

<b>Client :</b>	<b>Daibochi Plastic &amp; Packaging Industry Bhd</b>	<b>Date :</b>	<b>5 May 2016</b>
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## Daibochi Plastic Q1 profit up 5.2%

**PETALING JAYA:** Daibochi Plastic and Packaging Industry Bhd recorded a higher net profit of RM6.5mil for its first quarter ended March 31 on the back of stronger export sales.

This was a 5.2% increase compared with the net profit of the corresponding quarter last year of RM6.19mil.

Its revenue for the quarter also rose to RM89.7mil from RM86.2mil previously.

"Daibochi is on track to commence production for several new orders for the Australia and New Zealand market in the second and third quarter of 2016.

"We strive to grow our export sales to 60% of total group revenue in the coming years, from approximately 53% in FY2015, in line with our strategy to strengthen our brand and regional market reach," said Daibochi managing director Thomas Lim in a press release yesterday.

Exports made up RM47.5mil of the group's first quarter FY2016 revenue, growing 17.3% from RM40.5mil in the corresponding quarter last year.

Meanwhile, Daibochi has commenced the second expansion phase of Daibochi Plastic Plant 2, allocating RM13mil capital expend-

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Thomas Lim, Daibochi MD

iture for new machinery and other works. The enlarged production capacity will enable the group to take on more orders

from existing clients as well as expanding its multinational clientele.

In addition, Daibochi declared a first interim single tier dividend of 1.45 sen per share in respect of FY2016.

The dividend is payable on June 10, 2016, with an expiry date of May 17, 2016.

The group has a dividend policy to pay out at least 60% of net profit.

"The manufacturing sector may face labour challenges in the year ahead, in light of the Government's announcement of a freeze on hiring new foreign workers, following closely on the heels of higher foreign worker levy effective March 2016.

"These factors could potentially lead to temporary labour shortages and adversely impact the group's financial performance.

"In this regard, we strive to continuously improve our operating and production efficiency, in addition to enhancing our talent retention and remuneration programmes in order to achieve better long term sustainability.

"Overall, we remain confident on our prospects, which are driven by increasing export orders and enhanced product mix," said Lim.