

KARAMBUNAI INTEGRATED RESORT CITY

Globally, there are many paradises of sand, surf and sea, but truly there's only one heavenly destination of Ecotourism – Karambunai, Some Say It's Heaven”

Introduction

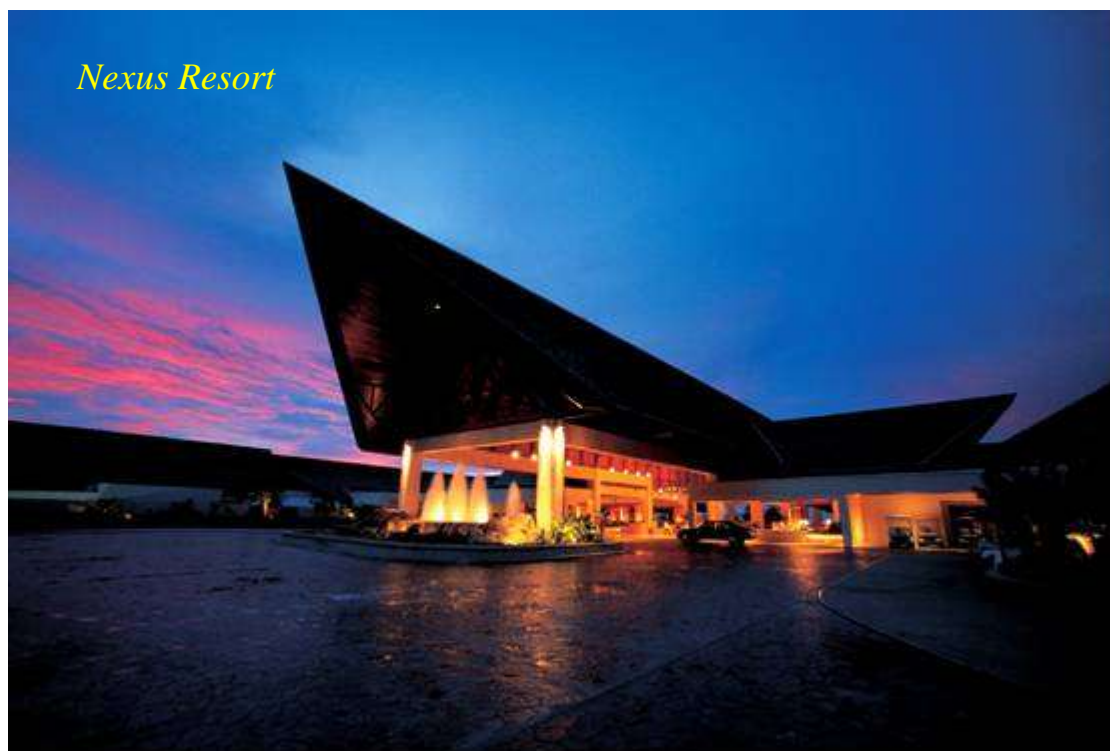
Karambunai Integrated Resort City (“KIRC”) is honoured as an Entry Point Project 5 (“EPP #5”) under the Government’s Economic Transformation Programme (“ETP”) that was launched by Performance Management and Delivery Unit (“PEMANDU”). KIRC aims to achieve the Government’s aspirations of a high income nation for Malaysia.

Located in the Karambunai Peninsula of Kota Kinabalu, Sabah, KIRC is envisioned as a premier world-class eco-tourism destination showing Sabah’s rich & unique biodiversity.



The 3,335 –acres Karambunai peninsula is a piece of rare tropical land formation with white sandy beach, wetland, cove, flatland, hill with 130 million–years old rainforest.

The stakeholders of Karambunai have invested about RM1.5b and the success to date includes the well known Nexus Resort Karambunai (“Nexus Resort”), a 485–room 5–star resort in Karambunai, in operations for more than 10 years and is a multi–award winning resort which attracts visitors from all over the world.



The Nexus Golf Resort (“NGR”), an international championship 18–hole golf course, designed by world–renowned Ronald Fream, is a leading golf destination for enthusiasts from countries like Korea, Japan and China. NGR has hosted several prestigious events including the 105th Malaysia Amateur Open in 2007 and has also won a string of awards

such as “Best Resort Course in Malaysia” and “Best Golf Course in East Malaysia”.



Nexus Residence Karambunai (“NRR”), a project featuring 243 units of luxury beachfront resort villas costing about RM270 million is known for setting a record price of over RM1,000 per sq. ft. in the Kota Kinabalu property market. It is currently operating as part of the hotel inventory.



[The Karambunai Integrated Resort City \(“KIRC”\)](#)

By leveraging on the natural beauty of Karambunai, KIRC is a truly unique eco-tourist destination and shall be positioned as a world leading eco-tourism integrated resort city. The Project is projected to generate Gross National Income (“GNI”) of RM1.3 billion in the year 2020 and provide approximately 11,002 job opportunities in Sabah. Tourist arrivals to Karambunai are targeted at 1 million by the year 2020. The Project shall contribute towards raising the income for Sabahans, hence contributing to the GNI per capita income by the year 2020.

[Details on KIRC](#)

KIRC is intended as a sustainable, GBI¹-compliant development with focus on environment and shall encompass eco-nature tourism, edutainment recreation facilities (e.g. water theme park, water spectacles and fountain, cable car, mangrove centre, harbor cruise, aqua and spa village); hotel accommodation, duty free retail outlets, health resort, MICE facilities, education, tourism and resort-like real estate developments.

To compete with regional tourist destinations and in turn, attracting visitors & tourists to Karambunai, KIRC adopts the strategy to team up with strategic partners and investors with the relevant branding, experience and expertise that can propel KIRC into a top tourist destination within the stipulated time frame. This also has the benefit

¹ The Green Building Index (“GBI”) is Malaysia’s industry recognised green rating tool for buildings to promote sustainability in the built environment and raise awareness among Developers, Architects, Engineers, Planners, Designers, Contractors and the Public about environmental issues and our responsibility to the future generations.

of bringing in more Foreign Direct Investments (“FDI”) into Malaysia from foreign strategic partners and investors.

The targeted customer segments for KIRC are Business & professionals; Entertainment and leisure tourists; Eco-tourists; Meetings, Incentives, Convention and Exhibitions (“MICE”), Golfers and golfing residential community comprising local & foreign residents; Students, Shoppers and Specialists groups etc.

In order to manage the overall risk associated with project development of this scale, the project phasing is critical in ensuring cohesion of development and financial feasibility. Developments that can assist in augmenting the cash flow at the beginning will be front-loaded, such as the real estate property cluster that will help in the funding of the overall integrated resort development whilst the tourism recreation components are envisaged to be less yielding to the private sector due to the long gestation period, will be timed and spread over a longer period of development.

It is with this strategy of implementation in mind that the topmost priority for KIRC at the initial stage is to build up the critical mass of communities within Karambunai.

[Pilot Phase in KIRC – Karambunai Beachfront Mixed Development \(“KBMD”\)](#)

In relation to this, on 17th March 2011, a Joint Venture Agreement (“JVA”) was signed between the land owner, Karambunai Resorts Sdn Bhd² and China Central Asia Group Co. Ltd (“CCAG”), to undertake the

² A wholly-owned subsidiary of Karambunai Corp Bhd, a listed company on the Bursa Malaysia Securities Berhad Main Market

pilot phase of the KIRC development to be known as “Karambunai Beachfront Mixed Development” (“KBMD” or “Project”).

CCAG shall be a pilot catalyst investor for the KIRC development. Under the JVA, it shall inject and provide a seed capital (“Seed Capital”) of USD\$100 million (approximately RM310 million) as revolving fund to carry out and undertake at its own costs and expenses, the development and all the building and construction works in accordance with the approved plans of KBMD.

KBMD measures approximately 75.0 acres of land and is intended as a low-carbon, high-energy, mixed-use beachfront community development. It shall consist of about 3,000 units of residential building and a low-rise commercial beachfront township. The Project cost is estimated at about RM1 billion, is targeted to commence in the second half of 2011 and is estimated to be completed within a 3-year timeframe.





The joint venture with CCAG shall be the pilot JV, which is intended to spearhead many subsequent JVs to other bona-fide international investors who shall be co-partners in the many development components of KIRC.

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For further enquiries, please send e-mail to enquiry@karambunaicorp.com.