

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

You should rely on your own evaluation to assess the merits and risks of the Proposed Rights Issue with Warrants (as defined herein).



EASTLAND EQUITY BHD. 200001013359 (515965-A)

**EASTLAND EQUITY BHD.**

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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN EASTLAND EQUITY BHD. ("EASTLAND") TOGETHER WITH FREE DETACHABLE WARRANTS IN EASTLAND TO THE ENTITLED SHAREHOLDERS OF EASTLAND ON A BASIS AND ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM80.0 MILLION**

**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**" or "**Company**") will be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 30 December 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.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf.

The Form of Proxy should be completed and lodged at the Share Registrar's Office of the Company at Boardroom Share Registrars Sdn. Bhd., at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor, Malaysia, not less than 48 hours before the time set for holding the EGM, as indicated below, or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 28 December 2021 at 10.00 a.m.  
Date and time of the EGM : Thursday, 30 December 2021 at 10.00 a.m. or  
at any adjournment thereof

This Circular is dated 15 December 2021

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## DEFINITIONS

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

<b>Act</b>	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
<b>Announcement</b>	:	The announcement dated 12 October 2021 in relation to the Proposed Rights Issue with Warrants
<b>Board</b>	:	Board of Directors of Eastland
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
<b>Circular</b>	:	This circular dated 15 December 2021 in relation to the Proposed Rights Issue with Warrants
<b>CMSA</b>	:	Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
<b>COVID-19</b>	:	Coronavirus disease
<b>CSPA</b>	:	The conditional sale and purchase agreement dated 18 August 2020 between FBO and IWSB to purchase the Development Rights under the SUDC JVA with SUDC
<b>Dato' Lee</b>	:	Dato' Lee Wai Mun, the Executive Director of Eastland
<b>Deed Poll</b>	:	Deed poll constituting the Warrants to be executed by the Company
<b>Development Rights</b>	:	All rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations 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
<b>Director</b>	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
<b>Eastland Company</b> or the	:	Eastland Equity Bhd. (Registration No.: 200001013359 (515965-A))
<b>Eastland Group</b> or the <b>Group</b>	:	Collectively, Eastland and its subsidiaries
<b>Eastland Shareholder(s)</b>	:	The shareholder(s) of Eastland
<b>Eastland Share(s)</b> or the <b>Share(s)</b>	:	Ordinary share(s) in Eastland

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**DEFINITIONS (CONT'D)**

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<b>EGM</b>	:	Extraordinary General Meeting
<b>Entitled Shareholder(s)</b>	:	Shareholder(s) whose name(s) appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date in order to be entitled to participate in the Proposed Rights Issue with Warrants
<b>Entitlement Basis</b>	:	Entitlement basis for the Proposed Rights Issue with Warrants
<b>Entitlement Date</b>	:	A date to be determined by the Board and announced later, on which the names of Shareholders must appear in the Record of Depositors of the Company as at the close of business on that date in order to be entitled to participate in the Proposed Rights Issue with Warrants
<b>EPS</b>	:	Earnings per Share
<b>Exercise Price</b>	:	Exercise price of the Warrants
<b>FBO</b>	:	FBO Land (Setapak) Sdn. Bhd. (Registration No.: 198401007204 (119720-H)), a wholly-owned subsidiary of Eastland
<b>FPE</b>	:	Financial period ended/ending, as the case may be
<b>FYE</b>	:	Financial year ended/ending, as the case may be
<b>GDC</b>	:	Gross development cost
<b>GDV</b>	:	Gross development value
<b>Issue Price</b>	:	The issue price of the Rights Share
<b>IWSB</b>	:	Inland World Sdn. Bhd. (Registration No.: 201601024571 (1195510-D)), being the vendor of the CSPA in relation to the purchase of the Development Rights
<b>LAT</b>	:	Loss after tax
<b>LBT</b>	:	Loss before tax
<b>LCK</b>	:	Lee Chee Kiang, the Managing Director and substantial shareholder of the Company
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	10 December 2021, being the latest practicable date prior to the printing of this Circular
<b>LPS</b>	:	Loss per Share
<b>LV</b>	:	Leading Ventures Sdn. Bhd. (Registration No.: 202101027696 (1427996-H))
<b>Main Market</b>	:	Main Market of Bursa Securities
<b>Malacca Securities or the Principal Adviser</b>	:	Malacca Securities Sdn. Bhd. (Registration No.: 197301002760 (16121-H))
<b>Market Day</b>	:	A day on which Bursa Securities is open for trading in securities

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**DEFINITIONS (CONT'D)**

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<b>MCO</b>	:	Movement control order
<b>Minimum Subscription Level</b>	:	The minimum subscription level to raise proceeds of RM8.0 million
<b>NA</b>	:	Net assets
<b>Proposed Rights Issue with Warrants</b>	:	Proposed renounceable rights issue of new Eastland Shares together with free Warrants to the Entitled Shareholders, on a basis and Issue Price to be determined and announced later to raise gross proceeds of approximately RM80.0 million
<b>Record of Depositors</b>	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
<b>Rights Issue Proceeds</b>	:	Proceeds of approximately RM80.0 million to be raised from the Proposed Rights Issue with Warrants
<b>Rights Share(s)</b>	:	New Eastland Share(s) to be issued pursuant to the Proposed Rights Issue with Warrants
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>Rules</b>	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time to time including any re-enactment thereof
<b>SUDC</b>	:	Sabah Urban Development Corporation Sdn. Bhd. (Registration No.: 197201000054 (11700-T))
<b>SUDC JVA</b>	:	Joint venture agreement entered into between IWSB and SUDC for the Development Rights
<b>TERP</b>	:	Theoretical ex-rights price
<b>Undertaking</b>	:	Undertaking procured from LV to subscribe for additional Rights Shares with Warrants not subscribed by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) by way of excess application, to the extent that the Proposed Rights Issue with Warrants achieves a minimum subscription of RM8.0 million
<b>Undertaking Letter</b>	:	The undertaking letter dated 12 October 2021 from LV in relation to its Undertaking
<b>Warrants</b>	:	Free detachable warrants in Eastland to be issued pursuant to the Proposed Rights Issue with Warrants
<b>VWAMP</b>	:	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).

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**DEFINITIONS (CONT'D)**

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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 or 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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NOTICE OF EGM	ENCLOSED
FORM OF PROXY	ENCLOSED

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## EXECUTIVE SUMMARY

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The Executive Summary highlights only the salient information of the Proposed Rights Issue with Warrants. 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 Rights Issue with Warrants before voting at the forthcoming EGM.

<b>Key information</b>	<b>Description</b>
<b>Details of the Proposed Rights Issue with Warrants</b> (Section 2 of this Circular)	<p>The Company proposes to undertake the Proposed Rights Issue with Warrants to raise gross proceed of approximately RM80.0 million.</p> <p>The Issue Price and the Entitlement Basis have not been fixed at this juncture to provide flexibility to the Board in respect of the pricing of the Rights Shares and the number of Rights Shares to be issued. Accordingly, the entitlement basis for the Warrants will be determined together with the entitlement basis for the Rights Shares.</p> <p>The Issue Price will be fixed and the Entitlement Basis will be determined by the Board and announced closer to the implementation of the Proposed Rights Issue with Warrants. It is the intention of the Board to fix the Issue Price at a discount of between 0% - 20% to TERP based on the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date.</p> <p>Notwithstanding the above, the Rights Issue Proceeds has been determined upfront to provide clarity to Eastland Shareholders with respect to the capital outlay required to subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, which can be approximated by multiplying the Rights Issue Proceeds with their respective percentage shareholdings in Eastland.</p> <p>The Proposed Rights Issue with Warrants is intended to be undertaken on a Minimum Subscription Level basis to raise minimum gross proceeds of RM8.0 million. The Minimum Subscription Level has been determined by the Board after taking into consideration the minimum level of funds that the Company requires to raise from the Proposed Rights Issue with Warrants for the proposed utilisation of proceeds as set out in Section 2.7 of this Circular.</p> <p>Eastland has procured an Undertaking vide the Undertaking Letter dated 12 October 2021 from LV to subscribe in full for its entitlement under the Proposed Rights Issue with Warrants and to apply and subscribe for additional Rights Shares with Warrants not subscribed by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) by way of excess application, to the extent that the Proposed Rights Issue with Warrants achieves a minimum subscription of RM8.0 million. For information, Dato' Lee is the sole director and sole shareholder of LV. As at LPD, LV holds 14,044,000 Eastland Shares representing approximately 3.3% of the total issued share capital of Eastland.</p> <p>As the Proposed Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, the Company does not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) pursuant to the Proposed Rights Issue with Warrants.</p>

## EXECUTIVE SUMMARY (CONT'D)

Key information	Description			
<b>Utilisation of proceeds</b> (Section 2.7 of this Circular)	<b>of</b> The gross proceeds to be raised from the Proposed Rights Issue with Warrants are envisaged to be utilised for the following purposes:-	<b>Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants</b>	<b>Minimum Subscription Level</b> <b>RM'000</b>	<b>Full Subscription Level</b> <b>RM'000</b>
	<b>Details of Utilisation</b>			
	Repayment of bank borrowings	Within 1 year	7,300	40,000
	Repayment of advances owing to LCK	Within 1 month	-	12,440
	Repayment of advances owing to Datuk Melvinyeo Kiandee	Within 1 month	-	2,420
	Payment of Damai Project consideration	Within 1 month	-	8,000
	General working capital	Within 1 year	-	2,440
	Business opportunities	Within 2 years	-	14,000
	Estimated expenses for the Proposed Rights Issue with Warrants	Upon completion	700	700
	<b>Total</b>		<b>8,000</b>	<b>80,000</b>

**Rationale of the Proposed Rights Issue with Warrants**  
 (Section 3 of this Circular)

The proceeds from the Proposed Rights Issue with Warrants are intended to repay up to RM40.0 million of the Group's bank borrowings.

The Board is of the opinion that the Proposed Rights Issue with Warrants will reduce the interest expenses of the Group by approximately RM2.37 million moving forward, and substantially reduce the Group's borrowings and liabilities.

The lower gearing ratio will also enable the Group to regear again in the future, should the need arise. The reduction of the Group's gearing from the proceeds of the Proposed Rights Issue with Warrants (based on the Minimum Subscription Level) and the surplus to be raised, if any, will enable the Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.



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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Key information</b>	<b>Description</b>
<b>Approvals required and conditionality</b> (Section 8 of this Circular)	<p>The Proposed Rights Issue with Warrants is subject to the following approvals being obtained:-</p> <ul style="list-style-type: none"><li>(i) approval of Bursa Securities for the following:-<ul style="list-style-type: none"><li>(a) listing and quotation of up to 2,000,000,000 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;</li><li>(b) admission to the Official List of Bursa Securities and the listing and quotation of up to 1,210,783,019 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and</li><li>(c) listing and quotation of up to 1,210,783,019 new Eastland Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities;</li></ul></li></ul> <p>Bursa Securities had vide its letter dated 10 December 2021, given its approval to the above. The approval of Bursa Securities is subject to the conditions as set out in <b>Section 8</b> of this Circular.</p> <ul style="list-style-type: none"><li>(ii) approval of the shareholders of Eastland for the Proposed Rights Issue with Warrants at an EGM to be convened; and</li><li>(iii) approvals / consents of any other relevant authorities / parties, if required.</li></ul>
<b>Interests of directors, major shareholders, chief executive and/or persons connected</b> (Section 9 of this Circular)	<p>None of the Directors and/or major shareholder of Eastland and/or Chief Executive and/or persons connected to them have any interest in the Proposed Rights Issue with Warrants, except for their respective entitlements as shareholders of the Company under the Proposed Rights Issue with Warrants including their rights to apply for additional Rights Shares under the excess Rights Shares application, which are also available to all existing shareholders of the Company.</p>
<b>Directors' recommendation</b> (Section 12 of this Circular)	<p>The Board, having considered all aspects of the Proposed Rights Issue with Warrants, including but not limited to the rationale and effects of the Proposed Rights Issue with Warrants, is of the opinion that the Proposed Rights Issue with Warrants is in the best interest of the Company and its shareholders.</p> <p>Accordingly, the Board recommends that Eastland Shareholders vote in favour of the resolution pertaining to the Proposed Rights Issue with Warrants to be tabled at the forthcoming EGM.</p>



**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

15 December 2021

**Board of Directors:**

Mohamed Akwal Bin Sultan Mohamad (*Independent Non-Executive Director/Chairman*)  
Lee Chee Kiang (*Managing Director*)  
Tan Chin Hong (*Executive Director*)  
Dato' Lee Wai Mun (*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 RIGHTS ISSUE WITH WARRANTS**

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**1. INTRODUCTION**

On 12 October 2021, Malacca Securities had, on behalf of the Board, announced that the Company proposes to undertake a renounceable rights issue of new Shares together with free detachable Warrants to the Entitled Shareholders, on a basis and issue price to be determined and announced later to raise gross proceeds of approximately RM80.0 million.

On 13 December 2021, Malacca Securities had on behalf of the Company, announced that Bursa Securities had vide its letter dated 10 December 2021, approved the listing and quotation of such number of Rights Shares, Warrants and new Eastland Shares to be issued pursuant to the exercise of Warrants as set out in Section 8 of this Circular, subject to the conditions as set out therein.

**The purpose of this Circular is to provide shareholders with the relevant information on the Proposed Rights Issue with Warrants and to seek shareholders' approval for the resolution on the Proposed Rights Issue with Warrants 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 Rights Issue with Warrants to be tabled at the Company's forthcoming EGM.**

## 2. DETAILS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

### 2.1 Basis and number of Rights Shares and Warrants to be issued

The Company proposes to undertake the Proposed Rights Issue with Warrants to raise the Rights Issue Proceeds of approximately RM80.0 million.

The Issue Price and the Entitlement Basis have not been fixed at this juncture to provide flexibility to the Board in respect of the pricing of the Rights Shares and the number of Rights Shares to be issued. Accordingly, the entitlement basis for the Warrants will be determined together with the entitlement basis for the Rights Shares. Further information on the maximum number of Rights Shares and Warrants to be issued under the Proposed Rights Issue with Warrants is detailed in Section 2.2 below. Eastland will make an announcement on the Entitlement Basis, Issue Price of the Rights Shares and Exercise Price of the Warrants together with the basis and justification of the pricing of the securities under the Proposed Rights Issue with Warrants prior to the announcement of the book closure date for the Proposed Rights Issue with Warrants.

The Issue Price will be fixed and the Entitlement Basis will be determined by the Board and announced closer to the implementation of the Proposed Rights Issue with Warrants. It is the intention of the Board to fix the Issue Price at a discount of between 0% - 20% to the TERP based on the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date.

Notwithstanding the above, the Rights Issue Proceeds has been determined upfront to provide clarity to Eastland Shareholders with respect to the capital outlay required to subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, which can be approximated by multiplying the Rights Issue Proceeds with their respective percentage shareholdings in Eastland.

For illustration purposes only, based on 421,566,039 Eastland Shares in issue as at LPD, the capital outlay required from an Entitled Shareholder and/or his renounee(s) and/or transferee(s) holding 1,000 Eastland Shares who wishes to subscribe for his entitlement is approximately RM190\* (based on the Rights Issue Proceeds). The actual outlay required by Entitled Shareholders and/or their renounee(s) and/or transferee(s) to fully subscribe for their entitlements under the Proposed Rights Issue with Warrants depends on the Entitlement Basis and the Issue Price.

#### **Note:-**

\* Computed based on the following formula:-

$$\frac{1,000}{421,566,039} \times \text{RM}80,000,000 = \text{RM}190$$

The Warrants are attached to the Rights Shares without cost and will be issued only to Eastland Shareholders who subscribe for the Rights Shares. The Exercise Price of the Warrants and the number of Warrants to be issued will be determined on a later date by the Board after taking into account, amongst others, the funding requirements of Eastland and the expected timing of such requirements over the duration of the Warrants. It is the intention of the Board to fix the Exercise Price of the Warrants at a premium over the TERP of Eastland Shares based on the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately on the Main Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll to be executed by Eastland. The indicative principal terms of Warrants are set out in Section 2.8 of this Circular.

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. For avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable.

In determining the entitlement of the Entitled Shareholders under the Proposed Rights Issue with Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board in its sole and absolute discretion deem fit or expedient and in the best interests of the Company.

The Rights Shares together with Warrants which are not taken up or validly taken up shall be made available for excess Rights Shares application by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s). The Board intends to allocate the excess Rights Shares together with Warrants in a fair and equitable manner on a basis to be determined by the Board.

The full details of the Proposed Rights Issue with Warrants will be set out in the abridged prospectus to be issued by the Company. The abridged prospectus together with the accompanying documents in relation to the Proposed Rights Issue with Warrants will not be sent to Eastland Shareholders whose addresses in the Company's Record of Depositors are not in Malaysia to avoid any violation on the part of the Company of any securities laws applicable outside Malaysia.

## **2.2 Basis of determining and justification for the Issue Price**

The Issue Price will be determined by the Board at a later stage after taking into consideration amongst others, the following:-

- (i) the prevailing market conditions and historical trading prices of Eastland Shares for the past 12 months; and
- (ii) the TERP computed based on the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date.

It is the intention of the Board to fix the Issue Price at a discount of between 0% - 20% to the TERP based on the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date. This discount range was determined by the Board after taking into consideration the need of the Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage subscription of the Rights Shares and to enable the Group to raise the necessary funds required for the intended utilisation as set out in Section 2.7 of this Circular.

Based on the illustrative scenarios as set out in Section 6 of this Circular, the Rights Shares are assumed to be issued at an indicative Issue Price of RM0.075 per Rights Share, which represents a discount of approximately 5.1% to the TERP of Eastland Shares of RM0.079, calculated based on the 5-day VWAMP of Eastland Shares up to and including the LPD of RM0.090. For illustration purposes only, assuming the basis illustrated in Section 6 below whereby the rights entitlement is on the basis of 10 Rights Shares for every 4 existing Eastland Shares and 7 Warrants for every 10 Rights Shares subscribed, an Entitled Shareholder holding 1,000 Eastland Shares who subscribes in full for his entitlement will receive 2,500 Rights Shares and 1,750 Warrants.

The Company has determined that the Proposed Rights Issue with Warrants will not be undertaken at an Issue Price lower than RM0.04 (“**Lowest Issue Price**”). The Lowest Issue Price has been determined after taking into consideration the lowest price of Eastland Shares for the last 12 months up to 12 October 2021, and up to LPD, of RM0.085, and the basis of 47 Rights Shares for every 10 existing Eastland Shares. In such event, the Lowest Issue Price represents approximately 14.9% discount to the TERP of Eastland Shares of RM0.047, calculated based on the lowest price of Eastland Shares for the last 12 months up to 12 October 2021, and up to LPD of RM0.085. For illustration purposes only, assuming the basis of 47 Rights Shares for every 10 existing Eastland Shares and 28 Warrants for every 47 Rights Shares subscribed, an Entitled Shareholders holding 1,000 Eastland Shares who subscribes in full for his entitlement will receive 4,700 Rights Shares and 2,800 Warrants.

Based on the Lowest Issue Price of RM0.04 per Rights Share, the Proposed Rights Issue with Warrants will entail the issuance of up to 2,000,000,000 Rights Shares. Accordingly, the Proposed Rights Issue with Warrants will entail the issuance of up to 1,210,783,019 Warrants, which is in accordance with Paragraph 6.50 of the Listing Requirements, where the total number of new Eastland Shares arising from the exercise of the Warrants must not exceed 50% of the Company’s total number of issued shares at all times.

### **2.3 Basis of determining and justification for the exercise price of Warrants**

The Warrants are attached to the Rights Shares without cost and will be issued only to Eastland Shareholders who subscribe for the Rights Shares.

The Exercise Price of the Warrants will be determined by the Board at a later stage after taking into consideration amongst others, the funding requirements of Eastland and the expected timing of such requirements over the duration of the Warrants.

It is the intention of the Board to fix the Exercise Price of the Warrants at a premium of up to 20% over the TERP of Eastland Shares based on the 5-day VWAMP of Eastland Shares immediately preceding the price-fixing date. The Board is of the opinion that the basis of determining the Exercise Price at a premium of up to 20% is reasonable after taking into consideration the following:-

- (i) the Warrants will be issued at no cost to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) who subscribe to the Rights Shares;
- (ii) assuming the maximum scenario whereby the Group would have raised the necessary proceeds for the purposes detailed in Section 2.7 of this Circular, it would be beneficial to the Group for the proceeds from the exercise of the Warrants to be realised over the 10-year tenure; and
- (iii) the anticipated potential financial performance of the Group moving forward.

Based on the illustrative scenarios as set out in Section 6 of this Circular, the Exercise Price is assumed at an indicative Exercise Price of RM0.090 per Warrant, which represents a premium of approximately 13.9% to the TERP of Eastland Shares of RM0.079, calculated based on the 5-day VWAMP of Eastland Shares up to and including the LPD of RM0.090.

For information, the Board is proposing to fix the Issue Price of the Rights Share at a discount to TERP whereas the Exercise Price of the Warrants will be fixed at a premium to TERP to facilitate the raising of immediate funds for purposes detailed in Section 2.7 below. Issuance of the Rights Shares at a discount and the Warrants at no cost is to attract shareholders to subscribe for the Rights Shares. As stated in (ii) above, fixing the Exercise Price of the Warrants at a premium should enable the Group to raise proceeds over time rather than immediately should the Warrants become “in-the-money” too soon.

## 2.4 Minimum Subscription Level, undertakings and underwriting arrangements for the Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants is intended to be undertaken on a Minimum Subscription Level basis to raise minimum gross proceeds of RM8.0 million. The Minimum Subscription Level has been determined by the Board after taking into consideration the minimum level of funds that the Company requires to raise from the Proposed Rights Issue with Warrants for the proposed utilisation of proceeds as set out in Section 2.7 of this Circular.

Eastland has procured an Undertaking vide the Undertaking Letter dated 12 October 2021 from LV to subscribe in full for its entitlement under the Proposed Rights Issue with Warrants and to apply and subscribe for additional Rights Shares with Warrants not subscribed by other Entitled Shareholders and/or their renounee(s) and/or transferee(s) by way of excess application, to the extent that the Proposed Rights Issue with Warrants achieves a minimum subscription of RM8.0 million. For information, Dato' Lee, the Executive Director of Eastland, is the sole director and sole shareholder of LV. As at LPD, LV holds 14,044,000 Eastland Shares representing approximately 3.3% of the total issued share capital of Eastland.

LV had confirmed in the Undertaking Letter that it has sufficient financial resources to subscribe for its entitlement and the additional Rights Shares under the Undertaking and such confirmation had been verified by Malacca Securities, being the Principal Adviser for the Proposed Rights Issue with Warrants.

The entitlement of LV under the Proposed Rights Issue with Warrants and the number of Rights Shares to be subscribed pursuant to the Undertaking, based on its shareholdings (direct interest) in the Company is as follows:-

	As at LPD		Rights Shares to be subscribed for pursuant to the Undertaking <sup>(a)</sup>					
			Rights Entitlement		Excess Application		Total Undertaking	
	No. of Shares	<sup>(b)</sup> (%)	No. of Rights Shares	<sup>(c)</sup> (%)	No. of Rights Shares	<sup>(c)</sup> (%)	No. of Rights Shares	<sup>(c)</sup> (%)
LV	14,044,000	3.3	35,110,000	32.9	71,556,667	67.1	106,666,667	100.0

### Notes:-

- (a) Assuming an Entitlement Basis of 10 Rights Shares for every 4 existing Eastland Shares. Based on 14,044,000 Shares held by LV as at LPD and the Undertaking, LV will be subscribing for its entitlement of 35,110,000 Rights Shares and 71,556,667 excess Rights Shares.
- (b) Based on 421,566,039 issued Shares as at LPD.
- (c) Based on 106,666,667 Rights Shares subscribed under the Minimum Subscription Level.

As the Proposed Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, the Company does not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by the other Entitled Shareholders and/or their renounee(s) and/or transferee(s) pursuant to the Proposed Rights Issue with Warrants.

Pursuant to Paragraph 6.18(4) of the Listing Requirements, where the minimum subscription level is not achieved, the implementation of the rights issue of securities must be terminated and all consideration received will be immediately returned to all subscribers. As such, if the Minimum Subscription Level is not achieved by reason of the failure to fulfil the obligations under the Undertaking or for any other reason, the Company will not proceed with the implementation of the Proposed Rights Issue with Warrants. All subscription monies received pursuant to the Proposed Rights Issue with Warrants will be returned without interest as soon as practicable to the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have subscribed for their entitlements.

In the event that no other shareholders (save for LV) subscribe for the Rights Shares, LV and Dato' Lee shareholdings in Eastland will increase from 3.3% to 22.9% as follows:-

	No. of Shares as at LPD				No. of Shares after the Proposed Rights Issue with Warrants <sup>(a)</sup>			
	(b)		(b)		(c)		(c)	
	Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
LV	14,044,000	3.3	-	-	120,710,667 <sup>(a)</sup>	22.9	-	-
Dato' Lee	-	-	14,044,000 <sup>(d)</sup>	3.3	-	-	120,710,667 <sup>(d)</sup>	22.9

**Notes:-**

- (a) Assuming an Entitlement Basis of 10 Rights Shares for every 4 existing Eastland Shares.
- (b) Based on 421,566,039 issued Shares as at LPD.
- (c) Based on 528,232,706 Shares after the Proposed Rights Issue with Warrants under the Minimum Subscription Level.
- (d) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in LV.

Based on the above, the Undertaking will not result in LV, Dato' Lee and persons acting in concert with them to trigger the obligation to undertake a mandatory general offer for all the remaining Eastland securities not already held by them in accordance with Paragraph 4.01(a) of the Rules.

For avoidance of doubt, the Undertaking does not preclude LV, Dato' Lee and persons acting in concert with them from subscribing for their entitlement and/or excess Rights Shares, to which all Eastland Shareholders are similarly entitled. Should all Eastland shareholders subscribe for their respective entitlement for the Rights Shares, the collective shareholdings of LV and Dato' Lee in Eastland shall remain the same at 3.3% upon completion of the Proposed Rights Issue with Warrants.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

For information, as at LPD, LCK, the Managing Director and 6.0% substantial shareholder of Eastland has not provided an undertaking to subscribe for his entitlement and/or excess Rights Shares as he is still exploring his financing options required to subscribe for his entitlement and/or excess Rights Shares. The extent of his subscription for his entitlement and/or excess Rights Shares can only be determined once he finalises the required funding.

## 2.5 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Eastland Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The new Eastland Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Eastland Shares, save and except that the new Eastland Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Eastland Shares.

## 2.6 Listing and quotation of the Rights Shares, Warrants, new Eastland Shares to be issued arising from the exercise of the Warrants

Bursa Securities had vide its letter dated 10 December 2021, approved the listing and quotation of such number of Rights Shares, Warrants and new Eastland Shares to be issued pursuant to the exercise of Warrants as set out in Section 8 of this Circular, subject to the conditions as set out therein.

## 2.7 Utilisation of gross proceeds

### 2.7.1 Gross proceeds from issuance of Rights Shares

The Group anticipates to raise approximately RM80.0 million from the Proposed Rights Issue with Warrants. The gross proceeds to be raised from the Proposed Rights Issue with Warrants are envisaged to be utilised for the following purposes:-

<u>Details of Utilisation</u>	<u>Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants</u>	<u>Minimum Subscription Level</u>	<u>Full Subscription Level</u>
		<u>RM'000</u>	<u>RM'000</u>
Repayment of bank borrowings <sup>(i)</sup>	Within 1 year	7,300	40,000
Repayment of advances owing to LCK <sup>(ii)</sup>	Within 1 month	-	12,440
Repayment of advances owing to Datuk Melvinyeo Kiandee <sup>(iii)</sup>	Within 1 month	-	2,420
Payment of Damai Project consideration <sup>(iv)</sup>	Within 1 month	-	8,000
General working capital <sup>(v)</sup>	Within 1 year	-	2,440
Business opportunities <sup>(vi)</sup>	Within 2 years	-	14,000
Estimated expenses for the Proposed Rights Issue with Warrants <sup>(vii)</sup>	Upon completion	700	700
<b>Total</b>		<b>8,000</b>	<b>80,000</b>



**Notes:-**

- (i) As at LPD, the total borrowings of Eastland Group are approximately RM61.50 million comprising RM54.35 million of business financing-i (term loan) and RM7.15 million of business cashline-i (overdrafts).

The Company proposes to utilise up to RM40.00 million of the proceeds (i.e. the net proceeds after payment of the expenses for the Proposed Rights Issue with Warrants) for the scheduled principal and interest repayment for the business financing-i (term loan) as well as 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 RM2.37 million per annum.

For information, the minimum proceeds of RM7.30 million earmarked for the repayment of bank borrowings is sufficient for the Group to address its monthly term loan repayment up to April 2023, being approximately 15 months from the completion of the Proposed Rights Issue with Warrants.

In the event the amount to be utilised for the repayment of bank borrowings are less than RM7.3 million and RM40.0 million under the minimum and maximum scenario respectively, such excess will be utilised for the general working capital of the Group.

- (ii) As at LPD, the amount owing by the Group to LCK amounted to RM12.44 million ("**LCK Debt**"). The advances were made to the Group since January 2018 as follows:-

<b>Date</b>	<b>RM'000</b>
16 February 2021	^1,000
31 December 2020	450
28 August 2020	300
1 April 2020	210
25 March 2019	*4,000
27 September 2018	740
26 September 2018	600
26 July 2018	1,100
10 July 2018	2,000
2 April 2018	1,000
29 March 2018	1,000
29 January 2018	40
<b>Total LCK Debt</b>	<b>12,440</b>

**Notes:-**

- \* On 25 January 2018, the Group in its ordinary course of business, received an amount of RM4.00 million, being the deposit for the disposal of its 9 units shop lots in Project Bandar Tasek Raja, at Pasir Mas, Kelantan. Subsequently, the buyer had vide a letter dated 22 November 2018, terminated the transaction as the Group was unable to obtain the requisite approval from the authorities to convert the shop lots from bumiputera to non-bumiputera status ("**Terminated Transaction I**"). The buyer in the same letter also requested for the refund of RM4.00 million, being the abovementioned deposit. As the Group had already utilised the RM4.00 million to repay bank borrowings and interests, the repayment of RM4.00 million to the buyer was made by LCK in March 2019. Pursuant thereto, the RM4.00 million repayment by LCK on behalf of the Group was recognised as advances from LCK.

^ On 23 January 2020, the Group received a letter of intent from a solicitor representing an interested party to acquire 3 units shop lots in Project Bandar Tasek Raja for RM1.80 million. Subsequently on 29 January 2020, the Group had received an amount of RM1.00 million being the deposit for the said purchase. On 26 November 2020, the buyer had, via the solicitor, requested for the refund citing his failure to obtain financing facility to part finance the purchase (“**Terminated Transaction II**”). As the Group had already utilised the RM1.00 million for working capital purposes and repayment of bank borrowings, the Group had in February 2021 requested LCK to refund the same amount to the buyer on its behalf. Pursuant thereto, the RM1.00 million repayment by LCK on behalf of the Group was recognised as advances from LCK.

The Terminated Transaction I and Terminated Transaction II are collectively, referred to as the “**Terminated Transactions**”.

The LCK Debt had been accumulated by the Group since January 2018 and such amount received by the Group were utilised for the following:-

<b>Details</b>	<b>RM'000</b>
Repayment of bank borrowings and interests <sup>(a)</sup>	3,731
Payment for working capital <sup>(b)</sup>	3,709
Refund of deposit for the Terminated Transactions	5,000
<b>Total</b>	<b>12,440</b>

**Notes:-**

(a) RM1.94 million, RM1.73 million and RM0.06 million were utilised to repay the Group’s business financing-i (term loan), business cashline-i (overdrafts) and hire purchase facility respectively. Based on effective interest rates per annum of 6.47% to 6.97%, the repayment of the Group’s borrowings had resulted in interest savings of approximately RM0.18 million per annum.

(b) The breakdown for payment for working capital are as follows:-

<b>Details</b>	<b>RM'000</b>
Staff cost	<sup>(aa)</sup> 2,582
Professional fees	<sup>(bb)</sup> 739
Insurance	47
Other operating expenses	<sup>(cc)</sup> 341
<b>Total</b>	<b>3,709</b>

**Notes:-**

(aa) Payment for staff costs included staff salary, Directors’ remuneration and contributions to the Employees Provident Fund and the Social Security Organisation. Director’s remuneration amounted to RM0.62 million of which RM0.04 million was paid to LCK.

(bb) Payment for professional fees included, amongst others, auditor fees, tax agent fees, company secretary fees and legal adviser fees.

(cc) Payment for other operating expenses included, amongst others, printing fees, office rental and electricity.

- (iii) As at LPD, the amount owing by the Group to Datuk Melvinyeo Kiandee (“**Datuk Melvinyeo**”), former executive director of the Group (resigned on 18 July 2018), amounted to RM2.42 million (“**Datuk Melvinyeo Debt**”). The advances were made to the Group since September 2017 as follows:-

<b>Date</b>	<b>RM'000</b>
12 April 2018	30
15 March 2018	500
29 January 2018	40
22 December 2017	500
28 November 2017	550
28 November 2017	250
20 November 2017	250
20 September 2017	300
<b>Total Datuk Melvinyeo Debt</b>	<b>2,420</b>

The Datuk Melvinyeo Debt had been accumulated by the Group since September 2017 and such amount received by the Group were utilised for the following:-

<b>Details</b>	<b>RM'000</b>
Repayment of bank borrowings and interests <sup>(a)</sup>	570
Payment for working capital <sup>(b)</sup>	1,850
<b>Total</b>	<b>2,420</b>

**Notes:-**

- (a) RM0.24 million, RM0.16 million and RM0.17 million were utilised to repay the Group's business financing-i (term loan), business cashline-i (overdrafts) and marginal deposits respectively. Based on effective interest rates per annum of 6.47% to 6.97%, the repayment of the Group's borrowings had resulted in interest savings of approximately RM0.026 million per annum.
- (b) The breakdown for payment for working capital are as follows:-

<b>Details</b>	<b>RM'000</b>
Staff cost	<sup>(aa)</sup> 503
Professional fees	<sup>(bb)</sup> 136
Other operating expenses	<sup>(cc)</sup> 1,211
<b>Total</b>	<b>1,850</b>

**Notes:-**

- (aa) Payment for staff costs included staff salary, Directors' remuneration and contributions to the Employees Provident Fund and the Social Security Organisation. Director's remuneration amounted to RM0.34 million of which RM0.07 million was paid to the Datuk Melvinyeo.
- (bb) Payment for professional fees included, amongst others, auditor fees, tax agent fees, company secretary fees and legal adviser fees.
- (cc) Payment for other operating expenses included, amongst others, printing fees, office rental and electricity.

- (iv) the Company had on 18 August 2020 announced that FBO, had on 18 August 2020, entered into a CSPA with IWSB to purchase the Development Rights under the SUDC JVA with SUDC, for a purchase consideration of RM8.0 million (“**Damai Consideration**”). 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 (“**Damai Project**”). For information, IWSB is a wholly-owned subsidiary of HS Capital Management Sdn Bhd which in turn is 50%-owned by each of LCK and Tan Yih Kuen. Further details of the Damai Project are set out in Section 3.1 of this Circular.

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**”). The CSPA was deemed completed on 21 October 2021, and FBO and IWSB had agreed to extend the payment for the Damai Consideration up to 31 March 2022.

In the event the proceeds raised from the Proposed Rights Issue with Warrants are insufficient for the repayment of the Damai Consideration, HS Capital Management Sdn Bhd had in principle agreed for the payment period to be extended until the Group obtains sufficient amount from internally generated funds and/or financing from financial institutions.

- (v) The RM2.44 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%
	<u>100%</u>

**Note:-**

- \* RM0.14 million has been earmarked for Director’s remuneration, being approximately 6% of the proceeds earmarked for the general working capital of the Group.

- (vi) *The Company intends to utilise RM14.00 million for business developments. As at LPD, the Company is in the midst of identifying viable business opportunities that could further improve the financial performance of the Group. Such business opportunities may be property related, such as new development projects to provide the Group with new income streams, and/or non-property related, such as acquisition and/or joint venture in businesses which support and/or are beneficial and complementary to the operations/services and/or customers/tenants of the Group's existing businesses and that could contribute positively towards the Group's financial performance. 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 identified such opportunities.*
- (vii) *The breakdown of the estimated expenses for the Proposed Rights Issue with Warrants is illustrated below:-*

<b><i>Estimated expenses</i></b>	<b><i>RM'000</i></b>
<i>Professional fees</i>	(a)520
<i>Fees to relevant authorities</i>	100
<i>Printing, despatch, meeting expenses and miscellaneous expenses</i>	80
<b><i>Total</i></b>	<b><i>700</i></b>

**Note:-**

- (a) *Comprise estimated professional fees payable to the Principal Adviser, solicitors, company secretary and share registrar.*

The proceeds in excess of the RM8.00 million under the Minimum Subscription Level are expected to be utilised up to their respective maximum allocations in the following order:-

- (a) estimated expenses for the Proposed Rights Issue with Warrants;
- (b) repayment of bank borrowings;
- (c) payment of Damai Consideration;
- (d) repayment of advances owing to LCK;
- (e) repayment of advances owing to Datuk Melvinyeo;
- (f) general working capital of the Group; and
- (g) business development.

As the Entitlement Basis and Issue Price has yet to be determined at this juncture, the Group may raise proceeds marginally in excess of RM80.0 million. In the event the gross proceeds raised from the Proposed Rights Issue with Warrants are more than RM80.0 million, all excess shall be utilised for the Group's general working capital.

The actual gross proceeds to be raised from the Proposed Rights Issue with Warrants is dependent on the final Issue Price and the number of Rights Shares to be issued. Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised will be adjusted against the amount allocated for the Group's general working capital.

Pending the utilisation of proceeds from the Proposed Rights Issue with Warrants, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments, as the Board deems fit. The Company proposes to utilise such interest/profits arising from the deposits/financial instruments for working capital purposes as stated in note (v) above over a period of 24 months from the date of receipt of the proceeds.

## 2.7.2 Gross proceeds from exercise of Warrants

The quantum of proceeds that may be received by the Company upon the exercise of the Warrants would depend on the actual number of Warrants exercised. As such, the timeframe for utilisation of proceeds cannot be determined at this juncture.

The Company proposes to utilise the proceeds to be received from the exercise of the Warrants as and when received in the following manner:-

<b>Proposed utilisation</b>	<b>Notes</b>	<b>% of proceeds received</b>
Business development	(i)	70%
Working capital	(ii)	30%

### Notes:-

- (i) *The Company intends to utilise part of the proceeds for business developments. As at LPD, the Company is in the midst of identifying viable business opportunities that could further improve the financial performance of the Group. Such business opportunities may be property related, such as new development projects to provide the Group with new income streams, and/or non-property related, such as acquisition and/or joint venture in businesses which support and/or are beneficial and complementary to the operations/services and/or customers/tenants of the Group's existing businesses and that could contribute positively towards the Group's financial performance. 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 identifies such opportunities.*
- (ii) *The proceeds allocated for working capital are proposed to be utilised to finance the day-to-day operations of the Group's business including amongst others, payment to trade and other creditors, staff related costs such as salaries, bonuses, statutory contribution and welfare expenses and general administrative/operating expenses such as rental, utilities, telephone charges and sundry expenses. The actual utilisation may vary and is dependent on the Group's working capital requirements at that relevant point in time. Nonetheless, the Company proposes to utilise such proceeds received in the following manner:-*

<b>Working capital</b>	<b>% of proceeds received</b>
<i>Payment to trade and other creditors</i>	<i>50%</i>
<i>Staff related costs</i>	<i>40%</i>
<i>General administrative/ operating expenses</i>	<i>10%</i>

As the quantum and timing of proceeds could not be ascertained at this juncture, the Company intends to utilise the proceeds to be received from the exercise of the Warrants proportionately in accordance with the aforementioned allocated percentage. For illustration purposes, based on the Full Subscription Level as set out Section 6 of this Circular, and assuming full exercise of all the Warrants, the Company will raise gross proceeds of approximately RM66.4 million.

Pending the utilisation of proceeds from the exercise of Warrants, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments, as the Board deems fit. The Company proposes to utilise such interest/profits arising from the deposits/financial instruments for working capital purposes as stated in note (ii) above over a period of 24 months from the date of receipt of the proceeds.

## 2.8 Indicative salient terms of the Warrants

<u>Terms</u>	<u>Details</u>
Form	: The Warrants will be constituted by the Deed Poll to be executed by Eastland.
Detachability	: The Warrants are immediately detachable upon allotment and issue of the Rights Shares. The Warrants will be traded separately.
Exercise Price	: To be determined by the Board at a later stage on the price-fixing date.  The Exercise Price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.
Exercise Period	: The period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00 p.m. in Kuala Lumpur, on the date preceding the 10th anniversary of the date of issuance, or if such is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.
Exercise Rights	: The rights conferred on a Warrant holder to subscribe for 1 new Eastland Share for each Warrant at any time during the Exercise Period and at the Exercise Price subject to the Deed Poll.
Board Lot	: The Warrants are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new Eastland Shares at any time during the Exercise Period or such other number of units as may be prescribed by Bursa Securities.
Ranking of Warrants	: The Warrants shall as between the Warrant holders rank <i>pari passu</i> and rateably in all aspects amongst themselves.
Ranking of new Eastland Shares to be issued pursuant to exercise of Warrants	: The new Eastland Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Eastland Shares, save and except that the new Eastland Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Eastland Shares.

<b>Terms</b>	<b>Details</b>
Rights of the Warrant holders	: The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Rights of the Warrant holders in the event of winding up, liquidation, compromise and/or arrangement	: Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:- <ul style="list-style-type: none"> <li>(i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants; and</li> <li>(ii) in any other cases, every Warrant holder shall be entitled to exercise his/her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant D holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date been the holder of the new Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.</li> </ul>
Adjustments to 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 in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll.



<b>Terms</b>	<b>Details</b>
	Any adjustment to the exercise price and/or number of Warrants must be done in full compliance with Paragraph 6.54(3)(b) of the Listing Requirements, which states that a deed poll or trust deed must not include any provision for changes to the number of shares received for the exercise or conversion of each convertible security or changes to the pricing mechanism for the exercise or conversion price of the convertible security, except where these changes are adjustments following capitalisation issues, rights issue, bonus issue, consolidation or subdivision of shares or capital reduction exercises.
Modification	: The Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the warrant holders, modify, amend or add to the Deed Poll, if such modification, amendment or addition made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.
Listing	: The Warrants and new Eastland Shares to be issued from the exercise of the Warrants will be listed on the Main Market of Bursa Securities.  Approval will be obtained from Bursa Securities for the admission of Warrants to the Official List of Bursa Securities and for the listing and quotation of the Warrants and new Eastland Shares to be issued from the exercise of the Warrants on the Main Market of Bursa Securities.
Governing Law	: Laws of Malaysia

### **3. RATIONALE OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS**

The Proposed Rights Issue with Warrants will enable the Company to raise funds for the proposed utilisation as set out in Section 2.7 of this Circular.

The proceeds from the Proposed Rights Issue with Warrants are intended to repay up to RM40.0 million of the Group's bank borrowings. The Board is of the opinion that the Proposed Rights Issue with Warrants will reduce the interest expenses of the Group by approximately RM2.37 million moving forward, and substantially reduce the Group's borrowings and liabilities. The lower gearing ratio will also enable the Group to regear again in the future, should the need arise. The reduction of the Group's gearing from the proceeds of the Proposed Rights Issue with Warrants (based on the Minimum Subscription Level) and the surplus to be raised, if any, will enable the Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.

The Company had on 29 October 2021 announced its consolidated results for the 18-months FPE 30 June 2021, and therein announced significant impairment on the Group's assets amounting to RM47.3 million as well as RM43.9 million write-down of the Group's inventories, which resulted in a LAT of RM100.4 million for the 18-months FPE 30 June 2021. For the 3-months FPE 30 September 2021, the Group recorded a further LAT of RM2.0 million. The Proposed Rights Issue with Warrants thus serves to recapitalise the financial position of the Group.

After due consideration of the various options available, the Board is of the opinion that the Proposed Rights Issue with Warrants is the most suitable means of fund raising for the Company for the following:-

- (i) the quantum of the proceeds to be raised;
- (ii) it will involve the issuance of new Eastland Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and exercise their Warrants subsequently;
- (iii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iv) it will enable the Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined Exercise Price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised. The exercise of the Warrants in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings.

### 3.1 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, hospitality segment comprising the operation of the Grand Renai Hotel in Kota Bharu, investment properties segment involving operation of the Kota Sri Mutiara Shopping Complex in Kota Bharu and 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 Bandar Tasek Raja 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 as below:-

<u>Description</u>	<u>GDV</u> <i>RM'000</i>	<u>Status of Construction Work</u>	<u>Launched</u>	<u>Units Sold</u> <i>Units</i>	<u>Balance Unsold</u> <i>Units</i>
<b><u>Phase 1</u></b>					
112 units of shop lots	42,300	Completed in 2016	29 September 2011	97	15
<b><u>Phase 2</u></b>					
(a) 30 units of shop lots	22,300	On-going	5 – 6 January 2017	8	22

Description	GDV <i>RM'000</i>	Status of Construction Work	Launched	Units Sold	Balance Unsold
				<i>Units</i>	<i>Units</i>
(b) 124 units of shop lots	102,200	Not commenced		-	124
<b>Total</b>	<b>166,800</b>			<b>105</b>	<b>161</b>

**Note:-**

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

For information, Bandar Tasek Raja project has a GDC of RM34.6 million for Phase 1 and an estimated GDC of approximately RM139.3 million for Phase 2a and Phase 2b, comprising the following:-

	Phase 1 <i>RM'000</i>	Phase 2a <i>RM'000</i>	Phase 2b <i>RM'000</i>
(i) Land costs and related expenses	800	500	2,100
(ii) Building works, earthworks and infrastructure	16,300	15,000	56,700
(iii) Professional, authorities, consultation fees and sales and marketing expenses	2,100	1,600	6,700
Total / expected development cost	19,200	17,100	65,500
Total / expected infrastructure cost	15,400	11,200	45,500
<b>Total GDC</b>	<b>34,600</b>	<b>28,300</b>	<b>111,000</b>

In view of 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 Phase 2a 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 will be put on hold notwithstanding the upliftment of the MCO, as the Group is of the view that the overall property market condition in Kelantan has yet to recover. The Group will continue to monitor the property market condition and in the event the Group assess that it is viable to proceed with the balance development of Phase 2a, the GDC will be funded via internally generated funds, bank borrowings and/or debt/equity fundraising.

For Phase 2b, Eastland had written down its inventory to net realisable value for an amount of RM43.1 million for the 18-months FPE 30 June 2021, pursuant to the Board's decision not to develop the 124 plots of land under Phase 2b ("**Phase 2b Land**") after considering the Group's effort to develop and sell the project for the past 11 years. Eastland is currently in the midst of discussion with several parties for the disposal of the Phase 2b Land. Such discussion is still in its preliminary stages and 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 the disposal.

Notwithstanding the above, the Board is continuously identifying new opportunities for development projects to provide the Group with new income streams. The Company had on 18 August 2020 announced that FBO had on 18 August 2020, entered into a CSPA with IWSB whereby FBO shall purchase the Development Rights with SUDC, 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 to be developed over a tenure of approximately 3 years. Depending on the overall cashflow requirements at the material time, the Group may fund the development cost of the Damai Project via internally generated funds and/or bank borrowings.

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**"). The CSPA was deemed completed on 21 October 2021, and FBO and IWSB had agreed to extend the payment for the Damai Consideration up to 31 March 2022.

Following the upliftment of the MCO in Kelantan in mid May 2021, the Group has been in discussions with the relevant parties such as contractors, vendors, consultants to plan their resources to commence development on the Damai Project. Based on the Group's assessment and evaluation on the current property market condition in Kota Kinabalu, Sabah for this project, the Company anticipates to commence development of the project in the 1<sup>st</sup> quarter of 2022.

Notwithstanding the above, the Group takes cognisance of the current property market condition and will continue to adopt a cautious approach for the Group's property development projects. The Group will evaluate all options available at the material point in time before launching any particular projects.

- (ii) For the hospitality segment, the Group operates the 298-room Grand Renai Hotel located along Jalan Sultan Yahya Petra, Kota Bharu, Kelantan. 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.

In addition, the Group has adjusted the book value of its hotel from RM97.3 million to RM69.0 million during the FYE 30 June 2021, representing a decrease of RM28.3 million impairment in value as appraised by the valuer. Following the impairment, the Group's hospitality segment is expected to operate at lower asset value and depreciation which will in turn improve the financial performance of the Group moving forward.

The Hotel continues to focus and rely on business-travel segment customers as business activities pick up in line with the reopening of borders and inter-state/district travels after the MCO has been lifted. In relation thereto, the management of the Group had identified a strategy to lease its hotel rooms on a long-term basis over a pre-determined term. The Group had recently managed to secure a 12-month lease for 50 units of its hotel rooms. The management believes that this may assist to enable the Group to generate more stable cash flows from its hotel operations.

The Group has also allocated approximately RM2.0 million from its existing funds for the purpose of refurbishment of its hotel. The Group had since commenced the refurbishment of the hotel and expects the refurbishment to be implemented in stages and completed by the 2<sup>nd</sup> quarter of 2022. The Group hopes that upon completion of the refurbishment, the hotel may attract leisure customers in addition to its business-travel segment customers.

- (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 with good payment track record, as the Group believes that maintaining such key tenants will be able to contribute positively to the mall's overall operations and visitor footfall. Since the upliftment of the MCO in Kelantan in mid May 2021, the mall has seen an increase in footfall by approximately 117% up to October 2021. 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.
- (v) The proceeds from the Proposed Rights Issue with Warrants are proposed to be utilised by the Group for the repayment of up to RM40.0 million bank borrowing. Based on the Group's bank borrowings effective interest rate of 6.47% to 6.97% per annum, the Group will derive interest savings of approximately RM2.37 million per annum from the repayment of bank borrowings.

#### 4. OTHER FUND-RAISING EXERCISES IN THE PAST 12 MONTHS

##### 4.1 Private Placement 2021

On 15 June 2021, the Company successfully completed a private placement of 32,428,157 new ordinary shares at issue price of RM0.1233 per share which raised RM3,998,392. As at LPD, the proceeds from the private placement were fully utilised as follows:-

Purpose	Proposed utilisation of proceeds <i>RM'000</i>	Actual utilisation <i>RM'000</i>	Balance to be utilised <i>RM'000</i>	Utilisation timeframe
General working capital	1,416	1,416	-	Within 12 months
Repayment of bank borrowings	2,487	2,487	-	Within 12 months
Expenses related to private placement	95	95	-	Within 1 month
	<b>3,998</b>	<b>3,998</b>	<b>-</b>	

## 4.2 Share Issuance 2021

On 13 August 2021, the Company successfully completed a share issuance of 64,856,312 new ordinary shares at issue price of RM0.1059 per share which raised RM6,868,283. As at LPD, the status of the utilisation of the proceeds raised is as follows:-

Purpose	Proposed utilisation of proceeds <i>RM'000</i>	Actual utilisation <i>RM'000</i>	Balance to be utilised <i>RM'000</i>	Utilisation timeframe
General working capital	1,189	1,189	-	Within 12 months
Repayment of bank borrowings	1,504	1,504	-	Within 12 months
Property development activities	4,000	<sup>(i)</sup> 1,126	2,874	Within 12 months
Expenses related to share issuance	175	175	-	Within 1 month
	<b>6,868</b>	<b>3,994</b>	<b>2,874</b>	

### Note:-

- (i) The proceeds allocated for property development activities are intended to be utilised for the following projects within 24 months from the completion of the shares issuance:-

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

As at LPD, 241,000 had been utilised for the Bandar Tasek Raja project, of which RM169,000 is payment to contractor for preliminary works while the remaining is for utilities related for the project; and RM885,000 had been utilised for payment for Damai Project, of which RM600,000 was paid to SUDC for the first entitlement upon development approval, whereas the balances are mainly paid for consultant fees. The Group had allocated RM1.0 million proceeds from the 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.

## 5. INDUSTRY OVERVIEW AND PROSPECTS

### 5.1 Overview and outlook of the Malaysian economy

The Malaysian economy experienced renewed demand and supply shocks arising from strict containment measures under the National Recovery Plan (NRP) during the third quarter of 2021. As a result, the economy contracted by 4.5% (2Q 2021: +16.1%). Economic activity was particularly impacted in July under Phase 1 of the NRP, but subsequently recovered as more states transitioned into Phase 2 with less restrictive containment measures.

On the supply side, all economic sectors registered a contraction, particularly the construction sector, which was constrained by operating capacity limits. On the demand side, the restrictions on mobility, especially on inter-district and inter-state travel, has weighed on consumption and investment activity, while continued increase in public sector consumption spending provided some support to overall growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 3.6% (2Q 2021: -1.9%).

All economic sectors recorded negative growth in the third quarter of 2021. The services sector declined by 4.9% (2Q 2021: 13.5%). The services sector was affected by weaker consumer-related activities amid the reimposition of the lockdown, particularly in July. Nonetheless, consumer-related activities have shown emerging signs of recovery on a month-on-month basis since August as operating restrictions were eased, including for restaurants and recreational activities. The finance and insurance subsector continued to grow, driven mainly by higher net insurance premiums. Growth in the information and communication subsector provided some support amid continued demand for data communications services particularly for e-commerce and e-payment activities.

The construction sector declined by 20.6% (2Q 2021: 40.3%) as activities were constrained by operating capacity limits. Growth in the residential, non-residential and civil engineering subsectors were particularly affected, but the situation improved from August following easing of the containment measures, allowing more construction activities to resume.

Domestic demand declined by 4.1% (2Q 2021: 12.4%) in the third quarter of 2021, as private consumption and investment activities were affected by the imposition of phased restrictions under NRP. On the external front, net exports contracted by 37.5% (2Q 2021: 34.3%) as growth in imports outpaced the growth in exports.

Private consumption declined by 4.2% (2Q 2021: 11.7%), as the stringent containment measures and mobility restrictions weighed on household spending in the first half of the quarter. Similarly, labour market conditions also weakened in the same period with weaker income and employment growth. Nevertheless, various policy measures, including the EPF i-Sinar and i-Citra withdrawals as well as Bantuan Khas COVID-19 (BKC), continued to provide support to affected households.

Public consumption expanded by 8.1% during the quarter (2Q 2021: 9.0%), supported by COVID-19 related expenditure, including vaccine procurement and logistics spending.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), moderated to 2.2% during the quarter (2Q 2021: 4.1%). Lower inflation during the quarter mainly reflected the dissipating base effect from fuel prices as well as the implementation of a three-month electricity bill discount effective July 2021.

#### Outlook

For 2021, the Malaysian economy remains on track to achieve the projected growth range of 3.0% - 4.0%. The recent gradual relaxations for reopening of more economic sectors, along with higher adaptability of firms to the new operating environment and continued policy support, partly mitigated the impact of nationwide containment measures in the third quarter. Furthermore, the successful rollout of the vaccination programme, which has resulted in improved health outcomes, has enabled a phased and safe reopening of economic sectors and allow the economy to continue its recovery path.

Going into 2022, the positive growth momentum is expected to improve. The economy would benefit from expansion in global demand, higher private sector expenditure in line with the resumption of economic activity and continued policy support.

For 2021, headline inflation is projected to average between 2.0% and 3.0%.<sup>16</sup> Underlying inflation, as measured by core inflation, is expected to average below 1.0% for the year.

Moving into 2022, headline inflation is projected to remain moderate. As economic activity normalises, core inflation is expected to edge upwards but remain benign given the continued spare capacity in the economy and slack in the labour market. The outlook, however, continues to be subject to global commodity price developments and some risk from prolonged supply-related disruptions.

*(Source: Quarterly Bulletin 3Q 2021, Bank Negara Malaysia)*

## **5.2 Overview and outlook of the Malaysian property market**

The property market performance recorded a significant increase in the first half of 2021 (H1 2021) as compared to the same period last year (H1 2020). A total of 139,754 transactions worth RM62.01 billion were recorded, showing an increase of 21.0% in volume and 32.1% in value compared to the same period last year. Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.2%, 28.5%, 29.4%, 13.9% and 21.3% respectively. Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded growths of 34.7%, 28.4%, 19.8%, 33.1% and 40.6% respectively.

### Residential Property

There were 92,017 transactions worth RM34.51 billion recorded in the review period, increased by 22.2% in volume and 34.7% in value year-on-year. Performance across the states improved in the review period. All states recorded higher market volume except for WP Putrajaya. The four major states namely Wilayah Persekutuan (WP) Kuala Lumpur, Selangor, Johor and Pulau Pinang formed about 50% of the total national residential volume. In the primary market, there were 16,660 units launched, down by 34.0% against 25,227 units (revised) in H1 2020. Against H2 2020, the new launches were lower by 24.1% (H2 2020: 21,951 units). Sales performance for new launches recorded at 24.7%, better compared to H1 2020 (revised 12.9%) and H2 2020 (17.0%). The improvement in sales performance probably attributed to various measures by the government such as incentives of the Home Ownership Campaign (reintroduced from 1 June 2020 – 31 Dec 2021) and low overnight policy rate (OPR).

Selangor recorded the highest number of new launches in the country, capturing nearly 24.7% (4,114 units) of the national total with sales performance at 26.2%. WP Kuala Lumpur recorded the second highest number (3,651 units, 21.9% share) with sales performance at 3.5%. Johor came third (2,187 units, 13.1% share) with sales performance at 49.8%. By property type, terraced houses dominated the new launches. Single storey (2,624 units) and 2-3 storey (5,455 units) together contributed 48.5% of the total units, followed by condominium/apartment units at 41.4% share (6,893 units). The residential overhang exhibited a moderated growth. A total of 31,112 overhang units worth RM20.09 billion was recorded, showing an increase of 5.2% and 6.2% in volume and value respectively against the preceding half. Construction activity recorded an increase in completion, starts and new planned supply, each up by 8.7%, 35.3% and 36.0% respectively compared to the same period last year. The Malaysian House Price Index (MHPI) saw an unprecedented negative growth in Q2 2021, after a series of slow price growth since 2018. MHPI stood at 197.9 points, down by 1.2% year-on-year. Quarterly movements saw a decline of 1.6%.



## Commercial Property

There were 10,433 transactions worth RM10.93 billion recorded, up by 28.5% in volume and 28.4% in value compared to the same period last year. All states recorded more market activity in the review period except for WP Putrajaya and Pahang. Selangor contributed the highest volume and value to the national market share, with 26.3% in volume (2,741 transactions) and 30.8% in value (RM3.37 billion); followed by WP Kuala Lumpur with 13.0% in volume (1,359 transactions) and 28.2% in value (RM3.08 billion) and Johor with 13.5% in volume (1,410 transactions) and 11.6% in value (RM1.27 billion). Serviced apartment sub-sector recorded 1,912 transactions worth RM1.21 billion, formed 18.3% of the commercial property transactions volume and 11.0% of the value.

Market performance recorded an increase of 33.4% in volume and 23.7% in value compared to similar period last year. Serviced apartment sub-sector recorded 24,064 overhang units with a value of RM20.41 billion, indicating a marginal increase of 1.9% in volume, but value declined by 10.2% compared to the preceding half. Meanwhile, the unsold under construction recorded 42,358 units, increased by 20.1%. The construction activities saw a mixed trend with completions decreased by 8.3% to 4,030 units, starts increased by 89.6% to 21,278 units and new planned supply up by 33.7% to 7,339 units against similar half last year. The performance of shopping complex moderated in H1 2021, with the national occupancy rate saw a slight decline of 76.6% as compared to H1 2020 (78.6%). WP Kuala Lumpur and Selangor recorded 81.6% and 78.8% occupancy rate respectively, whereas Johor and Pulau Pinang managed to secure an average occupancy of 73.4% and 72.2% respectively.

The sole completion recorded in H1 2021 was contributed by the extension of Setia City Mall, Shah Alam (21,363 square metres (s.m.)), bringing the total space for shopping complex nationwide to 16.93 million square metres. There were another 47 complexes (1.94 million s.m.) in the incoming supply and with another 10 complexes (0.34 million s.m.) in the planned supply. The overall performance of purpose-built office decreased to 78.5%, slightly lower than H1 2020 (80.6%). The occupancy rate for private office buildings declined further to 71.7%, down from 74.3% recorded in H1 2020. Pulau Pinang secured a higher occupancy rate at 85.3% while Kuala Lumpur, Selangor and Johor recorded lower than the national level at 73.8%, 68.4%, and 72.7%, respectively.

Eight new purpose-built offices with office spaces totalling 505,842 square metres were completed in the review period, extending the existing market supply to 23.84 million square metres from 2,581 buildings. WP Kuala Lumpur was the lead contributor for office space with a share of 40.7% (9.70 million s.m.) in the existing market, 54.0% (1.09 million s.m.) in incoming supply and 52.9% (0.17 million s.m.) in planned supply.

## Outlook

The acceleration of the National COVID-19 Immunisation Programme and the National Recovery Plan threshold across the states will see the reopening of more economic and social sectors in the fourth quarter of 2021. Supported by the implementation of various government initiatives and assistance, the property market is expected to be on the recovery path in line with the gradual economic recovery.

*(Source: Press Release: Malaysia Property Market Report First Half Year 2021, Valuation and Property Services Department Malaysia, 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 inter-state/district travels, social gatherings and business gatherings. For the financial year ended FYE 31 December 2019, the hotel had an average occupancy rate of 39%, which had subsequently decreased to 29% for the 18-months FPE 30 June 2021, being the 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 18-months FPE 30 June 2021.

The Government has since October 2021, gradually relaxed the restrictions by allowing more economic sectors to operate and local travel is allowed which will further boost Malaysian economic. This had contributed positively to the Group's operations as a whole.

The reopening of inter-state travel had improved the occupancy rate of Grand Renai Hotel as the hotel had recorded an improved average occupancy rate of 61% in October 2021 and 62% in November 2021 respectively.

In respect of the Group's mall, the mall has seen an increase in footfall of approximately 117% since the upliftment of the MCO in Kelantan in mid May 2021 up to October 2021. With the continuing tenancy of its anchor tenants, the Group remains optimistic that its mall operations will start to recover.

The Group's property development segment is expected to continue to be driven by its on-going Bandar Tasek Raja project. The relaxation of the construction restrictions at the construction site had allowed the Company to resume the development of the Bandar Tasek Raja project. As at LPD, the contractors have mobilised its resources to the site for the necessary preparation to commence works on the Bandar Tasek Raja project.

In addition, the Group had on 21 October 2021 completed the acquisition of development right for a development situated in Damai, Kota Kinabalu, Sabah. Based on the Group's assessment and evaluation on the current property market condition in Kota Kinabalu, Sabah for the Damai Project, the Company is expected to commence the development for this project in the 1<sup>st</sup> quarter of year 2022.

Notwithstanding the above, the Group takes cognisance of the current property market condition and will continue to adopt a cautious approach for the Group's property development projects. The Group will evaluate all options available at the material point in time before launching any particular projects.

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. At present, over 90% of the Malaysian adult population has been inoculated and the Government has been encouraging people who have completed 2 doses of their vaccination to take a booster dose. With the recent initiatives declared under the 2021-2022 Budget, the Group believes that such initiatives should start to stimulate recovery of the overall Malaysian economy which should in turn bode well for the Group.

Moving forward, the Group will explore business opportunities in property development to seek for potential land banks in strategic locations, as well as non-property related business opportunities. The reduction of the Group's gearing from the proceeds of the Proposed Rights Issue with Warrants (based on the Minimum Subscription Level) and the surplus to be raised, if any, will enable the Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.

*(Source: Management of the Group)*

## **6. FINANCIAL EFFECTS OF PROPOSED RIGHTS ISSUE WITH WARRANTS**

The proforma effects herein are presented purely for illustration purposes and should not be regarded as an indication of or reference to the final Issue Price or the Entitlement Basis of the Proposed Rights Issue with Warrants.

For illustration purposes, the proforma effects of the Proposed Rights Issue with Warrants are presented based on the following scenarios:-

Minimum Subscription Level : Assuming only LV subscribes for the Proposed Rights Issue with Warrants pursuant to its Undertaking to raise minimum gross proceeds of RM8.0 million at an illustrative Issue Price of RM0.075 per Right Share on the basis of 10 Rights Shares for every 4 existing Eastland Shares and 7 Warrants for every 10 Rights Shares subscribed. The illustrative Exercise Price is RM0.090 per Warrant.

Full Subscription Level : Assuming all Entitled Shareholders subscribe for the Proposed Rights Issue with Warrants to raise gross proceeds of approximately RM80.0 million at an illustrative Issue Price of RM0.075 per Right Share on the basis of 10 Rights Shares for every 4 existing Eastland Shares and 7 Warrants for every 10 Rights Shares subscribed. The illustrative Exercise Price is RM0.090 per Warrant.

- (i) The illustrative Issue Price of RM0.075 per Rights Share represents a discount of 5.1% to the TERP of Eastland Shares of RM0.079, calculated based on the 5-day VWAMP of Eastland Shares up to and including the LPD of RM0.090.
- (ii) The illustrative Exercise Price of RM0.090 per Warrant represents a premium of 13.9% to the TERP of Eastland Shares of RM0.079, calculated based on the 5-day VWAMP of Eastland Shares up to and including the LPD of RM0.090.

## 6.1 Share Capital

The proforma effects of the Proposed Rights Issue with Warrants on the issued share capital of the Company are as follows:-

	Minimum Subscription Level		Full Subscription Level	
	Number of Shares	RM	Number of Shares	RM
Issued share capital as at LPD	421,566,039	140,745,334	421,566,039	140,745,334
Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants	106,666,667	<sup>(a)</sup> 5,259,733	1,053,915,098	<sup>(b)</sup> 51,968,553
<b>Enlarged issued share capital after issuance of Rights Shares</b>	<b>528,232,706</b>	<b>146,005,067</b>	<b>1,475,481,137</b>	<b>192,713,887</b>
Shares to be issued arising from the full exercise of Warrants	74,666,667	<sup>(c)</sup> 9,460,267	737,740,569	<sup>(c)</sup> 93,471,730
<b>Enlarged issued share capital after full exercise of Warrants</b>	<b>602,899,373</b>	<b>155,465,334</b>	<b>2,213,221,706</b>	<b>286,185,617</b>

### Notes:-

- (a) Computed based on the Entitled Shareholders' subscription of 106,666,667 Rights Shares at the indicative issue price of RM0.075 per Rights Share under the Minimum Subscription Level and adjusted for the apportionment of its relative fair value of RM0.0367 per Warrant to the warrants reserve account based on the Black-Scholes model as extracted from Bloomberg.
- (b) Computed based on the Entitled Shareholders' subscription of 1,053,915,098 Rights Shares at the indicative issue price of RM0.075 per Rights Share under the Full Subscription Level and adjusted for the apportionment of its relative fair value of RM0.0367 per Warrant to the warrants reserve account based on the Black-Scholes model as extracted from Bloomberg.
- (c) Computed based on the illustrative Exercise Price of RM0.090 per Warrant and the reversal of the warrants reserve account (based on the fair value of RM0.0367 per Warrant) to the share capital account.

## 6.2 NA and gearing

Based on the audited consolidated statements of financial position of Eastland as at 30 June 2021 and assuming that the Proposed Rights Issue with Warrants was completed on 30 June 2021, the proforma effects of the Proposed Rights Issue with Warrants on the consolidated NA per Share and the gearing of Eastland are as follows:-

### (i) Minimum Subscription Level

	Audited as at 30 June 2021	(I) After subsequent events <sup>(a)</sup>	(II) After (I) and the Proposed Rights Issue with Warrants	(III) After (II) and assuming full exercise of Warrants
	RM	RM	RM	RM
Share capital	133,877,051	140,745,334	<sup>(b)</sup> 146,005,067	<sup>(c)</sup> 155,465,334
Warrants reserve	-	-	<sup>(d)</sup> 2,740,267	-
Other reserves	111,453,038	111,453,038	111,453,038	111,453,038
Accumulated losses	(174,077,275)	(174,252,275)	<sup>(e)</sup> (174,952,275)	(174,952,275)
<b>NA</b>	<b>71,252,814</b>	<b>77,946,097</b>	<b>85,246,097</b>	<b>91,966,097</b>
Number of shares in issued	356,709,727	421,566,039	528,232,706	602,899,373
NA per share (RM)	0.20	0.18	0.16	0.15
Total borrowings	56,502,482	56,502,482	<sup>(f)</sup> 49,202,482	49,202,482
Gearing ratio (times)	0.79	0.72	0.58	0.54

#### Notes:-

- (a) After taking into account the issuance of 64,856,312 new Shares at issue price of RM0.1059 per share which raised RM6,868,283 pursuant to the Share Issuance 2021, further details of which are set out in Section 4.2 of this Circular.
- (b) Computed based on the Entitled Shareholders' subscription of 106,666,667 Rights Shares at the indicative issue price of RM0.075 per Rights Share under the Minimum Subscription Level and adjusted for the apportionment of its relative fair value of RM0.0367 per Warrant to the warrants reserve account computed based on the Black-Scholes model as extracted from Bloomberg.

- (c) Computed based on the illustrative Exercise Price of RM0.090 per Warrant and the reversal of the warrants reserve account (based on the fair value of RM0.0367 per Warrant) to the share capital account.
- (d) Computed based on the issuance of 74,666,667 Warrants at an allocated fair value of RM0.0367 per Warrant computed based on the Black-Scholes model as extracted from Bloomberg.
- (e) After deducting estimated expenses for the Proposed Rights Issue with Warrants of RM0.7 million.
- (f) After repayment of borrowings of RM7.3 million.

**(ii) Full Subscription Level**

	Audited as at 30 June 2021	(I) After subsequent events <sup>(a)</sup>	(II) After (I) and the Proposed Rights Issue with Warrants	(III) After (II) and assuming full exercise of Warrants
	RM	RM	RM	RM
Share capital	133,877,051	140,745,334	<sup>(b)</sup> 192,713,887	<sup>(c)</sup> 286,185,617
Warrants reserve	-	-	<sup>(d)</sup> 27,075,079	-
Other reserves	111,453,038	111,453,038	111,453,038	111,453,038
Accumulated losses	(174,077,275)	(174,252,275)	<sup>(e)</sup> (174,952,275)	(174,952,275)
<b>NA</b>	<b>71,252,814</b>	<b>77,946,097</b>	<b>156,289,729</b>	<b>222,686,380</b>
Number of shares in issued	356,709,727	421,566,039	1,475,481,137	2,213,221,706
NA per share (RM)	0.20	0.18	0.11	0.10
Total borrowings	56,502,482	56,502,482	<sup>(f)</sup> 16,502,482	16,502,482
Gearing ratio (times)	0.79	0.72	0.11	0.07

**Notes:-**

- (a) After taking into account the issuance of 64,856,312 new Shares at issue price of RM0.1059 per share which raised RM6,868,283 pursuant to the Share Issuance 2021, further details of which are set out in Section 4.2 of this Circular.
- (b) Computed based on the Entitled Shareholders' subscription of 1,053,915,098 Rights Shares at the indicative issue price of RM0.075 per Rights Share under the Full Subscription Level and adjusted for the apportionment of its relative fair value of RM0.0367 per Warrant to the warrants reserve account computed based on the Black-Scholes model as extracted from Bloomberg.
- (c) Computed based on the illustrative Exercise Price of RM0.090 per Warrant and the reversal of the warrants reserve account (based on the fair value of RM0.0367 per Warrant) to the share capital account.
- (d) Computed based on the issuance of 737,740,569 Warrants at an allocated fair value of RM0.0367 per Warrant computed based on the Black-Scholes model as extracted from Bloomberg.
- (e) After deducting estimated expenses for the Proposed Rights Issue with Warrants of RM0.7 million.
- (f) After repayment of borrowings of RM40.0 million.

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### 6.3 Substantial shareholders' shareholdings

The proforma effects of the Proposed Rights Issue with Warrants on the shareholdings of the substantial shareholders of Eastland based on the Register of Substantial Shareholders as at LPD are as follows:-

#### (i) Minimum Subscription Level

					(I)				(II)			
	As at LPD				After Proposed Rights Issue with Warrants				After (I) and assuming full exercise of Warrants			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
LCK	25,236,200	6.0	-	-	25,236,200	4.8	-	-	25,236,200	4.2	-	-
LV	14,044,000	3.3	-	-	120,710,667	22.9	-	-	195,377,334	32.4	-	-
Dato' Lee			<sup>(a)</sup> 14,044,000	3.3			<sup>(a)</sup> 120,710,667	22.9			<sup>(a)</sup> 195,377,334	32.4

#### (ii) Full Subscription Level

					(I)				(II)			
	As at LPD				After Proposed Rights Issue with Warrants				After (I) and assuming full exercise of Warrants			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
LCK	25,236,200	6.0	-	-	88,326,700	6.0	-	-	132,490,050	6.0	-	-
LV	14,044,000	3.3	-	-	49,154,000	3.3	-	-	73,731,000	3.3	-	-
Dato' Lee			<sup>(a)</sup> 14,044,000	3.3			<sup>(a)</sup> 49,154,000	3.3			<sup>(a)</sup> 73,731,000	3.3

#### Note:-

(a) Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in LV.



#### 6.4 Earnings and EPS of the Group

The Proposed Rights Issue with Warrants, which is expected to be completed in the first quarter of 2022, is not expected to have any material effect on the earnings and EPS of the Group for the FYE 30 June 2022.

However, there will be a dilution in the EPS of the Group for the FYE 30 June 2022 due to the increase in the number of Eastland Shares in issue arising from the Proposed Rights Issue with Warrants.

Notwithstanding that, the Proposed Rights Issue with Warrants is expected to contribute positively to the future earnings of the Group in the ensuing financial years via the utilisation of the proceeds.

#### 6.5 Convertible securities

As at LPD, the Company has no outstanding convertible securities issued.

### 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 December 2020 to December 2021 up to LPD are as follows:-

	<u>High</u> RM	<u>Low</u> RM
<b><u>2020</u></b>		
December	0.160	0.105
<b><u>2021</u></b>		
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
June	0.155	0.115
July	0.140	0.120
August	0.135	0.115
September	0.140	0.105
October	0.120	0.090
November	0.095	0.085
December up to LPD	0.090	0.085
The last transacted market price of Eastland Shares on 11 October 2021 (being the last trading day prior to the announcement of Proposed Rights Issue with Warrants)		0.120
The last transacted market price of Eastland Shares as at LPD		0.090

## 8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Rights Issue with Warrants is subject to the following approvals being obtained:-

- (i) approval of Bursa Securities for the following:-
  - (a) listing and quotation of up to 2,000,000,000\* Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;
  - (b) admission of the Warrants to the Official List of Bursa Securities and listing and quotation of up to 1,210,783,019^ Warrants to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and
  - (c) listing and quotation of up to 1,210,783,019 new Eastland Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities;
- (ii) approval of the Eastland Shareholders for the Proposed Rights Issue with Warrants at an EGM to be convened; and
- (iii) approvals / consents of any other relevant authorities / parties, if required.

### Notes:-

\* Bursa Securities' approval for 2,000,000,000 Rights Shares was arrived at based on the proceeds to be raised of approximately RM80.0 million and the Lowest Issue Price of RM0.04 per Rights Share.

^ Bursa Securities' approval for 1,210,783,019 Warrants was arrived at based on 50% of the aggregate of 421,566,039 Shares in issue as at LPD and 2,000,000,000 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants, which is in accordance with Paragraph 6.50 of the Listing Requirements, where the total number of new Eastland Shares arising from the exercise of the Warrants must not exceed 50% of the Company's total number of issued shares at all times.

The approval by Bursa Securities for the above was obtained vide its letter dated 10 December 2021, subject to the following conditions:

<b>No.</b>	<b>Conditions</b>	<b>Status of Compliance</b>
(1)	Eastland and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation for the Proposed Rights Issue with Warrants;	To be complied
(2)	Malacca Securities and Eastland are required to inform Bursa Securities upon completion of the Proposed Rights Issue with Warrants;	To be complied
(3)	Malacca Securities and Eastland are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements;	To be complied
(4)	Eastland 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 Rights Issue with Warrants is completed; and	To be complied

<b>No.</b>	<b>Conditions</b>	<b>Status of Compliance</b>
(5)	Eastland is required 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

The Proposed Rights Issue with Warrants is not conditional upon any other proposals undertaken or to be undertaken by the Company.

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

None of the Directors and/or major shareholder of Eastland and/or Chief Executive and/or persons connected to them have any interest in the Proposed Rights Issue with Warrants, except for their respective entitlements as shareholders of the Company under the Proposed Rights Issue with Warrants including their rights to apply for additional Rights Shares under the excess Rights Shares application, which are also available to all existing shareholders of the Company.

#### **10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

As at the date of this Circular, save for the Proposed Rights Issue with Warrants, the Company does not have any outstanding proposals that have been announced but pending completion.

#### **11. TENTATIVE TIMELINE FOR THE PROPOSED RIGHTS ISSUE WITH WARRANTS**

Barring any unforeseen circumstances and subject to all the approvals/consents of the relevant authorities being obtained, the Proposed Rights Issue with Warrants is expected to be completed in the 1<sup>st</sup> quarter of 2022. The tentative timeline for the Proposed Rights Issue with Warrants is as follows:-

<b>Tentative Timeline</b>	<b>Key Milestones</b>
End December 2021	<ul style="list-style-type: none"> <li>• EGM</li> </ul>
Early January 2022	<ul style="list-style-type: none"> <li>• Announcement of the Entitlement Date</li> </ul>
Mid - End January 2022	<ul style="list-style-type: none"> <li>• Entitlement Date</li> <li>• Despatch of the abridged prospectus, notices of provisional allotment and rights subscription forms</li> </ul>
Early - Mid February 2022	<ul style="list-style-type: none"> <li>• Closing date of application for the Rights Shares with Warrants</li> </ul>
End February 2022	<ul style="list-style-type: none"> <li>• Listing and quotation of the Rights Shares and Warrants</li> <li>• Completion of the Proposed Rights Issue with Warrants</li> </ul>

## **12. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Rights Issue with Warrants, including but not limited to the rationale and effects of the Proposed Rights Issue with Warrants, is of the opinion that the Proposed Rights Issue with Warrants is in the best interest of the Company and its shareholders.

Accordingly, the Board recommends that Eastland Shareholders vote in favour of the resolution pertaining to the Proposed Rights Issue with Warrants to be tabled at the forthcoming EGM.

## **13. EGM**

The EGM, the notice of which is enclosed in this Circular, will be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 30 December 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 Rights Issue with Warrants. The resolution pertaining to the Proposed Rights Issue with Warrants is set out in our Notice of EGM which is enclosed with this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy the instructions contained therein, to be deposited at the Share Registrars' Office at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than 48 hours before the time stipulated for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude the shareholders of Eastland from attending and voting in person at the EGM should the shareholders of Eastland subsequently wish to do so and in such an event, your Form of Proxy shall be revoked accordingly.

## **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 THE GROUP

The summary of historical financial performance and financial position of the Group based on the audited consolidated financial statements for FYE 31 December 2018, 31 December 2019 and the latest audited consolidated financial statement for 18-months FPE 30 June 2021 as well as the unaudited consolidated financial statement for 3-months FPE 30 September 2021 are as follows:-

	Audited			Unaudited
	FYE 31 December 2018	FYE 31 December 2019 (Restated)	18-months FPE 30 June 2021 <sup>(a)</sup>	3-months FPE 30 September 2021
	RM	RM	RM	RM
<u>Financial Performance</u>				
Revenue	21,304,532	18,074,088	20,899,378	3,919,143
LBT	(7,975,905)	(13,333,287)	(107,331,696)	(2,022,315)
LAT	(7,159,104)	(12,789,732)	(100,417,954)	(2,022,315)
Loss per Share (sen)	<sup>(b)</sup> (2.91)	<sup>(c)</sup> (3.94)	<sup>(d)</sup> (28.15)	<sup>(e)</sup> (0.48)
NA	175,978,723	168,548,891	71,252,814	76,042,617
Total borrowings	59,325,728	59,559,974	56,502,482	55,842,191
NA per Share (sen)	<sup>(b)</sup> 71.63	<sup>(c)</sup> 51.98	<sup>(d)</sup> 19.98	<sup>(e)</sup> 18.04
Gearing ratio (times)	0.34	0.35	0.79	0.73

(Source: Annual Reports of the Company for FYE 31 December 2019, FYE 30 June 2021 and 18-months FPE 30 June 2021 and Quarterly Report of the Company for 3-months FPE 30 September 2021)

### Notes:

- (a) The Company had on 30 October 2020 announced the change of its financial year end from 31 December 2020 to 30 June 2021.
- (b) Computed based on 245,667,975 Shares in issue.
- (c) Computed based on 324,281,570 Shares in issue.
- (d) Computed based on 356,709,727 Shares in issue.
- (e) Computed based on 421,566,039 Shares in issue.

**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, the Group 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.

**18-months FPE 30 June 2021 (“18-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 18-months FPE 2021. Revenue for the 18-months FPE 2021 was recorded at RM20.9 million, derived from the Group’s hospitality segment (RM13.2 million), investment properties segment (RM4.2 million) and property development segment (RM3.5 million) respectively.

The LAT for the 18-months FPE 2021 of RM100.4 million was mainly due to significant impairment on the Group’s hotel and investment properties amounting to RM27.3 million and RM20.0 million respectively and write down on the Group’s property development inventories of RM43.9 million, which was arrived at based on the valuation performed by the valuer.

**3-months FPE 30 September 2021 (“3-months FPE 2022”)**

The Group recorded revenue of RM3.92 million for 3-months FPE 2022 where the investment properties segment registered a revenue of RM0.69 million and the hospitality segment registered a revenue of RM3.23 million.

The Group posted loss LBT of RM2.02 million for 3-months FPE 2022 where the investment properties segment registered a LBT of RM0.26 million; the hospitality segment registered a profit before tax of RM0.18 million; the investment holding segment registered a LBT of RM1.32 million; and property development segment registered a LBT of RM0.63 million.

**1. DIRECTORS' RESPONSIBILITY**

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

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS**

Malacca Securities, being the Principal Adviser for the Proposed Rights Issue with Warrants, 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 for the Proposed Rights Issue with Warrants.

**3. MATERIAL LITIGATION**

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.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 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.

	<b>RM'000</b>
Purchase of Development Rights pursuant to the CSPA as disclosed in Section 3.1 of this Circular	8,000

**Note:-**

Being the consideration for the CSPA as set out in Section 3.1 of this Circular. Whilst the CSPA was deemed completed on 21 October 2021, FBO and IWSB had agreed to extend the payment for the Damai Consideration up to 31 March 2022.

**4.2 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.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be 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 Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Constitution of Eastland;
- (ii) Audited consolidated financial statements of Eastland for the FYE 31 December 2019 and 18-months FPE 30 June 2021 and the unaudited financial statements of Eastland for the 3-months FPE 30 September 2021;
- (iii) The Undertaking Letter;
- (iv) The letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix II; and
- (v) The draft Deed Poll.





**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 at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 30 December 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 RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN EASTLAND (“EASTLAND SHARES”) (“RIGHTS SHARES”) TOGETHER WITH FREE DETACHABLE WARRANTS (“WARRANTS”) IN EASTLAND TO THE ENTITLED SHAREHOLDERS OF EASTLAND ON A BASIS AND ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM80.0 MILLION (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)**

“**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:-

- (i) determine and fix the entitlement basis and issue price of the Rights Shares which shall be announced later by the Board on the price-fixing date to raise gross proceeds of approximately RM80.0 million;
- (ii) determine and fix the entitlement basis and exercise price of the Warrants which shall be announced later by the Board on the price-fixing date;
- (iii) provisionally allot and issue by way of a renounceable rights issue of Rights Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board (“**Entitled Shareholders**”) and/or their renounee(s) and/or transferee(s), as the case may be;
- (iv) enter into and execute the deed poll constituting the Warrants (“**Deed Poll**”) with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Board and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company’s company seal, where necessary);
- (v) allot and issue the Warrants in registered form to the Entitled Shareholders and/or their renounee(s) and/or transferee(s), as the case may be, and Excess Applicants (as defined below), if any, who subscribe for and are allotted Rights Shares, each Warrant conferring the right to subscribe for 1 new Eastland Share at an exercise price to be determined by the Board at a later date, subject to the provisions for adjustment to the subscription rights attached to the Warrants in accordance with the provisions of the Deed Poll;
- (vi) allot and issue such number of additional Warrants pursuant to adjustments as provided for under the Deed Poll (“**Additional Warrants**”) and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant authorities or parties (where required);

- (vii) allot and issue such number of new Eastland Shares credited as fully paid-up to the holders of Warrants upon their exercise of the relevant Warrants to subscribe for new Eastland Shares during the tenure of the Warrants, and such further new Eastland Shares as may be required or permitted to be allotted and issued pursuant to the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll; and
- (viii) utilise the proceeds to be derived from the Proposed Rights Issue with Warrants for the purposes as set out in Section 2.7 of the circular dated 15 December 2021 to the shareholders of the Company ("**Circular**") and to vary the manner and/or purpose of such proceeds as the Board may deem fit and in the best interest of the Company, subject (where required) to the approval of the relevant authorities.

**THAT** in determining the shareholders' entitlement to the Rights Shares, the fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board in its sole and absolute discretion deem fit or expedient and in the best interests of the Company;

**THAT** any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) and/or transferee(s), as the case may be, shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

**THAT** the Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Eastland Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares;

**THAT** the new Eastland Shares to be allotted and issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Eastland Shares, save and except that the new Eastland Shares to be allotted and issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Eastland Shares;

**THAT** the Rights Shares, Warrants and the new Eastland Shares to be allotted and issued arising from the exercise of the Warrants and Additional Warrants (if any) shall be listed on the Main Market of Bursa Securities;

**THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and/or agreements as the Board may deem necessary and/or expedient and/or appropriate to implement and give full effect to complete the Proposed Rights Issue with Warrants including without limitation, with full power to assent to any conditions, modifications, variations and/or amendments as the Board in their absolute discretion may deem fit or expedient or as required by the relevant authorities in order to carry out, finalise and give full effect to the Proposed Rights Issue with Warrants;

**AND THAT** this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants, and new Eastland Shares to be allotted and issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

By Order of the Board  
**EASTLAND EQUITY BHD.**

**TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)**  
Secretary  
Selangor Darul Ehsan  
15 December 2021

#### Notes:-

1. 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 and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
2. 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.
3. 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.
4. 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.
5. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Share Registrars' Office at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, 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.
6. 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 23 December 2021 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
7. Pursuant to Clause 78 of the Company's Constitution, all the resolution set out in the Notice of the EGM will be put to vote by way of poll.
8. Pursuant to the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, issued by the Securities Commission Malaysia on 18 April 2020 and revised on 16 July 2021, the shareholders, proxies and corporate representatives ("**Participants**") who will be attending the EGM in person are required to pre-register themselves by providing their name, NRIC/Passport No. and CDS account no. via email at [eastlandegm2021@eeb.com.my](mailto:eastlandegm2021@eeb.com.my) to the Company not later than **Tuesday, 28 December 2021 at 10.00 a.m.** to allow the Company to make necessary arrangements for the EGM. Otherwise, the attendance of Participants in person will be denied. Participants will be notified via email once your registration is successful.
9. The Board wishes to highlight that the EGM may be re-scheduled and/or adjourned 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 to be held at Merbok Room, Level 6, The Grand Renai Hotel, Kota Sri Mutiara, Jalan Sultan Yahya Petra, 15150 Kota Bharu, Kelantan, Malaysia, on Thursday, 30 December 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 Rights Issue with Warrants		

(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:-**

1. 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 and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
2. 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.
3. 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.
4. 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.
5. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Share Registrars' Office at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, 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.
6. 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 23 December 2021 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
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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 15 December 2021.

Please fold here

Affix  
stamp

**EASTLAND EQUITY BHD.**  
Registration No.: 200001013359 (515965-A)  
**c/o Boardroom Share Registrars Sdn. Bhd.**  
Ground Floor or 11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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