

Scientex shareholders approve acquisition of 42.4% controlling stake in Daibochi

- *Acquisition expected to complete on or before 19 February 2019*
- *Serves notice of conditional mandatory take-over offer (MGO) to Daibochi Berhad to acquire all remaining shares not currently held*
- *Targeting more development of sustainable packaging solutions and market expansion in Myanmar*

Shah Alam, Selangor, Malaysia, 11 February 2019 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) obtained shareholders' approval at the Extraordinary General Meeting (EGM) today for the proposed acquisition of a 42.4% controlling stake in Daibochi Berhad (Daibochi) for a purchase consideration of RM221.1 million from certain shareholders of Daibochi.

The purchase of 139.1 million shares would be satisfied by the issuance of 25.1 million Scientex shares, with a share exchange ratio of one new ordinary Scientex share for every 5.535 Daibochi shares held.

At the EGM, Scientex also obtained shareholders' approval for the proposed MGO to acquire all remaining shares and warrants in Daibochi not already owned by Scientex.

With the Conditional Share Sale Agreement between Scientex and Daibochi that was signed on 10 December 2018 now becoming unconditional following shareholders' approvals at the EGM, Scientex today served a notice of conditional MGO to Daibochi to acquire all remaining shares and warrants in Daibochi not already owned by Scientex.

The MGO entails an offer price of RM1.59 for every Daibochi share. Shareholders of Daibochi will have the option to elect for share swap on the basis of 1 new ordinary Scientex share for every 5.535 Daibochi shares held, or to receive RM1.59 in cash for every Daibochi share held. The offer price and exchange ratio are subject to adjustments pursuant to Rule 6.03 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia.

Scientex's Managing Director, Lim Peng Jin reiterated the Group's growth plans for Daibochi in addition to maintaining its listing status on the Main Market of Bursa Malaysia Securities Berhad, and retaining the workforce of Daibochi's operations in Malaysia and Myanmar.

“We see two key areas where our combined expertise can place both Scientex and Daibochi on an accelerated growth trajectory synergistically.

Firstly, the knowledge-sharing between our in-house Research and Development teams would enable us to develop a wider range of sustainable flexible plastic packaging, in close collaboration with brand owners and multinational corporations. This is imperative to being in the forefront of product innovation, in line with increasingly urgent demand for more environmentally-friendly products.

Secondly, we are poised to benefit from increasing opportunities in the food and beverage (F&B) and fast moving consumer goods (FMCG) markets in Myanmar as it transitions from a closed to open economy. We hope to scale up its operations to tap into the fast-growing market.”

**Mr. Lim Peng Jin (林炳仁),
Managing Director, Scientex Berhad**

Daibochi is a leading flexible packaging provider in the South East Asian region, with manufacturing facilities in Malaysia and Myanmar. It provides high-barrier laminated flexible packaging for reputable clientele comprising mainly multinational corporations in the F&B, FMCG, and specialty sectors.

The acquisition of the 42.4% majority stake in Daibochi is expected to be completed on or before 19 February 2019 and would contribute positively towards Scientex’s earnings for the financial year ending 31 July 2019 onwards.



About Scientex Berhad (森德公司, www.scientex.com.my)

Scientex Berhad (Scientex) is a leading industrial packaging manufacturer and a reputable property developer in South Malaysia. Scientex is also the largest stretch film producer in Asia, and among the world's largest producers.

Established in 1968 as a PVC cloth and leather manufacturer, Scientex today produces flexible plastic packaging products: stretch film, custom film (polyethylene (PE) film, biaxially oriented polypropylene (BOPP) film, cast polypropylene (CPP) film, agricultural film, PE flexitanks tubing) and specialty products (automotive interior, polypropylene (PP) strapping bands, raffia, solar encapsulant film).

To date, Scientex has manufacturing facilities in Malaysia, Vietnam and the United States of America; as well as sales and marketing arms in Japan, Indonesia and Singapore. Approximately 75% of its manufacturing products are exported to over 60 countries worldwide.

Scientex's property arm has township development projects in Pasir Gudang, Kulai, Skudai, Senai, and Pulai, all in Johor, and in Ayer Keroh and Durian Tunggal, Melaka. Its township developments are the 1,100-acre Taman Scientex Pasir Gudang, the 250-acre Taman Scientex Kulai, the 48-acre Taman Scientex Kulai II, the 146-acre Taman Mutiara Mas, Skudai, the 250-acre Taman Scientex Senai, the 121-acre Taman Scientex Utama (Senai II), the 326-acre Taman Pulai Mutiara in Johor, the 137-acre Taman Muzaffar Heights in Ayer Keroh, the 197-acre Taman Scientex in Durian Tunggal, Alor Gajah, the 80-acre mixed development in Ipoh and the 66-acre Taman Scientex in Rawang. It has also recently acquired a 336-acre land in Pulai, Johor and 209-acre land in Durian Tunggal, Melaka. To date, Scientex has delivered more than RM4.3 billion worth of properties and has projects-in-hand of RM1.8 billion.

Issued for and on behalf of SCIENTEX BERHAD by Aquilas Advisory (Malaysia) Sdn. Bhd.
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