

Scientex's bid for Daiboichi turns into mandatory takeover offer

SCIENTEX Bhd's bid for Daiboichi Bhd has become a conditional mandatory takeover offer after the latter's shareholders approved its purchase of a 42.3% stake in the latter yesterday.

Scientex is offering RM1.59 for every Daiboichi share and one sen for every warrant issued. Shareholders have the

option to accept cash or swap for new Scientex shares on the basis of one Scientex share for every 5.535 Daiboichi shares held.

Scientex, a packaging and property developer, yesterday obtained shareholders approval to buy a 42.4% controlling stake in Daiboichi for RM221.1 million from certain

shareholders.

As the date of the notice, Scientex and the ultimate offerors — Lim Peng Jin and Lim Peng Cheong — do not hold any warrant in the company.

The acquisition of the 42.4% majority stake in Daiboichi is expected to be completed by Feb 19, 2019, and

would contribute positively towards Scientex's earnings for the financial year ending July 31, 2019, onwards, Scientex's filing with the exchange yesterday noted.

Scientex MD Peng Jin said the merger of the two businesses will help accelerate growth trajectory synergistically.

The merger will gain benefits in terms of knowledge-sharing of research and development in the field of flexible plastic packaging and closer collaboration with brand owners and multinational corporations.

He expects the group to benefit from the increasing opportunities in the food

and beverage, and fast-moving consumer goods markets in Myanmar as it transitions from a closed to open economy.

Scientex shares closed one sen or 0.11% lower at RM8.79 yesterday, while Daiboichi closed two sen or 1.26% higher at RM1.61. — by FARA AISTAN