

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

### PROPOSED DISPOSAL OF FIVE (5) PARCELS OF SHOP OFFICES HELD UNDER BANDAR KUALA LUMPUR, DAERAH WILAYAH PERSEKUTUAN KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN KUALA LUMPUR BY SENI JAYA SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, TO UOB EQUITY SDN. BHD.

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#### 1. INTRODUCTION

The Board of Directors of SJC (the “**Board**”) wishes to announce that Seni Jaya Sdn. Bhd. (“**SJSB**” or the “**Vendor**”), a wholly-owned subsidiary of the Company, had on 21 October 2022 entered into five (5) Sale and Purchase Agreements (“**SPAs**” or individually referred to as “**SPA**”) with UOB Equity Sdn. Bhd. (the “**Purchaser**”) for the disposal of five (5) parcels of Shop Offices held under Bandar Kuala Lumpur, Daerah Wilayah Persekutuan Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (the “**Properties**” or individually referred to as the “**Property**”) for a total consideration of RM11.5 million (“**Proposed Disposal**”).

#### 2. DETAILS OF THE PROPOSED DISPOSAL

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties strictly on an “as is where is” basis subject to the tenancies attached to the Properties, free from all encumbrances and with vacant possession but subject to all conditions of title and restrictions in interest whether expressed or implied in the strata title to the Properties and otherwise as provided under the National Land Code 1965 and upon the terms and conditions contained in the SPAs.

##### 2.1 Information on the Vendor

SJSB was incorporated in Malaysia on 10 November 1983 as a private limited company under the Companies Act, 1965 and is deemed registered under the Companies Act, 2016. The Vendor is the registered and beneficial owner of the Property and has an issued share capital of RM4,920,000.00 comprising 4,920,000 ordinary shares. SJSB is principally involved in the provision of media advertising services.

The directors and shareholder of SJSB are as follows:

Name	No. of shares	%
<b><u>Directors</u></b>		
Dato’ Sri Anne Teo	-	-
Cheah See Heong	-	-
<b><u>Shareholder</u></b>		
Seni Jaya Corporation Berhad	4,920,000	100.0

##### 2.2 Information on the Purchaser

The Purchaser was incorporated in Malaysia on 7 July 1993 as a private limited company under the Companies Act, 1965 and is deemed registered under the Companies Act, 2016. The Purchaser has an issued share capital of RM1,000,000.00 comprising 1,000 ordinary shares. The principal activity of the Purchaser is general merchants, property investment and clay products manufacturer.

The directors and shareholder of the Purchaser are as follows:

<b>Name</b>	<b>No. of shares</b>	<b>%</b>
<b><u>Directors</u></b>		
Ronald Teo Ming Keong	499	49.9
Dato' Robert Teo Keng Tuan	500	50.0
<b><u>Shareholder</u></b>		
Michelle Teo Wai Ling	1	0.01

### 2.3 Details of the Properties

A summarised detail of the Properties are as follows:

<b>Description</b>	<b>Property 1</b>	<b>Property 2</b>	<b>Property 3</b>	<b>Property 4</b>	<b>Property 5</b>
Title details	Geran 46170/M1/1/4, Petak No. 4 within Tingkat No. 1 of Bangunan No. M1, Lot 2999 Seksyen 41, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Geran 46170/M1/2/8, Petak No. 8 within Tingkat No. 2 of Bangunan No. M1, Lot 2999 Seksyen 41, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Geran 46170/M1/3/12 Petak No. 12 within Tingkat No. 3 of Bangunan No. M1, Lot 2999 Seksyen 41, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Geran 46170/M1/4/16 Petak No. 16 within Tingkat No. 4 of Bangunan No. M1, Lot 2999 Seksyen 41, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Geran 46170/M1/5/20 Petak No. 20 within Tingkat No. 5 of Bangunan No. M1, Lot 2999 Seksyen 41, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Postal address	No. 8, Wisma RKT, Block D, Jalan Raja Abdullah, 50300 Kuala Lumpur, W.P Kuala Lumpur	No. 8-1, 1st Floor, Wisma RKT Block D, Jalan Raja Abdullah, 50300 Kuala Lumpur, W.P. Kuala Lumpur	No. 8-2, 2nd Floor, Wisma RKT Block D, Jalan Raja Abdullah, 50300 Kuala Lumpur, W.P. Kuala Lumpur	No. 8-3, 3rd Floor, Wisma RKT Block D, Jalan Raja Abdullah, 50300 Kuala Lumpur, W.P. Kuala Lumpur	No. 8-4, 4th Floor, Wisma RKT Block D, Jalan Raja Abdullah, 50300 Kuala Lumpur, W.P. Kuala Lumpur
Description	Ground Floor Shop Offices	First Floor Shop Offices	Second Floor Shop Offices	Third Floor Shop Offices	Fourth Floor Shop Offices

Description	Property 1	Property 2	Property 3	Property 4	Property 5
Office area	2,906 square meters	3,950 square meters	3,950 square meters	3,950 square meters	3,745 square meters
Category of shop office use, express condition, restriction-in-interest & tenure	Office				
Age of building	28 years	28 years	28 years	28 years	28 years
Net book value as at 30 June 2022	RM603,312.00	RM820,055.00	RM820,055.00	RM820,055.00	RM777,496.00
Encumbrances	NIL				
Consideration (RM)	3,196,600.00	2,105,350.00	2,105,350.00	2,105,350.00	1,987,350.00

## 2.4 Basis and justification for the Consideration

The Consideration was arrived on a willing buyer-willing seller basis based on the negotiation between the Vendor and the Purchaser, after taking into consideration of indicative value provided by valuer via inquiry based on the physical condition of the Properties. Detail valuation of the Properties was not conducted as the Company is of the view that the Properties are of standard build and design as other lots in the said building and the transaction does not exceed the percentage ratio under Paragraph 10.04(1)(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

## 2.5 Salient terms of the SPAs<sup>1</sup>

The salient terms and conditions of the SPAs included, amongst others, the following:

### a) Consideration

In consideration of the **Deposit** paid by the Purchaser to the Vendor’s Solicitors as stakeholders upon execution of the SPAs, comprising of the **Retention Sum** paid in accordance to the SPAs and the **Balance Deposit**, the Vendor hereby agree(s) to sell and the Purchaser hereby agree(s) to purchase the Properties free from all encumbrances and with existing tenancy, where applicable, on

as is where is basis but subject to all conditions of strata title whether express or implied, and the existing category of land use in the strata title affecting the same for the Consideration upon the terms and conditions as stated in the SPAs:-

Description	Property 1	Property 2	Property 3	Property 4	Property 5
Deposit	319,660.00	210,535.00	210,535.00	210,535.00	198,735.00
Retention Sum	95,898.00	63,160.50	63,160.50	63,160.50	59,620.50
Balance Deposit	223,862.00	147,374.50	147,374.50	147,374.50	139,114.50

The Vendor's Solicitors is authorized to release the balance deposit to the Vendor upon execution of the SPAs provided that the Vendor complied with the terms of delivery of documents as in accordance with the SPAs.

b) Payment of Balance of Consideration

The **balance of the Consideration** in the sum shall be paid by the Purchaser in the manner and at the time as set out in the SPAs PROVIDED ALWAYS that:

- i. any delay exceeding seven (7) days from the date of receipt by the Vendor's Solicitors of the written request from the Purchaser's Solicitors or the Purchaser's Financier's Solicitors, as the case may be, for the documents stated in the SPAs to the date of receipt by the Purchaser's Solicitors or the Purchaser's Financier's Solicitors of the same; and
- ii. any delay exceeding seven (7) days from the date of receipt by the Vendor's Solicitors of the written request from the Purchaser's Solicitors or the Purchaser's Financier's Solicitors, as the case may be, for the Vendor's Undertaking (as defined in the SPAs) to the date of receipt by the Purchaser's Solicitors or the Purchaser's Financier's Solicitors of the same;

shall be excluded from the computation of Completion Period or the Extended Completion Period, as the case may be and no late payment interest shall be imposed on the Purchaser for such delay.

Description	Property 1	Property 2	Property 3	Property 4	Property 5
Balance of the Consideration	RM2,876,940.00	RM1,894,815.00	RM1,894,815.00	RM1,894,815.00	RM1,788,615.00

c) Parties' Default

- i. If for any reason the Purchaser fails to pay the Balance of the Consideration in accordance with the provisions of the SPAs, then subject to the Vendor having duly performed all the Vendors' obligations under the SPAs, the Vendor shall be entitled to forfeit absolutely a sum equivalent to ten per centum (10%) of the Consideration as agreed liquidated damages and the balance of all other sums paid by the Purchaser to the Vendor (if any) shall forthwith be refunded free of interest by the Vendor within fourteen (14) days from the date of receipt of the termination notice issued by any parties and/ or the Vendor exercise(s) the right of forfeiture PROVIDED ALWAYS that the Purchaser shall have returned to the Vendor the original issue document of title and the Memorandum of Transfer and subject to the Purchaser withdrawing the private caveat attributable to the Purchaser and/ or the Purchaser's Financier (if any) and upon such refund (if any) being made of the SPAs shall become null and void and of no further effect and neither party of the SPAs shall have any further claims, actions or proceedings against the Vendor in respect of or arising out of the SPAs. In the event that the Vendor fail(s) to effect such refund within fourteen (14) days thereof, the Vendor shall pay to the Purchaser interest thereon on a daily basis at the rate of eight per centum (8%) per annum calculated from the expiry of the said fourteen (14) days until full payment of such refund thereof as agreed liquidated damages.
- ii. In the event of a failure and/ or default by the Vendor to complete the sale of the said Properties and/or to deliver legal or vacant possession of the same to the Purchaser in accordance with the terms of the SPAs, the Purchaser shall, without prejudice to the other provisions of the SPAs or any other rights and remedies as may be available to the Purchaser at law or in equity, be entitled to take such action as may be available to the Purchaser at law for specific performance of the terms and conditions of the SPAs. In the alternative, the Purchaser may terminate the SPAs free of interest by giving a written notice of termination to the Vendor and upon receipt of the said notice of termination the Vendor shall refund all monies paid by the Purchaser under the SPAs free of interest and pay an additional sum equivalent to ten per centum (10%) of the Consideration to the Purchaser as agreed liquidated damages within fourteen (14) days of the date of receipt of the aforesaid notice of termination PROVIDED ALWAYS that the Purchaser shall have returned to the Vendor the original issue document of title and the Memorandum of Transfer and subject to the Purchaser withdrawing the private caveat attributable to the Purchaser and/ or the Purchaser's Financier (if any) and thereafter the SPAs shall be null and void and neither party of the SPAs shall have any claims against the other. In the event that the Vendor fail(s) to effect such refund and payment within fourteen (14) days thereof, the Vendor shall pay to the Purchaser interest thereon on a daily basis at the rate of eight per centum (8%) per annum calculated from the expiry of the said fourteen (14) days until full payment of such refund and payment thereof as agreed liquidated damages.

d) Completion of the Sale and Purchase Transaction

The sale and purchase of the SPAs shall be deemed to be completed upon the happening of the following:-

- i. The delivery of legal or vacant possession of the Properties to the Purchaser in accordance with the SPAs; AND

- ii. The receipt by the Vendor of the full payment of the Consideration, Late Payment Interest (if any), the apportionment of outgoings together with and such other sums as required under the SPAs.

<sup>1</sup>The Salient terms are similar for Property 1, Property 2, Property 3, Property 4 and Property 5.

## 2.6 Liabilities to be assumed

There are no contingent liabilities or guarantees to be assumed by SJC Group arising from the Proposed Disposal.

## 3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is part of the Group's business transformation plan to rationalise non-core assets and unlock its value.

The Proposed Disposal will enable SJC to use the proceeds for future investment and acquisition of businesses which align with the SJC's business transformation plan to expand our billboard portfolio so to offer comprehensive Out-of-Home advertising solution. In addition, the proceeds also enhance working capital to facilitate its operating activities.

## 4. COST OF INVESTMENT AND EXPECTED GAINS FROM THE PROPOSED DISPOSAL

The original cost and date of investment; and the latest audited net book value of the Properties based on the latest audited consolidated financial statements of SJC as at 31 December 2021 are as follows:-

	Property 1	Property 2	Property 3	Property 4	Property 5
Original cost of investment (RM)	1,648,148	1,163,655	1,163,655	1,163,655	1,157,056
Date of investment	04 March 1994	04 March 1994	04 March 1994	04 March 1994	04 March 1994
Net book value (RM)	659,241	896,078	896,078	896,078	849,572

The Proposed Disposal is expected to result in a gain of approximately RM6,628,570 after deducting all the estimated expenses for the Proposed Disposal.

## 5. UTILISATION OF PROCEEDS

The total proceeds of RM11,500,000.00 from the Proposed Disposal are expected to be utilised as follows: -

Utilisation of proceeds	RM'000	Estimated timeframe for utilisation
Capital Expenditure <sup>1</sup>	10,301	Within 18 months from receipt of proceeds
Repayment of bank borrowings	524	Within 6 months from receipt of proceeds
Related expenses (eg. Real Property Gain Tax, legal fee, stamp duty, agent commission and etc)	675	Within 12 months from date of agreement

<sup>1</sup> Including new outdoor assets expansion to other main market centers, as well as new digital billboard developments in Klang Valley.

## 6. RISK FACTOR

The Proposed Disposal is subject to the execution and completion of the SPAs. There can be no assurance that the SPAs will ultimately be completed within the timeframe set out therein. Any non-fulfilment of the relevant terms and conditions as stipulated in the SPAs, prolonged delay or non-completion of the SPAs will lead to the termination of the SPAs. The Vendor endeavours to ensure full compliance in relation to the fulfilment of its obligations under the SPAs.

## 7. EFFECTS OF THE PROPOSED DISPOSAL

The pro forma effects of the Proposed Disposal 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 SJC are illustrated in the ensuing sections.

### 7.1 Share capital and substantial shareholders’ shareholdings

The Proposed Disposal will not have any effect on the share capital and substantial shareholders’ shareholdings of the Company as the Proposed Disposal will be satisfied entirely via cash or a combination of financing from the financial institution and cash by the Purchaser.

## 7.2 Net assets and gearing

Based on the latest audited consolidated financial statement of SJC Group as at 31 December 2021, the pro forma effects of the Proposed Disposal on the NA and gearing of SJC Group are as follows:

	Audited as at 31 December 2021 RM'000	After the Proposed Disposal RM'000
Share capital	56,405	56,405
Retained earnings	(10,290)	(3,661)
Equity attributable to owners' of the parent	46,115	52,744
Net assets	46,410	53,039
Borrowings	-	-
Gearing (times)	-	-

## 7.3 Earnings per share ("EPS")

The Proposed Disposal will result in a gain of disposal of approximately RM6.63 million and will have a positive effect on the earnings per share for the financial year ending 31 December 2022.

## 8. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") is 24.78% calculated based on the latest consolidated financial statements of SJC for the financial year ended 31 December 2021.

## 9. APPROVALS REQUIRED

As the highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the MMLR of Bursa Securities is less than 25%, the approval by SJC's shareholders is not required for the Proposed Disposal.

## 10. INTER-CONDITIONALITY OF THE PROPOSED DISPOSAL

The Proposed Disposal 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 to them has any interest, direct or indirect, in the Proposed Disposal.



**12. DIRECTORS' STATEMENT**

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

**13. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed within three (3) months from the date of the SPAs.

**14. DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the SPAs are 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 three (3) months from the date of this announcement.

This announcement is dated 21 October 2022.