

Seni Jaya to raise RM18 mil for business expansion via private placement

KUALA LUMPUR (July 7): Seni Jaya Corp Bhd has proposed to undertake a private placement of up to 20% of its total number of issued shares to raise RM18.11 million for business expansion.

The outdoor advertising services provider said in a bourse filing that 8.11 million new shares will be issued pursuant to the private placement, to third party investors to be identified later at an issue price to be determined later.

However, based on the indicative issue price of RM2.23 per placement share, the exercise is expected to raise gross proceeds of RM18.11 million.

Of this, RM10 million will be used to identify business or investment opportunities, RM6.8 million for capital expenditure of advertising business and RM1.23 million for working capital, the group said.

“With proceeds from the proposed private placement, the pace of our transformation plan will be markedly accelerated,” said Seni Jaya chief executive officer Cheah See Heong (Jeff Cheah) in a statement.

“While the industry as a whole is still in the midst of recovering from the Covid-19 pandemic, we believe the time is right for us to engage in potential investment and acquisition activities, due to the attractive valuation in the market.

“Furthermore, we also see the need to set up new structures to support digital media, in addition to upgrading and digitalizing our existing advertising structures to cater for the growing demand for outdoor digital media among advertisers,” Cheah said.

Seni Jaya said the private placement is expected to be completed by the third quarter of 2021.