

## Press Release

### **DPI targets to double production capacity to capture demand in Asia Pacific**

Kuala Lumpur, November 27 – Aerosol paints producer DPI Holdings Berhad (DPI, the Group), targets to double its aerosol can production capacity from 9.7 million to 20.0 million per annum to capture demand for aerosol paints in the Asia Pacific (APAC) region.

The Group intends to construct a new factory with four new fully-automated aerosol filling lines, as well as upgrade the production lines in the existing plant into fully-automated aerosol filling lines. The new factory would be adjacent to the existing plant in Johor.

Speaking at the IPO prospectus launch today, DPI's Executive Chairman and Managing Director, Peter Chai @ Choy Mui Seng said that the Group's proposed listing on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) is aimed at raising capital for production capacity expansion to meet growing regional demand.

Peter said, "Demand for aerosol paints in APAC countries are expected to increase with rising populations, accelerated urbanization and higher motorization, hence indicating potential uptrend for aerosol paints from the automotive segment.

At the same time, we are witnessing higher awareness of the Do-It-Yourself (DIY) culture, and arts & crafts segment, as consumer lifestyles gear towards greater personalization and creative expression."

"With export sales making up only 18.3% of group revenue in the financial year ended 31 May 2018 (FY2018), we need to increase our capability to grow our international sales. Our plans to double our production capacity will enable us to capture the anticipated demand growth in the local and international arenas.", he said.

"DPI's aspiration to take their business further into the international markets has been very clear from the beginning. We believe with their experienced management team and excellent track record in the aerosol paint industry for more than 30 years, they will be able to capitalise on the uptrend growth in the automotive, arts and crafts, and DIY segments, especially in APAC." said Datuk Maimoonah Hussain, Group Managing Director of Affin Hwang Investment Bank Berhad.

She added, "We are proud to catalyze and be a part of their journey towards the listing on the ACE Market of Bursa Malaysia."

The Group had submitted its building plans to the relevant authorities and is now awaiting approval to begin construction of the new plant. Barring unforeseen circumstances, production in the new factory is set to commence in the first half of 2020.

Alongside the higher capacity, the Group intends to increase advertising and marketing activities. These include more below-the-line initiatives such as participating in more trade fairs, as well as raising online presence through enhancing the company website, and increasing internet marketing and advertisements.

For the financial years ended 31 May 2016 (FY2016) to 2018 (FY2018), DPI's revenue rose from RM46.9 million to RM50.3 million, while adjusted net profit grew from RM7.4 million to RM7.9 million over the same period.

DPI's IPO entails the issuance of 126.5 million new shares at an issue price of RM0.25 per share, raising RM31.6 million in IPO proceeds.

Of the 126.5 million shares, 24.3 million shares will be for application by the Malaysian public and 14.1 million shares for application by eligible directors, employees and persons who have contributed to the success of the Group. Meanwhile, 39.4 million shares are allocated for private placement to identified investors and 48.7 million shares for private placement to Bumiputera investors identified by the Ministry of International Trade and Industry.

Of the total IPO proceeds of RM31.6 million to be raised, RM23.5 million would be utilised for capital expenditure towards expansion of production capacity; RM3.0 million for extension of consumer reach through marketing and advertising activities, while RM1.3 million would be for development of new product range.

With the prospectus launch, applications for DPI's IPO opens today, and will close on Tuesday, 18 December 2018 at 5.00 p.m. Barring unforeseen circumstances, DPI targets to list on the ACE Market of Bursa Malaysia on 7 January 2019.

Affin Hwang Investment Bank Berhad is the Principal Adviser, Sponsor, Underwriter and Placement Agent for the IPO exercise.

### **About DPI Holdings Berhad (<http://www.dpiaerosol.com>)**

DPI produces and distributes aerosol paint cans of more than 300 colours under its three in-house brand names (Anchor, DPI and Kromoto), as well as local and

international private label customer brands. The Group also has other complementary product offerings, namely industrial aerosols, thinners and solvents.

DPI's products are sold to a wide-range of channels encompassing approximately 700 customers in Malaysia and used by consumers for automotive repair and maintenance, arts and crafts, and DIY purposes.

DPI's manufacturing facility in Johor is equipped with ISO 9002:2015 Quality Management System certification.

## About Affin Hwang Capital

Affin Hwang Capital is a leading investment banking, securities, asset management and trustee group in Malaysia.

Founded in 1970, their business has a wide domestic coverage and strategic network throughout Malaysia, as well as strategic partnerships across Asia; providing greater reach in the Asian and global markets for institutional equities trading.

From both the primary offices in Kuala Lumpur and Penang, their one-stop offering of all advisory and capital markets services, serving the full client spectrum of corporates, investment institutions, retail clients, high net worth individuals and capital markets counterparties.

They value long-term relationships with clients, emphasising trust, flexibility, collaboration and independent thinking. As one of Malaysia's leading independent bank-backed investment banking groups, they utilise their expertise to continually tackle the most compelling financial challenges and deliver pioneering solutions to our clients. They commit people and ideas to help clients grow.

Affin Hwang Capital is part of the Affin Banking Group. To learn more, visit [www.affinhwang.com](http://www.affinhwang.com)

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