

Vitrox unit buys land worth RM49m from Penang Development Corporation

KUALA LUMPUR (May 31): Vitrox Corp Bhd (VCB) said its unit is buying land worth RM48.33 million in Penang to execute its 10-year expansion master plan, which will be fully completed by 2030.

According to a filing with Bursa Malaysia, its wholly-owned subsidiary Vitrox Technologies Sdn Bhd (VTSB) had entered into a sale and purchase agreement today with Penang Development Corporation.

The land — at present vested in the State Authority of Penang — measures 21.04 acres and is marked as Plots 323b and 323c in Batu Kawan Industrial Park, Seberang Perai Selatan.

“With the acquisition, VCB Group envisages that it will further strengthen its technology, product research and development, global business expansion, worldwide service and support, supply chain development, smart and lean manufacturing, and talent attraction, training and growth,” said the group.

According to the group, the purchase price for the acquisition was arrived at on a “willing buyer and willing seller” basis, taking into consideration the location is a prime area and size of the land.

“VTSB is now in the progress of applying for a credit facility from [a] financial institution, therefore, a valuation of the property will be done by a property valuer appointed by the financial institution in due course,” said the group.

The company said the acquisition is not expected to have any material effect on the net assets per share for the financial year ending Dec 31, 2021.

“However, as the purchase price will be partly financed via borrowings, the gearing of VCB for the financial year ending Dec 31, 2021 is expected to increase as a result of the acquisition,” it added.

At market close, VCB shares slipped 1.78% or 12 sen to RM15.20, valuing the group at RM7.18 billion.

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