

Scientex signs conditional share sale agreement for acquisition of 42.4% controlling stake in Daibochi

- *Conditional share sale agreement (“CSSA”) executed within the two-month stipulated timeframe in the heads of agreement (“HOA”) signed on 14 November 2018*
- *RM222.5 million total purchase consideration to be satisfied entirely via share swap by the issuance of 1 new ordinary Scientex share for every 5.5 Daibochi shares held by certain shareholders of Daibochi (“Vendors”)*
- *Upon the fulfilment of conditions precedent of the CSSA, Scientex is obliged to extend a mandatory take-over offer to acquire all the remaining shares and warrants in Daibochi not already held by Scientex and its persons acting in concert (“PACs”)*

Kuala Lumpur, Malaysia, 10 December 2018 – Global packaging manufacturer and leading property developer Scientex Berhad (“Scientex”, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) today entered into a CSSA with the Vendors collectively holding 139.1 million ordinary shares in Daibochi Berhad (“Daibochi”) (“Sale Shares”), representing approximately 42.4% controlling stake in Daibochi (“Proposed Acquisition”).

This exercise follows shortly after the HOA was signed by the parties on 14 November 2018. The CSSA was executed within the two-month stipulated timeframe in the HOA.

The purchase consideration, amounting to approximately RM222.5 million, was arrived at based on a “willing-buyer willing-seller” basis. The purchase consideration is equivalent to RM1.60 per Sale Share, and shall be satisfied by way of share exchange whereby 1 new ordinary Scientex share would be issued to the Vendors for every 5.5 Daibochi shares held by the Vendors.

Upon the fulfilment of conditions precedent of the CSSA, Scientex is obliged to extend a mandatory take-over offer to acquire all the remaining shares and warrants in Daibochi not already owned by Scientex and its PACs pursuant to the Rule 4.01(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions (“Proposed MGO”). The shareholders of Daibochi will have the option to elect for share swap on the basis of 1 new ordinary Scientex share for every 5.5 ordinary Daibochi shares held or elect to be paid RM1.60 in cash for each Daibochi share held.

“In line with our mission to expand our footprint in the global flexible plastic packaging (“FPP”) market, this synergistic merger brings us one step closer in integrating two formidable regional giants into a well-resourced global player.

Additionally, the integration would allow the enlarged Scientex Group to offer a more comprehensive range of FPP solutions to support our clientele’s wide range of packaging requirements, thereby strengthening our capabilities and competitiveness.

We look forward to an accelerated pace of expansion going forward, as we tap into the enhanced technical knowledge and skilled talent pool of the enlarged Scientex Group, to target more growth opportunities especially in the high-growth regional markets.”

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

At the upcoming Extraordinary General Meeting of Scientex, shareholders’ approval would be required for the Proposed Acquisition and Proposed MGO (collectively referred to as the “Proposals”) and issuance of new ordinary Scientex shares for the Proposals.

Approval is also required from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing and quotation of new ordinary Scientex shares to be issued for the Proposals, and other approvals from the relevant authorities as may be required in respect of the Proposed Acquisition.

Upon completion of the Proposed MGO, Scientex intends to maintain the listing status of Daibochi on the Main Market of Bursa Securities, as well as retain all the management and staff of Daibochi’s operations. The Proposals are expected to be completed by the second quarter of calendar year 2019 and is expected to contribute positively towards Scientex’s earnings for the financial year ending 31 July 2019 onwards.

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 food and beverage (“F&B”), fast moving consumer goods (“FMCG”), and specialty sectors.



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 RM4.2 billion worth of properties and has projects-in-hand of RM1.7 billion.

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