

# Mulpha: Flood impact on Aussie assets minimal

## Small number of properties hit but no effect on profit expected

By **RISEN JAYASEELAN**  
risen@thestar.com.my

**PETALING JAYA:** Mulpha International Bhd (Mulpha), which owns prime real estate in Australia, including the state of Queensland, is largely unaffected by the flooding that had hit the state recently.

In reply to questions posted by *StarBiz*, a Mulpha company spokesman said that its resort-styled residential project called Sanctuary Cove was not impacted at all by the floods.

"The floods in Brisbane have largely hit areas near the river. Sanctuary Cove is away from all of this. It is intact," he said.

Sanctuary Cove is a 476ha development located on the northern-end of the Gold Coast and a 40-minute drive from Brisbane. It is one of Mulpha's largest real estate assets in Australia.

The more than 2,000-resident estate boasts two golf courses, four harbours, 15 restaurants and harbourside cafes. It still has homes and land for sale ranging from just under A\$500,000 (RM1.5mil) up to A\$8mil (RM25mil).

The Mulpha spokesperson added that there might be a softening of sales of units in Sanctuary Cove during this period but things would be back to normal once the rains end.

Mulpha's other large Australian investment is its 25% stake in FKP Property Group, a big property investment company. The Australian-listed FKP is also the largest private sector owner-operator of retirement villages in Australia and New Zealand.

On Jan 18, FKP issued a statement to say that the "Queensland floods had only affected a small number of its assets" and that the "diversified



An aerial view on Sanctuary Cove. Mulpha spokesman says there may be a softening of sales of units in the project during this period but things will be back to normal once the rains end.

nature of the business meant there would be no impact on profit".

"While FKP has a strong connection to Brisbane, it is the diversified nature of the group and it's spread of business across the country that minimises the impact to our bottom line," FKP's chief executive Peter Brown said in the statement.

FKP's share price has not dropped since the January floods in Queensland, hovering around 80 Australian cents a share. Mulpha's 25% stake in FKP has a market value of some A\$234.8mil (RM721mil).

Last November, it was speculated that FKP's second largest shareholder Stockland, itself a leading Australian property developer, could be seeking to acquire FKP. However Mulpha's officials then told *StarBiz*

that Mulpha was not keen on selling its stake in FKP as it sees long-term value in the company.

Then in December, it was reported that Mulpha could be seeing a recovery in dividend income from FKP in 2011, compared with 2010 and 2009 where dividends from FKP dropped significantly.

The media article cited a JP Morgan report that stated that FKP was planning to distribute a dividend of 3 cents per unit for its FY2011 ending June 30, which is double the 1.5 cents per unit distribution for FY2010. Mulpha, which owns 25% in FKP, could enjoy gross receipts of the dividend of up to about RM28mil.

But another of Mulpha's Australian properties, namely the five-star private island destination on the Great

»It (Sanctuary Cove) is intact«

MULPHA SPOKESMAN

Barrier Reef called Hayman, is bracing for a cyclone.

Yesterday it was reported that tropical cyclone Yasi was predicted to hit the north Queensland coast after strengthening into a high-level category four storm.

It was reported that in total, a 740km stretch of coastline, from Cooktown in the far north of Queensland to Mackay, on the Whitsunday Coast, is on cyclone alert, including several tourist islands of the Great Barrier Reef.

Hayman's management have issued a statement that it is taking precautionary action due to the forecasted cyclone activity anticipated to pass through the Whitsunday islands. It is recommending that guests who are due to arrive between Feb 1 and Feb 4 to amend or cancel their bookings and that no cancellation or amendment fees will apply to changes made during this period.

"But things will normalise again once the weather recovers," the Mulpha spokesperson added.

Mulpha's other Australian assets are the five-star InterContinental Sydney and the Hilton Melbourne Airport Hotel, the latter of which was sold last December to Singapore-listed Pan Pacific Hotels Group for A\$108.89mil (RM334mil) cash, with the sale expected to be completed by the first quarter of this year.