

China in BTS Group's sights for new infrastructure

BTS AND SANSIRI SET TO DEVELOP PROJECTS UNDER EIGHT JOINT-VENTURE COMPANIES

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THE NATION

BTS GROUP HOLDINGS has continued to focus on infrastructure projects both in Thailand and overseas, especially in China, the group's chairman Keeree Kanjanapas said.

"We are negotiating with Chinese firms interested in expanding their investment in the railway system in Thailand, if the deal between the Thai and Chinese governments is finalised. We are confident that we will be one of the partners of Chinese firms that undertake the double-tracking system in Thailand," Keeree said.

He made the remarks on Saturday after officially opening presales for the group's first condominium project, The Line Jatujak-Mochit, worth Bt5.8 billion, under a joint venture between BTS Group and Sansiri.

The company also is interested in jointly developing the mass-transit system in Bangkok, both the Skytrain and the subway, depending on government policy, he said.

Despite failing to win a mass-transit project in Beijing, BTS Group is still interested in bidding

on other projects in China.

"We have more than Bt50 billion in cash after the company raised capital by launching the BTS Rail Mass Transit Growth Infrastructure Fund in 2013. That is enough for our business expansion in mass-transit systems both in Thailand and overseas," he said.

Currently, about 60 per cent of the group's total revenue is from the mass-transit system, and the rest is from its three other business units: hospitality; services such as media and the Rabbit card; and property.

As regards the property business, Keeree said the group targeted raising its value to Bt100 billion within five years. This business will be operated by U City.

Residential projects planned

"U City will be the property arm that will develop its own residential projects and also joint ventures with our strategic partner, Sansiri, to develop projects near the mass-transit system," Keeree said.

Last month, BTS Group Holdings and Sansiri reported to the Stock Exchange of Thailand that they planned to set up nine joint-venture firms to develop residential projects.



Keeree Kanjanapas, chairman of BTS Group Holdings, left, and Apichart Chutrakul, CEO of Sansiri, attend the grand opening of presales for the Line Jatujak-Mochit – the first condominium project under the joint venture between the two companies.

One of them is BTS Sansiri Holding Two Ltd. The first condominium project under this JV firm, The Line

Jatujak-Mochit, opened to presales on Saturday. Srettha Thavisin, president of

Sansiri, said this was the first time a condominium project had opened for presales at the same time in

Bangkok, Hong Kong and Singapore. The project has received positive feedback both in Thailand and overseas, and the company targets sales of about 180 of the 841 units to foreign buyers, or about 21 per cent of the total project value.

Sansiri and BTS Group Holdings plan to develop other projects under their next eight joint-venture firms, both condominium and detached-house projects. He declined to disclose exactly when the two partners would announce their business plan, but it would be within the next three weeks.

Sansiri is confident that the partnership with BTS Group Holdings will contribute to its business growth in the long term, Srettha said.

This year, Sansiri targets presales worth Bt35 billion and revenue of Bt36 billion after recording presales worth Bt13 billion in the first four months, and revenue of Bt6.97 billion and net profit of Bt540.66 million in the first quarter.

"Although the property market in the first four months of this year grew only slightly, we are confident our total presales and revenue will achieve the target. We have a backlog worth Bt40 billion, some of which will be booked as revenue this year. We also enjoyed success with the residential projects we launched in the first four months, which focused on the middle-to-upper-income market," he said.