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# KCB seeks partners to develop land in Sabah, KL

DEVELOPER and resort operator Karambunai Corp Bhd (KCB), which is planning a return to profit, is looking for partners to help develop its land in Sabah and Kuala Lumpur, its chief executive said.

Currently, the firm is finalising plans with its South Korean partner, Landlovers Korea Co Ltd, to build a Korean Village Resort at the Karambunai peninsula in Kota Kinabalu.

Landlovers will hold 70 per cent of the venture to build villas and condominiums worth over RM400 million. It will market them exclusively in South Korea.

"These kind of partnerships will allow us to improve our revenue and profit base. We will be looking for similar deals with other investors from Asia-Pacific, including the Middle East," chief executive officer Datuk Robin Loh Hoon Loi told Business Times in an interview.

The firm has a 600ha land in the Karambunai peninsula and another 520ha in Bukit Unggul, KL.

KCB has since 1997 used 100ha at the Karambunai peninsula to build the five-star Nexus Resort Karambunai and Nexus Golf Resort Karambunai.

In the last few years, it has launched the RM2 billion Nexus Residences Karambunai (NRK)

project, with the completion of the Dillenia precinct recently.

Although KCB made a record net profit last year, it fell into the red in the year to March 31 2008 with a net loss of RM32.1 million due to higher operating cost.

However, it is trying to turn the corner again. It made a net profit of RM3.3 million on revenue of RM117 million for the first six months of the current fiscal year.

"We are getting stable revenue and profit from our current resort and golf operations. Soon we will be getting profits from Dillenia, which will be operated as a new hotel under the Nexus brand.

"It is due to operate next January," Loh said.

Dillenia comprises 80 semi-detached beachfront villas and 163 condominium units, which were sold to investors under a lease-back option to KCB.

"It was a good deal as not only were we able to achieve promising sales from Dillenia, we are now able to generate additional in-



**BRISK SALES:** The company hopes to return to profit with new projects like the Nexus Residences

come per annum from leasing the properties," Loh said.

At Bukit Unggul, which is near Putrajaya, Cyberjaya and the Kuala Lumpur International Airport, KCB plans to develop commercial, residential and recreational components.

It currently houses an 18-hole golf course and a club house.

KCB has three projects slated to launch next year — worth a combined RM1 billion — at the Karambunai peninsula and at its Bandar Sierra township, near the Kota Kinabalu city centre.

This includes Amabilis, a RM400 million development in NRK, featuring 100 luxury villas, by the first quarter of next year.

Amabilis will cater largely to foreigners under the Malaysia My Second Home (MM2H) programme. Also earmarked to launch next year is the Korean resort. Details of the project are being finalised currently.

In Bandar Sierra, KCB will launch 200 units of terrace and semi-detached houses and cluster homes; 416 units of walk-up apartments; and 80 units of three- and four-storey shophots worth RM180 million, by mid-2009.

Loh expects brisk sales for its new launches due to demand from buyers from Hong Kong, Singapore, Taiwan, Japan, South Korea and Europe under MM2H.

"We are aware of the macro-economic conditions that we are operating in and have put that into consideration when preparing our strategies and business plans," Loh said.

## Diversification takes firm to new heights

KARAMBUNAI Corp Bhd (KCB) has come a long way from its days as a manufacturer of air-conditioners and refrigerators.

Incorporated in 1965 as Electrical and Allied Industries Ltd, the company was listed on the main board of Bursa Malaysia Securities Bhd on July 4 1967.

It changed its name to First Allied Corp Bhd on November 1 1983.

In 1984, the company made a decision which would change its entire corporate future, when it diversified into other sectors.

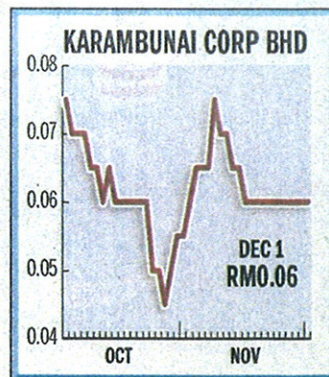
The company announced that it would go into the leisure and tourism market as well as property and construction, manufacturing, trading, infrastructure development, and even aerospace and information technology.

On September 13 1993, the company changed its name to FACB Bhd and later to FACB Resorts Bhd on September 30 1999.

It assumed its present name of KCB on September 30 2004.

Helmed by Malaysian tycoon Tan Sri Dr Chen Lip Keong, KCB is now mainly in leisure and tourism, infrastructure and property development.

The group also dabbles in provision of management services, information technology, consultancy and money lending,



on top of trading of wood products and purchasing and sourcing of timber for sale.

According to its 2008 annual report, the leisure and tourism division brings in the biggest chunk of revenue at 49 per cent, followed by property development and construction at 39 per cent, while the rest come from its other divisions.

KCB registered a net loss of RM32.1 million against RM172.5 million revenue for the financial year ended March 31 this year.