

YAHOO! NEWS

Cambodia group to invest RM310m in Karambunai beachfront mixed devt



By Joseph Chin of theedgemaalaysia.com | The Edge -- Thu, Mar 17, 2011 6:51 PM MYT

KUALA LUMPUR: Cambodia's China Central Asia Group (CCAG) is teaming up with Karambunai Corp Bhd to develop a beachfront mixed development project in Kamabunai which would see CCAG pumping in RM310 million and providing the land.

Karambunai Corp Bhd said on Thursday, March 17 it would provide 75 acres of land for the project valued RM310 million which is the first phase of the Karambunai integrated resort city (KIRC) development. CCAG, on its part, would provide the remaining RM310 million.

Both parties signed a joint venture agreement to undertake the project. Under the JV, CCAG will be investor, and joint developer and provide seed capital of USD\$100 million (about RM310 million) as a revolving fund to undertake the development at its own costs.

"The JV is in line with the strategic implementation plan of KIRC, that is that Karambunai Corp shall provide the land and its strategic partners, in this case, CCAG shall provide the necessary funds to unlock the value of KIRC.

"This strategy shall also allow KCB to achieve its corporate objective of minimising debt in developing KIRC and of creating a win-win venture with strategic partners who bring in capital and expertise," it said.

Karambunai said most of the funding in the unincorporated joint venture is from CCAG and KCB's portion of the funding would be from its own funds.