

Mulpha reorganises portfolio

MULPHA International Bhd is reorganising its portfolio of hotel assets in Australia with the disposal of two hotels there — the Novotel Century Sydney Hotel and the Sheraton Brisbane Hotel — for A\$141 million (A\$1 = RM2.77).

These assets were held by its wholly-owned subsidiary Mulpha Australia Ltd.

The disposal of Novotel, a three-and-a-half-star 226-room hotel at Darling Harbour, is for A\$41 million. The buyer is Bandwagon Australia Pty Ltd.

The Sheraton Brisbane Hotel, a five-star 410-room hotel located in Brisbane's central business district, was sold for A\$100 million to Thakral Brisbane Hotel Pty Ltd and Thakral Holdings Ltd.

In a statement, Mulpha said the Novotel disposal will allow it

to reorganise its existing hotel portfolio to focus on larger and more strategic assets of scale.

The two disposals will reap in a total gross cash proceeds of A\$141 million, which will be used to bolster the balance sheet of the group and position it for further growth opportunities.

The disposal will result in an estimated combined group profit after tax of A\$12.8 million based on the maximum tax rate of 30 per cent, which has yet to be ascertained at this juncture, the company said.

“The prices offered to us for Novotel and Sheraton are very attractive.

“The A\$100 million offer by Thakral Group as against our cost of investment of A\$83 million for Sheraton Brisbane Hotel was simply too good to refuse, considering that Mulpha had

only completed the acquisition in June 2004,” said Mulpha executive chairman Lee Seng Huang.

He said as much as Mulpha tries to make well-timed asset acquisitions, “it is equally important to capitalise on opportunistic disposals as long as the price is right”.

Mulpha has assets of market value in excess of A\$1.2 billion in prime and strategic properties and companies in Australia, Lee said.

Main-board listed Mulpha has shareholders funds in excess of RM1.6 billion, and focuses on real estate development and investment, property-related services, trading and financial services.

It has operations in Malaysia, Vietnam, Singapore, China, Hong Kong and Australia.