

Unless otherwise stated, all terms and abbreviations contained in this Abridged Prospectus are in the “Definitions” section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue with Warrants. A copy of this Abridged Prospectus and the accompanying NPA and RSF (collectively, the “Documents”) have also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our Extraordinary General Meeting held on 30 December 2021. The approval from Bursa Securities had also been obtained via its letter dated 10 December 2021 for the listing and quotation of the Rights Shares, admission of Warrants to the Official List as well as the listing and quotation of the Warrants and the new Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The listing and quotation of all the new securities on the Main Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of any statement made or opinion expressed in the Documents.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Company's Record of Depositors as at 5.00 p.m. on 17 January 2022 who have a registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 17 January 2022. The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Shares with Warrants is not intended to be (will not be) made or offered or deemed to be made or offered for purchase or subscription in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. Persons receiving the Documents (including without limitation, custodians, nominees and transferees) must not, in connection with the Rights Issue with Warrants, distribute or send the Documents outside Malaysia. No action has been or will be taken to ensure that the Rights Issue with Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to persons receiving the Documents electronically or otherwise within Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue with Warrants in any jurisdictions other than Malaysia or to any person whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation and/or transfer (as the case may be) of all or any part of their entitlements to the Rights Shares with Warrants would result in the contravention of any of the laws of such countries or jurisdictions. Neither our Company, Malacca Securities nor any other professional advisers to the Rights Issue with Warrants shall accept any responsibility or liability in the event that any acceptance and/or renunciation and/or transfer (as the case may be) made by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such country or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) is a resident.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



EASTLAND EQUITY BHD, 200001013359 (515965-A)

EASTLAND EQUITY BHD.

Registration No.: 200001013359 (515965-A)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,144,250,677 NEW ORDINARY SHARES IN EASTLAND EQUITY BHD. (“EASTLAND”) (“EASTLAND SHARES” OR “SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 19 RIGHTS SHARES FOR EVERY 7 EXISTING EASTLAND SHARES HELD AS AT 5.00 P.M. ON MONDAY, 17 JANUARY 2022, TOGETHER WITH UP TO 782,908,357 FREE DETACHABLE WARRANTS IN EASTLAND (“WARRANTS”) ON THE BASIS OF 13 WARRANTS FOR EVERY 19 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.07 PER RIGHTS SHARE

Principal Adviser

MALACCA SECURITIES SDN BHD

Registration No: 197301002760 (16121-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date	:	Monday, 17 January 2022 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Allotments	:	Tuesday, 25 January 2022 at 5.00 p.m.
Transfer of Provisional Allotments	:	Thursday, 27 January 2022 at 4.30 p.m.
Acceptance and payment	:	Friday, 4 February 2022 at 5.00 p.m.
Excess Rights Shares with Warrants Application and payment	:	Friday, 4 February 2022 at 5.00 p.m.

This Abridged Prospectus is dated 17 January 2022

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

MALACCA SECURITIES, BEING OUR PRINCIPAL ADVISER FOR THIS RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

ADVISERS' DIRECTORY

- PRINCIPAL ADVISER** : Malacca Securities Sdn. Bhd.

BO1-A-13A, Level 13A, Menara 2
No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Malaysia

Tel : (03) 2201 2100
- SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Tan, Goh & Associates

Unit 821, 8th Floor, Block A
Damansara Intan
No. 1, Jalan SS 20/27,
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel : (03) 7727 7228
Fax : (03) 7731 9238
- SHARE REGISTRAR FOR THE
RIGHTS ISSUE WITH WARRANTS** : Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel : (03) 7890 4700
Fax : (03) 7890 4670
- COMPANY SECRETARY** : Tai Yit Chan
(MAICSA 7009143)
(SSM PC No. 202008001023)

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

Tel : (03) 7890 4800
Fax : (03) 7890 4650
- STOCK EXCHANGE** : Main Market of Bursa Securities

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	: This Abridged Prospectus dated 17 January 2022 in relation to the Rights Issue with Warrants
Act	: Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
ATM	: Automated teller machine
Authorised Nominee	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Bandar Tasek Raja Project	: Our Group's on-going project at Pasir Mas, Kelantan, a commercial property development, which is a joint-venture with Majlis Daerah Pasir Mas. Further details of the project are detailed in Section 4.1 of this Abridged Prospectus.
Bloomberg	: Bloomberg Finance Singapore L.P. and its affiliates
BNM	: Bank Negara Malaysia
Board	: Board of Directors of Eastland
Bursa Anywhere	: Bursa Anywhere mobile application operated by Bursa Depository to enable depositors to perform their CDS transactions electronically from their mobile phones
Bursa Depository	: Bursa Malaysia Depository Sdn. Bhd. (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CDS	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	: Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Closing Date	: Friday, 4 February 2022 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants
CMSA	: Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
COVID-19	: Coronavirus disease
CSPA	: 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
Damai Consideration	: RM8.0 million, being the purchase consideration for the purchase of Development Rights

DEFINITIONS (CONT'D)

Damai Project	: A mixed development project pursuant to the SUDC JVA entered between SUDC and IWSB for project located in Damai, Kota Kinabalu. Further details of the project are detailed in Section 4.1 of this Abridged Prospectus.
Dato' Lee	: Dato' Lee Wai Mun, the Executive Director of Eastland
Datuk Melvinyeo	: Datuk Melvinyeo Kiandee, the former executive director of our Company (resigned on 18 July 2018)
Deed Poll	: Deed poll constituting the Warrants dated 3 January 2022
Development Rights	: 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
Director	: 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
Documents	: This Abridged Prospectus together with the NPA and RSF, collectively
Eastland or our Company	: Eastland Equity Bhd. (Registration No.: 200001013359 (515965-A))
Eastland Group or our Group	: Collectively, Eastland and its subsidiaries
Eastland Shareholder(s)	: The shareholder(s) of Eastland
Eastland Share(s) or the Share(s)	: Ordinary share(s) in Eastland
EGM	: Extraordinary General Meeting of Eastland held on 30 December 2021 in relation to the Rights Issue with Warrants
Electronic Application	: Application for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants through the ATMs of Participating Financial Institutions
Entitled Shareholder(s)	: The shareholder(s) of Eastland whose name(s) appear in the Record of Depositors of our Company on Entitlement Date
Entitlement Date	: Monday, 17 January 2022 at 5.00 p.m. being the date and time on which the names of the Entitled Shareholders must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue with Warrants
EPS	: Earnings per Share
Excess Application(s)	: Application(s) for Excess Rights Shares with Warrants as set out in Section 11.9 of this Abridged Prospectus

DEFINITIONS (CONT'D)

Excess Rights Shares with Warrants	: Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by the Closing Date
Exercise Price	: RM0.085, being the price at which 1 Warrant is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll
FBO	: FBO Land (Setapak) Sdn. Bhd. (Registration No.: 198401007204 (119720-H)), a wholly-owned subsidiary of Eastland
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
GDC	: Gross development cost
GDV	: Gross development value
Issue Price	: RM0.070, being the issue price for each of the Rights Share
IWSB	: Inland World Sdn. Bhd. (Registration No.: 201601024571 (1195510-D)), being the vendor of the CSPA in relation to the purchase of the Development Rights
Kota Sri Mutiara Shopping Complex	: Our Group's investment property, namely the Kota Sri Mutiara Shopping Complex located along Jalan Sultan Yahya Petra, Kota Bharu, Kelantan
LAT	: Loss after tax
LBT	: Loss before tax
LCK	: Lee Chee Kiang, the Managing Director and substantial shareholder of our Company
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 31 December 2021, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	: Loss per Share
LV or the Undertaking Shareholder	: Leading Ventures Sdn. Bhd. (Registration No.: 202101027696 (1427996-H))
Main Market	: Main Market of Bursa Securities
Malacca Securities or the Principal Adviser	: Malacca Securities Sdn. Bhd. (Registration No.: 197301002760 (16121-H))
Market Day	: A day on which Bursa Securities is open for trading in securities

DEFINITIONS (CONT'D)

Maximum Scenario	: Assuming that all the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants involving the issuance of up to 1,144,250,677 Rights Shares and 782,908,357 Warrants to raise approximately RM80.1 million.
MCO	: Movement control order
Minimum Scenario	: Assuming the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	: The minimum subscription level of 114,285,715 Rights Shares together with 78,195,488 Warrants based on the Issue Price to raise minimum gross proceeds of RM8.0 million
NA	: Net assets
NPA	: Notice of provision allotments in relation to the Rights Issue with Warrants
NRS	: Nominee rights subscription service offered by Bursa Depository at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares through Bursa Depository's Existing network facility with the Authorised Nominees
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
Participating Financial Institution	: Participating financial institutions for Electronic Application as referred to in Section 11.4 of this Abridged Prospectus
Provisional Allotments	: The Rights Shares with Warrants provisionally allotted to Entitled Shareholders
Record of Depositors	: A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
Rights Issue Proceeds	: Proceeds of approximately RM80.1 million to be raised from the Rights Issue with Warrants
Rights Issue with Warrants	: Renounceable rights issue of up to 1,144,250,677 Rights Shares on the basis of 19 Rights Shares for every 7 existing Eastland Shares held on the Entitlement Date, together with up to 782,908,357 free detachable Warrants on the basis of 13 Warrants for every 19 Rights Shares subscribed for at the Issue Price
Rights Share(s)	: New Eastland Share(s) to be issued pursuant to the Rights Issue with Warrants
Rights Shares Entitlement File	: An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlement under the Rights Issue with Warrants as at the Entitlement Date

DEFINITIONS (CONT'D)

Rights Shares Subscription File	: An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares and/or Excess Rights Shares with Warrants
RM and sen	: Ringgit Malaysia and sen, respectively
RSF	: Rights subscription form
Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time to time including any re-enactment thereof
Rules of Bursa Depository	: The Rules of Bursa Depository, issued pursuant to the SICDA
SC	: Securities Commission Malaysia
Share Registrar	: Boardroom Share Registrars Sdn. Bhd. (Registration No.: 199601006647 (378993-D)), being the share registrar for the Rights Issue with Warrants
SICDA	: Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time and any re-enactment thereof
SUDC	: Sabah Urban Development Corporation Sdn. Bhd. (Registration No.: 197201000054 (11700-T))
SUDC JVA	: Joint venture agreement entered into between IWSB and SUDC for the Development Rights
TERP	: Theoretical ex-rights price
The Grand Renai Hotel	: Our Group's hospitality asset, namely the 298-room The Grand Renai Hotel located along Jalan Sultan Yahya Petra, Kota Bharu, Kelantan
Undertaking	: Irrevocable undertaking procured from LV to subscribe in full for its entitlement under the Rights Issue with Warrants and to apply and subscribe for additional Rights Shares with Warrants not subscribed by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by way of excess application, to the extent that the Rights Issue with Warrants achieves the Minimum Subscription level of RM8.0 million
Undertaking Letter	: The undertaking letter dated 12 October 2021 from LV in relation to its Undertaking
Warrants	: Free detachable warrants in Eastland to be issued pursuant to the Rights Issue with Warrants
VWAMP	: Volume weighted average market price

All references to “**our Company**” and “**Eastland**” in this Abridged Prospectus are made to Eastland Equity Bhd. and references to “**our Group**” or “**Eastland Group**” are made to our Company and our subsidiaries. All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are made to our Company, or where the context requires, our Group or any of our subsidiary companies.

DEFINITIONS (CONT'D)

All references to “**you**” and “**your**” in this Abridged Prospectus are to our Entitled Shareholders and/or, where the context otherwise requires, their renouncee(s) and/or transferee(s) (if applicable).

Unless specifically referred to, words denoting the singular shall include the plural and *vice versa* and words denoting the masculine gender shall include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included in this Abridged Prospectus have been subject to rounding adjustments. Any discrepancy between the figures shown in this Abridged Prospectus and figures published by our Company, such as quarterly reports or annual reports, is due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our 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 forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty that our Company’s plans and objectives will be achieved.

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SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

THIS SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Key Information	Summary									
Issue size and basis of allotment	<p>The Rights Issue with Warrants entails an issuance of up to 1,144,250,677 Rights Shares on the basis of 19 Rights Share for every 7 existing Eastland Shares held on the Entitlement Date, together with up to 782,908,357 Warrants on the basis of 13 Warrants for every 19 Rights Shares subscribed for by the Entitled Shareholders on the Entitlement Date. The number of Rights Shares and Warrants to be issued under the Minimum Scenario and Maximum Scenario are as follows:-</p> <table><tr><td></td><td>Minimum Scenario</td><td>Maximum Scenario</td></tr><tr><td>Number of Rights Shares to be issued</td><td>114,285,715</td><td>1,144,250,677</td></tr><tr><td>Number of Warrants attached</td><td>78,195,488</td><td>782,908,357</td></tr></table> <p>Further details are set out in Section 2.1 of this Abridged Prospectus.</p>		Minimum Scenario	Maximum Scenario	Number of Rights Shares to be issued	114,285,715	1,144,250,677	Number of Warrants attached	78,195,488	782,908,357
	Minimum Scenario	Maximum Scenario								
Number of Rights Shares to be issued	114,285,715	1,144,250,677								
Number of Warrants attached	78,195,488	782,908,357								
Pricing	<p>Issue Price of Rights Share : RM0.070 per Rights Share</p> <p>Further details are set out in Section 2.2 of this Abridged Prospectus.</p> <p>Exercise Price of Warrants : RM0.085 per Warrant</p> <p>Further details are set out in Section 2.3 of this Abridged Prospectus.</p>									
Undertaking	<p>The Rights Issue with Warrants is to be undertaken on a Minimum Subscription Level basis to raise minimum gross proceeds of RM8.0 million.</p> <p>To meet the Minimum Subscription Level, Eastland had procured an Undertaking from LV vide the Undertaking Letter dated 12 October 2021 to subscribe in full for its entitlement under the 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 Rights Issue with Warrants achieves a minimum subscription of RM8.0 million.</p> <p>As at LPD, LV holds 14,044,000 Eastland Shares representing approximately 3.3% of the total issued share capital of Eastland. Pursuant to the Undertaking, LV's shareholdings will increase from 3.3% to 23.9% after the Rights Issue with Warrants and further increase to 33.6% assuming full exercise of the Warrants under the Minimum Scenario.</p> <p>Further details are set out in Section 3 of this Abridged Prospectus.</p>									
Rationale for the Rights Issue with Warrants	<p>The proceeds from the Rights Issue with Warrants are intended to repay up to RM40.0 million of our Group's bank borrowings which will reduce the interest expenses of our Group by approximately RM2.60 million moving forward, and substantially reduce our Group's borrowings and liabilities.</p> <p>Considering the impairment on our Group's assets amounting to RM47.3 million as well as RM43.9 million write-down of our Group's inventories, which resulted in a LAT of RM100.4 million for the 18-months FPE 30 June 2021 and a further LAT of RM2.0 million being recorded for the 3- months FPE 30 September 2021, the Rights Issue with Warrants will serve to recapitalise the financial position of our Group.</p> <p>Further details are set out in Section 4 of this Abridged Prospectus.</p>									

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)

Key Information	Summary																																				
Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue with Warrants are envisaged to be utilised for the following purposes:-</p> <table><thead><tr><th>Details of Utilisation</th><th>Timeframe for utilisation</th><th>Minimum Scenario RM'000</th><th>Maximum Scenario RM'000</th></tr></thead><tbody><tr><td>Repayment of bank borrowings</td><td>Within 1 year</td><td>7,300</td><td>40,000</td></tr><tr><td>Repayment of advances owing to LCK</td><td>Within 1 month</td><td>-</td><td>12,440</td></tr><tr><td>Repayment of advances owing to Datuk Melvinyeo</td><td>Within 1 month</td><td>-</td><td>2,420</td></tr><tr><td>Payment of Damai Consideration</td><td>Within 1 month</td><td>-</td><td>8,000</td></tr><tr><td>General working capital</td><td>Within 1 year</td><td>-</td><td>2,538</td></tr><tr><td>Business opportunities</td><td>Within 2 years</td><td>-</td><td>14,000</td></tr><tr><td>Estimated expenses for the Rights Issue with Warrants</td><td>Upon completion</td><td>700</td><td>700</td></tr><tr><td>Total</td><td></td><td>8,000</td><td>80,098</td></tr></tbody></table> <p>Further details are set out in Section 5 of this Abridged Prospectus.</p>	Details of Utilisation	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000	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	Within 1 month	-	2,420	Payment of Damai Consideration	Within 1 month	-	8,000	General working capital	Within 1 year	-	2,538	Business opportunities	Within 2 years	-	14,000	Estimated expenses for the Rights Issue with Warrants	Upon completion	700	700	Total		8,000	80,098
Details of Utilisation	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000																																		
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Total		8,000	80,098																																		
Risk factors	<p>Before making an investment decision, you should carefully consider, along with the other information contained in this Abridged Prospectus, the risk factors which include, amongst others, the following:-</p> <ul style="list-style-type: none">(i) Our Group's businesses were affected by the COVID-19 pandemic and imposition of MCO by the Malaysian Government to curb the spread of the virus;(ii) Our Group's performance is susceptible to competition risk from hotel operators, provider of homestay and vacation homes in Kelantan, existing and new office buildings and/or retail properties in Kelantan as well as other property developers;(iii) Our hospitality segment is largely dependent on the presence of corporate clients and our relationship with them whereby the cessation of support from any corporate client will materially affect our Group's operating results and financial conditions;(iv) Our investment properties segment's performance is dependent on the key tenants and may be adversely affected if the key tenants decide not to renew their tenancy agreements or terminate their tenancy agreements;(v) Our investment properties may, from time to time, need to undergo renovation, upgrading, development, redevelopment or asset enhancement programmes to remain competitive. Hence, our related business and operations may suffer some disruption and we may not be able to collect rental payments in full, or at all, on space affected by such renovation or redevelopment works;(vi) Our property development segment's performance is dependent on the Malaysian property market. Any softening of the property market and/or dampened consumer sentiment may lead to continued delay in the launching of our Group's projects; and(vii) Our property development segment's performance is dependent on the timely completion and hand-over of our property projects to ensure costs are contained and our Group's reputation is safeguarded. Any delay in completion will affect our Group's financial performance as a result of lower revenue due to damaged reputation or higher costs being incurred. <p>Further details are set out in Section 6 of this Abridged Prospectus.</p>																																				
Procedures for application for the Rights Issue with Warrants	<p>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants must be made by way of the RSF enclosed together with this Abridged Prospectus or by way of Electronic Application, Bursa Anywhere or NRS in accordance with the terms and conditions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants is on Friday, 4 February 2022 at 5.00 p.m.</p> <p>Further details are set out in Section 11 of this Abridged Prospectus.</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

17 January 2022

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: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,144,250,677 RIGHTS SHARES ON THE BASIS OF 19 RIGHTS SHARES FOR EVERY 7 EXISTING EASTLAND SHARES HELD AS AT 5.00 P.M. ON MONDAY, 17 JANUARY 2022, TOGETHER WITH UP TO 782,908,357 FREE DETACHABLE WARRANTS ON THE BASIS OF 13 WARRANTS FOR EVERY 19 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.07 PER RIGHTS SHARE

1. INTRODUCTION

On 12 October 2021, Malacca Securities had, on behalf of our Board, announced that our Company proposes to undertake a renounceable rights issue of new Shares together with free detachable Warrants, 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 our Board, announced that Bursa Securities had vide its letter dated 10 December 2021 approved the following:-

- (i) listing and quotation of up to 2,000,000,000 of Rights Shares to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities;
- (ii) 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 Rights Issue with Warrants on the Main Market of Bursa Securities; and
- (iii) 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.

The approval of Bursa Securities is subject to the following conditions:-

No.	Conditions	Status of Compliance
(i)	Eastland and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation for the Rights Issue with Warrants;	To be complied
(ii)	Malacca Securities and Eastland are required to inform Bursa Securities upon completion of the Rights Issue with Warrants;	To be complied
(iii)	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
(iv)	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 Rights Issue with Warrants is completed; and	To be complied
(v)	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

Our Board is pleased to inform that our shareholders had during our EGM held on 30 December 2021, approved the Rights Issue with Warrants.

On 3 January 2022, Malacca Securities had, on behalf of our Board, announced that our Board had resolved to fix the Issue Price at RM0.070 per Rights Share and entitlement basis of 19 Rights Shares for every 7 existing Eastland Shares held on the Entitlement Date, together with up to 782,908,357 free detachable Warrants with an Exercise Price of RM0.085 per Warrant on the basis of 13 Warrants for every 19 Rights Shares subscribed for.

On 3 January 2021, Malacca Securities had, on behalf of our Board, announced that the Entitlement Date has been fixed at 5.00 p.m. on Monday, 17 January 2022 together with other relevant important dates pertaining to the Rights Issue with Warrants.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or Malacca Securities.

You are advised to read and understand the contents of this Abridged Prospectus. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 1,144,250,677 Rights Shares on the basis of 19 Rights Shares for every 7 existing Eastland Shares held on the Entitlement Date, together with up to 782,908,357 Warrants on the basis of 13 Warrants for every 19 Rights Shares subscribed for by the Entitled Shareholders on the Entitlement Date. The Rights Issue with Warrants is intended to be undertaken on a Minimum Subscription Level to raise minimum gross proceeds of RM8.0 million.

As at LPD, our Company's issued share capital is RM140,745,334 comprising of 421,566,039 Eastland Shares. For information, our Company does not have any treasury shares or convertible securities as at LPD.

The number of Rights Shares and Warrants to be issued based on Minimum Scenario and Maximum Scenario are as follows:-

	Minimum Scenario	Maximum Scenario
Number of Rights Shares to be issued	114,285,715	1,144,250,677
Number of Warrants attached	78,195,488	782,908,357

The actual number of Rights Shares and Warrants to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration the eventual subscription level for the Rights Issue with Warrants.

The Warrants are attached to the Rights Shares without cost and will be issued only to Entitled Shareholders and/or renouncee(s) and/or transferee(s) who subscribe for the Rights Shares. The Warrants are exercisable into new Shares and each Warrant will entitle the holder of the Warrant to subscribe for 1 new Share at the Exercise Price during the Exercise Period (as defined in Section 2.5 of this Abridged Prospectus).

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. The salient terms of the Warrants are set out in Section 2.5 of this Abridged Prospectus.

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

The Rights Shares together with Warrants which are not taken up or validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by the Closing Date will be made available for Excess Application by the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s). Our Board intends to allocate the Excess Rights Shares with Warrants in a fair and equitable manner on a basis set out in Section 11.9 of this Abridged Prospectus.

As the Rights Shares and Warrants are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying them of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for the Excess Rights Shares with Warrants if Entitled Shareholders so choose to.

Only Entitled Shareholders who have a registered address in Malaysia as stated in our Record of Depositors or who have provided the Share Registrar with a registered address in Malaysia in writing by the Entitlement Date will receive the Documents. Upon allotment and issuance by our Company, the Rights Shares and Warrants will be credited directly into the respective CDS Account(s) of yourself and/or your renouncee(s) and/or transferee(s) who have successfully subscribed for the Rights Shares and Warrants. We will allot the Rights Shares and Warrants and despatch notices of allotment to successful applicants within 8 Market Days from the last day for acceptance and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

The official listing and quotation of the Rights Shares and Warrants will commence after, among others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Any dealings in our Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares and Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share certificates or warrant certificates will be issued but notices of allotment will be issued to the successful applicants.

2.2 Basis of determining and justification for the Issue Price

The Issue Price of RM0.070 was determined by our Board on 3 January 2022, 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 of Eastland Shares of RM0.0740 computed based on the 5-day VWAMP of Eastland Shares up to and including 31 December 2021, being the last Market Day immediately preceding the price-fixing date of RM0.0850.

The Issue Price of RM0.070 per Rights Share represents a discount of approximately 5.4% to the TERP of Eastland Shares of RM0.0740 computed based on the 5-day VWAMP of Eastland Shares up to and including 31 December 2021, being the last Market Day immediately preceding the price-fixing date of RM0.0850. In addition, the Issue Price of RM0.070 per Rights Share represents the following discount to the respective TERP of Eastland Shares computed based on the following VWAMP of Eastland Shares:-

	VWAMP	TERP (adjusted based on VWAMP)	Discount (i.e. Issue Price less TERP)	
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>%</i>
Up to and including 31 December 2021				
- 1-month	0.0850	0.074	0.004	5.4
- 3-month	0.0884	0.074	0.004	5.4
- 5-day	0.0998	0.078	0.008	10.3
- 6-month	0.1149	0.082	0.012	14.6
- 12-month	0.1424	0.089	0.019	21.3

(Source: Bloomberg)

2.3 Basis of determining and justification for the Exercise Price

The Warrants are attached to the Rights Shares without cost and will be issued only to our Entitled Shareholders and/or renouncee(s) and/or transferee(s) (if applicable), who subscribe for the Rights Shares.

The Exercise Price of RM0.085 per Warrant was determined by our Board after taking into consideration amongst others, the following:-

- (i) the Warrants will be issued at no cost to the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who subscribe to the Rights Shares;
- (ii) assuming the maximum scenario whereby our Group would have raised the necessary proceeds for the purposes detailed in Section 5 of this Abridged Prospectus, it would be beneficial to our 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 our Group moving forward.

The Exercise Price of RM0.085 per Warrant represents a premium of approximately 14.9% to the TERP of Eastland Shares the TERP of Eastland Shares of RM0.074, computed based on the 5-day VWAMP of Eastland Shares up to and including 31 December 2021, being the last Market Day prior to the price-fixing date of the Rights Shares.

2.4 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.

2.5 Salient terms of the Warrants

Terms	Details
Issue size	: Up to 782,908,357 Warrants
Form	: The Warrants shall be constituted by the Deed Poll.
Detachability	: The Warrants are immediately detachable upon allotment and issue of the Rights Shares. The Warrants will be traded separately.
Exercise Price	: RM0.085 per Warrant. 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.
Tenure	: 10 years commencing on and including the date of issuance of Warrants.
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.

Terms	Details
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.
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 our 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	<p>Where a resolution has been passed for a members' voluntary winding-up of our 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 our Company or the amalgamation of our Company with 1 or more companies, then:-</p> <ul style="list-style-type: none"> (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our 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 (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 our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon our Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our 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 our 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.

Terms	Details
Adjustments to the Exercise Price and/or the number of Warrants	<p>: 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 our Board in consultation with an approved adviser appointed by our Company or the auditors in the event of any alteration in the share capital of our 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.</p> <p>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.</p>
Modification	<p>: Our 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.</p>
Listing	<p>: 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.</p> <p>Approval has been 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.</p>
Governing Law	<p>: Laws of Malaysia</p>

2.6 Details of other corporate exercises

As at LPD, save for the Rights Issue with Warrants, our Board confirms that there are no other corporate exercises which have been announced and/or approved by the regulatory authorities but are pending completion. Other fund raising exercises undertaken by us which had been completed in the past 12 months preceding the LPD are as follows:-

(i) Private Placement 2021

On 15 June 2021, our Company successfully completed a private placement of 32,428,157 new Eastland 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	Actual utilisation	Balance to be utilised	Utilisation timeframe
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
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
	3,998	3,998	-	

(ii) Share Issuance 2021

On 13 August 2021, our Company successfully completed a share issuance of 64,856,312 new Eastland 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	Actual utilisation	Balance to be utilised	Utilisation timeframe
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
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	^(a) 1,278	2,722	Within 24 months
Expenses related to share issuance	175	175	-	Within 1 month
	6,868	4,146	2,722	

Note:-

- (a) The proceeds allocated for property development activities are intended to be utilised for the following projects within 24 months from the completion of the Share Issuance 2021:-

	RM'000
Bandar Tasek Raja Project	1,000
Damai Project	3,000
	4,000

As at LPD, RM364,000 had been utilised for our Bandar Tasek Raja Project and RM914,000 had been utilised for Damai Project as follows:-

	RM'000
Bandar Tasek Raja Project	
- Payment to contractor for preliminary works	169
- Payment for utilities	72
- Pledged as fixed deposit to secure bank guarantee provided by bank in favour of Tenaga Nasional Berhad*	120
- Bank charges in relation to the bank guarantee	3
	<u>364</u>
Damai Project	
- Payment to SUDC for the first entitlement upon development approval	600
- Purchase of computers and office equipment	9
- Promotion in relation to Damai Project	18
- Payment for consultation fee	287
	<u>914</u>

Note:-

- * Relates to a fixed deposit pledged to a bank to secure a bank guarantee in favour of Tenaga Nasional Berhad. The guarantee is requested by Tenaga Nasional Berhad to ensure the surrender of a portion of land and the power sub-stations for our Bandar Tasek Raja Project.

Our Group had allocated RM1.0 million proceeds from the Share Issuance 2021 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.

3. MINIMUM SUBSCRIPTION LEVEL, UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE WITH WARRANTS

Our Company intends to undertake the Rights Issue with Warrants on a Minimum Subscription Level basis to raise minimum gross proceeds of RM8.0 million. The Minimum Subscription Level has been determined by our Board after taking into consideration the minimum level of funds that our Company requires to raise from the Rights Issue with Warrants for the proposed utilisation of proceeds as set out in Section 5 of this Abridged Prospectus.

Eastland has procured an Undertaking from LV vide the Undertaking Letter dated 12 October 2021 to subscribe in full for its entitlement under the Rights Issue with Warrants and to apply and subscribe for additional Rights Shares with Warrants not subscribed by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by way of Excess Application, to the extent that the 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 with Warrants under the Undertaking and such confirmation had been verified by Malacca Securities, being the Principal Adviser for the Rights Issue with Warrants.

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

	Rights Shares with Warrants to be subscribed pursuant to the Undertaking			Excess Application		
	Rights Entitlement					
As at LPD	No. of Shares	(a) (%)	No. of Rights Shares	(b) (%)	No. of Warrants	(b) (%)
LV	14,044,000	3.3	38,119,428	33.4	26,081,713	33.4
					76,166,287	66.6
					52,113,775	66.6
Rights Shares with Warrants to be subscribed pursuant to the Undertaking						
Total Undertaking			Shareholdings after Rights Issue with Warrants			
			Number of Shares held after Rights Issue with Warrants		Number of Shares held after Rights Issue with Warrants and assuming full exercise of Warrants	
No. of Rights Shares	(b) (%)	No. of Warrants	(b) (%)	No. of Rights Shares	(c) (%)	(d) (%)
LV	114,285,715	100.0	78,195,488	100.0	128,329,715	23.9
					206,525,203	33.6

Notes:-

- (a) Based on 421,566,039 issued Shares as at LPD.
- (b) Based on 114,285,715 Rights Shares and 78,195,488 of Warrants to be issued under Minimum Scenario.
- (c) Based on 535,851,754 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario.
- (d) Based on 614,047,242 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario and assuming full exercise of Warrants.

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

Pursuant to Paragraph 6.18(4) of the Listing Requirements and Section 243(2) of the CMSA, 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 for any reason, our Company will not proceed with the implementation of the Rights Issue with Warrants.

All subscription monies received pursuant to the Rights Issue with Warrants will be returned without interest in respect of any application for the subscription of the Rights Shares with Warrants including the Excess Rights Shares with Warrants within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 243(2) of the CMSA.

In the event that no other shareholders (save for LV) subscribe for the Rights Shares with Warrants, LV and Dato' Lee shareholdings in Eastland will increase from 3.3% to 23.9% as follows:-

	No. of Shares as at LPD		No. of Shares after the Rights Issue with Warrants under Minimum Scenario		No. of Shares after the Rights Issue with Warrants under Minimum Scenario and full exercise of Warrants	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	(a)	(a)	(b)	(b)	(c)	(c)
	(%)	(%)	(%)	(%)	(%)	(%)
LV	14,044,000	3.3	-	-	128,329,715	23.9
Dato' Lee	-	-	14,044,000 ^(d)	3.3	-	-
					206,525,203	33.6
					-	-
					206,525,203 ^(d)	33.6

Notes:-

- Based on 421,566,039 issued Shares as at LPD.
- Based on 535,851,754 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario.
- Based on 614,047,242 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario and assuming full exercise of Warrants.
- 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 with Warrants, to which all Eastland Shareholders are similarly entitled. Should all Eastland shareholders subscribe for their respective entitlement for the Rights Shares with Warrants, the collective shareholdings of LV and Dato' Lee in Eastland shall remain the same at 3.3% upon completion of the Rights Issue with Warrants. LV, Dato' Lee and persons acting in concert with them will observe their obligations under the Rules in subscribing for their entitlements and excess Rights Shares with Warrants, including the exercise of their Warrants.

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 with Warrants as he is still exploring his financing options required to subscribe for his entitlement and/or excess Rights Shares with Warrants. The extent of his subscription for his entitlement and/or excess Rights Shares with Warrants can only be determined once he finalises the required funding. LCK will observe his obligation under the Rules in subscribing for his entitlement and excess Rights Shares with Warrants, including the exercise of his Warrants.

The proforma public shareholding spread under the Minimum Scenario is illustrated as follows:

	Existing		Minimum Scenario			
	As at LPD		After Rights Issue with Warrants		After Rights Issue with Warrants and Exercise of Warrants	
	Number of Shares	(a) (%)	Number of Shares	(b) (%)	Number of Shares	(c) (%)
Issued share capital	421,566,039	100.0	535,851,754	100.0	614,047,242	100.0
Less:						
Directors, substantial shareholders and their associates	57,655,128	13.7	171,940,843	32.1	250,136,331	40.7
Public shareholding spread	363,910,911	86.3	363,910,911	67.9	363,910,911	59.3

Notes:-

- (a) Based on 421,566,039 issued Shares as at LPD.
- (b) Based on 535,851,754 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario.
- (c) Based on 614,047,242 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario and assuming full exercise of Warrants.

Under the Minimum Scenario, the changes in the shareholdings of the Directors, substantial shareholders and their associates our Company will result in a decrease in the public shareholding spread from 86.3% to 67.9%. However, our Company will still be in compliance with the public shareholding spread requirement as stipulated in Paragraph 8.02(1) of the Listing Requirements.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable our Company to raise funds for the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

The proceeds from the Rights Issue with Warrants are intended to repay up to RM40.0 million of our Group's bank borrowings. Our Board is of the opinion that the Rights Issue with Warrants will reduce the interest expenses of our Group by approximately RM2.60 million moving forward, and substantially reduce our Group's borrowings and liabilities. The lower gearing ratio (as at 30 September 2021: 0.73 times; after Rights Issue with Warrants: 0.10 times) will also enable our Group to regear again in the future, should the need arise. The reduction of our Group's gearing from the proceeds of the Rights Issue with Warrants (based on the Minimum Subscription Level) and the surplus to be raised, if any, will enable our Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.

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

After due consideration of the various options available, our Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for our 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 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 our Company on a pro-rata basis; and
- (iv) it will enable our 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 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 our Company at the Exercise Price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of our Company as and when the Warrants are exercised. The exercise of the Warrants in the future will allow our Company to obtain additional funds without incurring additional interest expenses from borrowings.

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

As at LPD, our 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.

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

- (i) Our 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.

Our Group proposes to develop our 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> RM'000	<u>Status of Construction Work</u>	<u>Launched</u>	<u>No. of Units Sold</u> Units	<u>No. of Units Unsold</u> Units
Phase 1					
112 units of shop lots	42,300	Completed in 2016	29 September 2011	97	15

Description	GDV RM'000	Status of Construction Work	Launched	No. of Units Sold Units	No. of Units Unsold Units
Phase 2					
(a)(i) 14 units of shop lots	10,700	Expected to be completed in 4 th quarter of 2022	5 – 6 January 2017	8	6
(a)(ii) 16 units of shop lots	11,600	On hold		-	16
(b) 124 units of shop lots	102,200	On hold		-	124
Total	166,800			105	161

Note:-

* As at LPD, our 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 RM'000	Phase 2a RM'000	Phase 2b RM'000
(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
Total GDC	34,600	28,300	111,000

In view of the COVID-19 pandemic, banks' cautious stance on providing end-financing for certain property sectors and to manage our Group's cash flow, our 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, our Board will consider, amongst others, the property market sentiment and the financial position of our 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 our Group is of the view that the overall property market condition in Kelantan has yet to recover. Our Group will continue to monitor the property market condition and in the event our 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 fund raising.

For Phase 2b, Eastland had written down its inventory to net realisable value for an amount of RM43.9 million for the 18-months FPE 30 June 2021, pursuant to our Board's decision not to develop the 124 plots of land under Phase 2b ("**Phase 2b Land**") after considering our Group's effort to develop and sell the project for the past 11 years. Our Group 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 our Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required) as and when our Company has entered into any agreement for the disposal.

Notwithstanding the above, our Board is continuously identifying new opportunities for development projects to provide our Group with new income streams. Our 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. Our 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. 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.

Our Group had conducted an internal assessment as to the feasibility of the Damai Project and our Board is of the view that, with careful planning and constant assessment of the property market, the Damai Project should contribute positively towards our Group's performance. Depending on the overall cashflow requirements at the material time, our Group may fund the development cost of our Damai Project via internally generated funds and/or bank borrowings.

On 8 February 2021, our Company has announced that FBO was informed by IWSB that the development plan for our 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 Rights Issue with Warrants are insufficient for the repayment of the Damai Consideration, HS Capital Management Sdn Bhd had in principle, vide its letter dated 13 December 2021, agreed for the payment period to be extended until our Group obtains sufficient amount from internally generated funds and/or financing from financial institutions.

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

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

- (ii) For the hospitality segment, our Group operates the 298-room The Grand Renai Hotel located along Jalan Sultan Yahya Petra, Kota Bharu, Kelantan. Our 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. Our hotel's sales team had since initiated various forms of connecting via social media to advertise and promote to create brand awareness of our hotel including amongst others, via social media websites, bloggers and food tasting and review sessions. We also carried out cost saving initiatives such as revisiting our suppliers and raw materials tender process.

In addition, our 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 of the hotel as appraised by the valuer. For information, in valuing the hotel, the valuer had adopted an income approach taking into consideration a lower income stream to be derived from our hotel as a result of the MCO resulting in the impairment. Following the impairment, our Group's hospitality segment is expected to operate at lower asset value and depreciation which will in turn improve the financial performance of our Group moving forward.

Our 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 our Group had identified a strategy to lease its hotel rooms on a long-term basis over a pre-determined term. Our Group had recently secured a 12-month lease for 50 units of hotel rooms and a ballroom. Under the lease, the rooms and the ballroom will be leased to the client for a fixed lease payment of RM600,000 per month. The management believes that such leases will enable our Group to generate more stable cash flows from its hotel operations.

Our Group has also allocated approximately RM2.0 million from its existing funds (to be funded through bank borrowings and/or internally generated funds) for the purpose of refurbishment of its hotel. Our Group had since commenced the refurbishment of the hotel and expects the refurbishment to be implemented in stages and completed by the 2nd quarter of 2022. Our Group hopes that upon completion of the refurbishment, the hotel may attract leisure customers as well as business-travel segment customers.

- (iii) For the investment properties segment, in view of the COVID-19 pandemic which saw termination of 6 tenants, the mall's average occupancy rate had decreased from 93% during the FYE 31 December 2019 to 81% for the 18-months FPE 30 June 2021. To mitigate the impact of loss of tenant, our Group had reduced the rental to support and retain key tenants with good payment track record. As a result, the mall's average rental rate had reduced from approximately RM1.10 per square foot in FYE 31 December 2019 to approximately RM0.90 per square foot in FYE 31 June 2021. Since the upliftment of the MCO in Kelantan in mid May 2021, the mall has seen an increase in footfall by approximately 202% from mid May 2021 to December 2021. In addition, our Group is also actively looking out for new tenants to fill up existing vacancies by offering attractive rental rates for the initial period.
- (iv) In view of the increasingly challenging property market, our Group will continue to seek and explore non-property related business opportunities that would contribute positively towards our Group's financial performance. Our 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, our Board has yet to identify any new business opportunities and will be open to consider an investment in any industry. Our Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required) as and when our Company has entered into any agreements for new business opportunities.
- (v) The proceeds from the Rights Issue with Warrants are proposed to be utilised by our Group for the repayment of up to RM40.0 million bank borrowing. Based on our Group's bank borrowings effective interest rate of 6.47% to 6.97% per annum, our Group will derive interest savings of approximately RM2.60 million per annum from the repayment of bank borrowings. For avoidance of doubt, the aforementioned repayment of bank borrowings will not result in early repayment penalty to our Group.

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5. UTILISATION OF GROSS PROCEEDS

5.1 Gross proceeds from Rights Issue with Warrants

The gross proceeds to be raised from the Rights Issue with Warrants are envisaged to be utilised for the following purposes:-

Details of Utilisation	Note	Timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000
Repayment of bank borrowings	i	Within 1 year	7,300	40,000
Repayment of advances owing to LCK	ii	Within 1 month	-	12,440
Repayment of advances owing to Datuk Melvinyeo	iii	Within 1 month	-	2,420
Payment of Damai Consideration	iv	Within 1 month	-	8,000
General working capital	v	Within 1 year	-	2,538
Business opportunities	vi	Within 2 years	-	14,000
Estimated expenses for the Rights Issue with Warrants	vii	Upon completion	700	700
Total			8,000	80,098

Notes:-

- (i) As at LPD, our Group has total outstanding borrowings (including RM0.27 million hire purchase) of approximately RM57.5 million.

The repayment of bank borrowings under the Minimum Scenario is expected to result in interest savings of approximately RM0.47 million per annum based on weighted average interest rate of which is approximately 6.47%.

The repayment of bank borrowings under the Maximum Scenario is expected to result in interest savings of approximately RM2.60 million per annum based on weighted average interest rate of which is approximately 6.47%.

Facilities	Maturity Date	Outstanding amount as at LPD RM'000	Proposed Repayment		Interest rate %
			Minimum Scenario RM'000	Maximum Scenario RM'000	
Business financing-I 1	December 2022	86	-	86	6.47
Business financing-I 2	July 2028	11,852	-	11,852	6.47
Business financing-I 3	July 2037	17,308	-	17,308	6.47
Business financing-I 4	October 2031	20,669	-	3,454	6.97
Business cashline-I (overdrafts)	Not applicable	7,295	7,300	7,300	6.47
Total		57,210	7,300	40,000	

The repayment of the aforementioned facilities in accordance with the order of priority as set out above was determined after considering amongst others, the date the respective facilities were first drawn down. The aforementioned facilities were granted to our Group for the following purposes:-

- (a) Business financing-I 1 : To refinance the previous facility for The Grand Renai Hotel
- (b) Business financing-I 2 : To finance the development expenses of Phase 2 of our Bandar Tasek Raja Project
- (c) Business financing-I 3 : To repay the loan facilities held by FBO Leasing Sdn Bhd, a previous subsidiary of our Group pursuant to the corporate guarantee provided in favour of the loan facilities
- (d) Business financing-I 4 : To restructure RM20.0 million business cashline-I (overdrafts) facility into term loan
- (e) Business cashline-I (overdrafts) : To finance the development expenses of Phase 2 of our Bandar Tasek Raja project and working capital of the Group

Save for drawdown from the business cashline-I (overdrafts) facility of an aggregate of RM2.37 million over the period from 1 January 2021 to 31 December 2021, which were utilised for amongst others, payment of staff costs, professional fees, operating expenses and monthly instalment for the business cashline-I facility, our Group had not incurred any other indebtedness in the last 12 months up to 31 December 2021.

For information, the minimum proceeds of RM7.30 million earmarked for the repayment of bank borrowings is sufficient for our Group to address its monthly term loan repayment up to April 2023, being approximately 15 months from the completion of the 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 Scenario and Maximum Scenario respectively, such excess will be utilised for the general working capital of our Group.

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

Date	RM'000
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
Total LCK Debt	12,440

For your information, the aforementioned advances from LCK are non-interest bearing and repayable on demand.

Notes:-

- * On 25 January 2018, our 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 our Bandar Tasek Raja Project. Subsequently, the buyer had vide a letter dated 22 November 2018, terminated the transaction as our 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 our 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 our Group was recognised as advances from LCK.

- [^] On 23 January 2020, our Group received a letter of intent from a solicitor representing an interested party to acquire 3 units shop lots in Bandar Tasek Raja Project for RM1.80 million. Subsequently on 29 January 2020, our 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 our Group had already utilised the RM1.00 million for working capital purposes and repayment of bank borrowings, our 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 our 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 our Group since January 2018 and such amount received by our Group were utilised for the following:-

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

Notes:-

- (a) RM1.94 million, RM1.73 million and RM0.06 million were utilised to repay our Group's business financing-i (term loan), business cashline-i (overdrafts) and hire purchase facility respectively.

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

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

Notes:-

- (aa) Payment for staff costs included staff salary, Directors' remuneration and contributions to the Employees Provident Fund and the Social Security Organisation. Directors' 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 our Group to Datuk Melvinyeo, former executive director of our Company (resigned on 18 July 2018), amounted to RM2.42 million ("**Datuk Melvinyeo Debt**"). The advances were made to our Group since September 2017 as follows:-

Date	RM'000
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
Total Datuk Melvinyeo Debt	2,420

For your information, the aforementioned Datuk Melvinyeo Debt are non-interest bearing and repayable on demand.

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

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

Notes:-

- (a) RM0.24 million, RM0.16 million and RM0.17 million were utilised to repay our Group's business financing-i (term loan), business cashline-i (overdrafts) and marginal deposits respectively.
- (b) The breakdown for payment for working capital are as follows:-

Details	RM'000
Staff cost	^(aa) 503
Professional fees	^(bb) 136
Other operating expenses	^(cc) 1,211
Total	1,850

Notes:-

- (aa) Payment for staff costs included staff salary, Directors' remuneration and contributions to the Employees Provident Fund and the Social Security Organisation. Directors' 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) Our 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. 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. Further details of our Damai Project are set out in Section 4.1 of this Abridged Prospectus.

On 8 February 2021, our Company has announced that FBO was informed by IWSB that the development plan for our Damai Project has been issued to IWSB by Dewan Bandaraya Kota Kinabalu on 11 December 2020. 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 Rights Issue with Warrants are insufficient for the repayment of the Damai Consideration, HS Capital Management Sdn Bhd (the holding company of IWSB) had in principle, vide its letter dated 13 December 2021, agreed for the payment period to be extended until our Group obtains sufficient amount from internally generated funds and/or financing from financial institutions.

- (v) The RM2.54 million proceeds earmarked for the general working capital of our Group is intended to be utilised as follows:-

	<u>%</u>	<u>RM'000</u>
(a) Staff costs which include staff salary, Directors' remuneration and contributions to the Employees Provident Fund and the Social Security Organisation, and deductions to be paid to the Inland Revenue Board	75	* 1,904
(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	304
(c) Compliance expenses such as audit (internal & external), company secretary, share registrar, taxation, legal, listing, and corporate advisers,	13	330
	<u>100</u>	<u>2,538</u>

Note:-

- * RM0.14 million has been earmarked for Directors' remuneration, being approximately 6% of the proceeds earmarked for the general working capital of our Group.

- (vi) Our Company intends to utilise RM14.00 million for business developments. As at LPD, our Company is in the midst of identifying viable business opportunities that could further improve the financial performance of our Group. Such business opportunities may be property related, such as new development projects to provide our 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 our Group's existing businesses and that could contribute positively towards our Group's financial performance. Our Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required) as and when our Company has identified such opportunities.
- (vii) The breakdown of the estimated expenses for the Rights Issue with Warrants is illustrated below:-

Estimated expenses	RM'000
Professional fees	^(a) 484
Fees to relevant authorities	97
Printing, despatch, meeting expenses and miscellaneous expenses	119
Total	700

In the event the estimated expenses for the Rights Issue with Warrants in excess of RM0.7 million, it will be funded via internally generated funds.

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:-

- estimated expenses for the Rights Issue with Warrants;
- repayment of bank borrowings;
- payment of Damai Consideration;
- repayment of advances owing to LCK;
- repayment of advances owing to Datuk Melvinyeo;
- general working capital of our Group; and
- business opportunities.

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

5.2 Gross proceeds from exercise of Warrants

The quantum of proceeds that may be received by our 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.

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

Proposed utilisation	Notes	% of proceeds received
Business opportunities	(i)	70%
Working capital	(ii)	30%

Notes:-

- (i) Our Company intends to utilise part of the proceeds for business development. As at LPD, our Company is in the midst of identifying viable business opportunities that could further improve the financial performance of our Group. Such business opportunities may be property related, such as new development projects to provide our 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 our Group's existing businesses and that could contribute positively towards our Group's financial performance. Our Company will make the necessary announcement(s) in accordance with the Listing Requirements and seek shareholders' approval (if required) as and when our Company identifies such opportunities.
- (ii) The proceeds allocated for working capital are proposed to be utilised to finance the day-to-day operations of our 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 our Group's working capital requirements at that relevant point in time. Nonetheless, our Company proposes to utilise such proceeds received in the following manner:-

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

As the quantum and timing of proceeds could not be ascertained at this juncture, our Company intends to utilise the proceeds to be received from the exercise of the Warrants proportionately in accordance with the aforementioned allocated percentage.

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 our Board deems fit. Our Company proposes to utilise such interest/profits arising from the deposits/financial instruments for our Group's working capital purposes as stated in note (ii) above over a period of 24 months from the date of receipt of the proceeds.

6. RISK FACTORS

In addition to the other information contained in this Abridged Prospectus, you should carefully consider the following risk factors, which may have an impact on the future performance of our Group, before subscribing for or investing in the Rights Shares with Warrants:-

6.1 Risk relating to our Group's business generally

6.1.1 Risk from the COVID-19 pandemic

Since March 2020, lockdown or similar measures have been imposed by the government of Malaysia to curb the spread of COVID-19. These have had an adverse impact to the performance of the Malaysian economy. Our Group's businesses in the hospitality, investment properties and property development segments had been affected by the COVID-19 pandemic and the imposition of MCO.

The hospitality industry was one of the hardest-hit sectors following the outbreak of the COVID-19 pandemic and the imposition of restrictions on international and domestic travel. With tourism (being the main driver of the hospitality business) halted abruptly for an unprecedented long period, the business operations and financial performance of most hotel operators were severely impacted with a major slump in their occupancy rate and revenue.

The challenges of COVID-19 pandemic and the restrictions from the MCO had adversely affected The Grand Renai Hotel's business. The Grand Renai Hotel achieved an average occupancy rate of 29% for the 18-months FPE 30 June 2021 (FYE 31 December 2019: 39%) and coupled with the lower average room rate for the 18-months FPE 30 June 2021 as compared to FYE 31 December 2019, this resulted in lower annualised sales revenue and profit. For information, the annualised revenue from our hotel business for the 18-months FPE 30 June 2021 of RM8.8 million is approximately 29% lower than the revenue for the FYE 31 December 2019 of RM12.5 million.

Our 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. For information, the annualised revenue from our mall business for the 18-months FPE 30 June 2021 of RM2.8 million is approximately 24% lower than the revenue for the FYE 31 December 2019 of RM3.7 million.

The imposition of the MCO by the government of Malaysia had also resulted in a temporary halt in construction activities across the property development / construction industry. This had resulted in a delay in the progress of our Group's project, namely Phase 2a of our Bandar Tasek Raja Project.

With the mass distribution of vaccines throughout Malaysia, the Government had gradually relaxed such lockdown measures and reopened inter-state travel. Since then, our Group's hospitality and investment properties segments had observed increased activities. For the hospitality segment, the occupancy rate at The Grand Renai Hotel had recorded an improved average occupancy rate of 61% in October 2021, 62% in November 2021 and 80% in December 2021 (18-months FPE 30 June 2021: 29%). For the investment properties segment, our Group's mall had seen an increased footfall of approximately 202% since the upliftment of the MCO in Kelantan in mid May 2021 up to December 2021. For the property development segment, our Group had also mobilised contractors to the site for the necessary preparation to commence works on the Bandar Tasek Raja Project. Notwithstanding the improvement, the dampening effects of the COVID-19 pandemic on consumer spending and the economy as a whole is expected to remain in the foreseeable future.

The COVID-19 pandemic and any new movement restrictions that may be imposed by the government of Malaysia may have additional material adverse impact on the market conditions and industries in which our Group operates. If the COVID-19 pandemic continues over a prolonged period, it may materially affect our Group's anticipated growth in our existing businesses as well as future businesses due to the restrictions and challenges in carrying out business operations as a result of the COVID-19 pandemic, which in turn could adversely affect the results of our Group's operations, financial performance and profitability. Other strains/waves of COVID-19 cases in the future may result in the reintroduction of strict lockdown measures by the relevant authorities. In turn, this may affect the business and financial performance of our Group's business operations.

6.1.2 Dependence on key management team and skilled employees

Our Group's primary business segments comprise hospitality, investment properties and property development. To a large extent, the business direction and the growth of our Group is dependent on the expertise and capabilities of our key management, which include our Managing Director (Lee Chee Kiang), Executive Directors (Dato' Lee Wai Mun, Tan Chin Hong and Phang Kiew Lim) and other key management personnel. The loss of the services of our key management personnel without suitable and timely replacement of any such key management personnel may adversely affect our Group's business operations.

Our Group's success also depends on our ability to hire, train and retain qualified and competent personnel. The process of identifying personnel with the combination of experience, capabilities and characteristics required to carry out our Group's strategies and business direction can be difficult, time consuming and expensive.

There may be a material adverse impact on our Group's business and financial performance in the event we are unable to successfully retain our Group's key management personnel and/or recruit suitable candidates to replace any such key management personnel in the future.

6.1.3 Risk of impairment of assets

Our Group is subject to the risk of impairment of our assets in the course of our operations. Impairment loss is required to be recorded in our Group's accounts when the carrying value of our assets exceeds its net realisable value/fair value. The difference between the carrying amount and net realisable amount/fair value is recognised as an impairment loss in the Statement of Comprehensive Income. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the 18-months FPE 30 June 2021, our Group recorded the following impairment losses:-

- (a) RM27.3 million fair value loss in hotel building in property, plant and equipment, and RM20.0 million fair value loss in the investment properties pursuant to a valuation performed by valuer on 8 August 2021; and
- (b) RM43.9 million write down in property development costs in inventories to net realisable value following our Company's decision to put up the remaining land in Bandar Tasek Raja Project for sale instead of developing it.

While our Group will closely monitor the net realisable value of our inventories and fair value of our investment properties and property, plant and equipment, our Group may continue to be exposed to the risk of further impairment losses in the future.

6.1.4 Interest rate risks

As at LPD our Group has total outstanding borrowings (includes hire purchase) of approximately RM57.5 million with interest rates ranging from 6.47% to 6.97%. Any adverse movements in interest rates could lead to higher borrowing costs which will have adverse impact on our Group's profitability.

Our credit facilities also contain covenants which limit our Group's operating and financing flexibility as certain plans and/or proposals may be restricted or require the consent of the relevant financial institutions. A breach of the credit facilities' covenants may result in termination of the relevant credit facility which could reduce our working capital and thereby, adversely affecting our operations.

6.1.5 Political, economic and regulatory risks

Any adverse developments in the political, economic and regulatory conditions in Malaysia, could materially and adversely affect our Group's business, financial performance, and prospects. Political and economic uncertainties include but are not limited to, changes in labour laws, availability of labour, a switch in political leadership and/or changes in the government's policies, interest rates, methods of taxation, monetary and fiscal policy and licensing regulations and economic downturn. These factors are generally beyond the management's control.

6.2 Risk relating to our Group's hospitality segment

6.2.1 Competition risk

Our Group's hospitality segment faces competition from other hotel operators and providers of homestay and vacation homes. The demand for our hotel would be dependent on various factors including but not limited to pricing, location and attractiveness of our rooms. To encourage demand for our rooms, our Group had allocated RM2.0 million from internally generated funds for the purpose of refurbishment of The Grand Renai Hotel. We may also have to improve our room packages to attract customers and this could involve a price reduction for our room packages. Whilst such efforts are done in anticipation of better demand for our room packages, there can be no assurance that our hospitality segment will be able to compete against current and future competitors. Such competition may adversely affect the business, operations, results or financial condition of our Group's hospitality segment.

6.2.2 Dependence on major customer and suppliers

Our hotel business is largely dependent on the presence of corporate clients. Our Group formed good relationship with corporate clients and some of these corporate clients have been using our services for a number of years. In addition, our Group had in November 2021, secured a 12-month lease for 50 units of its hotel rooms.

Notwithstanding the above, there can be no assurance that such relationship may continue as such relationship may depend on the prevailing market condition and the availability of other alternative hotels/accommodations. In the event the clients decide to cease procuring our services, this will materially affect our Group's operating results and financial conditions.

6.2.3 Operation risk

The business operations of our hospitality segment may be interrupted or otherwise affected by a variety of unforeseen events, including but not limited to, the breakout of fire, flood, natural disaster, pandemic, political instability and act of terrorism. These risks are unpredictable and cannot be fully predicted such as natural disasters, outbreak of virus, act of war and political unrest in the areas where our hotels are located.

For the past 3 financial years, save for the COVID-19 pandemic, our hospitality segment had not been affected by any of the aforementioned unforeseen events. Moving forward, there is no assurance that the operations of our Group will not be adversely affected or interrupted by the occurrence of the above.

6.2.4 Reputation Risk

Our good market reputation is a core asset in sustaining our hotel operations throughout the years. Our management is of the view that our Group had created a certain degree of brand loyalty in the market whereby our customers often associate our name with quality when selecting a hotel for either business or vacation purposes. Accordingly, any adverse publicity on our brand name could adversely affect our reputation in the market and hence our profit and operations.

6.3 Risk relating to our Group's investment properties segment

6.3.1 Competition risk

Our Group's investment properties segment faces competition from existing and new office buildings and/or retail properties in Kelantan which may lure away our existing and/or prospective tenants. The appeal and attractiveness of our properties may decrease in the future, especially if new shopping centres are built and/or existing properties undergo upgrading and our mall fails to keep pace.

Whenever competing office buildings and/or retail properties in Kelantan are developed or substantially upgraded and refurbished, the attractiveness of our Kota Sri Mutiara Shopping Complex to our existing and/or prospective tenants may be affected. We may have to improve our leasing packages to attract tenants and this could have a reduction in the lease rental of our shopping complex or an increase in cost of sales. These efforts could have an adverse impact on our Group's profitability.

Our mall also faces continuous changing customer preferences and increasing competition from alternative forms of retailing, such as internet shopping and telemarketing. As a result, our ability to attract tenants and shoppers may be adversely affected.

6.3.2 Non-renewal of expiring tenancy agreements and loss of key tenants

Currently, our tenancy agreements for our retail properties are typically for terms up to 3 years. Our investment properties segment's performance may be adversely affected by the bankruptcy and/or insolvency of tenants or downturn in the business of our key tenants, including the decision by such tenants not to renew their tenancy agreements or to terminate their tenancy agreement prior to the expiry of their tenancies, which may adversely affect our Group's profitability.

In addition, our investment properties segment is also susceptible to fluctuations in occupancy and rental rates which, in a declining market condition, may lead to higher vacancies and lower rental income and may adversely impact our Group's profitability.

Further, in the event that any key tenants of our properties are unable to pay their rent or breach their obligations under the tenancy agreements, our Group's financial condition and results of operations may be adversely affected. The performance of the key tenants' other businesses could also have an impact on their ability to make rental payments to our Company. The departure of key tenants could also impact the interests of potential and existing tenants in our properties as well.

Factors that may affect the ability of such key tenants to meet their obligations include, but are not limited to:-

- (i) general economic conditions;
- (ii) their operating results;
- (iii) the local economies in which they have business operations; and
- (iv) the ability of such key tenants to compete with their competitors.

6.3.3 Risk of physical damage to our investment properties that may disrupt the business and operations of the investment properties

The quality and design of our properties have a direct influence over the demand for space in, and the rental rates of our investment properties. Our properties may need to undergo renovation, upgrading, development, redevelopment or asset enhancement programmes from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining retail properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the buildings age. In addition, our properties may be required to undergo rectification works to comply with local regulatory requirements. The business and operations of our properties may suffer some disruption and it may not be possible to collect any rental payment in full, or at all, on space affected by such renovation or redevelopment works. Any inconvenience caused may also potentially lower shopper traffic.

For the past 3 financial years, our Group's investment properties had not undergone any renovation, upgrading, development, redevelopment or asset enhancement programmes which had caused a disruption to the business and operations of our investment properties.

In addition, physical damage to our properties resulting from fire or other causes may lead to a significant disruption to the business and operation of our properties and, together with the foregoing, may impose unbudgeted costs on our Group and result in an adverse impact on the financial condition and results of operations of our Group.

6.3.4 Risk of significant capital expenditure

Our Group may require significant capital expenditure beyond the current estimation. We may not be able to fund capital improvements solely from cash derived from our operating activities or obtain additional equity or debt financing on favourable terms or at all. If we are not able to procure such financing, we may be unable to refurbish, renovate or improve our properties which may adversely affect rental negotiations and rental rates. In addition, we may also require additional debt and equity financing to fund future expansion, operational needs and debt service payments. Without the required funding, we may not be able to sufficiently fund capital improvements, carry out our operations effectively or respond to competitive pressures.

6.4 Risk relating to our Group's property development segment

6.4.1 Dependence on the performance of the property market

The performance of our property development segment is dependent on the performance of the property market in Malaysia. The performance of the property market is affected by amongst others, the supply and demand of properties, economic growth rate, interest rates, inflation as well as introduction of regulatory measures to curb speculative investments in the property market in Malaysia. Other factors beyond our control such as changes in political, economic and social developments in Malaysia or sudden outbreak of disease (i.e. the COVID-19 pandemic) may also have an impact on the property market condition.

The softening of the property market and the dampened consumer sentiment due to the COVID-19 pandemic has forced our Group to put on hold the development of our Bandar Tasek Raja Project and delay the launching of its projects as our Group may not be able to achieve sufficient take-up rate if the projects are to be launched under this current economic situation. Moving forward, our property development segment's financial performance will be driven by the performance of our Bandar Tasek Raja Project and Damai Project.

In addition, consumers may also feel uncertain over whether the construction of the projects can be completed in a timely manner in view of the stringent standard operation procedures being imposed as well as the temporary suspension of construction activities being imposed from time to time during relevant stages of the MCO.

Any further deterioration in consumer sentiment or softening of the property market may lead to continued delay in the launching of our Group's projects. Alternatively, our Group may be required to recalibrate or revise the development plans of some of its projects to adjust and cater for the weaker market sentiment. In turn, this may result in longer payback period and/or lower profit margins for our Group's projects.

There is no assurance that this will lead to an immediate improvement in consumer sentiments and performance of property market even after the COVID-19 outbreak has been contained and MCO measures are relaxed. Even if there is an improvement in consumer sentiment and performance of the property market, there is no assurance that this will contribute positively to the take-up rate of our Group's property development projects.

6.4.2 Delay in completion

Our Group has an on-going property development project, namely the Bandar Tasek Raja Project (a commercial property development) in Pasir Mas, Kelantan (as detailed in Section 4.1 of this Abridged Prospectus) as well as the recently acquired Damai Project in Kota Kinabalu, Sabah (as detailed in Section 4.1 of this Abridged Prospectus). Timely completion and hand-over of our property projects is critical in ensuring the costs are contained and our Group's reputation is safeguarded.

However, there could be delay in completion of our projects due to, amongst others, restrictions imposed by the Government to curb the outbreak of COVID-19 (i.e. temporary suspension of construction activities during MCO), force majeure, shortage of construction materials and labour, adverse weather conditions, unsatisfactory performance of contractors appointed for projects, delays in obtaining the necessary approvals from local authorities and major changes in government/local authorities' approval policies.

If any of the abovementioned circumstances occur for a prolonged period, our Group's financial performance could be adversely affected as a result of lower revenue due to damaged reputation or higher costs arising from, amongst others, liquidated ascertained damages payables to buyers and higher material costs and labour costs.

For information, our Group had recognised a provision for liquidated ascertained damages of RM481,274 in the 18-month FPE 30 June 2021.

6.4.3 Competition risk

Our Group's property development segment faces competition from other property developers who may have more favourable reputation, as well as new entrants to the market. The demand for our properties would be dependent on various factors including but not limited to pricing, location, design and quality of properties and facilities and supporting infrastructure of the properties. The property market is highly competitive and any oversupply of properties and/or low take-up rate of new property launches due to mismatch in supply and demand, economic downturn and unfavourable market conditions, will intensify the level of competition.

There is no assurance that our Group will be able to successfully compete with these competitors and that competitive pressure will not have a material adverse effect on our Group's business operations and/or financial conditions.

6.4.4 Property overhang risk

Our Group faces the risk of property overhang, commonly caused by oversupply and low demand for similar properties and other factors such as economic downturns and unfavourable financial conditions. Property overhang may occur at the time of completion of our property development projects in the future. This would affect the sale and rental of our Group's properties and in turn affect our Group's financial performance.

While we closely monitor developments in the property market, undertake market studies prior to finalisation of any property development project and offer promotional incentives when appropriate, the occurrence of property overhang in the future may be prevalent and there can be no assurance that the occurrence of property overhang will not materially and adversely impact our Group's financial performance.

6.4.5 Dependence on third party contractors

Our Group appoints and engages third party main contractors and/or sub-contractors to undertake construction, piling, foundation, infrastructure and landscaping work for our projects. The performance and profitability of our projects are dependent on the quality, pricing, performance and reliability of the third party contractors appointed to carry out the projects.

Although our Group is not dependent on any single third party contractor, any sub-standard performance of the third party contractors could result in delay in project completion, higher construction cost, labour cost and building material cost which could have adverse impact on our Group's profitability.

6.5 Risk relating to the Rights Issue with Warrants

6.5.1 Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The price of our Company's securities will be influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates, outlook of the industry in which our Company operates in and our financial performance.

In view of the above, there can be no assurance that the Rights Shares and any new Shares issued pursuant to the exercise of the Warrants will trade at or above the TERP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue with Warrants.

The Warrants are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be “in-the-money” during the exercise period.

Accordingly, there is no assurance that the market price of the Warrants will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants.

6.5.2 Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants is intended to be undertaken on Minimum Subscription Level. In this respect, our Company has procured the Undertaking from our shareholder, LV (as detailed in Section 3 of this Abridged Prospectus) to meet the Minimum Subscription Level, and has not procured any underwriting arrangement. As such, the successful implementation of the Rights Issue with Warrants is dependent upon the fulfilment of Undertaking by LV.

The Rights Issue with Warrants is also exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, resurgence of COVID-19 cases and emergence of variants or any change in law, regulation, policy or ruling), which is beyond the control of our Company and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants. In the event the Rights Shares and Warrants have been allotted to the successful Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) and the Rights Issue with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of the Shareholders by way of a special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by the Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue with Warrants cannot be implemented or completed for any reason, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares with Warrants including the Excess Rights Shares with Warrants within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 245(7) of the CMSA.

6.5.3 Potential dilution

The Entitled Shareholders who do not or are unable to subscribe fully for their entitlement pursuant to the Rights Issue with Warrants will have their proportionate percentage of shareholdings and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or, allotment that our Company may make after completion of the Rights Issue with Warrants will correspondingly be diluted.

6.6 Risk relating to forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions and estimates made by our Company, unless stated otherwise, and although our Board believes these forward-looking statements to be reasonable, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include but are not limited to the risk factors set out in this Abridged Prospectus.

In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 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%.¹⁶ 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)

7.2 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)

7.3 Prospects of our Group

Our 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.

Our 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 our Group's operations as a whole.

The reopening of inter-state travel had improved the occupancy rate of The Grand Renai Hotel as the hotel had recorded an improved average occupancy rate of 61% in October 2021, 62% in November 2021 and 64% in December 2021 respectively.

In respect of our Group's mall, the mall has seen an increase in footfall of approximately 202% since the upliftment of the MCO in Kelantan in mid May 2021 up to December 2021. With the continuing tenancy of its anchor tenants, our Group remains optimistic that its mall operations will start to recover.

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

Notwithstanding the above, our Group takes cognisance of the current property market condition and will continue to adopt a cautious approach for our Group's property development projects. Our 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, our Group believes that such initiatives should start to stimulate recovery of the overall Malaysian economy which should in turn bode well for our Group.

Moving forward, our 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 our Group's gearing from the proceeds of the Rights Issue with Warrants (as at 30 September 2021: 0.73 times; after Rights Issue with Warrants: 0.10 times) (based on the Maximum Subscription Level) and the surplus to be raised, if any, will enable our Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.

(Source: Management of our Group)

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share Capital

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

	Minimum Scenario		Maximum Scenario	
	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 Rights Issue with Warrants	114,285,715	^(a) 5,286,617	1,144,250,677	^(b) 52,930,627
Enlarged issued share capital after issuance of Rights Shares	535,851,754	146,031,951	1,565,816,716	193,675,961
Shares to be issued arising from the full exercise of Warrants	78,195,488	^(c) 9,360,000	782,908,357	^(c) 93,714,130
Enlarged issued share capital after full exercise of Warrants	614,047,242	155,391,951	2,348,725,073	287,390,091

Notes:-

- Computed based on the Entitled Shareholders' subscription of 114,285,715 Rights Shares at the Issue Price of RM0.070 per Rights Share under the Minimum Scenario and adjusted for the apportionment of its relative fair value of RM0.0347 per Warrant to the warrants reserve account based on the Trinomial option pricing model as extracted from Bloomberg.
- Computed based on the Entitled Shareholders' subscription of 1,144,250,677 Rights Shares at the Issue Price of RM0.070 per Rights Share under the Maximum Scenario and adjusted for the apportionment of its relative fair value of RM0.0347 per Warrant to the warrants reserve account based on the Trinomial option pricing model as extracted from Bloomberg.
- Computed based on the Exercise Price of RM0.085 per Warrant and the reversal of the warrants reserve account (based on the fair value of RM0.0347 per Warrant) to the share capital account.

8.2 NA, NA per share and gearing

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

(i) Minimum Scenario

	Unaudited as at 30 September 2021	(I) After the Rights Issue with Warrants	(II) After (I) and assuming full exercise of Warrants
	RM	RM	RM
Share capital	140,745,334	(a)146,031,951	(b)155,391,951
Warrants reserve	-	(c)2,713,383	-
Capital reserve	110,238,037	110,238,037	110,238,037
Fair value reserve of financial assets at fair value at other comprehensive income ("FVOCI")	1,158,836	1,158,836	1,158,836
Accumulated losses	(176,099,590)	(d)(176,799,590)	(176,799,590)
NA	76,042,617	83,342,617	89,989,234
Number of shares in issued NA per Share	421,566,039	535,851,754	614,047,242
Total borrowings	55,842,191	(e) 48,542,191	48,542,191
Gearing ratio (times)	0.73	0.58	0.54

Notes:-

- (a) Computed based on the Entitled Shareholders' subscription of 114,285,715 Rights Shares at the Issue Price of RM0.070 per Rights Share under the Minimum Scenario and adjusted for the apportionment of its relative fair value of RM0.0347 per Warrant to the warrants reserve account computed based on the Trinomial option pricing model as extracted from Bloomberg.

- (b) Computed based on the Exercise Price of RM0.085 per Warrant and the reversal of the warrants reserve account (based on the fair value of RM0.0347 per Warrant) to the share capital account.
- (c) Computed based on the issuance of 78,195,488 Warrants at an allocated fair value of RM0.0347 per Warrant computed based on the Trinomial option pricing model as extracted from Bloomberg.
- (d) After deducting estimated expenses for the Rights Issue with Warrants of RM0.7 million.
- (e) After repayment of borrowings of RM7.3 million.

(ii) Maximum Scenario

	Unaudited as at 30 September 2021	(I) After the Rights Issue with Warrants	(II) After (I) and assuming full exercise of Warrants
	RM	RM	RM
Share capital	140,745,334	(a)193,675,961	(b)287,390,091
Warrants reserve	-	(c)27,166,920	-
Capital reserve	110,238,037	110,238,037	110,238,037
Fair value reserve of financial assets at FVOCI	1,158,836	1,158,836	1,158,836
Accumulated losses	(176,099,590)	(d)(176,799,590)	(176,799,590)
NA	76,042,617	155,440,164	221,987,374
Number of shares in issued	421,566,039	1,565,816,716	2,348,725,073
NA per share	0.18	0.10	0.09
Total borrowings	55,842,191	(e)15,842,191	15,842,191
Gearing ratio (times)	0.73	0.10	0.07

Notes:-

- (a) Computed based on the Entitled Shareholders' subscription of 1,144,250,677 Rights Shares at the Issue Price of RM0.070 per Rights Share under the Maximum Scenario and adjusted for the apportionment of its relative fair value of RM0.0347 per Warrant to the warrants reserve account computed based on the Trinomial option pricing model as extracted from Bloomberg.
- (b) Computed based on the Exercise Price of RM0.085 per Warrant and the reversal of the warrants reserve account (based on the fair value of RM0.0347 per Warrant) to the share capital account.
- (c) Computed based on the issuance of 782,908,357 Warrants at an allocated fair value of RM0.0347 per Warrant computed based on the Trinomial option pricing model as extracted from Bloomberg.
- (d) After deducting estimated expenses for the Rights Issue with Warrants of RM0.7 million.
- (e) After repayment of borrowings of RM40.0 million.

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8.3 Substantial shareholders' shareholdings

The proforma effects of the 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 Scenario	(I)					
	As at LPD			After Rights Issue with Warrants		
	Direct	%	Indirect	Direct	%	Indirect
LCK	25,236,200	6.0	-	25,236,200	4.71	-
LV	14,044,000	3.3	-	128,329,715	23.9	-
Dato' Lee			(a)14,044,000	(a)128,329,715	23.9	(a)206,525,203
			3.3			33.6
(ii) Maximum Scenario	(II)					
	As at LPD			After Rights Issue with Warrants		
	Direct	%	Indirect	Direct	%	Indirect
LCK	25,236,200	6.0	-	93,734,457	6.0	-
LV	14,044,000	3.3	-	52,163,428	3.3	-
Dato' Lee			(a)14,044,000	(a)52,163,428	3.3	(a)78,245,142
			3.3			3.3

Note:-

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

8.4 Earnings and EPS of our Group

The 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 our Group for the FYE 30 June 2022.

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

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

8.5 Convertible securities

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

9. MATERIAL TRANSACTIONS

As at LPD, save for the Rights Issue with Warrants and the acquisition of development rights as below, there are no material transactions which may have a material effect on the operations, financial position and results of our Group since our Group's most recent announced unaudited consolidated financial statements for 3-months FPE 30 September 2021.

9.1 Acquisition of development rights

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

On 8 February 2021, our Company has announced that FBO was informed by IWSB that the development plan for Our Damai Project has been issued to IWSB by Dewan Bandaraya Kota Kinabalu on 11 December 2020. 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.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

10.1 Working Capital

Our Group's working capital requirements is funded by a combination of internal and external sources of funds. Our internal sources of funds comprise of cash generated from our operating activities as well as our cash and bank balances. Our external sources of funds are derived from credit extended by suppliers and credit facilities from licensed financial institutions. As at LPD, our cash and bank balances and deposits placed with licensed bank amounted to RM8.4million and an undrawn overdraft facility of RM2.7 million.

Our Board is of the opinion that, after taking into consideration the funds generated from our operations, existing cash and bank balances and the banking facilities available to our Group, the proceeds to be raised from the Rights Issue with Warrants as set out in Section 5 of this Abridged Prospectus, our Group will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus.

10.2 Borrowings/Financing

As at LPD, our Group has total outstanding borrowings of approximately RM57.5 million, all of which are interest-bearing, as set out below:-

	<u>RM'000</u>
<u>Long-term secured borrowings</u>	
Hire purchase	123
Term loan	47,920
	<u>48,043</u>
<u>Short-term secured borrowings</u>	
Hire purchase	149
Term loan	1,995
Bank overdraft	7,295
	<u>9,439</u>
Total borrowings	<u>57,482</u>

As at LPD, save for the undrawn overdraft facility of RM2.7 million, our Group does not have any unutilised credit facilities. There has been no default on payments by our Group of either interest and/or principal sums in respect of any borrowings during 18-months FPE 30 June 2021 and the subsequent financial period up to the LPD.

10.3 Contingent Liabilities

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

10.4 Material Commitments

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

	RM'000
<u>Approved and contracted for</u>	
Purchase of Development Rights pursuant to the CSPA as disclosed in Section 4.1(i) of this Abridged Prospectus ^(a)	8,000
Refurbishment of The Grand Renai Hotel ^(b)	1,046
	<u>9,046</u>
<u>Approved and not contracted for</u>	
Refurbishment of The Grand Renai Hotel ^(b)	956
Total material commitments	<u>10,002</u>

Notes:-

- (a) As set out in Section 4.1(i) of this Abridged Prospectus, 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. In the event the proceeds raised from the Rights Issue with Warrants are insufficient for the repayment of the Damai Consideration, HS Capital Management Sdn. Bhd. had in principle, vide its letter dated 13 December 2021, agreed for the payment period to be extended until our Group obtains sufficient amount from internally generated funds and/or financing from financial institutions.
- (b) The cost of refurbishment of The Grand Renai Hotel is expected to be funded through bank borrowings and/or internally generated funds.

11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS

11.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Shares Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to **Sections 11.5.3 and 11.9.3** of this Abridged Prospectus for the procedures for acceptance as well as to apply for Rights Shares with Warrants, if you choose to do so.

This Abridged Prospectus and the RSF are also available on Bursa Securities' website (<https://www.bursamalaysia.com>).

11.2 NPA

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through the CDS Accounts and will be governed by the SICDA and the rules of Bursa Depository. You and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

11.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments and Excess Applications is at **5.00 p.m. on Friday, 4 February 2022.**

We shall make an announcement on the outcome of the Rights Issue with Warrants after the Closing Date.

11.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Application, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
Electronic Application ⁽¹⁾	All Entitled Shareholders
Bursa Anywhere ⁽²⁾	All Entitled Shareholders who have registered for Bursa Anywhere
NRS	Authorised Nominee who has subscribed for NRS

Notes:-

(1) The following surcharge per Electronic Application via ATM will be charged by the Participating Financial Institutions:-

- Public Bank Berhad – RM4.00; and
- Affin Bank Berhad – RM4.00.

The following processing fee per Electronic Application via internet financial services website will be charged by the respective Participating Financial Institutions:-

- Public Bank Berhad (<http://www.pbebank.com>) – RM4.00; and
- Affin Bank Berhad (<https://www.affinbank.com.my>) – RM4.00.

(2) A processing fee of RM2.00 per Electronic Application via Bursa Anywhere will be charged.

11.5 Procedure for full acceptance and payment

11.5.1 By way of RSF

Acceptance of and payment for Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not strictly conform to the terms of this Abridged Prospectus, the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS, EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL ALLOTMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

YOU AND/ OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/ or your renounee(s) and/or transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Allotments of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by **ORDINARY POST, COURIER or DELIVERY BY HAND** at the address stated below:-

Boardroom Share Registrars Sdn. Bhd. (Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel No.: 03 - 7890 4700
Fax No.: 03 - 7890 4670

so as to arrive **not later than 5.00 p.m. on Friday, 4 February 2022**, being the last date and time for acceptance and payment for the Provisional Allotments.

If you and/ or your renounee(s) and/or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/ or your renounee(s) and/or transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our registered office or the website of Bursa Securities (<https://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account belonging. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account(s). If successful, the Rights Shares subscribed for and free detachable Warrants will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. However, you and/ or your renouncee(s) and/or transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions arising from the Rights Issue with Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Allotment allotted to you and/or your renouncee(s) and/or transferee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m. on Friday, 4 February 2022**, being the last date and time for acceptance of and payment for the Provisional Allotments, you and/ or your renouncee(s) and/ or transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Provisional Allotments are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 11.9 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "EASTLAND RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES OR WARRANT CERTIFICATES WILL BE ISSUED.

11.5.2 By way of Electronic Application

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Issue with Warrants by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the ATM screens and internet financial services website of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications are set out below. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions of Electronic Applications set out in Section 11.5.2(ii) of this Abridged Prospectus before making an Electronic Application.

You must have an account with a Participating Financial Institution and an ATM card issued by a Participating Financial Institution or with access to internet financial services with **Public Bank Berhad** at <http://www.pbebank.com> or **Affin Bank Berhad** at <https://www.affinbank.com.my>.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

You shall apply for the Rights Issue with Warrants via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in Section 11.5.2(ii) of this Abridged Prospectus **"Terms and Conditions of Electronic Applications"**.

Upon the completion of your Electronic Application transaction via ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Provisional Allotments is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application ("**Confirmation Screen**") on their website. You are advised to print out the Confirmation Screen for your reference and record.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(i) Participating Financial Institutions

Electronic Applications may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia:-

- Public Bank Berhad;
- Affin Bank Berhad.

(ii) Terms and Conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:-

- (a) You are required to confirm the following statements and undertake that the following information given are true and correct:-
 - (i) You have attained 18 years of age as at the Closing Date;

- (ii) You have read the Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
- (iii) You give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Provisional Allotments as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the ATM or screen of financial services websites of the Participating Financial Institutions through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of Provisional Allotments applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons)) of the number of Provisional Allotments applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Allotments that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Provisional Allotments allotted to you into your CDS Account.

(f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and you irrevocably agree that if:-

- (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
- (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Provisional Allotments applied for or for any compensation, loss or damage relating to the application for the Provisional Allotments.

(g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.

(h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(i) By making and completing an Electronic Application, you agree that:-

- (i) In consideration of our Company agreeing to allow and accept your application for the Provisional Allotments via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs and financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
- (ii) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or any cause beyond our control;

- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Allotments for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Allotments; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these terms instructions.
- (k) Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:-
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (ii) unsuccessful/ partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 11.5.2(ii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

11.5.3 By way of Bursa Anywhere

Only Entitled Shareholders who are Malaysian individuals, had registered for Bursa Anywhere and had subscribed for eDividend service can apply for the Rights Issue with Warrants by way of Bursa Anywhere mobile application.

The procedures for submitting an application at Bursa Anywhere are set out on the Bursa Anywhere mobile application screens. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions as set out in Section 11.5.3(ii) of this Abridged Prospectus before making an application by way of Bursa Anywhere.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

Upon the completion of your application transaction via Bursa Anywhere, you will receive a push notification from Bursa Anywhere and a message in your Bursa Anywhere account inbox on the request of your Rights Shares with Warrants subscription. The notification message is only a record of the completed transaction at the Bursa Anywhere.

(i) Procedures for Submitting an Application through Bursa Anywhere

- (a) Launch the Bursa Anywhere application on your handphone and login using your username and password.
- (b) Upon a successful login, choose the “My Services” at the bottom of the screen and then select “eRights”
- (c) Next, select “Submit Application”, and you will see a screen that informs you to agree with the Terms & Conditions and Notices that governs your rights securities application via Bursa Anywhere.
- (d) Click on the hyperlink of Terms & Conditions and Notices. You must read and understand the Terms & Conditions and Notices before you click “Agree” to proceed to the next page.
- (e) Click “Agree” to proceed to a landing page for you to select the rights securities that you would like to subscribe to.
- (f) Select the rights issue that you want to apply.
- (g) You may click on the hyperlink of the “Prospectus” to view the content of the related abridged prospectus.
- (h) You are also required to click on the hyperlink to the “Declaration”. Read and understand the clauses of the “Declarations”.
- (i) Upon the completion of the above, at the bottom of the Rights Issue with Warrants detail page you are required to swipe the toggle to the right to indicate that you have read and understood the abridged prospectus as well as accepted and made the declarations stated in the “Declaration”.

- (j) Next, select the CDS account for your Rights Shares with Warrants subscription and click “NEXT”.
- (k) You will come to a page for you to fill up for entitled and Excess Rights Shares with Warrants subscription. You have the options to select either “Entitle only”, “Excess only” and “Entitled & Excess” for your Rights Issue with Warrants subscription.
- (l) Select the subscription type, enter the number of units that you would like to subscribe. Click “NEXT” once you complete the required information.
- (m) You will come to a “Preview” page, where it displays the following information of your subscription.
 - units and Ringgit amount of your Rights Shares with Warrants subscriptions
 - Subscription Fee (charged by Bursa Malaysia)
 - Tax, if applicable
 - Stamp duty, if applicable
- (n) Check the summary information on the “Preview” page. Click “CONFIRM” at the bottom of the same page, if the information is correct.
- (o) Next, you will receive a six-digit SMS TAC verification code via your mobile phone (the mobile number that you registered with Bursa Anywhere).
- (p) You are required to key-in and submit the verification code.
- (q) Upon successful validation of the verification code, you will be led to the Payment Gateway for payment.
- (r) You are required to select the bank for your Rights Issue with Warrants application payment. **(IMPORTANT NOTE: You are required to use the eDividend Bank Account that you have registered for Bursa Depository’s eDividend service. Your subscription will be rejected if another bank account is used for payment. You will be notified if your application is rejected. Your application monies will be refunded within 3 working days, to the said bank account used for payment.)**
- (s) You will be brought to your selected bank login page for payment.
- (t) Once payment is made successfully via your selected bank, you will be brought to the “Thank You” page, which displays your bank transaction details.
- (u) Click “DONE” at the bottom, you will be led back to the My Service landing page.
- (v) You will receive a push notification message in your Bursa Anywhere account inbox.
- (w) You can make multiple applications during the application period subject to the maximum quantity that you are entitled.

(ii) Terms and Conditions of Applications via Bursa Anywhere

- (a) The electronic copy of the Abridged Prospectus is available at the “Prospectus” landing page of “Corporate Announcement” at Bursa Securities’ website and can be accessed via the hyperlink in the Bursa Anywhere. You have read the Abridged Prospectus prior to making an investment decision and should make the investment decision based on the Abridged Prospectus rather than on advertising or promotional materials. The securities offered are offered by the Issuer solely on the basis of the information contained in the Abridged Prospectus.
- (b) Our Company has appointed Bursa Depository to provide eRights Services via the Bursa Anywhere. Bursa Depository is not responsible for, has not authorised and shall not be deemed to have authorised the contents of the electronic copy of the Abridged Prospectus and therefore, shall not have any liability in respect of the electronic copy of the Abridged Prospectus or the application submitted by way of Bursa Anywhere.
- (c) The physical printed copy of the Abridged Prospectus is available upon request from our Company at the location specified in the Abridged Prospectus during the application period.
- (d) You may also obtain a physical printed copy of the Abridged Prospectus from the participating organisation(s) set out in the respective Abridged Prospectus.
- (e) Payment of subscription to the Rights Issue with Warrants via Bursa Anywhere is required to be made from your eDividend Bank Account. Failing which, the request of the eRights application will be rejected.
- (f) By submitting an eRights application from Bursa Anywhere, you confirm that:-
 - You have read and understood the contents of the Abridged Prospectus;
 - You have read and agreed to be bound by these Terms and Conditions and Notices for application of Rights Issue with Warrants by way of Bursa Anywhere and the terms and conditions of the Bursa Anywhere;
 - You are eligible to apply for Rights Shares with Warrants in Malaysia or in jurisdictions where the Rights Shares with Warrants are intended to be available;
 - You irrevocably consent to the receipt of any cash payment or refund in relation to the application by way of Bursa Anywhere to be made via direct credit into the eDividend Bank Account; and

- You agree to give irrevocable consent to Bursa Depository to disclose your information, including bank account information, which are necessary or expedient to the relevant entities involved in the application process and to the relevant entities involved in facilitating the payment of any cash payments or refunds via direct credit into eDividend Bank Account in relation to the application by way of Bursa Anywhere.
- (g) Applications shall close at the Closing Time and Date or such other time as our Company and/or the Share Registrar, may in its absolute discretion decide.
- (h) An application is deemed to be received by Bursa Anywhere only upon its completion, that is, when you have:-
- successfully made full subscription payment via the payment gateway; and
 - received an email indicating that the application has been submitted to our Company and/or the Share Registrar.
- (i) You are advised to print out and retain a copy of the Transaction Records for record purposes. The Transaction Records are only a record of the completed transactions received at the Bursa Anywhere and not a record of the receipt of the application or any data relating to such an application by our Company or the Share Registrar. No application or monies can be accepted electronically in respect of the securities offered once the offer closes on the Closing Date.
- (j) Upon your receipt of the Transaction Record, cancellation of the application via Bursa Anywhere will not be allowed.
- (k) Bursa Depository shall not be liable for any applications made through any alternative methods of application.
- (l) If Bursa Depository has any reason to believe that the electronic copy of the Abridged Prospectus or processes for collection and handling of applications have been tampered with, Bursa Depository may reject the application and Bursa Depository shall not be liable for such rejection.
- (m) No securities will be allotted or issued on the basis of the Abridged Prospectus after the Closing Date. Bursa Depository and Bursa Malaysia Securities do not guarantee any allotment of securities as a result of the application via the Bursa Anywhere and are not responsible for any non-allotment of securities or part thereof by our Company pursuant to the application via the Bursa Anywhere.
- (n) Any request for any refunds related to the allotment of securities must be referred to our Company.
- (o) No refund of any subscription fee charged by Bursa Depository and applicable tax (if any), will be made to you if your subscription is rejected by the Share Registrar.

- (p) The electronic copy of the Abridged Prospectus made available on the Bursa Securities' website after the Closing Date is made available solely for informational and archiving purposes.
- (q) Risk of submitting applications via Bursa Anywhere:-
 - (i) By submitting an application via Bursa Anywhere, you agree to assume the risks associated with conducting transactions online, including risks of electrical, electronic, technical and mobile-related faults and breakdowns, faults with mobile applications, problems occurring during data transmission, mobile security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of Bursa Depository, and/or our Company. You acknowledge that the aforementioned events may result in (i) interruption, transmission blackout or delayed transmission; and/or (ii) incorrect data transmission due to the public nature of the Internet and agree to bear such risks. You agree that neither Bursa Depository, Bursa Securities, our Company nor the Share Registrar shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data, breakdown or failure in communication facilities or due to any cause beyond their control.
 - (ii) If, Bursa Depository, our Company and/or the Share Registrar do not receive your application and/or the relevant payment, or in the event that any data relating to the application is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an application. In such an event, you shall have no claim whatsoever against Bursa Depository and/or Bursa Securities and/or our Company and/or the Share Registrar, in relation to the purported application.
- (r) Instead of submitting an application via Bursa Anywhere, you may alternatively submit applications through the existing manual paper-based application method as well as other means of application specified in this Abridged Prospectus.
- (s) In the event a supplementary Abridged Prospectus is issued, you are entitled to revise or withdraw your application by contacting the Share Registrar directly. Bursa Depository or Bursa Anywhere will not be able to facilitate any revision or withdrawal of the application in such circumstances.
- (t) Bursa Depository is committed to protecting the security of your personal information. It uses a variety of security technologies and procedures, to help protect the confidentiality and security of an applicant's personal information provided through the Bursa Anywhere, from unauthorised access, use, or disclosure. In addition, Bursa Depository has put in place appropriate measures to minimise the risks of unauthorised access and to maintain the security of the information it collects through the Bursa Anywhere.

11.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and a Rights Shares Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the Abridged Prospectus and the Rights Shares Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
- (f) To apply for the Provisional Allotments, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the Rights Shares Subscription File to Bursa Depository at any time daily before 5.00pm, but in any event no later than the last time and date for acceptance and payment.

- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:-
- (i) confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
 - (ii) consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Provisional Allotments which you have applied for, you must transfer the amount payable directly to the bank account, the details of which are as follows:-
- Bank : **MALAYAN BANKING BERHAD**
Account Name : **EASTLAND RIGHTS ISSUE ACCOUNT**
Bank Account No. : **514012451828**
- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Slip**") from the transacting financial institution confirming the details of transfer/payment. The Transaction Slip is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Slip is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Provisional Allotments electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
- (i) successful application – an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Rights Shares and Warrants allotted to you into your CDS account, you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Provisional Allotments submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:-

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Provisional Allotments applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Provisional Allotments that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Provisional Allotments allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:-
 - (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or

- (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Provisional Allotments applied for or for any compensation, loss or damage relating to the application for the Provisional Allotments.

- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:-
 - (i) In consideration of our Company agreeing to allow and accept your application for Rights Shares with Warrants via the NPS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository, our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Provisional Allotments issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Allotments; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

11.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotments provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one 1 Rights Share. Fractional of a Rights Share shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 11.5.1** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotments that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotments.

11.7 Procedure for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I and II of the RSF. Please refer to **Sections 11.4 and 11.5** of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Allotments, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Allotments standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at <https://www.bursamalaysia.com>.

11.8 Procedure for acceptance by renouncee(s)/ transferee(s)

Renouncee(s) and/ or transferee(s) (if applicable) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or our Share Registrar, or at our Registered Office or from Bursa Securities' website at <https://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Sections 11.4 and 11.5** of this Abridged Prospectus also applies to renouncee(s) and/or transferee(s) (if applicable) who wish to accept the Provisional Allotments.

RENOUNCEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

11.9 Procedure for application of Excess Rights Shares with Warrants

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:-

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and
- (iv) Finally, for allocation to renouncee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants applied for by the Entitled Shareholders and/or renouncee(s) who have applied for the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants to the Entitled Shareholders and/or renouncee(s) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient, and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i) to (iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants without assigning any reason thereof.

11.9.1 By way of RSF

You and/ or your renouncee(s) and/ or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar not later than 5.00 p.m. on **Friday, 4 February 2022**, being the last date and time for application and payment for the Excess Rights Shares with Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 11.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "EASTLAND EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS RIGHTS SHARES WITH WARRANTS AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS RIGHTS SHARES WITH WARRANTS MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR EXCESS RIGHTS SHARES WITH WARRANTS IS SUCCESSFUL, THE RIGHTS SHARES AND WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.9.2 By way of Electronic Application

You and/or your renouncee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement via Electronic Application in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in **Section 11.5.2** of this Abridged Prospectus.

The Electronic Application for Excess Rights Shares with Warrants will be made on, subject to, the same terms and conditions appearing in **Section 11.5.2** of this Abridged Prospectus.

Any Rights Shares with Warrants which are not taken up or not validly taken up by you and/or your renouncee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 11.9 above.

11.9.3 By way of Bursa Anywhere

You and/ or your renouncee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement via Bursa Anywhere in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in **Section 11.5.3** of this Abridged Prospectus.

The application for Excess Rights Shares with Warrants will be made on, subject to, the same terms and conditions.

Any Rights Shares with Warrants which are not taken up or not validly taken up by you and/ or your renouncee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in **Section 11.9** above.

11.9.4 By way of NRS

You and/ or your renouncee(s) and/ or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement via NRS in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in **Section 11.5.4** of this Abridged Prospectus save and except for the amount payable to be directed to the following bank account for the Excess Rights Shares with Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File:

Bank	:	MALAYAN BANKING BERHAD
Account Name	:	EASTLAND EXCESS RIGHTS ISSUE ACCOUNT
Bank Account No.	:	514012451835

The NRS for Excess Rights Shares with Warrants will be made on, subject to, the same terms and conditions appearing in Section 11.5.4 of this Abridged Prospectus.

Any Provisional Allotments which are not taken up or not validly taken up by you and/or your renouncee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 11.9 above.

11.10 Form of issuance

Bursa Securities has already prescribed our Shares to be listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to all dealings in the Rights Shares and Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificates or warrant certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/or your renouncee(s)/transferee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS.

Where the Rights Shares with Warrants are provisionally allotted to the Entitled Shareholders in respect of their existing Eastland Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Allotments shall mean that they consent to receive such Provisional Allotments as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Allotments or to whom the Provisional Allotments has been transferred and intends to subscribe for the Rights Shares with Warrants must state his or her CDS Account number in the space provided in the RSF. The Rights Shares and Warrants will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares and Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in **Section 11.9** of this Abridged Prospectus.

11.11 Laws of foreign jurisdiction

The Documents have not been, and will not be, made to comply with the laws of any country or jurisdiction other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The Documents are not intended to be, and will not be, issued circulated or distributed, and the Rights Issue with Warrants will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

Accordingly, the Documents have not been, and will not be, despatched to the Foreign Addressed Shareholders. However, the Foreign Addressed Shareholders may collect the Documents from the Share Registrar in Malaysia, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, who is entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have an address or address for service in Malaysia other than as stated in the Record of Depositors on the Entitlement Date or who have provided the Share Registrar with an address in Malaysia for the despatch of Documents as at 5.00 P.M on Monday, 17 January 2022 and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. We will assume that the Rights Issue with Warrants and the acceptance by our Entitled Shareholders thereof would not be in breach of the laws of any jurisdiction. We will further assume that our Entitled Shareholders have accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares with Warrants, your acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue with Warrants and not in breach of the laws of any country or jurisdiction. To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares with Warrants, you will be deemed to have accepted the Rights Issue with Warrants in Malaysia and be subject to the laws of Malaysia with respect thereto.

All Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject. Neither we, our Board, Malacca Securities, the Share Registrar, nor any other adviser to the Rights Issue with Warrants ("**Parties**") shall accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will also have no claims whatsoever against us in respect of their entitlement or to any proceeds thereof.

The Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue with Warrants.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements in any country or jurisdiction outside Malaysia. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for Excess Application by the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable).

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus, or subscribing for or acquiring the Rights Shares with Warrants, will be deemed to have represented, warranted acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholder and/or his renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) that person has complied with the laws to which he and/or his renouncee(s) and/or transferee(s) (if applicable) are or may be subject to in connection with the acceptance or renunciation;
- (iii) that person is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subject to;
- (iv) that person has an address for service of process in Malaysia;
- (v) that person is aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (vi) that person has obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and has relied on his own evaluation to assess the merits and risks of the investment; and
- (vii) that person has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares with Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving the Documents (including without limitation to custodians, nominees and trustees) must not, in connection with the Rights Issue with Warrants, offer, distribute or send any of them into any country or jurisdiction, where doing so would or might contravene local securities, exchange control or other relevant laws or regulations. If the Documents are received by any person in such country or jurisdiction, or by the agent or nominee of any such person, he/she/it/they must not seek to accept the offer unless he/she/it/they has/have complied with and observed the laws of all relevant jurisdictions.

Any person who does forward the Documents to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and Eastland reserves the right to reject a purported acceptance of the Rights Shares with Warrants from any application by Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

12. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and RSF.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

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

A handwritten signature in black ink, appearing to read 'Phang Kiew Lim', is written over a faint, stylized line graphic that resembles a checkmark or a stylized 'L'.

PHANG KIEW LIM
Executive Director

APPENDIX I – INFORMATION ON OUR COMPANY**1. SHARE CAPITAL**

As at LPD, our Company's issued share capital is RM140,745,334 comprising 421,566,039 Eastland Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.3 of this Abridged Prospectus for information on our substantial shareholders' shareholdings before and after the Rights Issue with Warrants.

3. BOARD OF DIRECTORS

As at LPD, our Board of Directors of our Company are as follows:-

Name / Designation	Age	Address	Nationality
Mohamed Akwal Bin Sultan Mohamad (Independent Non-Executive Director/Chairman)	67	33, Jalan Pekaka 8/19 Kota Damansara 47810 Petaling Jaya Selangor Malaysia	Malaysian
Lee Chee Kiang (Managing Director)	47	Lot No. 1, Lorong 2 Taman Mei Lok Phase 2 Jalan Penampang 88200 Kota Kinabalu Sabah Malaysia	Malaysian
Tan Chin Hong (Executive Director)	45	Lot 2059, Taman Sari Jalan Hospital 15200 Kota Bharu Kelantan Malaysia	Malaysian
Dato' Lee Wai Mun (Executive Director)	48	No. 28, Jalan Bayu Segar Taman Bayu Segar 56000 Cheras W.P. Kuala Lumpur Malaysia	Malaysian
Phang Kiew Lim (Executive Director)	39	B1306, The Potpourri Jalan PJU 1A/4 Ara Damansara 47301 Petaling Jaya Selangor Malaysia	Malaysian

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)

Name / Designation	Age	Address	Nationality
Masleena Binti Zaid <i>(Independent Non-Executive Director)</i>	46	693-10-4, Desa Kiara Jalan Damansara 60000 Kuala Lumpur W.P. Kuala Lumpur Malaysia	Malaysian
Ong Lu Yuan <i>(Independent Non-Executive Director)</i>	45	3461 Taman Melati Klebang Kecil 75250 Melaka Melaka Malaysia	Malaysian

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APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)

4. DIRECTORS' SHAREHOLDINGS

The proforma effects of the Rights Issue with Warrants on the shareholdings our Board of Directors as per Register of Directors' Shareholding as at LPD are as follows:-

(i)	Minimum Scenario	(I)						(II)			
		As at LPD			After Rights Issue with Warrants			After (I) and assuming full exercise of Warrants			
		(a)	(a)	(a)	(b)	(b)	(b)	(c)	(c)	(c)	(c)
		Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%
LCK		25,236,200	6.0	-	-	25,236,200	4.7	-	-	25,236,200	4.1
Tan Chin Hong		-	-	(d)18,333,928	4.4	-	-	(d)18,333,928	3.4	-	-
Dato' Lee		-	-	(e)14,044,000	3.3	-	-	(e)128,329,715	23.9	-	-
Phang Kiew Lim		-	-	-	-	-	-	-	-	-	-
Mohamed Akwal		-	-	-	-	-	-	-	-	-	-
Bin Sultan		-	-	-	-	-	-	-	-	-	-
Mohamad		-	-	-	-	-	-	-	-	-	-
Masleena Binti		-	-	-	-	-	-	-	-	-	-
Zaid		-	-	-	-	-	-	-	-	-	-
Ong Lu Yuan		-	-	-	-	-	-	-	-	-	-

Notes:-

- (a) Based on 421,566,039 issued Shares as at LPD.
- (b) Based on 535,851,754 enlarged issued Shares after Rights Issue with Warrants under the Minimum Scenario.
- (c) Based on 614,047,242 enlarged issued Shares after Rights Issue with Warrants and full exercise of Warrants under the Minimum Scenario.
- (d) Indirect interest by virtue of his directorship and shareholding in Prestige Pavilion Sdn. Bhd. and Danhwa Holding Sdn. Bhd. and deemed interest by virtue of shares held by his sister, Adeline Tan Wan Chen and his brother, Tan Chin Hao.
- (e) Deemed interest by virtue of his interest in LV pursuant to Section 8 of the Act.

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)

(ii)	Maximum Scenario	(I)						(II)					
		As at LPD			After Rights Issue with Warrants			After (I) and assuming full exercise of Warrants					
		(a)		(a)	(b)		(b)	(c)		(c)			(c)
		Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
LCK		25,236,200	6.0	-	-	93,734,457	6.0	-	-	140,601,685	6.0	-	-
Tan Chin Hong		-	-	(d)18,333,928	4.3	-	-	(d)68,097,446	4.3	-	-	(d)102,146,169	4.3
Dato' Lee		-	-	(e)14,044,000	3.3	-	-	(e)52,163,428	3.3	-	-	(e)78,245,142	3.3
Phang Kiew Lim		-	-	-	-	-	-	-	-	-	-	-	-
Mohamed Akwal Bin Sultan		-	-	-	-	-	-	-	-	-	-	-	-
Mohamad Masleena Binti Zaid		-	-	-	-	-	-	-	-	-	-	-	-
Ong Lu Yuan		-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

- (a) Based on 421,566,039 issued Shares as at LPD.
- (b) Based on 1,565,816,716 issued Shares after Rights Issue with Warrants under the Maximum Scenario.
- (c) Based on 2,348,725,073 enlarged issued Shares after Rights Issue with Warrants and full exercise of Warrants under the Maximum Scenario.
- (d) Indirect interest by virtue of his directorship and shareholding in Prestige Pavilion Sdn. Bhd. and Danhwa Holding Sdn. Bhd. and deemed interest by virtue of shares held by his sister, Adeline Tan Wan Chen and his brother, Tan Chin Hao.
- (e) Deemed interest by virtue of his interest in LV pursuant to Section 8 of the Act.

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)**5. HISTORICAL FINANCIAL INFORMATION**

A summary of historical financial information of our Group is as follows:-

(A) Historical financial performance

	Audited			Unaudited	
	FYE 31 December 2018	FYE 31 December 2019	18-months FPE 30 June 2021⁽ⁱ⁾	3-months FPE 30 September 2020	3-months FPE 30 September 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,305	18,074	20,899	4,322	3,919
Other operating income	124	1,096	1,536	13	6
Consumables used	(1,611)	(1,589)	(1,849)	-	-
Cost of sales of completed properties	(1,515)	(775)	(307)	(417)	(558)
Cost of sales of property development units	(2,430)	(667)	(2,911)	-	-
Depreciation of property, plant and equipment	(4,254)	(4,319)	(5,735)	(965)	(663)
Directors' remuneration	(1,251)	(1,184)	(2,361)	(384)	(444)
Fair value loss on investment properties	-	(2,520)	(19,998)	-	-
Finance costs, net of finance income	(1,894)	(4,336)	(4,724)	(1,020)	(969)
Gain on disposal of:					
- property, plant and equipment	10	36	54	50	-
- prepaid land lease payments	1,560	-	-	-	-
Gain on lease modification	-	-	1	-	-
Impairment losses on:					
- property, plant and equipment	-	(1,138)	(27,332)	-	-
- trade receivables	(186)	(20)	-	-	-
- other receivables	(25)	(7)	-	-	-
Inventories written down	-	-	(43,878)	-	-
Inventories written off	(133)	-	(7)	-	-
Property, plant and equipment written off	-	-	*	-	-
Rent concession income	-	-	1	-	-
Reversal of impairment losses on:					
- trade receivables	72	103	7	-	-
- other receivables	-	8	21	-	-
Reversal of provision for:					
- furniture, fittings and equipments	-	158	-	-	-
- liquidated and ascertained damages	80	-	-	-	-
Staff costs:					
- hotel operations	(5,324)	(4,755)	(6,287)	(666)	(728)
- others	(1,706)	(1,585)	(2,047)	(317)	(320)
Write-back of payables	-	212	-	-	-

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)

	Audited			Unaudited	
	FYE 31 December 2018 RM'000	FYE 31 December 2019 RM'000	18-months FPE 30 June 2021 ⁽ⁱ⁾ RM'000	3-months FPE 30 September 2020 RM'000	3-months FPE 30 September 2021 RM'000
Other operating expenses	(10,797)	(10,126)	(12,413)	(2,198)	(2,265)
LBT	(7,975)	(13,334)	(107,330)	(1,582)	(2,022)
Income tax credit	817	544	6,914	-	-
LAT	(7,158)	(12,790)	(100,416)	(1,582)	(2,022)
LAT attributable to:					
- Owners of our company	(7,158)	(12,790)	(100,416)	(1,582)	(2,022)
LBT margin (%) ⁽ⁱⁱ⁾	(37.43)	(73.77)	(513.57)	(36.60)	(51.59)
LAT margin (%) ⁽ⁱⁱⁱ⁾	(33.60)	(70.76)	(480.49)	(36.60)	(51.59)
Weighted average number of ordinary shares for basic loss per share ('000)	245,668	275,417	325,230	324,282	391,253
LPS ^(iv) (sen):	(2.91)	(4.64)	(30.88)	(0.49)	(0.52)

Notes:-

* Amount is negligible

- (i) Following the change in financial year end from 31 December to 30 June, the previous set of audited financial statements are for a period of 18 months from 1 January 2020 to 30 June 2021 and thereafter, to end on 30 June each year. Accordingly, there are no comparative figures. The change in the financial year end from 31 December to 30 June is to allow us to better plan and cater our financial reporting resources to facilitate the audit process of our financial statements by the external auditors. The new financial year end would also enable our Company to avoid the main audit peak period (for companies with financial year ends in December) of the external auditors.
- (ii) LBT margin = LBT divided by Revenue and multiply with 100
- (iii) LAT margin = LAT divided by Revenue multiply with 100
- (iv) LPS = Profit for the financial year / period attributable to owners of our Company divide by adjusted weighted average number of ordinary shares applicable to basic LPS multiply with 100

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)**Overview of our financial performance****18-months FPE 30 June 2021 (“18M FPE2021”) vs 12-months FYE 31 December 2019 (“FYE 2019”)**

On 30 October 2020, we had announced the change in our financial year end from 31 December 2020 to 30 June 2021. As such the comparative figures for the 18M FPE2021 and FYE 2019 may not be entirely comparable.

Our Group recorded a revenue of RM20.9 million and annualised revenue of RM13.9 million for the 18M FPE2021. The annualised revenue of RM13.9 million represents a decrease of RM4.2 million or 23.2% as compared to RM18.1 million in the FYE 2019. The lower annualised revenue was mainly due to:-

- (i) decrease in occupancy rate from 38.6% in FYE 2019 to 28.7% in 18M FPE2021 and room rate of our Group's hotel (The Grand Renai Hotel) as a result of the COVID-19 pandemic and soft market condition due to the MCO; and
- (ii) lower rental income from Kota Sri Mutiara Shopping Complex (average occupancy rate dropped from 93% in FYE 2019 to 81% in 18M FPE2021) due to reduction in floor space from curtailed operation of tenants, loss of tenants and rental discount offered to tenants most affected by the COVID-19 pandemic.

which was partially negated by a 26.1% increase in our annualised revenue from our property development segment from the sale of more shop lots under our Bandar Tasek Raja Project.

Our Group recorded a LBT of RM107.3 million in 18M FPE2021 as compared to LBT of RM13.3 million in FYE 2019 which represents an increase RM94.0 million. The significant increase was mainly due to to significant impairment on our Group's hotel and investment properties amounting to RM27.3 million and RM20.0 million respectively following an independent valuation performed on these assets. Additionally, our Group wrote-down property development inventories of RM43.9 million, after we decided to develop Phase 2b Land under our Bandar Tasek Raja Project.

3-months FPE 30 September 2021 (“3M FPE2021”) vs 3-months FPE 30 September 2020 (“3M FPE2020”)

Our Group recorded revenue of RM3.9 million for 3M FPE2021 which represents a decrease of RM0.4 million or 9.3% as compared to RM4.3 million in the 3M FPE 2020. The decrease in revenue was mainly due to decrease in revenue from our Group's hotel due to restriction of social events. The rest of our businesses had no major activities during this period.

Our Group recorded LBT of RM2.0 million in 3M FPE2021 as compared to LBT of RM1.6 million in 3M FPE2020 which represents a decrease of RM0.4 million or 25.0%. This was mainly due to the lower revenue as stated above.

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)**(B) Historical financial position**

	Audited			Unaudited
	FYE 31 December 2018 (Restated)⁽ⁱ⁾ RM'000	FYE 31 December 2019 (Restated)⁽ⁱ⁾ RM'000	18-months FPE 30 June 2021 RM'000	FPE 30 September 2021 RM'000
Non-current assets	195,641	188,958	135,071	134,391
Current assets	84,858	84,071	36,648	42,056
TOTAL ASSETS	280,499	273,029	171,719	176,447
EQUITY AND LIABILITIES				
Equity attributable to owners of our Company				
Share capital	123,169	129,879	133,877	140,745
Capital reserve	110,238	110,238	110,238	110,238
Revaluation reserve	525	1,013	-	-
Fair value reserve of financial assets at FVOCI	1,104	1,078	1,215	1,159
Accumulated losses	(60,870)	(73,659)	(174,077)	(176,099)
TOTAL EQUITY	174,166	168,549	71,253	76,043
Non-current liabilities	40,307	37,221	50,584	50,358
Current liabilities	66,026	67,259	49,882	50,046
TOTAL LIABILITIES	106,333	104,480	100,466	100,404
TOTAL EQUITY AND LIABILITIES	280,499	273,029	171,719	176,447

Note:-

- (i) Restatement due to under provision of strata-title application costs for a project of subsidiary which had been completed in the prior years and reclassification to conform with 18-months FPE 30 June 2021's presentation.

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)**(C) Historical cash flows**

	Audited			Unaudited
	FYE 31	FYE 31		
	December	December	FPE 30	FPE 30
	2018	2019	June 2021	September
	(Restated)⁽ⁱ⁾			2021
	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/from operating activities	(3,944)	(158)	216	85
Net cash from/(used in) investing activities	6,052	(960)	495	(42)
Net cash from/(used in) financing activities	1,814	(419)	20,202	6,006
Net increase/(decrease) in cash and cash equivalents	3,922	(1,537)	20,913	6,049
Cash and cash equivalents at the beginning of the financial year/period	(28,939)	(25,017)	(26,554)	(5,641)
Cash and cash equivalents at the end of the financial year/period	(25,017)	(26,554)	(5,641)	408

Note:-

- (i) Restatement due to reclassification to conform with 18-months FPE 30 June 2021's presentation.

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APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)

6. 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 preceding to the date of this Abridged Prospectus are as follows:-

	High RM	Low RM
<u>2021</u>		
January	0.165	0.120
February	0.165	0.120
March	0.175	0.130
April	0.160	0.130
May	0.140	0.100
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	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 0.085

The last transacted market price of Eastland Shares on 13 January 2022, being the last Market Day immediately preceding the ex-date for the Rights Issue with Warrants on 14 January 2022 0.090

(Source: Bloomberg)

7. OPTION TO SUBSCRIBE FOR EASTLAND SHARES

As at LPD, save for the Provisional Allotments as well as Excess Rights Shares with Warrants, no option to subscribe for the Shares has been granted or is entitled to be granted to any person.

APPENDIX I – INFORMATION ON OUR COMPANY (CONT'D)

8. MATERIAL CONTRACTS

As at LPD, save as disclosed below, our Board confirmed that there are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by our Group during the 2 years preceding the date of this Abridged Prospectus:-

- (a) 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. 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;
- (b) Our Company had on 26 November 2020 entered into the settlement agreement with LCK to settle the debts owing by Eastland Group to LCK. Under the agreement, RM10.99 million debts ("**Settlement Sum**") were to be settled via the issuance of 104,966,571 new ordinary shares in Eastland ("**Settlement Shares**") at an issue price of RM0.1047 per Settlement Share. LCK had vide the letter dated 26 February 2021 terminated the agreement; and
- (c) The Deed Poll.

9. MATERIAL LITIGATION

As at LPD, our 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 our Group and our Board is not aware of any proceedings, pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of our Group.

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APPENDIX II – ADDITIONAL INFORMATION

1. CONSENTS

- (i) The written consents of the Principal Adviser, Company Secretary, Solicitors and Share Registrar for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently withdrawn.
- (ii) The written consents of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

2. 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) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) Constitution of Eastland;
- (ii) The Undertaking Letter;
- (iii) The SUDC JVA referred to in Section 4.1 of this Abridged Prospectus
- (iv) The letter from IWSB dated 20 October 2021 on the extension of the repayment period for the settlement of Damai Consideration of RM8.0 million referred to in Section 4.1 of the Abridged Prospectus;
- (v) The letter from HS Capital Management Sdn. Bhd. dated 13 December 2021 on the extension of the repayment period for the settlement of purchase consideration of RM8.0 million, as disclosed in Section 4.1 of the Abridged Prospectus;
- (vi) The letter dated 22 November 2018 from buyer for Terminated Transaction I, as disclosed in section 5.1(ii) of the Abridged Prospectus;
- (vii) The letter dated 25 March 2019 from buyer on the confirmation of refund of deposits for Terminated Transaction I, as disclosed in section 5.1(ii) of the Abridged Prospectus;
- (viii) The letter of intent dated 23 January 2020 from solicitor for acquisition of 3 units shop lots in Bandar Tasek Raja Project, as disclosed in Section 5.1(ii) of the Abridged Prospectus;
- (ix) The letter dated 26 November 2020 from solicitor for Terminated Transaction II, as disclosed in Section 5.1(ii) of the Abridged Prospectus;
- (x) The Deed Poll;
- (xi) The material contracts referred to in Section 8 of Appendix I; and
- (xii) The letters of consent referred to in Section 1 of Appendix II.

APPENDIX II – ADDITIONAL INFORMATION (CONT'D)

3. RESPONSIBILITY STATEMENTS

Our Directors have seen and approved all documentation relation to the Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Abridged Prospectus false or misleading.

Malacca Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.