

Mulpha is up Down Under

Fund manager attracted by company's assets in Australia

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PETALING JAYA: Property-based Mulpha International Bhd's share price has doubled from around 70 sen a year ago. Even so, it continues to attract the interest of a large Canadian investment fund.

Mackenzie Cundill Investment Management Ltd disclosed on Tuesday that it bought an additional 4.9 million Mulpha shares between Jan 29 and 31. That raised its ownership to 100 million shares or a stake of 7.9% of Mulpha.

That is an investment with a value of RM161mil based on Mulpha's share price of RM1.61 yesterday. It would be a long-term investment as Mackenzie Cundill is a value investor.

Mulpha's share price has risen in the last two weeks when interest also surfaced in other companies that have land in South Johor. The company's flagship project in this country is Leisure Farm, an upmarket residential and resort development near the Second Link in Johor.

That may not be the asset that caught the attention of Mackenzie Cundill, especially as it is unlikely to rely on local brokerage reports. It is a large fund, managing more than US\$45bil.

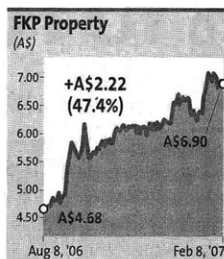
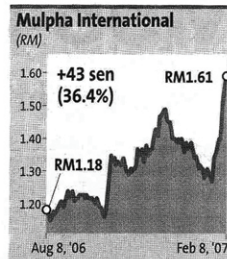


The pool view of Hayman Island Resort in Australia, one of Mulpha's rich assets

The fund manager is more likely to have been attracted by Mulpha's assets in Australia. The company probably has more properties there than any other listed Malaysian company.

Furthermore, its properties are in prime locations, some of which were bought years ago and would have appreciated. Mackenzie Cundill has the resources to estimate Mulpha's revised asset value.

One of Mulpha's assets that have



which is developing the large Norwest Business Park in Sydney.

FKP's shares were valued at A\$3.60 each in that transaction, and they have since risen to A\$6.90, giving the company a total market value of A\$1.5bil. As Mulpha owns about 10% of it, the value of its stake has increased to A\$150mil (RM400mil).

Mulpha owns a number of other rich assets in Australia. These include the InterContinental Hotel in Sydney, Hilton Melbourne Airport, Hayman Island Resort and Hyatt Regency Sanctuary Cove.

The company is active in buying back its shares and a first tranche of 139.4 million shares, or 10% of its share base, was cancelled. It has since bought back an additional 73.9 million shares, which are expected to be eventually cancelled too, and would raise its net tangible assets (NTA) per share.

It continues to buy back its own shares, and it is likely to do so until its share price reaches its NTA, which was RM1.73 a share in September.

evidently appreciated is its stake of about 10% in FKP Property Group Ltd, a company listed on the Australian Stock Exchange, and engaged in property development, and ownership of retirement villages.

The stake in FKP was acquired at end-2005 through a share swap with Mulpha Norwest Ltd, then a wholly-owned subsidiary. After the share swap, Mulpha retained majority ownership in Mulpha Norwest,