

Seni Jaya buys 55pct each of three OOH firms

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KUALA LUMPUR: Seni Jaya Corporation Bhd is acquiring 55 per cent stake in three out-of-home (OOH) advertising companies for RM8.5 million.

The outdoor advertising services provider said its wholly-owned Seni Jaya Sdn Bhd had entered into a share sale agreement (SSA) for the proposed acquisition of a 55 per cent stake each in Andaman Media Sdn Bhd, Saakti Billboards Sdn Bhd, and Tanjong Jernih Sdn Bhd from Sooria Narayanan.

"The proposed acquisition will be funded through a combination of internally generated funds as well as proceeds raised from its private placement exercise," Seni Jaya said today.

The companies are principally involved in the advertising and billboard business.

Collectively, they own a sizeable amount of OOH mega billboard structures at prime locations in the Klang Valley, as well as marketing rights for street bunting by local municipals of Subang Jaya, Ampang and Selayang.

Chief executive officer Cheah See Heong said the acquisitions were very much aligned with its three-year business plan to transform Seni Jaya into a leading OOH advertising services provider in Malaysia by means of improving the quantity, quality and variety of its portfolio.

"With the addition of mega billboard structures, we will possess even more premium-end OOH assets with advertising space of higher price points. Overall, the exercise will boost our already comprehensive portfolio quite significantly.

"The mega billboard structures will afford us more locational options for our big-brand-name clients. Whereas street buntings cater to the masses. All in all, we believe the proposed acquisition will bring positive contributions to the future earnings of Seni Jaya," he said.

Cheah said with the easing of movement restrictions, OOH media was expected to make a strong comeback as the medium of choice among advertisers.

"Hence, this is the perfect time to accumulate high-quality assets as we set ourselves up to capitalise on the sector's revival. In line with the increase in foot and car traffics lately, we are already witnessing a jump in sales orders for advertisement space.

"On the whole, we are positive with the sustainability of the recovery trend over the course of 2022 and beyond," he said.

The acquisitions are expected to be completed within six months from the date of the SSA.