

Tropicana disposes freehold land in Subang Jaya for RM37.55m

KUALA LUMPUR: Tropicana Corp Bhd is disposing a piece of freehold land measuring 9,968 sq m at Bandar Subang Jaya to Mediaraya Sdn Bhd (MSB) for a total cash consideration of RM37.55 million.

Tropicana told Bursa Malaysia that its wholly-owned subsidiary, Tropicana Subang South Development Sdn Bhd, had entered into a sale and purchase agreement with MSB yesterday with regards to the transaction.

Tropicana said the disposal price was calculated at RM350 per sq ft.

Tropicana said the expected gain from the disposal is approximately RM3.7 million (net of tax payable) and the net proceeds arising from the disposal are expected to be used for the working capital and repayment of bank borrowings of the group.

“The disposal is in line with the group’s de-gearing exercise to strengthen its financial footing,” it said.

“The land has a net book value of RM18.61 million as of Dec 31, 2013,” said Tropicana, adding that its original cost of investment was RM16.09 million.

The transaction is expected to be completed in the fourth quarter of 2014, and has no significant effect on earnings per share and net assets per share of Tropicana for the financial year ending Dec 31, 2014.

Shares of Tropicana closed at RM1.24, down one sen or 0.8% with 2.78 million units traded. Tropicana has a market capitalisation of RM1.7 billion. — *by Gho Chee Yuan*