

Star Biz

Scientex to buy Daibochi stake for RM222.5m

PETALING JAYA: Packaging material maker Scientex Bhd has inked a conditional share sale agreement to acquire a 42.41% stake in its smaller rival Daibochi Bhd for RM222.5mil.

In a filing with Bursa Malaysia, the company said it had signed the agreement with certain shareholders of Daibochi or the vendors to purchase over 139.06 million ordinary shares in Daibochi via a share-swap deal.

The conditional share sale agreement followed the signing of a heads of agreement between both parties last month in relation to the proposed acquisition, which will be carried out at RM1.60 per Daibochi share.

“Scientex is obliged to extend a mandatory takeover offer to acquire all the remaining shares and warrants in Daibochi not already owned by Scientex and its persons acting in concert upon the proposed acquisition becoming unconditional,” stated the company.

On the rationale for the acquisition, Scientex said it would enhance the company’s operating capabilities and economies of scale through synergistic and complementary product portfolios.

“It would enable Scientex and Daibochi to leverage on their respective strengths, brand names and track record built up over the years to capitalise on shifting consumer needs and an evolving customer landscape,” it said.