

Scientex offers RM2.70 per share to take Daibochi private

- *Cash offer amounting to RM345.3 million to acquire remaining 38.12% ordinary shares and 95.75% warrants not already held by Scientex*
- *To enable greater flexibility to implement strategic plans for the enlarged Scientex Group to realise long-term growth potential in the global flexible packaging industry*

Shah Alam, Selangor, Malaysia, 13 September 2021 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) has proposed to acquire in cash all the remaining shares and warrants of Daibochi Berhad (Daibochi) that it does not already own, at an Offer Price of RM2.70 per share and RM0.32 per warrant, amounting to total value of RM345.3 million.

The proposed exercise entails buying 124,784,759 Daibochi shares, representing 38.12% of the total issued shares of Daibochi excluding treasury shares, and 26,137,985 Daibochi Warrants, representing 95.75% of the outstanding Daibochi warrants.

The Offer Price of RM2.70 per share represents a premium of 17.39% over the 3-month volume weighted average market price (VWAP) up to the last traded price on 10 September 2021. In addition, the Offer Price represents a premium of 221.43% over the latest unaudited consolidated net asset per Daibochi share of RM0.84 as at 30 April 2021.

Meanwhile, the Offer Price for the warrants represents a premium of 100.00% over the 3-month VWAP of Daibochi up to 10 September 2021.

“The challenges presented by the COVID-19 pandemic highlight the growing needs of companies to be agile to react fast to external impacts. This is especially important for Daibochi, which serves the supply chains of essential Food and Beverage (F&B) and Fast Moving Consumer Goods (“FMCG”) segments.

To ensure uninterrupted supply to customers, it is crucial to future-proof Daibochi’s capabilities through implementation of risk mitigation and business continuity plans, that are integrated with Scientex’s resources and internal processes. This will enhance Daibochi’s competitive edge and resilience, as well as reinforce the confidence among its multinational companies (MNCs) and local prominent brands.

The cash offer provides an opportunity to Daibochi’s shareholders to realise their investments immediately.”

Mr. Lim Peng Jin (林炳仁),
CEO, Scientex Berhad

The proposed privatisation of Daibochi would provide Scientex with greater flexibility and autonomy to rationalise its business activities and to streamline the operations of both Daibochi and the enlarged Scientex group of companies, to achieve greater operational efficiencies to grow the flexible packaging business.

Additionally, the proposed privatisation would allow Scientex to streamline Daibochi's production, supply chain, business development and administrative functions as an overall means to optimise the enlarged Scientex Group's operations as a leading packaging player in the region, aligned to its sustainability roadmap.

Daibochi would also be able to leverage on the larger scale of the Scientex Group's manufacturing facilities in Malaysia, other Southeast Asian countries, and the United States, and thus be in a better position to meet the stringent requirements of MNCs and prominent local brands, who are increasingly reliant on suppliers that are equipped with good risk management and business contingency plans.

Furthermore, Daibochi would have greater access to a broader asset and capital base of Scientex, leverage on its strength and financial resources to enhance its converting capabilities and operational competency in the global converting segment. This will enable Daibochi to capture more market opportunities to capitalise on the fast-growing flexible plastic packaging industry under the enlarged Scientex Group.

Scientex intends to finance the Offer consideration through a combination of internally generated funds and bank borrowings. Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Offer is expected to be completed by the fourth quarter of 2021.

The privatisation offer is subject to the clearance of the Securities Commission Malaysia (SC) for the issuance of the Offer Document, the draft of which will be submitted to the SC within 4 days.

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

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

Established in 1968, Scientex today produces flexible plastic packaging (FPP) 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 (polypropylene (PP) strapping bands, raffia, solar encapsulant film). Scientex also expanded its portfolio and scope to include film converting, following the acquisition of Daibochi Berhad in April 2019, which now sees the Group supply high-value and high-performance FPP to leading multinational companies in the food and beverage (F&B) and fast-moving consumer goods (FMCG) segments.

To date, Scientex has packaging facilities in Malaysia, Vietnam, Myanmar and the United States of America; as well as sales and marketing arms in Australia, Indonesia, Singapore, Thailand, Philippines, New Zealand and Japan. Approximately 70% of its packaging products are exported to over 60 countries worldwide.

Scientex's property arm has township development projects in Pasir Gudang, Kulai, Skudai, Senai, Pulai, and Kota Tinggi (all in Johor), Ayer Keroh and Durian Tunggal (both in Melaka), Rawang and Kundang Jaya (both in Selangor), Tasek Gelugor (Penang), as well as Ipoh (Perak). The Group recently acquired a 139-acre land in Cheras (Selangor), 158-acre and 1,357-acre lands in Jasin (Melaka), 109-acre land in Seremban (Negeri Sembilan), and is in the process of acquiring another 343-acre land in North Seberang Perai (Penang) and 960-acre land in Tebrau (Johor). Recently, we have completed the acquisition of 202-acre land in Pulai (Johor) and 161-acre land in Sungai Petani (Kedah). To date, Scientex has delivered RM7.1 billion worth of properties and has projects-in-hand of RM2.2 billion.

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

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