

Scientex's Daibochi stake buy triggers MGO



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Scientex Bhd is now a major shareholder of Daibochi Bhd via a conditional share sale agreement (CSSA) for the acquisition of 139.1 million ordinary shares, or a 42.4% controlling stake, in the latter that was signed yesterday.

The exercise followed the heads of agreement (HoA) signed by both parties on Nov 14, 2018, which stipulated that the CSSA would be executed within two months.

Scientex said in a filing yesterday the purchase consideration of RM222.5 million was arrived at based on a “willing buyer, willing seller” basis.

Upon the fulfilment of conditions precedent of the CSSA, Scientex is obliged to extend a mandatory general offer (MGO) to acquire all the remaining shares and warrants in Daibochi not already owned by Scientex and its persons-acting-in concert, pursuant to Rule 4.01(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions.

“The shareholders of Daibochi will have the option to elect for share swap on the basis of one 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,” it added.

Scientex MD Lim Peng Jin said the merger brings them one step closer in integrating two formidable regional giants into a well-resourced global player.

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