

Scientex plans bigger foray into Johor property mart



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KUALA LUMPUR: Scientex Quatari Sdn Bhd, the property division of industrial plastic products manufacturer Scientex Bhd, is planning to launch a high-end property project in Pulai, Johor to take advantage of the increasing demand for housing in the area, said Alex Khaw, the group property division general manager.

Slated to be launched in the second half of this year, the new project worth more than RM1 billion on 58ha of freehold land will be a departure from the group's current property developments in Kulai and Pasir Gudang, which mainly cater to the lower middle-income group.

"The land is located within Johor Bahru areas, and with the increasing demand for houses in the southern states in line with the pick-up in economic recovery, the new project to be launched in July or August this year could command higher value compared with the houses in Kulai and Pasir Gudang that sell for around RM100,000 to RM120,000 per unit," Khaw told The Edge Financial Daily.

"As the projects in Kulai and Pasir Gudang are located in the outskirts of town, our strategy is to complement the more upmarket property projects that are being developed by the bigger players in those areas," he said.

The land in Pulai was acquired in October last year when Scientex Quatari bought over Johline Realty Sdn Bhd, a Johor-based property developer, for RM65.31 million. The purchase was funded by internal funds and bank borrowings of RM25.31 million and RM40 million, respectively.

Johline has another piece of freehold land measuring 4.4ha in Plentong, also within the Johor Bahru enclave. The acquisition of the loss-making Johline was completed earlier this month and will serve as the springboard for Scientex's property ambition in Johor.

Its flagship property project is Taman Scientex in Pasir Gudang, a township development on a 445.5ha land with a gross development value of RM1.2 billion.

According to Khaw, the response to Scientex's properties has been good, with the group recording over an 80% take-up rate for the 600 units of houses launched in the last few months. It also started the second phase of the project in Kulai in April last year.

In terms of revenue, the property division has managed to rake in sales of more than RM50 million in the first six months of the financial year ending July 31, 2010. The group is also planning to launch another 800 houses, including 200 in Taman Scientex and 400 in Kulai this year.

Moving forward, Khaw said the property division would be one of the major revenue contributors to the group and Scientex was still looking at expanding its landbank to position itself for an eventual upturn in the property market.

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