

Scientex holds 61.89% in Daibochi after MGO goes through

PETALING JAYA: Scientex Bhd's stake in Daibochi Bhd has increased to 61.89% after the mandatory general offer (MGO) for Daibochi closed at 5pm yesterday.

According to its filing with Bursa Malaysia, only 19.41% of Daibochi shareholders representing 63.52 million shares accepted the offer for RM1.59 apiece.

The MGO also included a cash offer to acquire all outstanding Daibochi warrants at 1 sen per warrant. A total of 82 warrant holders holding 1.16 million warrants representing 4.24% of Daibochi's total outstanding warrants, accepted the cash offer.

Scientex would pay out RM93.06 million in cash and issue 900,000 new Scientex shares, in accordance with the elected consideration

option of Daibochi shareholders.

To recap, Scientex had purchased a 42.48% controlling stake in Daibochi on Feb 19, 2019 and subsequently extended an MGO to Daibochi on March 4, 2019 for all remaining shares and warrants.

The MGO, including settlement of the offer through shares allotment and cash payment, is expected to conclude this month.

Scientex intends to maintain the listing status of Daibochi.

Scientex managing director Lim Peng Jin said

in a statement that the group is making headway in the integration of the two companies, with management committed to

expanding its share in the global flexible packaging market.

"Apart from cost savings through shared resources and raw material procurement, we are also excited about synergies to be realised through combining technical

expertise, product portfolio and developmental capabilities, as well as leveraging on the comprehensive production expertise of our 18 manufacturing facilities in Malaysia and internationally.

"These efforts pave the way for growth and become a larger and formidable flexible packaging player, with enhanced capabilities to bring better value propositions and sustainable solutions to brand owners and their supply chains," he said.

