

# Fresh doubts over Landmarks' Bintan casino

Petaling Jaya: Fresh doubts have emerged over Landmarks Bhd's plans to build Indonesia's first legalised casino in Bintan, the largest island in the Riau archipelago just south of Singapore.

The question remains on whether the Indonesian authorities would allow gaming activities to be part of a huge tourism development project on the island.

Landmarks, backed by Asia's biggest gaming company Genting Bhd, has announced plans to build resorts, condominiums and villas in Bintan over eight years at a cost of USD 2bil (RM4.5bil).

The "objective is to develop a new destination for Indonesia," chief operating officer Lim Boon Soon said in an interview with Bloomberg published by local dailies on Thursday.

He was also quoted as saying that "five years down the road, having a casino won't be special."

According to Lim, Landmarks plans to sell five so-called integrated resorts lots of about 25ha each to investors. Each would come with a "casino offering."

However, an Indonesian official in charge of development planning in Bintan said the casino plan was rejected "a long time ago," as the community was against the idea, the Singapore Straits Times reported Thursday.

Lim was unavailable to comment on the latest development as he was overseas, according to the person answering calls to his office yesterday.

Landmarks in February agreed to buy the remaining 26% stake it

did not own in Bintan Treasure Bay Pte Ltd (BTB) for USD 156.88mil (RM360mil).

An EGM was scheduled on March 24 to seek shareholders' approval for the transaction that would give Landmarks complete control of BTB, the company that owns the 338ha on the island.

It is worth noting that Landmarks paid just slightly over RM400mil for its 76% stake in BTB last year.

The significantly higher price for the remaining shares takes into account the revised price of BTB's assets after a revaluation completed on Jan 30.

In its circular to shareholders issued early last week, Landmarks said it had yet to obtain all the required approval for the entire Treasure Bay project.

A detailed application on its plan for the project was to be submitted in the third quarter of this year.

Landmarks also said the zoning of the area as an exclusive integrated tourism zone (EITZ) earlier this year allowed the company to conduct licensed activities like medical tourism, multimedia and information technology hosting, as well as games and entertainment – including gaming – within the project.

But the latest comment by the Indonesian official underscores the risk of setting up the first casino in the predominantly Muslim country.

Indonesia has a tough anti-gambling law, while the casino project may invite strong opposition from local communities, analysts said.

Genting owns a 30.3% stake in Landmarks, and there is some speculation that the group would launch a mandatory general offer bid for Landmarks if the casino project in Bintan takes

off eventually.

Genting itself is building one of two integrated resort-cum-casino projects in Singapore, just under an hour's boat ride away from Bintan.