

# SENI JAYA CORPORATION BERHAD ("SJC" OR THE "COMPANY")

## PROPOSED BONUS ISSUE OF WARRANTS

---

### 1. INTRODUCTION

On behalf of the Board of Directors of the Company ("**Board**"), M&A Securities Sdn Bhd ("**M&A Securities**") wishes to announce that SJC proposes to undertake the proposed bonus issue of warrants ("**Warrant(s)**") on the basis of 1 Warrant for every 2 existing ordinary shares in SJC ("**SJC Share(s)**" or "**Share(s)**") held by the entitled shareholders on an entitlement date to be determined and announced later ("**Entitled Shareholders**") ("**Entitlement Date**") ("**Proposed Bonus Issue of Warrants**").

### 2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS

#### 2.1 Basis and number of Warrants to be issued

As at 30 June 2021, being the latest practicable date ("**LPD**") prior to this announcement, the total issued share capital of SJC is RM40,533,330 comprising 40,533,330 ordinary shares.

On 7 July 2021, UOB Kay Hian Securities (M) Sdn Bhd ("**UOB Kay Hian**") being the adviser and placement agent of the Company, had on behalf of the Board announced that SJC proposes to undertake a private placement of up to 8,106,666 Shares ("**Placement Shares**"), representing 20.0% of the total number of SJC Shares ("**Proposed Private Placement**"). The issue price of the Placement Shares will be determined and fixed by the Board at a later date based on a discount of not more than 10.0% to the 5-day volume weighted average market price ("**5D-VWAMP**") of SJC Shares immediately preceding the price-fixing date. Assuming all the 8,106,666 Placement Shares are issued, the enlarged number of shares comprising 48,639,996 Shares.

The Proposed Bonus Issue of Warrants entails the issuance of up to 24,319,998 Warrants on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date.

The actual number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants would depend on the issued share capital of the Company on the Entitlement Date, based on the following:

**"Base Scenario"** : Based on the total number of 40,533,330 issued Shares as at the LPD and assuming none of the Placement Shares are issued prior to the Entitlement Date.

**Number of Warrants to be issued:**  
20,266,665 Warrants

**"Maximum Scenario"** : Based on the total number of 40,533,330 issued Shares as at the LPD and assuming all Placement Shares are issued prior to the Entitlement Date.

**Number of Warrants to be issued:**  
24,319,998 Warrants

The Proposed Bonus Issue of Warrants complies with the Paragraph 6.50 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**")<sup>(1)</sup>.

**Note:**

<sup>(1)</sup> Paragraph 6.50 of the MMLR stipulates that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities (i.e. warrants and convertible preference shares) does not exceed 50.0% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

Fractional entitlements, arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date by the Board upon receipt of all relevant approvals.

The Proposed Bonus Issue of Warrants will not be implemented in stages over a period of time.

## **2.2 Indicative salient terms of the Warrants**

The indicative salient terms of the Warrants are set out as follows:

<b>Terms</b>	<b>Details</b>
Issuer	: SJC
Issue size	: Up to 24,319,998 Warrants
Form and denomination	: The Warrants will be issued in registered form and will be constituted by a deed poll to be executed by the Company (" <b>Deed Poll</b> ").
Tenure	: 5 years commencing from and inclusive of the date of allotment and issuance of the Warrants (" <b>Issue Date</b> ").
Exercise Period	: The Warrants may be exercised at any time within the tenure of 5 years commencing on and including the Issue Date of the Warrants until 5.00 p.m. (Malaysia time) on the Expiry Date (" <b>Exercise Period</b> ").  Any Warrant not exercised during the Exercise Period will cease to be valid for any purpose and will be deemed to have lapsed.
Exercise Price	: The exercise price of the Warrants shall be determined and fixed by the Board and announced at a later date, after obtaining the relevant approvals but before the Entitlement Date (" <b>Exercise Price</b> "). Kindly refer to Section 2.3 of this announcement for the basis of determining the exercise price of the Warrants.

<b>Terms</b>	<b>Details</b>
Exercise Rights	: Each Warrant shall entitle its holders of Warrant (" <b>Warrant Holders</b> ") to subscribe for 1 new Share at any time during the Exercise Period and at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Expiry Date	: The day immediately preceding the 5 <sup>th</sup> anniversary of the Issue Date. If such day is not a market day, then it shall be the market day immediately preceding the said non-market day.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise of 100 Warrants unless otherwise revised by the relevant authorities.
Mode of exercise	: The Warrant Holders are required to lodge an exercise form with the Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the exercise price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustment in the Exercise Price and/or the number of Warrants in the event of alteration to the share capital	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants held by the Warrant Holders shall, from time to time, be adjusted by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of SJC in the event of alteration to the share capital of the Company at any time during the tenure.
Status of the new SJC Shares to be issued pursuant to the exercise of the Warrants	: The new SJC Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing SJC shares, save and except that they shall not be entitled to participate in any rights, allotments, dividends and/or other distributions, where the entitlement date of which precedes the date of allotment of the said new SJC Shares issued pursuant to the exercise of the Warrants.
Modification of rights of Warrant Holder	: Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll and comply with the requirements of the Deed Poll. Any of such modification shall however be subject to the approval of Bursa Securities and the Warrant Holders by way of special resolution (if so required).

No amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct a manifest error or to comply with mandatory provisions of Malaysian law or, in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant Holders.

<b>Terms</b>	<b>Details</b>
Rights of Warrants Holders	: The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll, until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Rights in the event of winding up, liquidation or an event of default	: If a resolution is passed for a members' voluntary winding-up of the Company or a court order approving a scheme of compromise or arrangement pursuant to Section 366 of the Companies Act 2016 is granted, then: <ul style="list-style-type: none"> <li>(i) for the purposes of such winding-up, compromise or scheme of arrangement to which the Warrant Holders, or some persons designated by them for such purposes by a special resolution shall be a party, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or</li> <li>(ii) in any other case, every Warrant Holder shall be entitled at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the Exercise Period), by irrevocable surrender of his Warrants together with the duly completed exercise form and payment of the relevant Exercise Price, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such Warrants, to the extent specified in the exercise form and be entitled to receive out of the assets of the Company which would be available in liquidation, and had on such date been the holder of Shares to which he would have become entitled pursuant to such exercise, and the liquidator of the Company shall give effect to such election accordingly.</li> </ul> <p>Subject to the foregoing, if the Company is wound up (other than by way of a members' voluntary winding up), all Exercise Rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.</p>
Listing	: The Warrants will be listed on the Main Market of Bursa Securities.
Transferability	: The Warrants shall be transferable in accordance with the Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Malaysia Depository Sdn Bhd.
Governing Law	: Laws of Malaysia.

### 2.3 Basis and justification for the indicative exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants will be determined by the Board at a later date after all relevant approvals have been obtained. The exercise price will be determined after taking into consideration the following:

- (i) the historical price movement of SJC Shares;
- (ii) the 5D-VWAMP of SJC Shares immediately preceding the price-fixing date to be determined and announced later;
- (iii) the prevailing market conditions; and
- (iv) the future funding requirements of SJC and its subsidiaries ("**SJC Group**" or "**Group**").

In any event, the discount of the exercise price of the Warrants shall not be more than 20.0% from the theoretical ex-all price of SJC Shares computed based on the 5D-VWAMP of SJC Shares up to and including the price fixing date. This discount range was determined by the Board to stimulate more demand for the SJC Shares before the Entitlement Date, encourage the exercise of the Warrants, as well as for the potential funding benefits of the Warrants in future upon the exercise of Warrants.

For illustrative purposes only, the exercise price of the Warrants is assumed to be at RM2.3025 each ("**Indicative Exercise Price**"), which represents a discount of approximately 10.0% to the 5D-VWAMP of SJC Shares up to and including the LPD of RM2.5583 per Share. Correspondingly, the theoretical ex-all price of SJC Shares for the Proposed Bonus Issue of Warrants, computed based on the 5D-VWAMP of SJC Shares up to and including the LPD of RM2.5583 per Share, is RM2.4730 per Share. Thus, the Indicative Exercise Price represents a discount of approximately 6.9% to the said theoretical ex-all price.

The Board wishes to emphasise that the Indicative Exercise Price should not be taken as an indication of or reference to the actual exercise price of the Warrants, as it will only be determined and announced at a later date.

### 2.4 Ranking of the Warrants and the new SJC Shares to be issued arising from the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights or participation in any form of distribution other than on winding-up, compromise or arrangement of SJC as set out in a Deed Poll constituting the Warrants in SJC until and unless such Warrant Holders exercise their Warrants into new SJC Shares.

The new SJC Shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the existing SJC Shares, save and except that they shall not be entitled to participate in any rights, allotments, dividends and/or other forms of distributions, where the entitlement date of which precedes the date of allotment of the said new SJC Shares issued pursuant to the exercise of the Warrants.

## **2.5 Listing of and quotation for the Warrants and new SJC Shares to be issued arising from the exercise of the Warrants**

An application will be made to Bursa Securities for:

- (i) The admission of the Warrants to the official list of Bursa Securities; and
- (ii) The listing of and quotation for the Warrants and new Shares to be issued arising from the exercise of the Warrants,

on the Main Market of Bursa Securities.

## **2.6 Utilisation of proceeds from the exercise of Warrants**

The Proposed Bonus Issue of Warrants is not expected to raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the tenure of the Warrants as well as the exercise price of the Warrants, which will be determined and fixed at a later date.

For illustration purposes, the gross proceeds to be raised upon full exercise of the Warrants based on the Indicative Exercise Price is up to approximately RM56.0 million under the Maximum Scenario. Such proceeds will be utilised for the capital expenditure of its outdoor advertising business or reserved funds for future business expansion, in proportion to be determined later. The detailed breakdown of such utilisation are subject to the Group's operating requirements and business development strategies at the relevant times and therefore cannot be determined at this juncture. Barring any unforeseen circumstances, such proceeds are expected to be utilised within 24 months from the date of receipt of funds.

Further, the details of the future business expansion of the Group has not been finalised at this juncture. However, it is the intention of the Company to venture into business that will be complimentary to the Group's existing business. The Group will make an announcement and seek for shareholders' approval, if required by the MMLR, once such details has been finalised.

Pending the utilisation of proceeds, such proceeds shall be placed in deposits with financial institutions or short-term money market instruments. Interest derived from such deposits or gains from such money market instruments will be used for the capital expenditure of its outdoor advertising business (as mentioned above) for the Group.

## **2.7 Details of equity fund-raising exercises undertaken in the past 12 months**

Save for the Proposed Private Placement, SJC has not undertaken any equity fund-raising exercise in the past 12 months before the announcement of the Proposed Bonus Issue of Warrants.

## **3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF WARRANTS**

After due consideration of various methods, the Board is of the view that the Proposed Bonus Issue of Warrants is the most appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Bonus Issue of Warrants will:

- (i) enable existing shareholders of SJC to participate in convertible securities of the Company, which are tradable on the Main Market of Bursa Securities, without incurring any cost;
- (ii) provide existing shareholders of SJC with an opportunity to increase their equity participation in the Company at a pre-determined exercise price over the tenure of the Warrants;
- (iii) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (iv) strengthen the capital base and shareholders' funds of the Company as well as provide additional working capital for the Group, as and when the Warrants are exercised.

#### **4. INDUSTRY OUTLOOK AND OVERVIEW AND FUTURE PROSPECTS OF THE GROUP**

##### **4.1 Overview and outlook of the Malaysian economy**

The Malaysian economy registered a smaller decline of 0.5% in the first quarter of 2021 (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronics ("E&E") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order ("MCO") 2.0 and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector.

On the expenditure side, growth was driven by better private sector spending and strong growth in trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

Despite the recent re-imposition of containment measures, the impact on growth would be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Higher production from existing and new manufacturing facilities, particularly in the E&E and primary-related subsectors, as well as oil and gas facilities will provide further impetus to growth. The roll-out of the domestic COVID-19 vaccine program will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors. The balance of risks remains tilted to the downside, arising mainly from ongoing uncertainties in developments related to the pandemic, and continued challenges that affect the roll-out of vaccines both globally and domestically.

*(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2021, Bank Negara Malaysia)*

Recovery in the domestic economy, which began in the second half of 2020, is expected to continue in 2021 (the Malaysian economy is projected to rebound to between 6.0% and 7.5% in 2021). The recovery, nevertheless, is expected to be uneven and will be shaped by several factors, including the course of the COVID-19 pandemic and vaccine rollout, the extent of external spillovers, sector-specific developments, and the degree of improvement in labour market conditions. Amid a highly uncertain operating environment, continued and targeted policy measures will remain central in supporting growth going forward.

COVID-19 developments remain key in influencing Malaysia's growth trajectory in 2021, particularly the extent and duration of containment measures and the rollout of vaccines. Malaysia entered the year with the tightening of containment measures in most states with a resurgence in cases since late last year. The corresponding restrictions and weakness in sentiments amid the uncertain progress of the pandemic will likely weigh further on spending in the early part of 2021. Nevertheless, the overall impact for the year is expected to be smaller than in 2020, owing to a less restrictive and more targeted approach to contain the COVID-19 resurgence. In particular, the flexibility for more economic sectors to operate should lessen supply and demand disruptions. Firms and consumers are also better adapted to physical distancing requirements and other operating procedures to contain the spread of infections. Concurrently, the rollout of vaccines domestically beginning February 2021 will provide some lift to consumer sentiments and spending. However, as mass vaccination to induce herd immunity is expected to occur in a phased manner, the improvement in sentiments is expected to be gradual. As such, international tourism activities for Malaysia are unlikely to resume in a meaningful way, to limit community transmission and imported cases.

Notwithstanding the COVID-19 situation, a positive development is on the external spillovers from the broader recovery in global demand. This will sustain domestic production, investment, and export activity. Firms in the export-oriented industries and the supporting sectors are poised to benefit from improving domestic demand in key trade partner economies and the global technology upcycle. Of note, the rising demand for remote working equipment and medical-related products augurs well for firms in the manufacturing industry, particularly electrical and electronics as Malaysia forms an integral part of the global value chain. Beyond these, the recovery in global commodity prices and demand should lift commodity production and export revenues.

*(Source: Outlook and Policy in 2021, Economic and Monetary Review 2020, Bank Negara Malaysia)*

#### **4.2 Overview and prospects of advertising market in Malaysia**

The advertising industry is set to swing to a recovery mode in 2021 with advertising expenditure picking up, underpinned by the brighter economic prospects and the development of COVID-19 vaccine. The industry has been under tremendous pressure mainly from the movement control orders that started on March 18 following the pandemic. This is set to change with the Malaysian economy gaining momentum, partly attributed to the various Budget 2021 measures to spur consumer spending. The RM322.5 billion federal budget, the nation's largest, was passed despite a call by the Opposition for bloc voting. Media analysts agree that with the economy poised for a stronger growth next year, it would also spur consumer spending and in turn give a boost to the ad industry.

*(Source: Article entitled "Advertising industry set for recovery" dated 30 November 2020, thestar.com.my)*

Interpublic Group's Magna forecasts a 14% increase in 2021 global media ad revenue, now expected to reach a record United States Dollars 657 billion which according to Magna, represents the strongest ad revenue acceleration in 40 years. In terms of advertising activity in Malaysia, the disruptions in 2020 led to a contraction of -20% but Magna forecasts that 2021 will see an increase by 15.4%.

In terms of linear advertising, revenues are expected to increase by 10.8% and reach 44% of total advertiser budgets. However due to the -39% decline in 2020, this means despite the bounce, linear advertising revenues will only regain 68% of the prior 2019 spending levels. Television spending is forecasted to increase by 8% to RM879 million, representing 86% of the prior 2019 spending level following 2020's -21% decline while other linear advertising



formats fared even worse, including radio (65% of prior levels) and out of home advertising (67% of prior levels).

According to Magna, linear advertising revenues have been hit so hard because Malaysia has very significant exposures to industries vulnerable to COVID-19 shutdowns and changes in consumer behaviour as a result of the crisis. Restaurants, retail and travel/ tourism sectors make up 62% of small and medium businesses in Malaysia and many of them have gone out of business or have made huge cuts to their ad spend in order to survive in the short term.

In terms of digital advertising spend in Malaysia, Magna forecasts it will increase by 19.3% to reach RM2.9 billion, representing 56% of total budgets which is an increase from 40% of budgets in 2019. Digital adoption was propelled by the pandemic with the increased use of devices as spending on mobile devices is forecasted to increase by 27%. Meanwhile, in terms of format, search, video and social, in that order, are leading the way. Although Malaysia's economic output is projected to regain all the momentum it lost in 2020, the recent spike in COVID-19 cases and the subsequent national lockdown may impact the forecasted economic activity.

*(Source: Article entitled "Magna forecasts global advertising spend to surge this year, Malaysia to see 15.4% increase" dated 16 June 2021, marketingmagazine.com.my)*

#### **4.3 Prospect of the Group**

The Group is principally involved in the business segment of advertising, which includes the provision of media services for outdoor and indoor advertising as well as supply of advertising materials.

The COVID-19 pandemic and the movement control orders implemented by the Malaysian government in response has affected the advertising industry in Malaysia, which in turn has impacted the Group's business. Nevertheless, the Group anticipates that the advertising segment will recover over the long-term, in line with the recovery of the broader economy supported by the RM322.5 billion federal budget of the Malaysian government for 2021, gradual improvement of labour market conditions and the ongoing COVID-19 vaccine rollout.

The Group is currently focused on expanding its advertising business, specifically in digital and technological advertising media, for example light emitting diode ("**LED**") display billboards and digital signages. The Group has already undertaken the replacement of certain unprofitable advertising billboards and intends to upgrade some of its existing advertising billboards to LED display billboards to improve the Group's margins. The Board is also exploring business expansion opportunities via the acquisition of and collaboration with companies in the advertising industry and/or potential strategic joint ventures with other media owners.

Barring any unforeseen circumstances, the Board is of the opinion that the Group's performance will remain positive. The Board of Directors and senior management team are implementing strategies that will bring positive financial impact to the Group.

*(Source: Management of SJC)*

[The rest of this page is intentionally left blank]

## 5. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

### 5.1 Share Capital

For illustrative purposes, the effects of the Proposed Bonus Issue of Warrants on the share capital of SJC are set out as follows:-

	Base Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	40,533,330	40,533,330	40,533,330	40,533,330
Shares to be issued pursuant to the Proposed Private Placement	-	-	8,106,666	<sup>(1)</sup> 18,110,292
<b>After the Proposed Private Placement</b>	<b>40,533,330</b>	<b>40,533,330</b>	<b>48,639,996</b>	<b>58,643,622</b>
Shares to be issued pursuant to the full exercise of the Warrants	20,266,665	<sup>(2)</sup> 46,663,996	24,319,998	<sup>(2)</sup> 55,996,795
<b>Enlarged issued share capital</b>	<b>60,799,995</b>	<b>87,197,326</b>	<b>72,959,994</b>	<b>114,640,417</b>

#### Notes:

(1) Based on the indicative issue price of RM2.2340 per Placement Shares ("Indicative Issue Price").

(2) Based on the Indicative Exercise Price of RM2.3025.

### 5.2 Net assets ("NA") and gearing

The pro forma effects of the Proposed Bonus Issue of Warrants on the NA and gearing of the Group based on the latest audited consolidated financial position of the Group as at 31 December 2020 are set out as follows:-

#### Base Scenario

	As at 31 December 2020	I	II
		After the Proposed Bonus Issue of Warrants	After full exercise of Warrants
	RM	RM	RM
Share Capital	40,533,330	40,533,330	87,197,326
Retained earnings	6,912,742	<sup>(1)</sup> 6,812,742	<sup>(1)</sup> 6,812,742
<b>Shareholders' funds/Net assets</b>	<b>47,446,072</b>	<b>47,346,072</b>	<b>94,010,068</b>
No. of ordinary shares	40,533,330	40,533,330	60,799,995
NA per ordinary share	1.17	1.17	1.55
Borrowings (RM)	-	-	-
Gearing	-	-	-

#### Note:

(1) After deducting estimated expenses in relation to the Proposed Bonus Issue of Warrants of RM0.10 million.

### **Maximum Scenario**

		<b>I</b>	<b>II</b>	<b>III</b>
	<b>As at 31 December 2020</b>	<b>After Proposed Private Placement</b>	<b>After Proposed Bonus Issue of Warrants</b>	<b>After full exercise of Warrants</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Share Capital	40,533,330	<sup>(1)</sup> 58,643,622	58,643,622	114,640,417
Retained earnings	6,912,742	<sup>(2)</sup> 6,832,742	<sup>(3)</sup> 6,732,742	<sup>(3)</sup> 6,732,742
<b>Shareholders' funds/Net assets</b>	<b>47,446,072</b>	<b>65,476,364</b>	<b>65,376,364</b>	<b>121,373,159</b>
No. of ordinary shares	40,533,330	48,639,996	48,639,996	72,959,994
NA per ordinary share	1.17	1.35	1.34	1.66
Borrowings	-	-	-	-
Gearing	-	-	-	-

#### **Notes:**

- (1) Assuming the issuance of 8,106,666 Placement Shares at the Indicative Issue Price.
- (2) After deducting estimated expenses in relation to the Proposed Private Placement of RM0.08 million.
- (3) After deducting estimated expenses in relation to the Proposed Bonus Issue of Warrants of RM0.10 million.

### **5.3 Earnings and Earnings per Share ("EPS")**

The Proposed Bonus Issue of Warrants will not have any impact on the earnings of the Group. However, the EPS of the Group is expected to be diluted as a result of the increase in the number of Shares arising from the exercise of Warrants.

### **5.4 Existing convertible securities**

As at the LPD, the Company does not have any outstanding convertible securities in issue.

[The rest of this page is intentionally left blank]

## 5.5 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Warrants will not have any immediate effect on the substantial shareholders' percentage of shareholding in the Company as the Warrants will be allotted on a pro-rated basis to all Entitled Shareholders. However, the number of SJC Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants.

The pro forma effects of the Proposed Bonus Issue of Warrants on the shareholdings of the substantial shareholders of SJC are set out below:

### Base Scenario

	As at the LPD				I After the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	%	No. of Shares	(2)%	No. of Shares	%
<b>Substantial shareholders</b>								
Datin Lee Nai Yee	6,903,130	17.0	-	-	10,354,695	17.0	-	-
Dato' Sri Anne Teo	5,954,866	14.7	-	-	8,932,299	14.7	-	-
Placee(s)	-	-	-	-	-	-	-	-

### Maximum Scenario

	As at the LPD				I After the Proposed Private Placement				II After I and upon full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	%	No. of Shares	(3)%	No. of Shares	%	No. of Shares	(4)%	No. of Shares	%
<b>Substantial shareholders</b>												
Datin Lee Nai Yee	6,903,130	17.0	-	-	6,903,130	14.2	-	-	10,354,695	14.2	-	-
Dato' Sri Anne Teo	5,954,866	14.7	-	-	5,954,866	12.2	-	-	8,932,299	12.2	-	-
Placee(s)	-	-	-	-	8,106,666	16.7	-	-	12,159,999	16.7	-	-

### Notes:

- (1) Based on total issued Shares of 40,533,330.
- (2) Based on 60,799,995 Shares upon full exercise of the Warrants under the Base Scenario.
- (3) Based on the enlarged issued shares of 48,639,996 Shares assuming the issuance of 8,106,666 Placement Shares pursuant to the Proposed Private Placement.
- (4) Based on 72,959,994 Shares upon full exercise of the Warrants under the Maximum Scenario.

## **6. APPROVALS REQUIRED**

The Proposed Bonus Issue of Warrants is subject to the following approvals:-

- (i) Bursa Securities, for the following:-
  - (a) the admission of up to 24,319,998 Warrants to the official list of Bursa Securities; and
  - (b) the listing of and quotation of up to 24,319,998 Warrants and the new SJC Shares to be issued arising from the exercise of the Warrants,  
on the Main Market of Bursa Securities;
- (ii) the shareholders of SJC at an extraordinary general meeting to be convened; and
- (iii) any other relevant authority, if required.

The Proposed Bonus Issue of Warrants is not conditional upon any other proposals undertaken or to be undertaken by the Company including the Proposed Private Placement.

## **7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the directors, major shareholders of the Company, chief executive and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue of Warrants, other than their respective entitlements as shareholders of the Company under the Proposed Bonus Issue of Warrants, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

## **8. DIRECTORS' STATEMENT**

After having considered all aspects of the Proposed Bonus Issue of Warrants, the Board is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of the Company.

## **9. ADVISER**

M&A Securities has been appointed by the Company to act as adviser for the Proposed Bonus Issue of Warrants.

## **10. ESTIMATED TIMEFRAME FOR COMPLETION**

The Proposed Bonus Issue of Warrants is expected to be completed in the third quarter of 2021.

## **11. APPLICATION TO THE RELEVANT AUTHORITIES**

The application to the relevant authorities for the Proposed Bonus Issue of Warrants shall be made within 2 months from the date of this announcement.

This announcement is dated 23 July 2021.