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Mesiniaga to gain RM6m from property disposal

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KUALA LUMPUR (July 27): Mesiniaga Bhd expects to gain RM6 million from its proposed disposal of a five-storey commercial building on Jalan Larut, Penang, for RM15.9 million.

Mesiniaga said the building, which is being sold to Sparkle Gateway Sdn Bhd, was under utilised and an excess to the group, while no longer situated at a strategic location as it is far from the major customers in Penang.

The 16-year-old building's original cost of investment was RM10.1 million, with a net book value of RM8.5 million as at Dec 31, 2016.

In a filing with Bursa Malaysia today, Mesiniaga said following the disposal, it can save RM40,000 operating expenses per month that was used for maintaining the property.

Proceeds from the proposed disposal could be used to repay loans and fund the company's operations in the fourth quarter of 2017, and 2018.

Mesiniaga's share price closed down seven sen or 5.04% at RM1.32 for a market capitalisation of RM79.7 million.

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