

# BTS Sansiri plan 25 condo projects

## FIVE-YEAR PARTNERSHIP SETS BT70-BN BUDGET FOR PROPERTIES WORTH BT100 BN

**SOMLUCK SRIMALÉE**  
THE NATION

A JOINT venture between BTS Group Holdings and Sansiri - BTS Sansiri Holding - has set aside at least Bt70 billion to develop 25 condominium projects valued at Bt100 billion combined from this year through to the end of 2019.

Some Bt14 billion of the total will be invested over the remainder of this year by launching five projects together worth Bt20 billion.

The joint venture has in fact already had success with its initial project, the Bt6-billion Line Chatuchak-Mochit condominium, which sold out in the second quarter, Keeree Kanjanapas, chairman of BTS Group Holdings, said at a press conference yesterday.

"Our five-year partnership will start to generate income in 2018 after our first condominium project, the Line Chatuchak-Mochit, is completed and transferred to customers. We target net profit from the joint-venture business averaging around Bt1 billion a year, which will start to be booked to BTS Group Holdings in 2018," he said.

Up to 70 per cent of the investment

budget for BTS Sansiri Holding will come in the form of bank borrowings, with the remainder injected by BTS Group Holdings and Sansiri, he added.

The two listed companies established the joint venture last October, with the registered capital of Bt100 million being split on a 50:50 basis.

BTS Group Holdings' business strategy for the development of residential units for sale will be focused on the partnership with Sansiri, while it will invest by itself in property that generates recurring income for the group, such as offices, hotels and retail, he explained.

In the second half of this year, BTS Group Holdings plans to invest Bt18 billion to develop office and hotel projects in two Bangkok locations: a Bt10-billion mixed-used project comprising office space and a hotel in Phaya Thai district, and an Bt8-billion office development in Chatuchak district.

"We target recurring income accounting for about 10 per cent of our total revenue in the next five years, against an average of 5 per cent currently," he added.

For its last fiscal year, which ended in March, BTS Group Holdings post-



From left: BTS Group Holdings CEO Kavin Kanjanapas, BTS chairman Keeree Kanjanapas, Sansiri CEO Apichart Chutrakul and Sansiri president Sretha Thavisin at the press conference yesterday.

ed overall revenue of Bt9.03 billion and a net profit of Bt2.94 billion.

The company targets revenue growth of 4-6 per cent this fiscal year, Keeree said.

He also told the press conference that BTS Group Holdings continued to be interested in developing a double-track rail system from Bangkok to Khon Kaen.

The proposed Bt120-billion mega-project is being considered

by the government.

The company is also interested in joining the bidding to operate the extended Skytrain Green Line route from Mochit to Saphan Mai when the government puts the contract up for auction, he added.

"We have more than Bt24 billion in cash, enough to support our expansion both in property and mass-transit business in line with our business plan," Keeree said.

Meanwhile, Sansiri chief executive officer Apichart Chutrakul said four of the five projects set to be launched by year-end under the joint venture would use the Line brand, with the fifth adopting a new brand dedicated to projects in the capital's central business districts.

The Line projects will be located on Sukhumvit 71, Wongsawang, Phaholyothin and Petchaburi 18, he said.

"Our business strategy for the joint venture with BTS Group Holdings is to develop condominiums worth more than Bt5 billion per project, located close to the mass-transit system. This is a different customer target from other residential projects developed by Sansiri," said the CEO.

Under the business plan, BTS Sansiri Holding will start booking revenue averaging Bt20 billion a year from 2018, on the basis that five projects worth Bt20 billion a year are launched through to the end of 2019, he explained.

"Our joint venture may launch more than 25 projects, or perhaps fewer, depending on the country's economy. We can revise the business plan if we see a change in the economic situation.

"But this year, we are confident that the demand for condominiums is continuing to grow from both domestic and foreign buyers," he added.

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