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By MARK RAO / Graphic By TMR

## Scientex to buy land in Pulai for RM284m

**Scientex** Bhd plans to acquire a 335.57-acre (135.8ha) plot of land in Johor Baru for RM284.19 million, to improve its landbank and sustain the property business over the medium to long term.

The packaging manufacturer and property developer said its wholly owned unit, Amber Land Bhd, has entered into a sale and purchase agreement with DKTMG Land Sdn Bhd to acquire the freehold land located in Pulai, Johor.

“The proposed acquisition will enable the Scientex group to boost and expand its existing landbank in Johor, as it continues to seek attractively priced yet strategically located landbank within the Iskandar Malaysia region,” it said.

“The land would provide the group with adequate landbank to sustain its property development over the medium and long terms.”

The company said the acquisition is in line with the group’s focus on landed properties and affordably priced homes where demand has remained firm and resilient, despite the overall weak property market.

Scientex’s property projects are domiciled in Southern Malaysia and contributed to 28.8% of the RM658.68 million in revenue brought in by the group for the first quarter ended Oct 31 this year.

The group is further expecting to exceed the RM620 million worth of new launches that was achieved last year.

Scientex said the land in Pulai it intends to purchase is earmarked for a mixed property development, though added that it is too early to ascertain the exact gross development value, development cost, expected commencement, and complete and anticipated profits.

However, the company said the site will provide the group with the opportunity to create greater economic value and increase its earnings potential over the medium to long term, due to the development sitting within a close proximity to Singapore and the Johor Baru city centre.

“The proposed acquisition will allow the group to obtain a better foothold in the property market, particularly in the affordable landed properties segment,” it said.

“It will also enable the group to leverage on its existing and successful business model of providing affordable and quality landed properties to such category of affordable property mass market in the medium to long term.”

The RM284.19 million purchase consideration was determined on a willing buyer and seller basis, and is to be paid via a combination of internally generated funds and bank borrowings.

Barring any unforeseen circumstances, the acquisition is slated to be completed in the second half of next year.