

# Scientex to buy eight plots of land for RM185mil

## Earnings projection on Scientex raised

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**PETALING JAYA:** Scientex Bhd has announced the acquisition of eight land parcels of 202.2 acres in Pulai, Johor Baru for RM185.01mil in tandem with its efforts to build more affordable houses.

Its wholly-owned unit Scientex Quatari Sdn Bhd entered into a sale and purchase agreement with the Singapore-incorporated Lee Pineapple Company (Pte) Ltd to acquire the freehold land.

Scientex, which is involved in packaging manufacturing and property development, told Bursa Malaysia that the proposed acquisition will be funded by internally generated funds and bank borrowings.

The deal is expected to be completed in the first half of 2021.

According to Scientex, the close proximity of the land parcels to its existing developments will deliver operational efficiencies and generate better margins through economies of scale.

### CORPORATE

“The land is surrounded by the existing Sri Pulai Perdana 2 and Bandar Pulai Jaya (due north), Bandar Baru Kangkar Pulai (due north-west) and next to our current development, Taman Pulai Mutiara and Taman Pulai Mutiara 2.

“The parcels of land are also located within the local authority area of Majlis Bandaraya Iskandar Puteri, and are situated 33km from Johor Baru city centre.

“The land is accessible from Johor Baru city centre via Johor Baru-Senai Expressway (Jalan Skudai) for 18 km and subsequently through Skudai-Pontian highway and Jalan Kangkar Pulai,” it said.

Scientex added that the landbank expansion was in line with its goal to complete 50,000 affordable homes throughout the nation by 2028.

“The land is expected to provide a steady

and sustainable property development model as Scientex group continues to focus on landed affordably priced properties which demand has remained firm and resilient,” it said.

In a separate development, Scientex’s share price closed at an all-time high of RM9.90 after analysts saw better prospects for this group ahead.

Kenanga Research increased its financial year of 2021 (FY21) forecast core net profit by 3% to RM455mil and RM478mil for FY2022.

This is based on additional capacity increase in FY21 and stable earnings growth from the company’s property segment as the group is active in the affordable homes market.

It said the dividend for those financial years of 25.5 sen to 26.8 sen was based on a payout ratio of 30%, implying a yield of 2.7%- 2.8%.

Scientex announced FY20 net profit of RM390.1mil last week, an expansion of 17%, led largely by its manufacturing division.