

Sentoria in land deal

Company set to spend RM30mil on 500 acres of land in Sarawak

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PETALING JAYA: Sentoria Group Bhd is close to purchasing some 500 acres of land in Sarawak from Cahya Mata Sarawak Bhd (CMSB) for RM30mil for the development of its third water theme park and safari resort city valued at about RM1bil, said sources.

The sources said that Sentoria, via its wholly owned subsidiary Sentoria Borneo Land Sdn Bhd, was purchasing the 500 acres of land in Bandar Baru Samariang, Sarawak, from Projek Bandar Samariang Sdn Bhd, a CMSB unit.

The land comes with a 99-year lease term and will be developed over six phases over an eight- to 10-year period. Some 200 acres have been gazetted for the resort city and water theme park, while 300 acres have been reserved for the residential development.

Sentoria closed the day barely traded at 67 sen. It was listed in February 2012 at a price of 87 sen.

These developments are not surprising, as on Aug 13, Sentoria had told Bursa Malaysia that it had acquired two RM2 companies, Sentoria Borneo Land and Sentoria Borneo Samariang Sdn Bhd. Both companies were incorporated on May 3 this year and would become wholly owned subsidiaries of Sentoria.

While Sentoria Borneo Land's intended principal activity will be in property development, Sentoria Borneo Samariang's intended principal activity is in leisure and hospitality.

The gross development value (GDV) of the resort city will be RM600mil, while the remaining GDV of RM400mil will come from the residential development portion.

Having a third resort city will certainly be a coup for Sentoria, which is already the operator of Bukit Gambang Resort City (BGRC) in Kuantan, Pahang.



A view of Bukit Gambang Resort City. The water theme park attracted 600,000 visitors last year, compared with 522,000 in 2011.

In January, Sentoria told Bursa that it had signed agreements with another property developer, Seriemas Development Sdn Bhd, to develop an RM1.8bil integrated resort city in Morib, Selangor.

Seriemas is a wholly owned subsidiary of PNB Development Sdn Bhd, which, in turn, is wholly owned by Permodalan Nasional Bhd.

The Morib resort city will include a Mediterranean-themed water park and a river safari with lions and tigers roaming free in a tropical setting in Selangor.

Bukit Gambang Water Resort attracted some 600,000 visitors in 2012, with an average revenue per user of RM35. More than 95% of the visitors were locals. The previous year, the theme park had attracted some 522,000 visitors.

For the second quarter to March 31, 2013, Sentoria's net profit dropped to RM2.52mil from RM6.21mil on the back of a 26.46% increase in revenue to RM49.27mil, compared to the previous period.

For the six-month period, meanwhile, net profit dropped 42.35% to RM10.39mil on the back of a 4.56% drop in revenue to RM92.46mil.

The lower profits were due to the construction of lower-medium-cost housing projects which resulted in lower margins, and losses incurred in the leisure and hospitality division due to cyclical low occupancy rates for the resort rooms.

There were also initial operating costs and overheads incurred for the Arabian Bay Resorts.