

Scientex expands **landbank** in Johor

> Group buying two parcels in Kulai amounting to 121 acres for RM123.6m

SHAH ALAM: Packaging manufacturer and property developer Scientex Bhd has boosted its landbank with the acquisition of two parcels of land amounting to 121 acres in the Kulai district, Johor, for RM123.6 million cash.

The plots are situated in Senai town along the North-South Expressway and the Senai Highway, and are 15 and 20 minutes from Scientex's existing townships – the 250-acre Taman Scientex Senai and the 326-acre Taman Pulai Mutiara.

Scientex managing director Lim Peng Jin

said the acquisition is a new opportunity of growth, allowing Scientex to extend its expertise in providing affordable properties to cater to a larger population in Johor. It also reiterates the group's financial strength and continued aspiration even in the tough economic climate.

"With this, our landbank amounts to 2,400 acres in total, rendering us sufficient sustaining power for our property development segment for the next 10 to 15 years. We will continue our stance of delivering products that are attuned to buyers' affordability and preferences to cement the performance of this segment going forward," Lim said in a statement yesterday.

Notable landmarks in the vicinity include

Senai International Airport, Johor Premium Outlets, and Seri Omega Private & International School.

The acquisition is subject to conditions precedent and approval of the Estate Land Board, and is expected to be completed in the second half of calendar year 2017. It will be financed with a combination of internally-generated funds and bank borrowings, the ratio of which has yet to be determined.

Scientex has ongoing projects worth RM1.6 billion, consisting mainly of five townships in Johor (Pasir Gudang, Kulai, Skudai, Senai, Pulai) and a mixed development in Malacca.

For the financial year ended July 31, 2016 (FY2016), the property development segment

contributed RM652 million in revenue, making up 30% of group revenue. The balance was derived from the manufacturing segment, comprising consumer and industrial packaging for the local and international markets.

"Scientex remains committed to upholding our twin engines of growth in manufacturing and property. We have just concluded a RM450 million capital expenditure exercise over the past three years to expand the annual capacity of our consumer packaging business from 30,000 tonnes to 156,000 tonnes by calendar year 2017. We will always be on the lookout to enhance the prospects of both segments well into the future," Lim said.