

Mulpha 2007 capex at RM100mil

It intends to use the funds for expansion

SUBANG JAYA: Mulpha International Bhd plans to spend about RM100mil as capital expenditure (capex) this year for its local and overseas operations, said executive chairman Lee Seng Huang.

"A large chunk of our capex will be allocated for the development of our project in Sanctuary Cove in Australia and projects within the South Johor Economic Region (SJER)," he said after the company's AGM yesterday.

Mulpha is involved in the property, construction, trading, hotel and leisure sectors.

The group owns a number of assets in Australia, including the InterContinental Hotel in Sydney, Hilton Melbourne Airport Hotel, and Hayman Island Resort and Hyatt Regency Sanctuary Cove in Queensland.

Lee said Mulpha's overseas operations contributed more than 70% to total revenue.

"A lot of our overseas contribution comes from our subsidiaries in Australia, Hong Kong and China. However, the bulk of it is from Australia," he said.

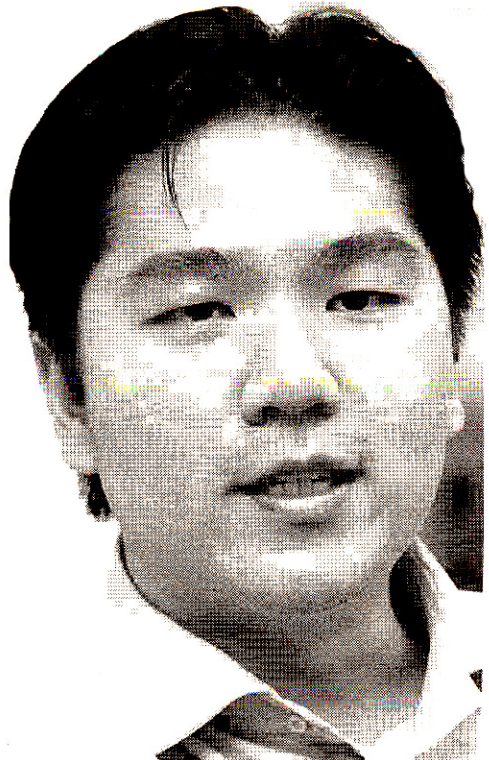
On the local front, Lee is optimistic of Mulpha's projects within the SJER, as the Johor property market is poised for strong growth thanks to the Iskandar Development Region.

The company's exposure to Johor is through Leisure Farm Resort, one of Malaysia's most prestigious gated resort developments. The 1,371-acre freehold high-end development in Gelang Patah is within the SJER. The resort includes a 36-hole golf course, a clubhouse and equestrian facilities.

"We will continue to develop our integrated resort in Johor. We have a further 700 acres yet to be developed in SJER," Lee said.

He said Mulpha also hoped to launch a project in Section 16, Petaling Jaya, this year after receiving the necessary approvals.

"It will be a mixed development comprising commercial and SOHO (small office, home office) units on five acres. The expected gross development value of the project is RM400mil," he said.



»We have a further 700 acres yet to be developed in SJER«

LEE SENG HUANG

The group is also looking at developing a commercial office block on a 36,000-sq-ft freehold land in Jalan Sultan Ismail, Kuala Lumpur. Mulpha might relocate its corporate office to the building when completed. The office block is estimated to cost RM150mil.

To a question, Lee said the group had no plan to set up a real estate investment trust (REIT) at the moment as most of its assets were unsuitable for a REIT.