

Seni Jaya plans private placement to raise up to RM34m, 3-for-1 bonus issue

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KUALA LUMPUR (Oct 27): Outdoor advertising services provider Seni Jaya Corp Bhd has proposed a private placement exercise to raise up to RM33.98 million as well as the bonus issue plan.

According to a bourse filing on Wednesday, the private placement involves the issuance of up to 14.56 million new ordinary shares not exceeding 20% of the total number of issued Seni Jaya shares at an issue price to be determined later.

The issue price of the private placement would be based on a discount of not more than 10% of the volume weighted average market price of Seni Jaya shares for the

five market days (5D-VWAMP) up to and including the last trading day immediately preceding the price-fixing date.

At an indicative price of RM2.3336 per placement share, the proposed private placement is expected to raise gross proceeds of up to RM33.98 million under the maximum scenario, which assumes all warrants are exercised prior to the exercise.

Of the total proceeds of RM33.98 million, RM24 million will be allocated for Seni Jaya's advertising projects which are expected to further enhance its existing advertising services.

Another RM7.2 million will be used for the group's expansion into a new business category which is to deploy the LED advertising media. The remaining RM1.88 million will be utilised for the group's working capital requirements for its day-to-day operations such as rental payments of billboard sites and defrayment of other operational expenses.

Seni Jaya has also proposed to undertake a bonus issue of up to 262.08 million new ordinary shares on the basis of three bonus shares for one Seni Jaya share held on an entitlement date to be determined and announced later.

Seni Jaya intends to implement the proposed private placement before the implementation of the proposed bonus issue of shares.

In a separate statement, Seni Jaya chief executive officer Cheah See Heong said the group is currently undergoing a three-year business transformation by enlarging its portfolio with more technology- or digital-centric products to offer comprehensive solutions.

"This comprises static and digital billboards, programmatic digital out-of-home, mobile light-emitting diodes (LEDs), ambient and airport media. We have made substantial progress in our transformation journey thus far in our first year, and the group continues to be excited by the potential that lies ahead of us."

"As part of our transformation blueprint, there are other growth strategies in the pipeline as well. Seni Jaya plans to enhance our existing advertising services via the business acquisition of out-of-home or OOH project or concession, which would enable us to improve our overall financial performance. With the anticipated growth in outdoor advertising expenditure (adex), we have the opportunity to embrace a wider audience diversity and expand our market share, further strengthening our position," he said.

Besides this, he said the group also intends to expand into a new business category by deploying LED advertising media across 200 outlets or locations across Peninsular Malaysia within the next 18 months.

"This complements Seni Jaya's existing business and in turn, solidifies our position as a comprehensive advertising solutions provider. All in all, our growth plans remain our key focal point going forward as we seize the opportunities arising from the advertising industry, especially in the OOH and digital advertising segments.

"On the other hand, the proposed bonus issue of shares is an avenue for us to reward our shareholders as we progress forward with our transformation journey. It is an expression of gratitude to all our shareholders for their patience and unwavering support all this while. Moreover, this is expected to improve the marketability and trading liquidity of our shares by encouraging greater participation by investors, potentially leading to broadening of our shareholder base," Cheah added.

Barring any unforeseen circumstances, the proposals are expected to be completed by the first quarter of 2022.

Shares of Seni Jaya fell 3.23% or eight sen to RM2.40 as at Wednesday's noon break.

At RM2.40, the group has a market capitalisation of RM116.48 million. The stock has climbed 353% from 53 sen at the start of this year.

Edited by Surin Murugiah