

# Mulpha to sell two hotels in Australia

BY ANGIE NG IN SYDNEY

MULPHA International Bhd is looking to dispose of its two hotel properties in Brisbane and Sydney in a move to consolidate its Australian operations and enhance shareholder value, executive chairman Lee Seng Huang said.

"We are negotiating with an interested buyer to dispose of Sheraton Brisbane at A\$100mil while another party has expressed interest to acquire Novotel Century Sydney Hotel for A\$50mil," he added.

The disposal would pare down Mulpha Australia Ltd's (MAL) A\$400mil borrowings, of which A\$200mil was used to finance MAL's acquisition of the Principal Hotel Group in June.

Principal has four hotels in its portfolio, namely Hayman Resorts, InterContinental Sydney, Sheraton Brisbane Hotel and Melbourne Airport Hilton.

The 413-room Sheraton Brisbane Hotel was acquired for A\$85mil while Novotel Century, which

opened in late 1999, was built by MAL at a cost of A\$30mil during the 2000 Olympic Games in Sydney.

After the disposal, MAL - Mulpha's wholly-owned subsidiary and investment arm in Australia, will be left with four hotels - Hyatt Sanctuary Cove, Hayman Resorts, InterContinental Sydney and Melbourne Airport Hilton.

Briefing Malaysian reporters on a site tour of MAL's Sanctuary Cove development in Gold Coast and Norwest Business Park in Sydney, Lee said: "All our assets are for sale if the price is right and we believe this move will enable us to unlock our capital investment and continue with our share buyback programme."

He said in order to unlock its investment and asset value in Australia, Mulpha might also consider listing MAL when the time was right.

Since Mulpha made its maiden foray down under in 1992 by purchasing 5.2 million shares of the then ASX-listed HDC Group Ltd from the open market, its investments in

Australia have multiplied from being the owner of the Sydney Opera House car park to becoming the largest Malaysia-based real estate investor and developer in Australia with total assets worth A\$1.2bil

"Australia offers us lots of opportunities and it will continue to be our core business base. Today, the Australian operations contributed to 100% of Mulpha's net earnings with another 20% from Hong Kong and China," Lee said.

After a net loss of RM\$7.3mil in 2002, Mulpha had swung around to record a net profit of RM77.4mil for the financial year ended Dec 31, 2003.

In Malaysia, Mulpha would continue to dispose of its non-core businesses such as trading activities and focus in property development and financial services through Mulpha Capital Holdings Sdn Bhd.

"Our growth strategy is to be the market leader in our main business activities and we are confident that the recovery in the Malaysian economy and property market will augur well for the group performance," Lee added.

# Mulpha to sell 2 Aussie hotels to enhance shareholder value

■ From MARINA EMMANUEL

**SYDNEY, Wed:** Mulpha International Bhd's (MIB) bid to focus on its property and financial service assets is expected to see two of its Australian hotels, one in Brisbane and the other in Sydney, being sold.

MIB and Mulpha Australia Ltd (MAL) chairman Lee Seng-Huang said the proposed disposal of the four-star Sheraton Hotel in Brisbane and the Novotel Century Sydney Hotel, which it built in 1999 to capitalise on the 2000 Olympic Games in Sydney, is expected to rake in an estimated A\$150 million (A\$1 = RM2.69).

"We are not selling the hotels merely to reduce our borrowings, but to meet our obligations in enhancing shareholder value," he told Malaysian journalists on a tour at several MIB

Lee said MAL is currently holding exclusive negotiations with one buyer for Sheraton Brisbane, while one offer has been received so far for Novotel Century Sydney.

He said in order to purchase the four hotels, MAL had borrowed A\$200 million from Australian financial institutions.

The company's total borrowings in Australia stand at A\$400 million.

Last month, MIB announced it will sell its wholly-owned Australian unit — Enacon Parking Pty Ltd — to Mariner Securities Ltd for A\$75 million.

Enacon owns and operates the Sydney Opera House carpark. Stressing that Mulpha had no plans of making a name for itself in the hotel industry, Lee also said that the company did not have a penchant for "buying assets just because they are

# Mulpha to expand landbank at Sydney business park

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**MULPHA Australia Ltd (MAL),** a wholly-owned subsidiary of Mulpha International Bhd (MIB), is looking to expand its landbank at the Norwest Business Park in Sydney.

MAL managing director Alan Jones said the proposed expansion was being eyed as it expects the land at the 377ha business park, it currently operates, to be sold out within the next four years.

"We have acquired 200ha of land for A\$510 million (A\$1 = RM2.73) about 20km away from the current park," he told reporters who were in Sydney recently to visit MIB's investments in Australia.

Jones said MAL was planning to rezone the land to accom-

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