

SENI JAYA CORPORATION BERHAD (“SJC B” OR THE “COMPANY”)

SHARE SALE AGREEMENT BETWEEN SENI JAYA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WITH SOORIA NARAYANAN A/L SHANMUGAM @ SHUMUGAM

1. INTRODUCTION

The Board of Directors of SJC B (the “**Board**”) wishes to announce that Seni Jaya Sdn Bhd (“**SJSB**” or the “**Purchaser**”), a wholly-owned subsidiary of the Company, had on 17 November 2022, entered into a Share Sale Agreement (“**SSA**”) with Sooria Narayanan A/L Shanmugam @ Shumugam (the “**Vendor**”) (collectively with the Purchaser, to be referred as the “**Parties**”) for the proposed acquisition of additional 15% of the paid-up share capital in Andaman Media Sdn Bhd, Saakti Billboards Sdn Bhd and Tanjong Jernih Sdn Bhd respectively (collectively, the “**Companies**”) (“**Sale Shares**”) for a total consideration of RM2.9 million (“**Consideration**”) (“**Proposed Acquisition**”).

Pursuant to the Share Sale Agreement dated 27 January 2022 made between the Vendor and Purchaser, the Purchaser is currently the legal and beneficial owner of the Companies representing 55% of the issued and fully paid-up capital of each of the Companies.

As at the date of the SSA, the Vendor is the legal and registered owner of 45% of the issued and fully paid-up share capital of each of the Companies. The Vendor intends to sell to the Purchase shares of each of the Companies representing 15% of the issued and fully paid-up share capital of each of the Companies.

The Vendor had subsequently agreed to sell and the Purchaser had agreed to purchase from the Vendor the Sale Shares upon the terms and conditions set out in the SSA.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information of Andaman Media Sdn Bhd (“**AMSB**”)

AMSB was incorporated in Malaysia on 25 October 2011 as a private limited company and has an issued share capital of RM10,000 comprising 10,000 ordinary shares. AMSB is principally involved in advertising and billboard business.

The directors and shareholders of AMSB are as follows:

Name	No. of shares	%
<u>Directors & Shareholders</u>		
Sooria Narayanan A/L Shanmugam @ Shumugam	4,500	45
Cheah See Heong	-	-
Choo Boon Cheong	-	-
<u>Shareholders</u>		
Seni Jaya Sdn Bhd	5,500	55
	10,000	100

2.2 Information of Saakti Billboards Sdn Bhd (“SBSB”)

SBSB was incorporated in Malaysia on 28 February 2013 as a private limited company and has an issued share capital of RM1,000 comprising 1,000 ordinary shares. SBSB is principally involved in advertising and billboard business.

The directors and shareholders of SBSB are as follows:

Name	No. of shares	%
<u>Directors & Shareholders</u>		
Sooria Narayanan A/L Shanmugam @ Shumugam	450	45
Cheah See Heong	-	-
Choo Boon Cheong	-	-
<u>Shareholders</u>		
Seni Jaya Sdn Bhd	550	55
	1,000	100

2.3 Information of Tanjong Jernih Sdn Bhd (“TJSB”)

TJSB was incorporated in Malaysia on 27 February 2015 as a private limited company and has an issued share capital of RM1,000 comprising 1,000 ordinary shares. TJSB is principally involved in advertising and billboard business.

The directors and shareholders of TJSB are as follows:

Name	No. of shares	%
<u>Directors & Shareholders</u>		
Sooria Narayanan A/L Shanmugam @ Shumugam	450	45
Cheah See Heong	-	-
Choo Boon Cheong	-	-
<u>Shareholders</u>		
Seni Jaya Sdn Bhd	550	55
	1,000	100

2.4 Information of the Purchaser

SJSB was incorporated in Malaysia on 10 November 1983 as a private limited company and has an issued share capital of RM4,920,000 comprising 4,920,000 ordinary shares. The principal activity of SJSB is the provision of media advertising services.

The directors and shareholders of the Purchaser are as follows:

Name	No. of shares	%
<u>Directors</u>		
Cheah See Heong	-	-
Ong Kah Hoe	-	-
<u>Shareholder</u>		
Seni Jaya Corporation Berhad	4,920,000	100.0

2.5 Salient Terms of the SSA

2.5.1 Sale and Purchase of Sale Shares

The Vendor agrees to sell the number and proportions of the Sale Shares and the Purchaser agrees to purchase the Sale Shares, on a willing buyer willing seller basis, free from any encumbrances together with all rights, benefits, titles, interests, entitlements and advantages attached to the Sale Shares including any dividends, rights and distribution accruing on or after three (3) months from and including the date that all Condition Precedents have been duly fulfilled unless otherwise extended further by mutual agreement between the Parties ("Completion Date") or a period of thirty (30) days from the expiry of the Completion Date ("Extended Completion Date"), if applicable, on the terms and subject to the conditions contained in the SSA.

2.5.2 Waiver of Rights

The Vendor waive any right of pre-emption or other restriction on transfer in respect of the Sale Shares, under the constitutional documents of the Companies, under any shareholders' agreement, if any or in any other way and shall before or at Completion, procure the irrevocable waiver of any such right or restriction conferred on any other person who is not a party to the SSA.

2.5.3 Basis of Sale and Purchase

The Parties expressly declare, acknowledge and agree that the sale and purchase of the Sale Shares pursuant to the SSA is on the basis that as at the Completion Date or Extended Completion Date, if applicable:

- (i) each of the Companies remains as a going concern;
- (ii) the Sale Shares are free from any Encumbrances;
- (iii) the Vendor has obtained on behalf of AMSB the necessary permits and licenses in relation to the sites with the following description and such billboards will be constructed and be in operation:
 - a) DUKE Highway (Kuala Lumpur to Jalan Duta / Mont Kiara)
 - b) MRR2 Tesco; and
 - c) MRRS Melawatiand further described in the SSA; and
- (iv) the Vendors' warranties and the Purchaser's warranties are true and accurate.

2.5.4 Consideration

Subject to the provisions of the SSA, the total consideration of the Sale Shares shall be Ringgit Malaysia Two Million Nine Hundred Thousand Only (RM2,900,000.00) ("**Consideration**") which shall be paid by the Purchaser to the Vendor in the following manner: -

- (i) the sum of Ringgit Malaysia One Million Two Hundred (RM1,200,000.00) only to be paid by the Purchaser to the Vendor upon execution of the SSA ("Deposit"); and
- (ii) the sum of Ringgit Malaysia One Million Seven Hundred (RM1,700,000.00) only to be paid by the Purchaser to the Vendor within nine (9) months from the fulfilment of the Condition Precedent and Unconditional Date is reached ("Balance Purchase Price") and

In the event that the SSA is terminated for any reason whatsoever, any monies paid by the Purchase under the SSA shall be fully refunded to the Purchase

within three (3) days from the date of termination, failing which the Purchaser shall be entitled to enforce any of the Security Documents or impose interest of eight per centum (8%) per annum on the outstanding amount to be calculated on a daily basis until the date of full settlement at its absolute discretion.

Upon receipt of the refund of all monies paid by the Purchaser under the SSA, the Purchaser shall return all the Security Documents to the Vendor and the SSA shall cease to have any effect except for the Survival Provisions which shall remain in force and save in respect of claims arising out of any antecedent breach of the SSA.

The Purchaser reserves the right to deduct any part of the Consideration in relation to the indemnity and liability clause of the SSA or any other indemnity-related clauses in the SSA.

2.5.5 Condition Precedent

The Completion of the SSA shall be conditional upon the following: -

a. the Vendor shall, on behalf of AMSB, obtain the necessary licenses in relation to the sites with the following description within 30 days from the date of the SSA or such other extended period as agreed by the Purchaser and that all conditions as stipulated in each of the licenses obtained by the Vendor for the New Sites are fulfilled within the timeline and following the terms and conditions stipulated therein (“Condition Period”):

- DUKE Highway (Kuala Lumpur to Jalan Duta / Mont Kiara);
- MRR2 Tesco; and
- MRR2 Melawati;

(the abovementioned three (3) sites are collectively referred to as “New Sites”)

b. If any of the Conditions Precedent remained unfulfilled upon the expiry of the Condition Period, the Purchaser may, either provide the Vendor with an extended period to fulfil the Conditions Precedent set out herein or to terminate the SSA and in such event, the Vendor shall within fourteen (14) days from the date of the receipt of the Purchaser’s notice, refund to the Purchaser all monies paid towards account of the Consideration, failing which, the Vendor shall pay to the Purchaser the interest at the rate of eight per centum (8%) per annum calculated on a daily basis on the amount due from the date of termination until the date of full refund, and thereafter the SSA shall be of no effect except for the Survival Provisions which shall remain in force and save in respect of claims arising out of any antecedent breach of the SSA.

c. The SSA shall become unconditional on the day upon which the last of the relevant conditions set out in the Condition Precedent have been fulfilled in accordance with the provisions of the SSA (“Unconditional Date”).

2.5.6 Upon Completion, each of the Companies shall be held by the following shareholders in the following proportion:

Shareholders	Issued Ordinary Shares (%)		
	AMSB	SBSB	TJSB
Sooria Narayanan A/L Shanmugam @ Shumugam	3,000 (30%)	300 (30%)	300 (30%)
Seni Jaya Sdn Bhd	7,000 (70%)	700 (70%)	700 (70%)

There shall be no amount owing by each of the Companies to the Vendor or any of his related companies upon Completion.

3. BASIS AND JUSTIFICATION FOR THE CONSIDERATION

The Vendor, since the Companies became subsidiaries of the SJCB, has secured additional 3 new sites in Klang Valley area which are value added to the Companies. Basis of Consideration of RM2.9 million was determined by the valuation of the Companies factoring projected revenue contribution from the additional new sites.

3.1 Liabilities to be assumed

Save for the liabilities in the Companies which will be consolidated into the results of the Company's Group of Companies, there are no contingent liabilities or guarantee to be assumed by SJCB Group arising from the Proposed Acquisition.

3.2 Additional financial commitment

SJCB Group does not expect to incur any other additional financial commitment after the completion of the Proposed Acquisition.

4. RATIONALE AND BENEFIT OF THE PROPOSED ACQUISITION

With the expected positive contribution, the Group is in the view that the increased equity holding of the Companies would accelerate the improvement of the Earnings Per Share of SJCB and equity attributable to shareholders in long term.

5. SOURCE OF FUNDING

The Consideration will be funded by a combination of internally generated funds and proceeds from disposal of properties.

6. RISK FACTOR

6.1 Completion risk

The completion of the Proposed Acquisition is conditional upon the fulfilment of the condition precedent in the SSA. If any of the condition precedent is not met or not waived, the SSA may be terminated and SJSB will not be able to complete the Proposed Acquisition. However, SJSB shall use its best endeavours to ensure the risk is addressed.

7. EFFECTS OF THE PROPOSED ACQUISITION

The pro forma effects of the Proposed Acquisition on the issued share capital, net assets ("NA"), NA per share, gearing, earnings and earnings per share of the Company as well as substantial shareholders' shareholdings in SJCB are illustrated in the ensuing sections.

7.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of the Company as the Proposed Acquisition will be satisfied via a combination of internally generated funds and proceeds from disposal of properties.

7.2 NA and gearing

The Proposed Acquisition will not have any effect on the gearing of SJCB Group as set out in Section 5.

7.3 Earnings per share ("EPS")

Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings and Earnings Per Share of the Group.

8. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 6.29% calculated based on the audited consolidated financial statements of SJCB for the financial year ended 31 December 2021.

The aggregate percentage ratio for the Proposed Acquisition entered with same party (Sooria Narayanan A/L Shanmugam @ Shumugam) within 12 months is **24.72%** based on the latest audited consolidated financial statement of SJCB as at 31 December 2021.

9. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of SJCB.

10. INTER-CONDITIONALITY OF THE PROPOSED ACQUISITION

The Proposed Acquisition is not conditional upon any other corporate proposals of the Company.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors, major shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition.

Sooria Narayanan A/L Shanmugam @ Shumugam, is the director and major shareholder of the Companies. Pursuant to Paragraph 10.08 (11)(o) of the Listing Requirements, a transaction is not normally deemed as related party transaction if such transaction is entered between the subsidiary of listed corporation (SJCB) with another person where there are no other interested relationships except for a related party who is a director or major shareholder (Sooria Narayanan A/L Shanmugam @ Shumugam) of a subsidiary of the listed corporation (the Companies) or a person connected with such director or major shareholder having an interest in the transaction.

Moreover, Sooria Narayanan A/L Shanmugam @ Shumugam does not hold any shares in SJCB and SJCB.

Premised on the above, the Proposed Acquisition is not deemed as a related party transaction.

12. DIRECTORS' STATEMENT

After having considered all aspects of the Proposed Acquisition, the Board is of the opinion that the Proposed Acquisition is in the best interest of the Group.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed within 6 months from the date of the SSA.

14. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SSA is available for inspection at the Company's registered office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this announcement.

This announcement is dated 22 November 2022.