

Daibochi achieves highest-ever RM47.7 million net profit in FY2020

- *Ongoing RM100 million investments for new machinery to increase production capacity by 60% in two years*
- *Domestic and regional sales of flexible plastic packaging (FPP) to Food and Beverage (F&B) and Fast Moving Consumer Goods (FMCG) sectors remain resilient despite COVID-19 uncertainties*
- *Proposes 3.0 sen final dividend in respect of FY2020*

Melaka, Malaysia, 18 September 2020 - Leading flexible packaging manufacturer Daibochi Berhad (Daibochi; 耐慕志; Bloomberg: DPP:MK; Reuters: DPPM.KL) registered its highest-ever net profit of RM47.7 million on RM619.3 million revenue in the financial year ended 31 July 2020 (FY2020), as regional and domestic demand for FPP from the F&B and FMCG sectors remained resilient.

For the fourth quarter ended 31 July 2020 (4Q FY2020), Daibochi recorded net profit of RM11.2 million on RM155.8 million revenue. In comparison to the preceding quarter ended 30 April 2020 (3Q FY2020), 4Q FY2020 top and bottom line grew 2.5% and 3.6% respectively quarter-on-quarter.

There is no comparison to the previous corresponding financial quarter and financial year, due to the change in financial year end from 31 December to 31 July.

Daibochi's Executive Director Low Jin Wei said that FPP demand from prominent F&B and FMCG brands of multinational companies and domestic players in Southeast Asia and Oceania remained stable even amidst market uncertainties posed by the COVID-19 pandemic.

“Our strong performance in FY2020 reflects our substantial exposure to the essential consumer goods such as food and other staples, which remain high in demand despite COVID-19's impact on global consumer sentiment.

Riding on this, we have committed to and are making good progress in our RM100 million capital expenditure (CAPEX) spanning a two-year period from FY2020 to the financial year ending 31 July 2021 (FY2021), involving the purchase of new machines which would boost our annual production capacity by about 60%.

The capacity expansions would support our commitment to target more opportunities across Southeast Asia and Oceania, as well as further reinforce our position as a trusted provider of flexible packaging solutions to major domestic and global brands.”

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



Of the total RM100 million in CAPEX, RM60 million is allocated for purchasing 13 machines spanning the printing, lamination, and bagging processes. Of this, seven machines were commissioned in the second half of FY2020, and another six machines are expected to be commissioned in FY2021.

Daibochi has also allocated an additional RM40 million in FY2021 for eight more machines, which would bring expanded capacity to 60% in total, with four machines already contracted to date. The Group would maintain its net gearing level below the 0.5x mark.

Commenting on prospects, Low said: “Our prospects are further bolstered by increasing demand for sustainable packaging solutions by MNCs and other prominent brands in Malaysia and regionally, in line with global sustainability trends. Our joint research and development prowess with Scientex positions us strongly to capture more opportunities in this nascent but promising area, and we are looking to commercialize more sustainable solutions with our clients in the near future.”

Daibochi is proposing a final dividend of 3 sen per share in respect of FY2020, with ex-date on 30 December 2020 and payable on 15 January 2021. Together with an earlier paid interim dividend of 2 sen per share, total dividends amount to 5 sen per share with total payout of RM16.4 million, representing 34.3% of net profit for FY2020.

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 is a member of the Scientex Group since April 2019.

Daibochi’s scope of services includes gravure/flexographic printing, extrusion/dry lamination, slitting and 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 clientele which includes Nestle, PepsiCo, Mondelez International and Mars. The Group services the Malaysian market and also exports its products throughout South East Asia and Oceania. Scientex’s upstream film capabilities enable the group to provide flexible packaging solutions to our customers as well as collaborate with them to meet their sustainability targets.

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

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