

Seni Jaya proposes bonus warrants to reward "loyal" shareholders

By Azanis Shahila Aman - July 23, 2021 @ 3:27pm



Seni Jaya Corp Bhd has proposed bonus warrants on the basis of one bonus warrant for every two existing shares.

KUALA LUMPUR: Seni Jaya Corp Bhd has proposed bonus warrants on the basis of one bonus warrant for every two existing shares.

Chief executive officer Cheah See Heong said this served to express the company's appreciation to its loyal shareholders.

Seni Jaya could issue up to 24.32 million warrants under the maximum scenario, which assumes the completion of its recently-announced proposed private placement prior to the entitlement date of the warrants.

The exercise price of the warrants will be determined later, taking into consideration the historical share price movement, the five day volume-weighted average market price of Seni Jaya shares and the prevailing market conditions.

Seni Jaya said it might raise gross proceeds of up to RM56.0 million (under the maximum scenario) based on an indicative exercise price of RM2.30 and assuming full exercise of the warrants.

"The proceeds will be utilised for capital expenditure of its outdoor advertising business and reserved funds for future business expansion," it added.

Cheah said through the proposed bonus warrants, shareholders would be able to increase their equity participation in Seni Jaya at a predetermined price by exercising the warrants anytime within the five-year tenure.

"Besides that, they could also benefit from the potential capital appreciation of the warrants, which will be tradeable on the main market of Bursa Malaysia," he said in a statement today.

Cheah said these were exciting times for Seni Jaya as it was undergoing a transformation towards digitalisation and market repositioning to boost its industry standing in today's digital-centric world.

He said the potential proceeds to be raised upon the exercise of the warrants would provide additional funds for capital expenditure and future business expansion.

"Hence this will help to accelerate our efforts to expand product portfolios to provide comprehensive outdoor media solutions especially on digital and technological segments," he added.

The proposed bonus warrants are subject to regulatory approval as well as shareholders' approval at an extraordinary general meeting to be convened.

Barring any unforeseen circumstances, the exercise is expected to be completed by September this year.