

Daibochi reaches new quarterly highs in 2Q FY2020

- *Benefiting from increased domestic and export sales*
- *Ongoing efficiency enhancements and innovation initiatives to strengthen Group's position as preferred flexible packaging partner in Southeast Asia and Oceania*

Melaka, Malaysia, 9 March 2020 - Leading flexible packaging manufacturer Daibochi Berhad (Daibochi; 耐慕志; Bloomberg: DPP:MK; Reuters: DPPM.KL) attained record quarterly financial performance for the second quarter ended 31 January 2020 (2Q FY2020), reaching RM159.0 million in revenue and RM14.6 million in net profit.

Compared to the preceding quarter ended 31 October 2019 (1Q FY2020), group revenue in 2Q FY2020 grew 4.2% from RM152.6 million, while net profit jumped 33.3% from RM11.0 million in 1Q FY2020. The Group also noted foreign exchange gains of RM1.0 million in 2Q FY2020 compared to loss of RM0.8 million in 1Q FY2020.

Notably, sales from domestic markets increased 4.4% from RM84.2 million in 1Q FY2020 to RM88.0 million in 2Q FY2020. Exports rose 3.9% from RM68.3 million to RM71.0 million in 2Q FY2020.

Daibochi's Executive Director Low Jin Wei expressed the Group's commitment to drive growth, through continuous enhancements to operating efficiency, improving competitiveness, and satisfying customer needs with greater innovation.

"We are gathering momentum with enhanced operational efficiency through systematic integration with Scientex, as well as greater customer reach and enlarged capacity from integration with recently-acquired Mega Printing & Packaging.

By leveraging on Scientex's upstream film production capabilities, we are now focused on our key strengths in the converting space, thus allowing us to serve our customers better and even more competitively. We are also working closely with customers on migration to new and innovative printing systems with better efficiency, highlighting our commitment to providing industry leading solutions.

Furthermore, supported by strong research and development capabilities together with Scientex, we have recently completed rigorous trials with several multinational customers for new sustainable flexible packaging solutions, and are expecting to secure orders to regional markets in 2H FY2020.

Our achievements to date underscores our capabilities to partner with major international brands for their latest flexible packaging requirements. We look forward to enhancing growth and strengthening our position as one of the leading flexible packaging partners in Southeast Asia and Oceania."

*Mr. Low Jin Wei (“刘任伟”)
Executive Director, Daibochi Berhad*

For the 6-month financial period ended 31 January 2020 (1H FY2020), the Group recorded revenue of RM311.5 million, while net profit stood at RM25.6 million. There is no comparison to the previous corresponding quarter and period due to the change in financial year end from 31 December to 31 July, effective since April 2019.

Commenting on prospects, Low said: “We look forward to achieving stable growth for the rest of the year, on resilient domestic and regional sales, and incoming orders for new sustainable packaging solutions by our multinational customers.”

“We also continue to expand, and have set up a new state-of-the-art bagging section in our Ayer Keroh plant in February 2020. On top of increased production capacity from high-speed machines, the new set up features an integrated visitor walkway which showcases our capabilities as well as stringent hygiene and quality control.”

“Meanwhile, we are cautious towards potential developments globally due to the ongoing COVID-19 epidemic, but remain confident on the back of a strengthened operations and resilient orders to date.”

About Daibochi Berhad (www.daibochi.com)

Daibochi, founded in 1972, is a leading end-to-end flexible packaging solutions provider for globally-renowned clients in the Food & Beverage (“F&B”) and FMCG sectors.

Daibochi’s scope of services includes prepress, extrusion/dry lamination, metalizing, and slitting/bagging. The Group’s Melaka plants in Malaysia are equipped with ISO:9001, ISO:14001 and FSSC:22000 certifications, while its Myanmar plant is ISO:9001:2015 and Hazard Analysis and Critical Control Point Food Safety Management System (HACCP FSMS) certified.

Through the years, **Daibochi** has built a strong MNC-focused clientele which includes Nestle, Mondelez International, PepsiCo, and Mars. The Group also exports its products overseas, including to South East Asia and Australia.

Issued for and on behalf of DAIBOCHI BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd. For more information, please contact:

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