



Daibochi Plastic

And Packaging Industry Bhd. (12994-W)

耐慕志塑膠包裝工業有限公司

www.daibochiplastic.com

PRESS RELEASE

Daibochi gets the nod for Myanmar joint venture

- *Myanmar operations to post significant contribution to Group effective 3Q17*
- *Investing USD5.5 million CAPEX to enhance plant production capacity and efficiency*

Kuala Lumpur, Malaysia, 3 May 2017 - Leading flexible packaging manufacturer Daibochi Plastic and Packaging Industry Berhad (Daibochi; 耐慕志; Bloomberg: DPP:MK; Reuters: DPPM.KL) secured regulatory approval from the Myanmar Investment Commission (MIC) for its joint venture (JV) company Daibochi Packaging (Myanmar) Company Limited (DPM) to commence operations, charting a new milestone in its regional expansion in Southeast Asia's burgeoning consumer packaging market.

Established in February 2017, DPM is a JV between Daibochi's wholly-owned subsidiary Daibochi Flexibles Sdn Bhd and flexible packaging manufacturer Myanmar Smart Pack Industrial Company Limited (MSP) to operate a flexible consumer packaging production facility in Yangon, Myanmar.

Mr. Thomas Lim (林树坤), Managing Director, Daibochi Plastic and Packaging Industry Berhad said:

"With the approval from MIC, DPM will proceed with the completion of the JV agreement and we target to officially commence operations in a month's time. DPM is set to contribute significantly to the Group's financial performance effective from the third quarter of 2017 (3Q17).

More importantly, we are ready to commence exports from our Myanmar operations to ASEAN countries in 3Q17, complementing the Malaysian plant in covering a wider customer base. We will also expand sales within Myanmar itself, to ride on its growing population and increasingly-developing economy."

Daibochi is investing USD6.8 million (approximately RM29.4 million) into DPM for a 60% controlling stake, while MSP is transferring its entire existing business, production assets, as well as workforce into DPM for the balance 40% stake.

DPM would also invest an additional capital expenditure of USD5.5 million (approximately RM23.8 million) via internally generated funds over a three-year period to enhance its production capacity, quality, and efficiency.

Lim added that the Group envisions for DPM to emerge as a prominent regional player in the consumer packaging industry.



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“For one thing, we will leverage on Myanmar’s low manufacturing cost and ample labour pool to grow DPM into a major consumer packaging player in Myanmar and the ASEAN region.”

“At the same time, we are developing new product lines for DPM, which will see us supplying label packaging for a prominent beverage brand in Myanmar from the fourth quarter of 2017 onwards. This will complement the existing clientele in the fast moving consumer goods (FMCG) sector, and place us on a positive trajectory going forward,” concluded Lim.

About Daibochi Plastic and Packaging Industry Berhad (www.daibochiplastic.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, in-house cylinder-making, extrusion/dry lamination, metalizing, and slitting/bagging. The Group’s manufacturing facilities in Melaka are equipped with ISO:9001, ISO:14001 and FSSC:22000 certifications, as well as in-house laboratory testing facilities to produce high-quality packaging solutions.

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

Daibochi was awarded the Top Corporate Governance Recognition for Mid Cap public listed companies in Malaysia for 2013 - 2016 by the Minority Shareholder Watchdog Group (MSWG), and listed among the Top 50 Companies in the Malaysian Chapter of the MSWG-ASEAN Corporate Transparency Index 2013 - 2014 and the Top 100 Companies in the MSWG-ASEAN Corporate Transparency Index 2015 - 2016.

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

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