

Scientex plans 42.41% Daibochi stake buy for RM222.5m

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KUALA LUMPUR (Nov 14): Scientex Bhd confirmed today its proposed acquisition of a substantial 42.41% stake comprising 139.06 million shares in Daibochi Bhd for RM222.5 million or RM1.60 a share to further grow the combined entity's packaging material manufacturing operations.

In a statement to Bursa Malaysia, Scientex said the company had today entered into a heads of agreement (HoA) with certain shareholders of Daibochi for the acquisition via a proposed share exchange.

"The proposed acquisition will be satisfied entirely via a share exchange of one new share for every 5.5 Daibochi shares held by the vendors.

"The HoA forms the basis of consensus between Scientex and the vendors to work together exclusively to negotiate on the terms of the conditional share sale agreement in relation to the proposed acquisition and prescribes indicative terms in connection with the proposed acquisition," Scientex said.

According to Scientex, upon the conditional share sale agreement becoming unconditional, Scientex is obliged to extend a mandatory takeover offer to acquire the remaining shares and warrants in Daibochi not already held by Scientex and persons acting in concert.

In a separate statement today, Scientex said it, however, intends to maintain Daibochi's listing status on the Main Market of Bursa Malaysia and retain Daibochi's management and staff.

Scientex managing director Lim Peng Jin said in the statement: "This synergistic merger will create a formidable regional giant from Malaysia with extensive resources to compete globally, offering an integrated range of flexible packaging solutions to a larger client base. Further to extending our market reach, it brings together strong technical know-how and skilled talent to tap into the exciting growth prospects for this market segment."

"Together, we intend to become an internationally recognised global player to catalyse the future growth and development of the flexible packaging industry. To this end, Scientex endeavours to continue supporting our existing and prospective customers," Lim said.

Scientex's statement confirms a report today by *The Edge Financial Daily*, which indicated that Scientex and Daibochi's share trade halt today sparked expectations of a takeover bid by Scientex for its smaller rival.

Read: [Trading halt sparks Scientex-Daibochi merger talk](#)

Prior to the suspension, Scientex shares closed yesterday at RM8.67 for a market value of RM4.24 billion. Daibochi shares ended yesterday at RM1.99 for a market capitalisation of RM651.4 million.

At RM1.60 a share, the proposed acquisition values Daibochi at about RM523.68 million based on the company's issued base of some 327.3 million shares, according to calculations by theedgemarkets.com.