

Mulpha Land to be group's high-end developer

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PETALING JAYA: Mulpha Land Bhd (MLB) is being transformed into a significant high-end developer in the country, with direct participation in the Iskandar Development Region (IDR).

Mulpha International Bhd (MIB) yesterday entered into a deal to transfer its 100% equity interest in Leisure Farm Corporation Sdn Bhd (LFCSB) to MLB, its 55.6%-owned subsidiary.

The deal is worth RM148 million to be satisfied by the issuance of 148 million redeemable convertible preference shares (RCPS) 'A' by MLB.

In a statement yesterday, Mulpha said MLB would also issue up to 328 million RCPS 'B' to settle the amount owing by Leisure Farm to MIB.

It said the consideration took into account Jones Lang Wootton's market value of Leisure Farm's properties of RM505 million.

LFCSB is the owner and developer of

the 708.8ha Leisure Farm, an exclusive master planned residential resort community in Gelang Patah, Johor, which is strategically located within the IDR.

Leisure Farm was awarded the FIA-BCI Malaysia Property Award 2005 and adjudged runner-up for the FIABCI Prix d'Excellence 2006, both in the Master Plan category.

MIB said prospects of Leisure Farm were further enhanced by the anticipated spill-over effects from the two integrated resorts in Marina Bay and Sentosa island in Singapore.

"The proposed transaction represents the next stage of rationalisation of the group's operations in Malaysia."

"A key objective is to transform MLB into the local property arm of the group, focussed on the luxury end of the market," said MIB executive chairman Lee Seng Huang.

He said MLB would be transformed into an entity that would give current and potential investors substantial direct exposure to the Malaysian property sector, particularly in the IDR.