

Seni Jaya proposes 3-for-1 bonus issue

CORPORATE NEWS

Wednesday, 27 Oct 2021

1:44 PM MYT



Seni Jaya CEO Jeff Cheah See Heong

KUALA LUMPUR: [Seni Jaya Corp Bhd](#)  has proposed a private placement exercise involving the issuance of up to 14.56 million new ordinary shares, subject to the issuance of the placement shares not exceeding 20% of the group's total number of issued shares. The outdoor advertising services provider has also proposed to undertake a bonus issue of up to 262.08 million new ordinary shares in Seni Jaya on the basis of three bonus shares for every one Seni Jaya share held.

Seni Jaya said the entitlement date for the bonus issue would be determined and announced later.

In a filing with Bursa Malaysia, Seni Jaya said based on the indicative issue price of RM2.3336, the proposed private placement is expected to raise gross proceeds of up to RM33.98mil under the maximum scenario.

It intends to utilise RM24mil of the total proceeds from the proposed private placement for the advertising projects/concessions which expect to further enhance its existing advertising services.

The group intends to utilise approximately RM7.2mil of the proceeds to expand to a new business category which is to deploy the LED advertising media.

It also intends to utilise RM1.88mil of the proceeds for the working capital.

In a separate statement, chief executive officer Jeff Cheah See Heong said the group was 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 (pDOOH), mobile light-emitting diodes (LEDs), ambient and airport media.

Cheah said Seni Jaya plans to enhance its existing advertising services via the business acquisition of out-of-home or OOH project or concession, which would enable the group to improve its overall financial performance.

“Besides this, the group also intends to expand into a new business category. We will deploy LEDs 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,” he said.

“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,” said Cheah.

The proposals are expected to be completed by the first quarter of 2022 barring any unforeseen circumstances and subject to all required approvals being obtained.