

# SD Guthrie unlocking value of its landbank

## Carey Island JV development is in a strategic location

### PROPERTY

**PETALING JAYA:** SD Guthrie Bhd's joint venture (JV) with Sime Property Bhd to develop an industrial and logistics hub in Carey Island, Selangor, is the first step towards unlocking the remaining value of its landbank.

The JV may take up about 7% or 2,000 acres of SD Guthrie's 28,646 acres of land on the island.

Maybank Investment Bank Research (Maybank IB) in a note to clients said: "We believe SD Guthrie's Carey Island land in its entirety could be worth at least RM6 per sq ft or RM7.5bil, or 24% of SD Guthrie's market capitalisation."

"But the JV's portion land value should be at a premium to our average RM6 per sq ft as it should be well located close to the main roads and interchange."

Over time, the JV will help unlock the value of SD Guthrie's remaining land when Carey Island's infrastructures are enhanced further.

According to the research house, the island is increasingly connected with the completion of South Klang Valley Expressway (SKVE) in 2013 and it will receive another boost when the southern stretch of West Coast Expressway is completed.

Notably, sizeable estates land near Carey Island were transacted between RM6.60

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MIDF Research

and RM19.00 per sq ft in recent years, added Maybank IB.

It made no changes to its forecasts on SD Guthrie as any land disposal gains (and subsequent development profits) on this JV would likely be recognised in 2026 at the very earliest.

It has kept a "buy" call on SD Guthrie with a target price of RM5.52 per share.

MIDF Research, in a report, said SD Guthrie which owns 28,646 acres on Carey Island, with a 79% ownership stake, offers a substantial "monetisable" land bank.

"The JV will unlock an initial 2,000 acres for higher-yield industrial and logistics use, effectively repositioning underutilised plantation land into high-value assets.

"This represents a strategic shift from low-margin estate yields to capital-efficient, scalable development potential," the research house added.

Carey Island is located adjacent to Port Klang and near Pulau Indah – a key node in Malaysia's logistics network.

The site benefits from strong connectivity via the SKVE and the North-South Expressway, further enhancing its attractiveness for high-value industrial and logistics development.

According to MIDF Research, it is maintaining its earnings forecasts for now, pending further updates from SD Guthrie's management.

"Any contribution from the development will unlikely materialise in near term, aside from potential land disposal gains, which we view as non-core," it added.

The research house has a "buy" call on the stock with an unchanged target price of RM5.43.

"We believe price-to-earnings (PE) remains a fair valuation for the stock, as non-performing or early-stage segments (like renewable energy or industrial) may drag down consolidated margins or inflate asset values, making PE a more suitable multiple, while preventing unjustified valuation uplift," it added.