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Scientex buys land for Klang Valley foray

BY ADAM AZIZ

KUALA LUMPUR: Scientex Bhd announced yesterday it is buying a 65.3-acre (26.4ha) piece of land in Rawang for RM85.38 million cash, marking its maiden foray into the Klang Valley property market.

The packaging manufacturer cum property developer said its wholly-owned unit Scientex Park (M) Sdn Bhd inked a sale and purchase agreement with Medius Developments Sdn Bhd to acquire the land, which is near the Rawang town centre, for a mixed development.

“Our venture into the Klang Valley property market represents a new chapter in our corporate history, and grants us an opportunity to bring our highly efficient property development model here,” said Scientex Bhd managing director Lim Peng Jin.

“We are confident of replicating our successes in delivering affordably priced yet high-quality homes, especially in a region where home ownership is increasingly a challenge due to high price points,” added Lim.

Scientex currently has RM1.5

billion worth of ongoing property projects across Johor, Melaka and Perak.

Scientex expects the acquisition to be completed by June 2018. The company has yet to determine the gross development value (GDV) of the upcoming mixed development.

The purchase would increase its land bank to 2,700 acres to last the group for the next 10 years to 15 years of development, with projects worth approximately RM9 billion GDV to be launched in the coming decade.

Lim said the group will also continue to look to further grow its land bank alongside the nation's increasing population in the southern, central and northern parts of Peninsular Malaysia.

“The group also has a very healthy financial position with a net gearing of less than 0.4 times, which allows us to continue our land-banking efforts in order to sustain our pipeline developments well into the future,” Lim said.

Scientex shares rose one sen or 0.12% to settle at RM8.56 yesterday, giving it a market capitalisation of RM4.14 billion.