

CONDITIONAL SHARE SALE AGREEMENT**SCIENTEX BUYS 42.4pc DAIBOCHI STAKE**

Integration will allow enlarged group to offer more comprehensive range of packaging solutions

KUALA LUMPUR

GLOBAL packaging manufacturer and leading property developer Scientex Bhd entered into a conditional share sale agreement yesterday (CSSA) with Daibochi Bhd shareholders to acquire 42.4 per cent controlling stake in Daibochi for RM222.5 million.

This exercise follows the heads of agreement, signed by the parties on November 14 this year.

The acquisition price is equivalent to RM1.60 per share, and will be satisfied by the issuance of one new ordinary Scientex share for every 5.5 Daibochi shares held by shareholders.

Upon the fulfilment of condi-

tions precedent of the CSSA, Scientex will exercise a mandatory take-over offer to acquire all the remaining shares and warrants in Daibochi not already owned by Scientex.

Scientex managing director Lim Peng Jin said this was in line with the company's mission to expand its footprint in the global flexible packaging (FPP) market.

This synergistic merger brings the company one step closer in integrating two formidable region-

al 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, as we tap 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," he said in a statement yesterday.

Daibochi is a leading flexible packaging provider in Southeast Asia, with manufacturing facilities here and Myanmar.

It provides high-barrier laminated flexible packaging for reputable clientele comprising mainly multinational corporations in the food and beverage, fast moving consumer goods, and specialty sectors.

At the upcoming extraordinary general meeting of Scientex, shareholders' approval would be required for the acquisition and issuance of new ordinary Scientex shares.

Approval is also required from Bursa Malaysia Bhd for the listing and quotation of new ordinary Scientex shares to be issued for this deal and other approvals from the relevant authorities the acquisition.

Upon completion of the acquisition, Scientex intends to maintain the listing status of Daibochi on the Main Market of Bursa Malaysia, as well as retain the management and staff of Daibochi's operations.

The acquisition and relevant exercises are expected to be completed by the second quarter of next year and is expected to contribute positively to the plastics product manufacturing company's earnings for the financial year ending July 31 next year.



Lim Peng Jin