

KUALA LUMPUR (Feb 5): Plastic products manufacturer Scientex Bhd is looking to develop a mixed-property development in Muar, Johor as it acquired 24 parcels of land measuring 442.76 hectares in total for RM200 million to boost its property development segment.

In a filing with Bursa Malaysia on Monday, Scientex said its wholly-owned subsidiary Scientex Heights Sdn Bhd has entered into a conditional sale and purchase agreement with Singapore-incorporated Guan Hong Plantation Pte Ltd for the proposed acquisition.

“It [the land acquisition] is a strategic investment opportunity for Scientex Group to expand upon its track record of successful development in Johor to increase the group’s earnings potential over the long term,” it said.

Besides that, Scientex said the land-bank expansion is also in line with the goal of the group to build more affordable homes to meet its objective of completing 50,000 affordable homes throughout the country by 2028.

As at December 2023, the group has completed 32,975 affordable homes.

“The lands are expected to provide a steady and sustainable property development model as Scientex Group continues to focus on affordably priced land-

Scientex acquires 24 parcels of land in Muar for RM200 mil for mixed development

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ed properties where demand continues to remain firm and resilient,” it added.

Scientex has proposed to develop the lands into a mixed-property development. However, the group said it is currently too preliminary to ascertain the exact total gross development value, development cost, the expected commencement and completion dates of the development and the expected profits to be derived from the development of the lands.

The proposed acquisition will be funded by Scientex’s internally generated funds and bank borrowings.

Barring any unforeseen circumstances, Scientex said the proposed acquisition is expected to be completed in its entirety in the second half of 2024.

It is worth noting that Scientex had previously attempted to buy a separate

piece of prime land in Johor Bahru from S P Setia Bhd twice, but were not successful both times.

Scientex first attempted to acquire the Johor land in 2021 for RM518.1 million. However, the deal fell through in March 2023, after it failed to obtain a waiver of the Bumiputera equity condition imposed by the Economic Planning Unit (EPU).

In July 2023, both parties revisited the deal, with a new price tag of RM547.65 million.

Then in January 2024, Scientex and S P Setia said that the deal to purchase the freehold 960-acre land in Tebrau was terminated due to non-fulfilment of the conditions precedent within the extended completion period. Again, the parties said it was due to failure of obtaining the EPU’s approval for the acquisition.

Last month, TA Securities downgraded Scientex to “sell” with an unchanged target price of RM3.89.

At Monday’s market close, the counter was up three sen, or 0.78%, at RM3.89 for a market capitalisation of RM6.03 billion.

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