proposed Shares Issuance are not inter-conditional.

Interests of Directors, major shareholders, chief executive and/or persons connected
(Section 9 of this Circular)

None of the directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposed Shares Issuance in view that the Subscription Shares will be placed to third party investors as detailed in Section 2.2 of this Circular.

Directors' statement and recommendation
(Section 10 of this Circular)

The Board, having considered all aspects of the Proposed Shares Issuance, is of the opinion that the Proposed Shares Issuance is in the best interest of the Company, and recommends that shareholders of Eastland vote in favour of the resolution for the Proposed Shares Issuance to be tabled at the forthcoming EGM.



EASTLAND EQUITY BHD.

Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

9 July 2021

Board of Directors

Mohamed Akwal Bin Sultan Mohamad (*Independent Non-Executive Director/Chairman*)
Lee Chee Kiang (*Managing Director*)
Tan Chin Hong (*Executive Director*)
Eric Wee Ei-Mas (*Executive Director*)
Phang Kiew Lim (*Executive Director*)
Masleena Binti Zaid (*Independent Non-Executive Director*)
Ong Lu Yuan (*Independent Non-Executive Director*)

To: The Shareholders of Eastland Equity Bhd.

Dear Sir/Madam,

PROPOSED SHARES ISSUANCE

1. INTRODUCTION

On 18 May 2021, Malacca Securities had, on behalf of the Board, announced that the Company proposes to undertake the following:-

- (i) proposed private placement of up to 10% of the total number of issued Eastland Shares which will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act obtained from the shareholders of Eastland on 3 September 2020; and
- (ii) proposed shares issuance representing up to 20% of the total number of issued Eastland Shares.

On 4 June 2021, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 3 June 2021, granted its approval for the listing and quotation of up to 32,428,157 new Eastland Shares pursuant to the Private Placement on the Main Market of Bursa Securities.

On 15 June 2021, Malacca Securities had, on behalf of the Board, announced that the Private Placement had been completed following the listing of 32,428,157 Eastland Shares on the Main Market of Bursa Securities on 15 June 2021.

On 2 July 2021, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 1 July 2021, granted its approval for the listing and quotation of up to 64,856,314 new Eastland Shares pursuant to the Proposed Shares Issuance on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular.

The purpose of this Circular is to provide shareholders with the relevant information on the Proposed Shares Issuance and to seek shareholders' approval for the resolution on the Proposed Shares Issuance to be tabled at the Company's forthcoming EGM. The Notice of the EGM and the Form of Proxy are enclosed together with this Circular.

Shareholders are advised to read and carefully consider the contents of this Circular together with the appendices contained herein before voting on the resolution pertaining to the Proposed Shares Issuance to be tabled at the Company's forthcoming EGM.

2. DETAILS OF THE PROPOSED SHARES ISSUANCE

2.1 Shares issuance size

The size of the Proposed Shares Issuance will be up to 20% of the total number of issued Eastland Shares as at Announcement LPD, at an issue price to be determined and announced later. As at Announcement LPD, Eastland's total number of issued shares is 324,281,570 Eastland Shares. As such, the Proposed Shares Issuance will involve the issuance of up to 64,856,314 Subscription Shares.

2.2 Share issuance arrangement

The Subscription Shares will only be placed out to third party investor(s) to be identified at a later date in accordance with Paragraph 6.04(c) of the Listing Requirements. The Subscription Shares are not intended to be placed to the following persons:-

- (i) a director, major shareholder, chief executive of Eastland or the holding company of Eastland ("**Interested Person**");
- (ii) a person connected with an Interested Person; or
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Subject to the prevailing market conditions and timing of identification of the investor(s), the Proposed Shares Issuance may be implemented in tranches within 6 months from the date of approval of Bursa Securities for the Proposed Shares Issuance or any extended period as may be approved by Bursa Securities, to provide Eastland with the flexibility to secure investor(s). As such, there could potentially be several price fixing dates depending on the number of tranches of the Proposed Shares Issuance.

Eastland believes that the investor(s) may be identified and procured simultaneously or over a period of time. The details of investor(s) and the number of Subscription Shares to be placed to each investor in accordance with Paragraph 6.15(1)(a) of the Listing Requirements will be submitted to Bursa Securities before the listing of the Subscription Shares to be issued pursuant to the Proposed Shares Issuance.

2.3 Basis of determining the issue price for the Subscription Shares

The issue price of the Subscription Shares shall be fixed by the Board at a later date after the receipt of all relevant approvals for the Proposed Shares Issuance based on the prevailing market conditions and the 5-day VWAMP of Eastland Shares prior to the price-fixing date for the Subscription Shares.

The Subscription Shares will be priced at not more than 10% discount to the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date for the Subscription Shares.

For information only, the five (5)-day VWAMP of Eastland Shares up to and including Announcement LPD is RM0.1201. (source: Bloomberg)

2.4 Ranking of Subscription Shares

The Subscription Shares shall, upon allotment and issue, rank the same in all respects with the then existing Eastland Shares, save and except that the Subscription Shares will not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, made or paid prior to the date of allotment of the said Subscription Shares.

2.5 Listing and quotation of the Subscription Shares

Bursa Securities had vide its letter dated 1 July 2021 granted its approval for the listing and quotation of up to 64,856,314 Subscription Shares on the Main Market of Bursa Securities.

3. UTILISATION OF PROCEEDS

The actual proceeds to be raised from the Proposed Shares Issuance are dependent on the issue price and actual number of Subscription Shares to be issued.

Assuming the issue price per Subscription Share of RM0.1081 (being 9.99% discount to the 5-day VWAMP of Eastland Shares up to the Announcement LPD of RM0.1201) and that all 64,856,314 Subscription Shares are issued, Eastland is expected to raise gross proceeds of RM7.01 million from the Proposed Shares Issuance, which are proposed to be utilised in the following manner:-

Details of Utilisation	Notes	Estimated timeframe for utilisation from the listing of each tranche of Subscription Shares	RM'000
General working capital	(i)	Within 12 months	1,332
Repayment of bank borrowings	(ii)	Within 12 months	1,504
Property development activities	(iii)	Within 24 months	4,000
Estimated expenses for the Proposed Shares Issuance	(iv)	Within 1 month	175
Total proceeds			<u>7,011</u>

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Notes:-

(i) The RM1.33 million proceeds earmarked for the general working capital of the Group are intended to be utilised as follows:-

(a) Staff costs which include staff salary, Directors' remuneration and contributions to the Employees Provident Fund Board and the Social Security Organisation, and deductions to be paid to the Inland Revenue Board	* 75%
(b) Office related expenses such as rental, utilities, office maintenance, staff medical insurance, maintenance of property, plant and equipment, printing, stationeries, postages, travelling or transportation, staff amenities, websites maintenance, petty cash reimbursements and other office operating expenses	12%
(c) Compliance expenses such as audit (internal & external), company secretary, share registrar, taxation, legal, listing, and corporate advisers,	13%
	<hr/>
	100%

Note:-

* RM0.56 million has been earmarked for Director's remuneration, being approximately 42% of the proceeds earmarked for the general working capital of the Group (i.e. 8% of the total proceeds to be raised from the Proposed Shares Issuance).

(ii) As at LPD, the total borrowings of the Group are approximately RM60.60 million comprising RM50.60 million of business financing-i (term loan) and RM10.00 million of business cashline-i (overdrafts).

The Company proposes to utilise RM1.34 million of the proceeds for the scheduled principal and interest repayment for the business financing-i (term loan) as well as RM0.16 million for the scheduled interest repayment for the business cashline-i (overdrafts) facilities. For information purposes, the effective interest rates per annum for the business financing-I (term loan) and business cashline-I (overdrafts) ranges from 6.47% to 6.97%. Based on the aforementioned, the interest savings to be derived from the repayment of the Group's borrowings is approximately RM99,314 per annum.

Any deviation in the amount utilised for the repayment of bank borrowings will be adjusted to/from the amount allocated for the general working capital of the Group.

(iii) The proceeds allocated for property development activities are intended to be utilised for the following projects:-

	<u>RM'000</u>
(a) Bandar Tasek Raja Project	1,000
(b) Damai Project	3,000
	<hr/>
	4,000

Bandar Tasek Raja Project

The Group has an on-going project in Pasir Mas, Kelantan, namely the Bandar Tasek Raja commercial property development, which is a joint venture with Majlis Daerah Pasir Mas. The Group proposes to develop the project in 2 phases (i.e. Phase 1 and Phase 2), comprising shop lots, a market, a supermarket, a bus station and taxi terminal, and other ancillary buildings. As at LPD, Phase 1 has been completed, Phase 2a is ongoing and Phase 2b has not commenced. Phase 2a comprises 30 units of shop lots in 4 blocks, of which 8 units have been sold. The Group has allocated RM1.0 million proceeds from the Proposed Shares Issuance to complete the infrastructure and for payment to the authorities for 2 blocks (comprising 14 units) of the shop lots, and subsequently handover the sold units to the purchasers. Further details of the Bandar Tasek Raja Project are set out in Section 4.3 below.

Damai Project

Upon completion of the Proposed Acquisition of Development Rights (as defined in Section 4.3 below), the Group will acquire the right to develop, construct and manage a building consisting, inter alia a 16-storey building with 2-storey shop lots, 5-storey carpark, 1-storey public facilities and 8-storey commercial units on a piece of land situated in Damai, Kota Kinabalu ("**Damai Project**"). The Damai Project has an estimated GDV and GDC of approximately RM102.3 million and RM74.6 million respectively. As at LPD, the Proposed Acquisition of Development Rights has yet to be completed. Further details of the Proposed Acquisition of Development Rights are set out in Section 4.3 below.

Barring any unforeseen circumstances, the Damai Project is expected to commence by the first half of 2022 and the Company intends to fund the preliminary cost (comprising amongst others professional fees, contribution to authorities, operating expenditures, marketing fee and sales commission) via the proceeds from the Proposed Shares Issuance.

In the event the Proposed Acquisition of Development Rights is terminated, the proceeds allocated for the Proposed Acquisition of Development Rights will be adjusted to the amount allocated for the general working capital of the Group.

- (iv) Includes professional fees, fees payable to authorities and other incidental expenses for the Proposed Shares Issuance.

Any deviation in the actual expenses relating to the Proposed Shares Issuance will be adjusted to/from the amount allocated for the general working capital of the Group.

In the event the gross proceeds raised from the Proposed Shares Issuance are less than RM7.01 million, the proceeds will be utilised in the following priority:-

- (i) estimated expenses for the Proposed Shares Issuance;
- (ii) repayment of bank borrowings;
- (iii) property development activities; and
- (iv) general working capital.

In the event the gross proceeds raised from the Proposed Shares Issuance are more than RM7.01 million, all excess shall be utilised for the Group's general working capital.

Pending the utilisation of proceeds from the Proposed Shares Issuance, the proceeds shall be placed in an interest/profit-bearing bank account, as deposits with licensed financial institution(s) and/or in short-term money market instruments, as the Board deems fit.

4. RATIONALE FOR THE PROPOSED SHARES ISSUANCE

The Group is principally involved in property development, property investment, hotel operations and money lending. As a consequence of the COVID-19 pandemic, the Government of Malaysia had implemented several measures to reduce and control the spread of COVID-19 in Malaysia, commencing from 18 March 2020. These measures include restriction of international/inter-state/district travels, social gatherings and business gatherings. Whilst certain measures were relaxed along the way to encourage economic activities, the increase in cases had resulted in the Government of Malaysia re-imposing such measures, such as the Third Movement Control Order (MCO 3.0) which was announced on 30 May 2021. The business operations of the Group have been interrupted by these measures. Nevertheless, the Group had continuously revamped and adapted to such measures introduced since the commencement of the COVID-19 pandemic. Further details on the measures taken by the Group to improve its financial condition are set out in Section 4.3 of this Circular.

For the 15-months FPE 31 March 2021, the Group recorded an unaudited revenue and LAT of RM15.8 million and RM14.5 million respectively. Further details on the historical financial information of the Group are set out in Appendix I of this Circular.

For information, save for the Private Placement (which was announced on 18 May 2021 together with the Proposed Shares Issuance and completed on 15 June 2021), Eastland has not carried out any fund raising exercises for the past 12 months up to the LPD. The Company's cash and cash equivalent as at 31 March 2021 is approximately RM6.14 million.

The Proposed Shares Issuance is undertaken simultaneously with the Private Placement to raise the following gross proceeds:-

	(RM'000)
Private Placement	(i)3,998
Proposed Shares Issuance	(ii)7,011
	11,009

Notes:-

- (i) Based on 32,428,157 Placement Shares issued at an issue price of RM0.1233 each being 10.0% discount to the 5-day VWAMP of Eastland Shares up to 4 June 2021 of RM0.1370
- (ii) Assuming issue price per Subscription Share of RM0.1081 (being 9.99% discount to the 5-day VWAMP of Eastland Shares up to Announcement LPD of RM0.1201) and that all 64,856,314 Subscription Shares are issued.

Eastland had raised gross proceeds of RM4.00 million from the Private Placement, which are intended to be/had been utilised as follows:-

Description / (Timeframe for utilisation)	Notes	Proposed utilisation RM'000	Actual utilised as at LPD RM'000	Balance to be utilised RM'000
General working capital (Within 6 months)	(i)	1,416	-	1,416
Repayment of bank borrowings (Within 6 months)	(ii)	2,487	61	2,426
Expenses for the Private Placement (Within 1 month)	(iii)	95	85	10
Total proceeds		3,998	146	3,852

Notes:-

(i) The RM1.42 million proceeds earmarked for the general working capital of the Group are intended to be/had been utilised as follows:-

(a)	Staff costs which include staff salary, Directors' remuneration and contributions to the Employees Provident Fund Board and the Social Security Organisation, and deductions to be paid to the Inland Revenue Board	* 75%
(b)	Office related expenses such as rental, utilities, office maintenance, staff medical insurance, maintenance of property, plant and equipment, printing, stationeries, postages, travelling or transportation, staff amenities, websites maintenance, petty cash reimbursements and other office operating expenses	12%
(c)	Compliance expenses such as audit (internal & external), company secretary, share registrar, taxation, legal, listing, and corporate advisers,	13%
		<hr/>
		100%

Note:-

* RM0.91 million is intended to be/had been utilised for Director's remuneration, being approximately 64% of the proceeds earmarked for the general working capital of the Group (i.e. 23% of the total proceeds raised from the Private Placement).

(ii) Eastland proposes to utilise RM2.11 million of the proceeds for the scheduled principal and interest repayment for the business financing-i (term loan) as well as RM0.38 million for the scheduled interest repayment for the business cashline-i (overdrafts) facilities. For information purposes, the effective interest rates per annum for the business financing-l (term loan) and business cashline-l (overdrafts) ranges from 6.47% to 6.97%. Based on the aforementioned, the interest savings to be derived from the repayment of the Group's borrowings is approximately RM153,690 per annum. As at LPD, RM0.06 million had been utilised for scheduled principal and interest repayment whilst the balance RM2.43 million is parked at the Group's business cashline-i (overdrafts) facilities, pending further utilisation for scheduled principal and interest repayment.

(iii) Includes professional fees, fees payable to authorities and other incidental expenses for the Private Placement, of which RM84,897 had been utilised as at LPD.

Further details of the Private Placement as announced by the Company is available on the website of Bursa Securities at www.bursamalaysia.com.

Upon completion, the Private Placement and Proposed Shares Issuance are expected to address the Group's immediate working capital requirements and scheduled repayment of bank borrowings for the next 12 months, as well as for the Group's property development activities as set out above and in Section 3 of this Circular.

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4.1 Value creation and impact of the Proposed Shares Issuance to Eastland and its shareholders

After due consideration of the various methods of fund raising, the Board is of the opinion that the Private Placement and Proposed Shares Issuance are the most appropriate avenue of fund raising at this juncture as it enables the Group to raise funds expeditiously for its immediate funding needs as compared to securing external bank borrowings which may increase the Group's existing financial obligations in terms of interest costs and principal repayments.

Additionally, the Group is also of the view that the Private Placement and Proposed Shares Issuance will enable the Group to raise funds more expeditiously as compared to other forms of fundraising exercise such as a rights issue, which will typically entail a longer implementation process and with higher cost to implement.

Moving forward, the Private Placement and Proposed Shares Issuance are expected to contribute positively to the Group's earnings for the ensuing financial years, as a result of the utilisation of proceeds for the Group's property development activities. The Private Placement and Proposed Shares Issuance also serve to strengthen the financial position of the Group and capital base of the Company.

4.2 Adequacy of the Proposed Shares Issuance in addressing the Group's financial concerns

The proceeds from the Private Placement and Proposed Shares Issuance are intended to address the Group's immediate working capital requirements and scheduled repayment of bank borrowings for the next 12 months. The RM4.0 million proceeds to be utilised for the Group's property development activities will enable the Group to complete part of the development for the Bandar Tasek Raja Project to facilitate handover of the sold units to the purchasers, and to partially fund the Proposed Acquisition of Development Rights for the Damai Project.

Whilst the RM11.01 million gross proceeds (based on the actual fund raised from the Private Placement and indicative issue price of RM0.1081 per Subscription Share) to be raised will enable the Group to improve its financial performance as and when the intended development projects are completed or partially completed, the proceeds raised from the Private Placement and Proposed Shares Issuance would not be sufficient to meet the Group's funding requirements in the long-term (the Group has bank borrowings of RM60.60 million as at LPD) or immediately turn around the Group's financial performance (the Group recorded a loss of RM14.5 million for the 15-months FPE 31 March 2021).

Due to the COVID-19 pandemic, the Group is currently seeking to address its immediate financial concerns via the Private Placement and Proposed Shares Issuance. As and when the COVID-19 pandemic situation improves or where the funding and/or business opportunity arises, the Group will then reassess its position to deliberate on a comprehensive plan to address the Group's funding requirements in the long-term and turnaround the Group's financials. Such plan, which could not be determined as at LPD, may include debt and/or equity fundraising which will depend on, amongst others, the Group's funding requirements, market conditions, and funding and/or business opportunity at the relevant point in time.

In the event Eastland is unable to raise the requisite funding via the Private Placement and Proposed Shares Issuance, Eastland will re-assess its funding needs and explore other means of raising funds which may include, amongst others, undertaking a rights issue and/or seeking additional bank borrowings.

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4.3 Steps or actions which have been taken/will be taken to improve the financial condition of the Group

As at LPD, the Group has 3 primary business segments, namely, its hospitality segment comprising the operation of the Grand Renai Hotel in Kota Bharu, investment properties segment involving the operation of the Kota Sri Mutiara Shopping Complex in Kota Bharu and its property development segment.

The Group has taken the following measures to improve its financial condition:-

- (i) The Group has an on-going project in Pasir Mas, Kelantan, namely the Bandar Tasek Raja commercial property development, which is a joint venture with Majlis Daerah Pasir Mas. The Group proposes to develop the project in 2 phases, comprising shop lots, a market, a supermarket, a bus station and taxi terminal, and other ancillary buildings of which the status of the project as at LPD is set out below:-

<u>Description</u>	<u>GDV</u> (RM'000)	<u>Status of Construction works</u>	<u>Launched</u>	<u>Units sold</u> (No. of units)	<u>Balance unsold</u> (No. of units)
<u>Phase 1</u>					
112 units of shop lots	42,300	Completed in 2016	29 September 2011	97	15
<u>Phase 2</u>					
(a) 30 units of shop lots	22,300	On-going*	5 - 6 January 2017	8	22
(b) 124 units of shop lots	102,200	Not commenced		-	124
Total	<u>166,800</u>			<u>105</u>	<u>161</u>

Note:-

- * As at LPD, the Group has completed 61.30% of Phase 2a of Bandar Tasek Raja project consisting of 30 units of shop lots.

For information, the Bandar Tasek Raja project has a GDC of RM34.6 million for Phase 1 and an estimated aggregate GDC of approximately RM138.2 million for Phase 2a and Phase 2b, comprising the following:-

	<u>Phase 1</u> (RM'000)	<u>Phase 2a</u> (RM'000)	<u>Phase 2b</u> (RM'000)
(i) Land costs and related expenses	800	500	2,100
(ii) Building works, earthworks and infrastructure	16,300	13,900	56,700
(iii) Professional, authorities, consultation fees and sales and marketing expenses	2,100	1,600	6,700
Total / expected development cost	<u>19,200</u>	<u>16,000</u>	<u>65,500</u>
Total / expected common infrastructure and amenities costs	15,400	11,200	45,500
Total GDC	<u>34,600</u>	<u>27,200</u>	<u>111,000</u>

In view of the soft property market condition, the COVID-19 pandemic, banks' cautious stance on providing end-financing for certain property sectors and to manage the Group's cash flow, the Group had decided to put on hold further development of its phase 2 Bandar Tasek Raja project. Save for the intention of completing the development of part of Phase 2a (i.e. 2 blocks of shop lots out of a total of 4 blocks), comprising of 14 units of shop lots (out of 30 units of shop lots), and handing over the sold units to the buyers, the Board will consider, amongst others, the property market sentiment and the financial position of the Group when deciding the timing to resume its development of its shop lots. The development of the aforementioned 14 units of shop lots in Phase 2a is expected to be completed by the fourth quarter of 2022, whilst the balance development of Phase 2a and Phase 2b will be put on hold pending recovery of the property market condition. In the event the Group decides to proceed with the balance development of Phase 2a and Phase 2b, the balance GDC will be funded via internally generated funds, bank borrowings and/or debt/equity fundraising.

Notwithstanding the above, the Board is continuously identifying new opportunities for development projects to provide the Group with new income streams. Pursuant thereto, the Company had on 18 August 2020 announced that FBO Land (Setapak) Sdn. Bhd., a wholly-owned subsidiary of Eastland ("**FBO**"), had on 18 August 2020, entered into a conditional sale and purchase agreement ("**CSPA**") with Inland World Sdn. Bhd. ("**IWSB**" or "**Vendor**") ("**Proposed Acquisition of Development Rights**") whereby FBO shall purchase all rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations of IWSB under the joint venture agreement ("**Development Rights**") with Sabah Urban Development Corporation Sdn. Bhd. ("**SUDC**") ("**SUDC JVA**"), for a purchase consideration of RM8.0 million. Pursuant to the SUDC JVA, SUDC and IWSB have agreed to collaborate with one another whereby IWSB will develop, construct and manage a building consisting, inter alia a 16-storey building with 2-storey shop lots, 5-storey carpark, 1-storey public facilities and 8-storey commercial units on a piece of land situated in Damai, Kota Kinabalu.

The Damai Project has an estimated aggregate GDV and GDC of approximately RM102.3 million and RM74.6 million respectively.

On 8 February 2021, the Company has announced that FBO was informed by IWSB that the development plan for the Damai Project has been issued to IWSB by Dewan Bandaraya Kota Kinabalu on 11 December 2020 ("**Approved Development Plan**"). Nevertheless, pursuant to the CSPA, the completion of the CSPA is conditional on, amongst others, the change of name of developer (i.e. from IWSB) in the Approved Development Plan in favour of FBO.

On 7 May 2021, the Company has announced that FBO has agreed to grant the Vendor an extension of time until 16 November 2021 to fulfil all the conditions precedent.

- (ii) For the hospitality segment, the Group had on 11 March 2021 hired a new general manager to take charge of the hotel operations in anticipation of improving the financial performance of the hotel amidst this challenging period.
- (iii) For the investment properties segment, in view of the COVID-19 pandemic, the Group had resolved to measures such as reduction in rental to support and retain key tenants, as the Group believes that such key tenants will be able to contribute positively to the segment's financials as and when the situation improves. In addition, the Group is also actively looking out for new tenants to fill up existing vacancies by offering attractive rental rates for the initial period.

- (iv) The Group will continue to seek and explore non-property related business opportunities that would contribute positively towards the Group's financial performance. The Board acknowledges the current weak economic sentiments amidst the ongoing COVID-19 pandemic and hence remains cautious in exploring any new business opportunities. As at LPD, the Board has yet to identify any new business opportunities. The Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required) as and when the Company has entered into any agreements for new business opportunities, if any.
- (v) The Group had on 1 December 2020 restructured and rescheduled the payment schedule for its bank borrowings, which will allow the Group to preserve its cash flow for the Group's existing operations.

5. PROSPECTS AND OUTLOOK

5.1 Overview and outlook of 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 electronics ("E&E") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order (MCO 2.0) 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.

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: Bank Negara Malaysia, Economic and Financial Developments in Malaysia in the First Quarter of 2021)

5.2 Overview and outlook of the Malaysian property market

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 subsectors 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%).

There were 191,354 residential property transactions worth RM65.87 billion recorded in 2020, decreased by 8.6% in volume and 9.0% in value as compared with 2019 (209,295 transactions worth RM72.41 billion). Performance across the states was not encouraging as all states except Perak and Terengganu recorded declines in market activity. By state, Selangor contributed the highest volume and value to the national market share, with 23.0% in volume (44,034 transactions) and 33.0% in value (RM21.72 billion). As for WP Kuala Lumpur, though only recorded 10,606 transactions, the transaction value was the second highest at RM8.24 billion, contributing 12.5% market share. The downward trend in major states namely WP Kuala Lumpur (-4.5%), Selangor (-15.3%), Johor (-19.9%) and Pulau Pinang (-7.7%) led to the overall decline in the sub-sector. These four major states formed 46.8% of the total national residential volume.

As most developers had deferred the new launches to focus on selling remaining unsold inventories, the primary market saw lesser release of new launches. There were 47,178 units launched in 2020, against nearly 60,000 units in 2019. Sales performance was modest at 28.7% in 2020, lower than 2019 at 40.4%.

The low sales performance was partly due to the sluggish property market and cautious buyers' sentiment. Nevertheless, many developers had adopted new marketing strategy by using website and mobile apps to market their products. By state, WP Kuala Lumpur recorded the highest number of new launches in the country, capturing nearly 21.8% (10,295 units) of the national total with sales performance at 18.6%. Selangor recorded the second highest number (7,330 units, 15.5% share) with sales performance at 39.1%. Johor came third (5,913 units, 12.5% share) with sales performance at 29.3%.

Based on the current prolonged COVID-19 pandemic and the foreseeable impact on the overall economy, the property market performance is expected to remain cautious and soft in 2021. Bank Negara Malaysia is forecasting the Malaysia's GDP to grow within the range of 5.5% to 8.0% in 2021 while the World Bank is forecasting Malaysia's economy to grow by 6.7%. Nevertheless, the government has introduced Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and Short-term Economic Recovery Plan (PENJANA) in 2020 as well as Budget 2021 to help cushion the impact on property market. On the infrastructure development front, the government has allocated RM15 billion to fund the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-tracking Project and Klang Valley Double Tracking Project Phase 1 under Budget 2021. In addition, several key projects will be continued such as Rapid Transit System (RTS) Link from Johor Bharu to Woodlands, Singapore and MRT 3 in Klang Valley.

The residential market is expected to see a slow uptick in the second half of year 2021. The focus would remain on affordable segment. Government has allocated a total of RM1.2 billion fund for providing comfortable and quality housing, especially for the low-income group, under Budget 2021 which include:-

- (i) RM500 million to build 14,000 units low cost housing under Program Perumahan Rakyat;
- (ii) RM315 million for the construction of 3,000 units of Rumah Mesra Rakyat by Syarikat Perumahan Nasional Berhad;
- (iii) RM125 million for the maintenance of low cost and medium-low stratified housing as well as assistance to repair dilapidated houses and those damaged by natural disasters; and
- (iv) RM310 million for the Malaysia Civil Servants Housing Program (PPAM). At the same time, various incentives are initiated by the government to promote home ownership, especially for first-time buyers, which include:-
 - (a) Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025. This exception is effective for sale and purchase executed from 1 January 2021 to 31 December 2025; and

- (b) Stamp duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government (KPKT).

In conclusion, the property market performance in 2021 is much dependent on the country's economic and financial outlook. 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: Property Market Report 2020, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Prospects of the Group

The Group's hospitality segment comprising the Grand Renai Hotel in Kota Bharu is expected to continue operating in a challenging environment amidst the COVID-19 pandemic, primarily due to the imposition of MCO. Generally, the MCOs had resulted in amongst others, restriction of international/inter-state/district travels, social gatherings and business gatherings. For the FYE 31 December 2019, the hotel had an average occupancy rate of 39%, which had subsequently decreased to 31% for the 15-months FPE 31 March 2021, being the financial year affected by COVID-19.

The Group's investment properties segment comprising the Kota Sri Mutiara Shopping Complex in Kota Bharu has similarly been affected by the MCO. For the FYE 31 December 2019, the mall had an average occupancy rate of 93%, which had subsequently decreased to 81% for the 15-months FPE 31 March 2021.

The Group's property development segment is expected to continue to be driven by its on-going Bandar Tasek Raja project as set out in Section 4.3 above. In addition, the Group is in the midst of acquiring a joint development right for a development situated in Damai, Kota Kinabalu, Sabah. The Group anticipates that the strategically located Damai Project will be in demand at the right price, and thus intends to focus on strategically marketing the Damai Project to the right target market segments and introduce attractive sales packages to encourage sales.

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 hospitality, investment properties and property development segments.

Moving forward, the Group will continue to be cautious in launching the remaining unsold units of the Bandar Tasek Raja Project and Damai Project, with a focus on affordably priced and suitable products. In addition, the Group will continue to explore business opportunities in property development to seek for potential land banks in strategic locations, as well as non-property related business opportunities.

(Source: Management of the Group)

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6. EFFECTS OF THE PROPOSED SHARES ISSUANCE

For illustration purpose only, the proforma effects below have assumed an illustrative issue price per Subscription Share of RM0.1081, being 9.99% discount to the 5-day VWAMP of Eastland Shares up to and including the Announcement LPD of RM0.1201.

6.1 Share Capital

For illustrative purposes, the proforma effects of the Proposed Shares Issuance on the issued share capital of the Company are as follows:-

	<u>No. of Shares</u>	<u>RM</u>
Share capital as at LPD	356,709,727	133,877,051
To be issued pursuant to the Proposed Shares Issuance	64,856,314	7,010,967
Enlarged issued share capital	<u>421,566,041</u>	<u>140,888,018</u>

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6.2 Substantial Shareholders' Shareholdings

The proforma effects of the Proposed Shares Issuance on the shareholdings of the substantial shareholders of Eastland based on the Register of Substantial Shareholders as at LPD are as follows:-

	As at LPD				After Proposed Shares Issuance			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lee Chee Kiang	25,236,200	7.07%	-	-	25,236,200	5.99%	-	-
Tan Chin Hong	-	-	⁽ⁱ⁾ 18,333,928	5.14%	-	-	⁽ⁱ⁾ 18,333,928	4.35%
Tan Chin Hao	84,000	0.02%	⁽ⁱⁱ⁾ 18,249,928	5.12%	84,000	0.02%	⁽ⁱⁱ⁾ 18,249,928	4.33%

Notes:-

- (i) Deemed interest by virtue of his interest in Prestige Pavilion Sdn. Bhd. and Danhwa Holding Sdn. Bhd. and deemed interest by virtue of his sister, Ms Adeline Tan Wan Chen and brother, Mr Tan Chin Hao's shareholding in the Company.
- (ii) Deemed interest by virtue of his interest in Prestige Pavilion Sdn. Bhd. and Danhwa Holding Sdn. Bhd. and deemed interest by virtue of his sister, Ms Adeline Tan Wan Chen's shareholding in the Company

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6.3 NA, NA per Share and gearing

Eastland had on 30 October 2020 announced the change of its financial year end from 31 December 2020 to 30 June 2021. Accordingly, based on the consolidated audited statements of financial position of Eastland as at 31 December 2019 and assuming that the Proposed Shares Issuance was completed on 31 December 2019, the proforma effects of the Proposed Shares Issuance on the consolidated NA per Share and the gearing of Eastland are as follows:-

	Audited as at 31 December 2019	(I) After Private Placement	After (I) and Proposed Shares Issuance
	(RM)	(RM)	(RM)
Share capital	129,878,659	⁽ⁱ⁾ 133,877,051	140,888,018
Other reserves	112,329,553	112,329,553	112,329,553
Accumulated losses	(71,847,321)	⁽ⁱ⁾ (71,942,321)	⁽ⁱⁱ⁾ (72,117,321)
Total equity / NA	170,360,891	174,264,283	181,100,250
No. of Shares in issue	324,281,570	356,709,727	421,566,041
NA per Share	0.53	0.49	0.43
Total borrowings	59,559,974	⁽ⁱⁱⁱ⁾ 57,072,974	^(iv) 55,568,974
Gearing ratio (times)	0.35	0.33	0.31

Notes:-

- (i) After accounting for issuance of 32,428,157 Placement Shares at an issue price of RM0.1233 each less estimated expenses of RM95,000 pursuant to the Private Placement which was completed on 15 June 2021.
- (ii) After deducting estimated expenses for the Proposed Shares Issuance of approximately RM175,000.
- (iii) Assuming the repayment of RM2.49 million bank borrowings using proceeds from the Private Placement.
- (iv) Assuming the repayment of RM1.50 million bank borrowings using proceeds from the Proposed Shares Issuance.

6.4 Earnings and EPS

The Proposed Shares Issuance is not expected to have a material effect on the earnings of Eastland for FYE 30 June 2021. However, the Proposed Shares Issuance is expected to contribute positively to the consolidated earnings of Eastland Group for the ensuing financial years when the benefits of the utilisation of proceeds are realised. The EPS will correspondingly be diluted as a result of the increase in the number of issued Eastland Shares pursuant to the Proposed Shares Issuance.

For illustrative purposes, assuming that the Proposed Shares Issuance was effected at the beginning of the FYE 31 December 2019, the pro forma effects on the LAT and LPS of Eastland Group are as follows:-

	Audited for FYE 31 December 2019	After the Private Placement	After the Proposed Shares Issuance
	(RM)	(RM)	(RM)
LAT (RM'000)	(12,789,732)	⁽ⁱ⁾ (12,785,418)	⁽ⁱⁱ⁾ (12,806,728)
No of Eastland Shares	324,281,570	356,709,727	421,566,041
LPS (sen)	(3.94)	(3.58)	(3.04)

Notes:-

- (i) After deducting the estimated expenses incurred for the Private Placement of RM95,000 and including an estimated saving in interest payment of approximately RM99,314 from the repayment of the business cashline-I (overdrafts) facility.
- (ii) After deducting the estimated expenses for the Proposed Shares Issuance of approximately RM175,000 and including an estimated saving in interest payment of approximately RM153,690 from the repayment of the business cashline-I (overdrafts) facility.

6.5 Convertible Securities

As at LPD, Eastland does not have any convertible securities.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Eastland Shares as traded on the Main Market of Bursa Securities for the past 12 months from June 2020 to May 2021 are as follows:-

	<u>High</u> (RM)	<u>Low</u> (RM)
<u>2020</u>		
June	0.080	0.060
July	0.105	0.060
August	0.190	0.085
September	0.230	0.095
October	0.145	0.090
November	0.120	0.090
December	0.160	0.105
<u>2021</u>		
January	0.165	0.120
February	0.165	0.120
March	0.175	0.130
April	0.160	0.130
May	0.140	0.100
The last transacted market price of Eastland Shares on 17 May 2021 (being the last trading day prior to the Proposed Shares Issuance Announcement)		0.105
The last transacted market price of Eastland Shares as at LPD		0.125

8. APPROVALS REQUIRED

The Proposed Shares Issuance is subject to the following being obtained:-

- (i) the approval of Bursa Securities for the listing and quotation of the Subscription Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 1 July 2021, subject to the following conditions:-

<u>No.</u>	<u>Conditions</u>	<u>Status of compliance</u>
(1)	Eastland and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Shares Issuance	To be complied

No.	Conditions	Status of compliance
(2)	Eastland and Malacca Securities are required to inform Bursa Securities upon completion of the Proposed Shares Issuance	To be complied
(3)	Malacca Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Shares Issuance is completed	To be complied
(4)	Eastland is required to provide a certified true copy of the resolution passed by shareholders in general meeting approving the Proposed Shares Issuance	To be complied
(5)	Malacca Securities is required to furnish Bursa Securities with details of the placees in accordance with paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Shares Issuance	To be complied

(ii) the approval of Eastland shareholders at the forthcoming EGM; and

(iii) the approvals / consents of any other relevant authorities / parties, if required.

The Proposed Shares Issuance is not conditional upon any other proposals undertaken or to be undertaken by the Company. For clarification, the Private Placement and Proposed Shares Issuance are not inter-conditional.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposed Shares Issuance in view that the Subscription Shares will be placed to third party investors as detailed in Section 2.2 above.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Shares Issuance, is of the opinion that the Proposed Shares Issuance is in the best interests of the Company.

The Board recommends that shareholders of Eastland vote in favour of the resolution for the Proposed Shares Issuance to be tabled at the forthcoming EGM.

11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

On 18 May 2021, Malacca Securities had, on behalf of the Board, announced the Private Placement and Proposed Shares Issuance. The Private Placement was completed on 15 June 2021.

As at the date of this Circular, save for the Proposed Shares Issuance and the Proposed Acquisition of Development Rights which was announced by the Company on 18 August 2020 (details as set out in Section 4.3 of this Circular), there are no other outstanding corporate exercises/schemes or proposals that have been announced by Eastland which are pending completion prior to the issuance of this Circular.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Shares Issuance is expected to be completed by the 4th quarter of 2021.

13. EGM

The EGM, the notice of which is enclosed in this Circular, will be held fully virtual meeting through live streaming and online remote voting using RPV facilities via <https://web.vote2u.my> on Monday, 26 July 2021 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Shares Issuance. The resolution pertaining to the Proposed Shares Issuance is set out in our Notice of EGM which is enclosed with this Circular.

If you are unable to attend and vote in person remotely via the remote participation and voting facilities provided for the EGM, please complete, sign and send the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and to deposit it at Eastern Biscuit Factory Sdn. Bhd.'s (subsidiary of Eastland) address at 5th Floor, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bahru, Kelantan, Malaysia not later than 48 hours before the time fixed for holding the EGM or at any adjournment thereof. Alternatively, individual shareholder(s) may choose to submit the electronic Proxy Form ("**e-Proxy Form**") using RPV facilities via Vote2U at <https://web.vote2u.my>, not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof. The lodging of the Proxy Form / e-Proxy Form will not preclude you from attending, participating and voting remotely in person at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

14. FURTHER INFORMATION

You are advised to refer to the Appendices of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
EASTLAND EQUITY BHD.

PHANG KIEW LIM
Executive Director

APPENDIX I – HISTORICAL FINANCIAL INFORMATION OF EASTLAND GROUP

The summary of historical financial performance and financial position of the Group based on the audited consolidated financial statements for FYE 31 December 2017, FYE 31 December 2018 and 31 December 2019 and the latest unaudited consolidated financial statement for 15-months FPE 31 March 2021 are as follows:-

FYE 31 December	Audited			Unaudited
	(Restated) 2017 ⁽ⁱ⁾	2018	2019	15-months FPE 31.03.2021 ⁽ⁱⁱ⁾
		RM	RM	RM
<u>Financial Performance</u>				
Revenue	17,741,751	21,304,532	18,074,088	15,792,104
LBT	(8,220,099)	(7,975,905)	(13,333,287)	(14,484,697)
LAT	(7,944,257)	(7,159,104)	(12,789,732)	(14,484,697)
Loss per Share (sen)	⁽ⁱⁱⁱ⁾ (3.23)	⁽ⁱⁱⁱ⁾ (2.91)	^(iv) (3.94)	^(iv) (4.47)
<u>Financial Position</u>				
NA	184,772,609	175,978,723	170,360,891	154,221,385
Total borrowings	58,894,446	59,325,728	59,559,974	61,836,745
NA per Share (sen)	⁽ⁱⁱⁱ⁾ 75.21	⁽ⁱⁱⁱ⁾ 71.63	^(iv) 52.53	^(iv) 47.56
Gearing ratio (times)	0.32	0.34	0.35	0.40

(Source: Annual Reports of the Company for FYE 31 December 2018 and 31 December 2019 and the latest 15 months unaudited consolidated financial statement for FPE 31 March 2021)

Notes:-

- (i) The financial statements of the Group for FYE 31 December 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”). For periods up to and including FYE 31 December 2017, the Group prepared its financial statements in accordance with the Financial Reporting Standards (“FRS”) in Malaysia.

The Group has consistently applied the same accounting policies in the preparation of the financial statements of the Group for FYE 31 December 2018, the comparative financial statements for FYE 31 December 2017 and the opening MFRS statements of financial position as at 1 January 2017 (the date of transition to MFRS). The effect on the transition to the MFRS framework have been restated in the comparative financial statements and the opening MFRS statements of financial position.

- (ii) The Company had on 30 October 2020 announced the change of its financial year end from 31 December 2020 to 30 June 2021.
- (iii) Computed based on 245,667,975 shares in issue.
- (iv) Computed based on 324,281,570 shares in issue.

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FYE 31 December 2017 (“FYE 2017”)

Eastland Group recorded lower revenue of RM17.74 million for FYE 2017, a decrease of 26.57% compared to FYE 31 December 2016 (“**FYE 2016**”) (2016: RM24.16 million), primarily attributable to:-

- (i) lower revenue from the hospitality segment as a result of the continuous lower room sales to oil and gas companies and lower room sales and room rates in view of the competition from the hotels of similar class in Kota Bahru. The average room occupancy rate for The Grand Renai Hotel (“**Hotel**”) has declined from 38.36% for FYE 2016 to 36.24% for FYE 2017 and the average room rates for the Hotel has declined from RM244.60 per room in FYE 2016 to RM219.60 per room in FYE 2017;
- (ii) loss of revenue of RM1.3 million (2017: RM4.5 million, 2016: RM5.8 million) from the management of common areas and advertisement spaces in the Kota Sri Mutiara Condominium, Kota Sri Mutiara Shopping Complex and the Hotel (collectively, “**KSM Development**”) following the transfer of the management corporation from the Group to Kota Sri Mutiara Management Corporation on 1 April 2017*; and
- (iii) reversal of revenue amounting to RM2.5 million due to the reversal of sales of shop lots in Phase 1 of the Bandar Tasek Raja project, following the rejection of the application for the transfer of the land titles from Bumiputera to non-Bumiputera purchasers by the local authority.

Note:-

- * *With the coming into force of the Strata Management Act 2013 on 1 June 2015, the Kota Sri Mutiara Management Corporation, an unrelated third party (as defined in the Listing Requirements), was formed to take over the maintenance and management of the common property of KSM Development. The Group, as developer, had in previous years maintained and managed the common property of the KSM Development and for auditing and taxation purposes, consolidated all amounts received as its revenue. However, on 1 April 2017 the Group handed over its responsibilities including book of accounts, all assets and all other relevant documentation to the Kota Sri Mutiara Management Corporation.*

The Group recorded a higher LAT of RM7.94 million for FYE 2017, an increase of 66.11% compared to FYE 2016 (2016: LAT RM4.78 million), mainly attributable to the write down in fair value for Kota Sri Mutiara Shopping Complex of RM2.34 million as the valuation for the Kota Sri Mutiara Shopping Complex has reduced from RM87.45 million in FYE 2016 to RM85.11 million in FYE 2017 and impairment losses of trade receivables of RM1.02 million (2016: Nil).

FYE 31 December 2018 (“FYE 2018”)

The Group recorded higher revenue of RM21.30 million for FYE 2018, an increase of 20.07% compared to FYE 2017 (2017: RM17.74 million), primarily attributable to the sale of shop lots in Phase 1 of the Bandar Tasek Raja project completed in FYE 2018 for RM1.80 million and the disposal of a land earmarked for the development of departmental store in Bandar Tasek Raja for RM2.70 million, in contrast to the reversal of sales recorded for the previous financial year.

The Group recorded a lower LAT of RM7.16 million for FYE 2018, a decrease of 9.82% compared to the prior FYE 2017 (2017: LAT RM7.94 million). This was attributable to a gain in disposal of RM1.56 million for a disposal of leasehold property in Setapak and the absence of the write down in fair value of RM2.34 million for Kota Sri Mutiara Shopping Complex which was recorded in the previous financial year. However, this was netted off by the reduction of other operating income of RM2.96 million from RM3.15 million in 2017 to RM0.20 million in 2018.

The gearing of the Group increased from 0.32 times to 0.34 times due to further borrowings obtained by the Group to settle payment to contractors for Phase 2 of the Bandar Tasek Raja project.

FYE 31 December 2019 (“FYE 2019”)

The Group recorded lower revenue of RM18.07 million for FYE 2019, a decrease of 15.16% compared to FYE 2018 (2018: RM21.30 million), primarily due to a one-off revenue recorded in the previous year of RM2.70 million for the sale of a piece of land earmarked for departmental store at Bandar Tasek Raja.

The Group recorded a higher LAT of RM12.79 million for FYE 2019, an increase of 78.63% compared to FYE 2018 (2018: RM7.16 million), mainly due to an increase in finance cost amounting to RM2.46 million from RM1.89 million in FYE 2018 to RM4.34 million in FYE 2019. The increase in finance cost in FYE 2019 was because the Group had in FYE 2018 fully capitalised the allowable finance cost for its property development. As a result, the Group recognized a higher finance cost of RM4.34 million in FYE 2019 which resulted in higher LAT. In addition, for FYE 2019, Eastland recorded a RM2.52 million (2018: nil) of fair value loss on investment properties and RM1.14 million (2018: nil) impairment of property, plant and equipment. The higher LAT is also due to the absence of RM1.56 million of disposal gain from the disposal of a leasehold property in Setapak.

15-months FPE 31 March 2021 (“15-months FPE 2021”)

In view of the change of the financial year end from 31 December 2020 to 30 June 2021, there is no comparative financial information available for the 15-months FPE 2021. Revenue for the 15-months FPE 2021 was recorded at RM15.8 million, derived from the Group’s hospitality segment (RM11.3 million), investment properties segment (RM3.6 million) and property development segment (RM0.9 million) respectively. The losses for the 15-months FPE 2021 of RM14.5 million was mainly due to administrative expenses (RM9.0 million), interest expense (RM4.9 million) and depreciation and amortisation (RM4.9 million) respectively, and decrease in revenue.

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1. RESPONSIBILITY STATEMENT

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

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

Malacca Securities, being the Principal Adviser and Placement Agent for the Proposed Shares Issuance, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities has confirmed that there is no situation of conflict of interest that exists or is likely to exist in its capacity as the Principal Adviser and Placement Agent for the Proposed Shares Issuance.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

Save as disclosed below, as at LPD, there are no material commitments incurred or known to be incurred by the Group which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

(RM'000)

Purchase of development rights pursuant to the CSPA as disclosed in Section 4.3 of this Circular	8,000
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3.2 Contingent Liabilities

As at LPD, there are no contingent liabilities incurred or known to be incurred by the Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of the Group and the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of the Group.

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5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Eastland at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) Constitution of Eastland;
- (ii) Audited consolidated financial statements of Eastland for the past 2 FYE 31 December 2018 and 31 December 2019 and the latest unaudited consolidated financial statements of Eastland for the 15-months FPE 31 March 2021; and
- (iii) Letter of consent and declaration of conflict of interest referred to in Section 2 of this Appendix II.

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EASTLAND EQUITY BHD.
Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Eastland Equity Bhd. (“**Eastland**” or the “**Company**”) will be held as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities via <https://web.vote2u.my> (Domain Registration No. D6A471702 Registered with MYNIC) on Monday, 26 July 2021 at 10.00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:-

ORDINARY RESOLUTION

PROPOSED SHARES ISSUANCE OF UP TO 64,856,314 ORDINARY SHARES REPRESENTING 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED SHARES ISSUANCE”)

“**THAT**, subject to the approvals being obtained from the relevant authorities, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue up to 64,856,314 ordinary shares (“**Subscription Shares**”) in Eastland (“**Eastland Shares**”) representing 20% of the total number of issued Eastland Shares as at 17 May 2021, at an issue price to be determined based on the discount of not more than 10% to the 5-day volume weighted average market price of Eastland Shares immediately prior to the date of price fixing, to such persons and at such time as the Board deems fit, for such purpose and utilisation of proceeds as disclosed in the circular to shareholders dated 9 July 2021 (“**Circular**”).

THAT the Subscription Shares shall, upon allotment and issuance, carry the same rights as the existing Eastland Shares, save and except that the Subscription Shares shall not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, the entitlement date of which is prior to the date of allotment of the said Subscription Shares.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements as they may consider necessary, expedient or relevant to give effect to and complete the Proposed Shares Issuance and with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or they may deem necessary, expedient or relevant in the interest of the Company and to take such steps as they may deem necessary, expedient or relevant in order to implement, finalise and give full effect to the Proposed Shares Issuance.”

By Order of the Board
EASTLAND EQUITY BHD.

TAI YIT CHAN
(SSM PC No. 202008001023)
(MAICSA 7009143)

WONG SIEW YEEN
(SSM PC No. 202008001471)
(MAICSA 7018749)

Secretaries
Selangor Darul Ehsan
9 July 2021

Notes:

Virtual EGM

1. The EGM of the Company will be held as a fully virtual meeting through live streaming and online remote voting using RPV facilities provided by the Company's Poll Administrator, namely Agmo Digital Solutions Sdn. Bhd. via <https://web.vote2u.my>. **Please refer to the Administrative Guide for EGM for the procedures to register, participate and vote remotely through the RPV facilities.**
2. An online meeting platform can be recognised as the main venue of the meeting pursuant to Section 327 of Companies Act 2016 and in line with the Securities Commission Malaysia's Guidance Note if the online platform is located in Malaysia. As such, the convening of the EGM will be joined by members, the Chairman of the meeting, Board of Directors and other relevant parties via <https://web.vote2u.my>.
3. Pursuant to the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and corporate representatives ("**Participants**") shall communicate via real time submission of typed text through submit questions by clicking on "*Ask Question*" on the RPV facilities while participating the virtual meeting.

Members entitled to Attend the EGM

4. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 15 July 2021 and only Members whose names appear on such Record of Depositors shall be entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities.

Appointment of Proxy and Registration for Attendance

5. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities shall have the same rights as the members to speak at the meeting.
6. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. Where a member appoints 2 proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each proxy.
8. The Proxy Form shall be signed by the appointer or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

9. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at Eastern Biscuit Factory Sdn. Bhd.'s (subsidiary of Eastland) address at 5th Floor, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bahru, Kelantan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, individual shareholders may choose to submit the electronic Proxy Form ("**e-Proxy Form**") using RPV facilities via Vote2U at <https://web.vote2u.my> no later than Saturday, 24 July 2021 at 10.00 a.m. or at any adjournment of virtual meeting. Please refer to the Administrative Guide for Shareholders for the procedures to submit the Proxy Form / e-Proxy Form.
10. Should you wish to personally participate at the EGM remotely, please register electronically using RPV facilities via Vote2U at <https://web.vote2u.my> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details. The Administrative Guide on the Conduct of a Fully Virtual General Meeting is available for download at www.eeb.com.my.

Others

11. Pursuant to Clause 78 of the Company's Constitution, all the resolutions set out in the Notice of the EGM will be put to vote by way of poll.
12. The Board wishes to highlight that the EGM may be re-scheduled and/or adjourned in subject to the development of the COVID-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all Participants including invitees shall be kept informed of any unexpected changes.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*



EASTLAND EQUITY BHD. 200001013359 (515965-A)

EASTLAND EQUITY BHD.

Registration No.: 200001013359 (515965-A)
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form please refer to the notes below)

No. of shares held	CDS Account No. of Authorised Nominee

I/We _____ NRIC/Passport/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ Tel No. _____
(ADDRESS)

Email Address _____

being a member of **EASTLAND EQUITY BHD.**, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email Address:			

Proxy 2 - Full Name In Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company will be held as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via <https://web.vote2u.my> on Monday, 26 July 2021 at 10.00 a.m., or any adjournment thereof.

My/our proxy(ies) shall vote as follows:

Resolution relating to:	For	Against
1. Proposed Shares Issuance		

(Please indicate with an “X” in the space provided how you wish your vote to be cast on the resolution specified in the Notice of the Extraordinary General Meeting. If you do not do so, the proxy(ies) will vote or abstain from voting at his/her/their discretion).

Dated this _____ day of _____ 2021

Signature/Seal of Shareholder

Notes:

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Members entitled to Attend the EGM

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5. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities shall have the same rights as the members to speak at the meeting.
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7. Where a member appoints 2 proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each proxy.
8. The Proxy Form shall be signed by the appointer or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
9. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at Eastern Biscuit Factory Sdn. Bhd.'s (subsidiary of Eastland) address at 5th Floor, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bahru, Kelantan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, individual shareholders may choose to submit the electronic Proxy Form ("**e-Proxy Form**") using RPV facilities via Vote2U at <https://web.vote2u.my> no later than Saturday, 24 July 2021 at 10.00 a.m. or at any adjournment of virtual meeting. Please refer to the Administrative Guide for Shareholders for the procedures to submit the Proxy Form / e-Proxy Form.
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Others

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Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 9 July 2021.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

**EASTLAND EQUITY BHD.'S SUBSIDIARY
EASTERN BISCUIT FACTORY SDN. BHD.**

5th Floor, Kota Sri Mutiara
Jalan Sultan Yahya Petra
15150, Kota Bahru
Kelantan
Malaysia

1st fold here
