

# Karambunai gets foreign investor for resort project

**JV with Cambodia-based firm to develop Karambunai Integrated Resort City**

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**KUALA LUMPUR:** Karambunai Corp Bhd has inked a joint venture (JV) agreement with Cambodia-based China Central Asia Group Co Ltd (CCAG) to develop the first phase of the Karambunai Integrated Resort City (KIRC) in Sabah.

Under the JV agreement, Karambunai said both parties would undertake the proposed development of the Karambunai Beachfront mixed development project, which is the first phase of the eco-nature KIRC development.

"CCAG shall be the pilot catalyst JV partner and it is anticipated that the JV shall spearhead subsequent JVs with other international investors," Karambunai Corp said in a filing to Bursa Malaysia yesterday.

Karambunai Corp said its wholly owned subsidiary Karambunai Resorts Sdn Bhd (KRSB) and CCAG had agreed to enter into an unincorporated joint venture for the proposed development which will be undertaken by their respective subsidiary companies to be incorporated in Malaysia.

KRSB shall play the role of landowner and contribute 75 acres of land to the JV. The land is valued at about RM270 million. Meanwhile, CCAG will play the role of investor, contractor and joint developer and will inject a seed capital of US\$100 million (RM306 million) into the JV as a revolving fund.

Apart from CCAG's portion of the funding, KRSB's portion shall come from its internally generated funds.

CCAG is a unit of Prism Crystal Enterprises Ltd which together with the controlling shareholder of Karambunai Corp is the initial promoter of the KIRC project, Karambunai Corp said.

"The promoter is cautious of over-gearing of the project and hence, adopts the strategy of teaming up

with strategic partners and investors who shall co-invest in the KIRC and bring value in terms of expertise and international branding," Karambunai Corp said.

Karambunai Corp added that it had mutually agreed that the project's net profit is to be equally shared between both parties after deducting all costs.

KIRC will encompass attractions like eco-nature edutainment recreation facilities, hotel accommodation, retail space, a health resort, a hospitality campus and luxury residences.

"The KIRC is positioned as the Caribbean for the Asia Pacific countries, especially North Asia," Karambunai Corp said.

Karambunai Corp said the large integrated resort project will be developed over eight years from 2012 to 2019.

On Wednesday, Karambunai Corp announced that it had appointed Arlida Ariff, former president and CEO of Iskandar Investment Bhd, as the managing director of KIRC.