

BTS Group Holdings PCL



Strategic Partnership for City Living

16 October 2014



Strategic Partnership for City Living

prepared by Investor Relations department
BTS Group Holdings PCL

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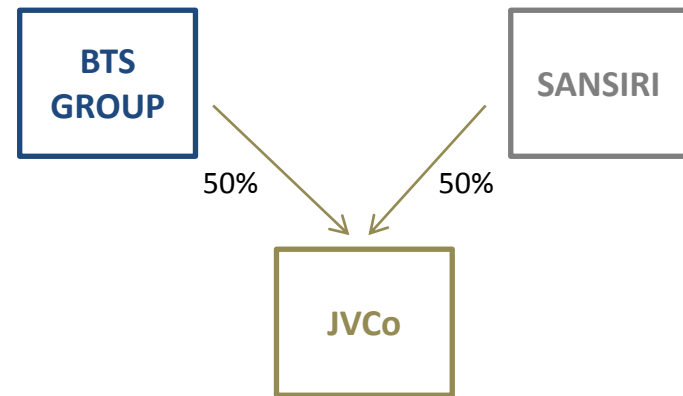
APPENDICES



Strategic Alliance Framework Agreement

KEY TERMS

- BTS and SIRI entered into a **“STRATEGIC ALLIANCE FRAMEWORK AGREEMENT” (SAFA)**
- Exclusive partnership to jointly invest and develop **residential developments for sale within 500m of mass transit stations**
- Establish a **50:50 Joint Venture Company (JVCo)**
- Target developments with **at least THB 3bn sales value per each project**



ROLES AND RESPONSIBILITIES

BTS will be responsible for:

- Land purchase / land sale to the JVCo
- Enhancing building access to mass transit stations
- Providing lifestyle solutions (such as integrated Rabbit card for building access) via its Group companies

SIRI will be responsible for all project development including marketing and sales

SYNERGY

- **Complementary strengths:**
JVCo gets mutual benefit from each partner’s expertise
- **Common goal:** Optimise returns to shareholders

Sansiri Transaction Rationale

I. PARTNER WITH INDUSTRY LEADER OF PROPERTY DEVELOPMENT ALONG THE BTS

- Expertise in sales and marketing
- Expertise in project management

II. STRONG RETURNS, UPSIDE SHARED

- Targeted **net profit margin of 12%, equity IRR target >17%**
- Incentive fee to Sansiri for sales outperformance

III. USE EXISTING LAND BANK AS SEED EQUITY FOR LONG TERM COLLABORATION

- Recognise profit on sale of approx. THB 400mn
- Sales proceeds of THB 1,400mn, more than enough to develop first project
- Cash flow from sale more than enough to develop first project
- Target THB 25-30bn in project value developed over 5 years

IV. COLLABORATION ON OTHER AREAS

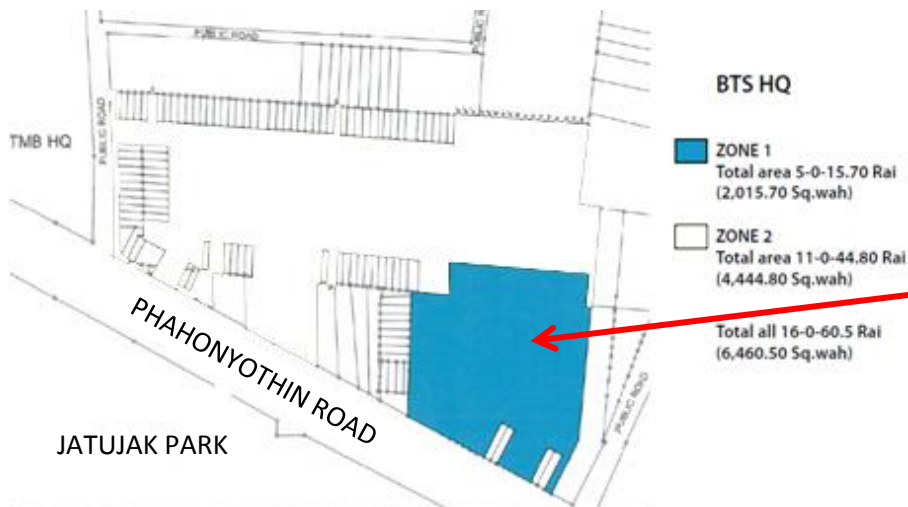
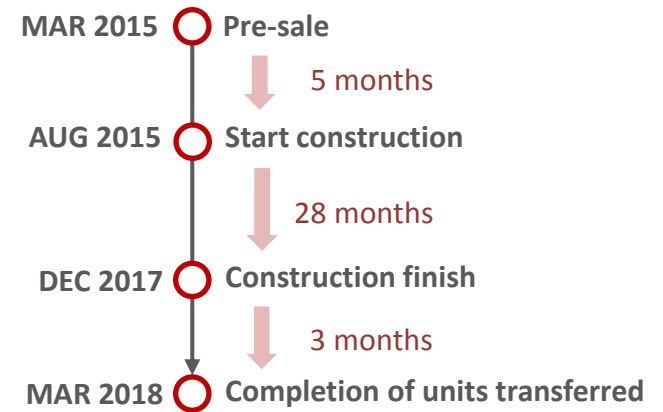
- Collaborate between BTSC and JVCo on property access
- Collaborate between rabbit and Plus Property on building access
- Explore collaboration between VGI and Plus Property on media installation

The First Project Details under JVCo1

PROJECT DETAILS

Project:	High-rise condominium project with panoramic view of parks
Location:	Land approx. 5 rai (8,000 sqm) near BTS Mo Chit Station
Expected sales value:	Approx. THB 5.3bn
Expected project size:	1 tower, 43 floors, 873 units
Expected IRR:	Approx. 17% equity IRR
Expected Margin:	Approx. 12% NPAT margin

EXPECTED TIMELINE



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NPARK Transaction Background

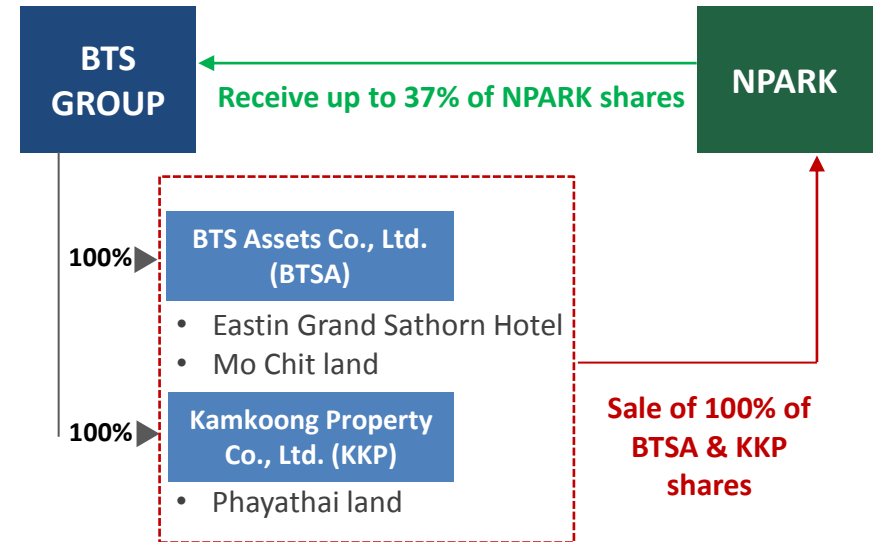


BTS Group BOD **approved in principle** to:

- **Divest 3 assets to NPARK** consisting of:
 1. Eastin Grand Sathorn Hotel Bangkok (2 rai / 3,828 sqm, 33-storey hotel located near BTS Surasak Station)
 2. 11 rai / 17,600 sqm of land plots located at Phahonyothin Road, near BTS Mo Chit Station
 3. 4 rai / 6,400 sqm of land plots located at Phayathai Road, next to BTS Phayathai Station

- In exchange, BTS Group will **receive**:
 1. **Up to 213bn newly issued ordinary shares of NPARK** (equivalent to 37.06% of total issued shares of NPARK subsequent to the completion of its capital increase)
 2. **Warrants** to purchase ordinary shares of NPARK at a ratio of 2 ordinary shares to 1 unit of warrant
 3. **Cash**, if appropriate

- The completion of this transaction remains **subject to**:
 1. The successful completion of NPARK's capital increase
 2. Due diligence
 3. NPARK's shareholders' approval for entry into the proposed transactions and whitewash resolution
 4. BTS Group's BOD approval



NPARK General Background

WHO IS NPARK?

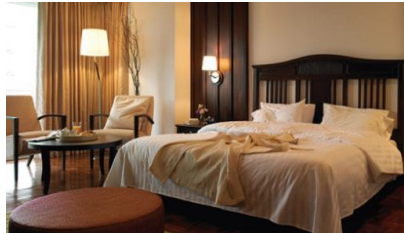
- Listed property developer that provides full-range real estate development for lease, service, sales and management
- Current commercial property portfolio includes:
 1. The Natural Park Apartment Sukhumvit 49
 2. Anantara Chiang Mai
 3. Centara Hotel & Convention Centre Khon Kaen



Centara Hotel & Convention Centre
Khon Kaen



Anantara Chiang Mai

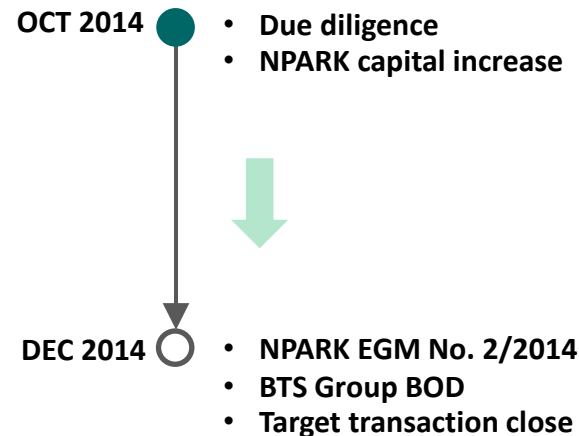


The Natural Park Apartment

WHY NPARK?

- Clean company with **D/E ratio of 0.3x** as of 30 Jun 14
- Excess **net cash of THB 6.3bn** after completion of capital increase and BTS transactions
- Existing commercial real estate portfolio and expertise
- Strong platform for growth

EXPECTED TIMELINE



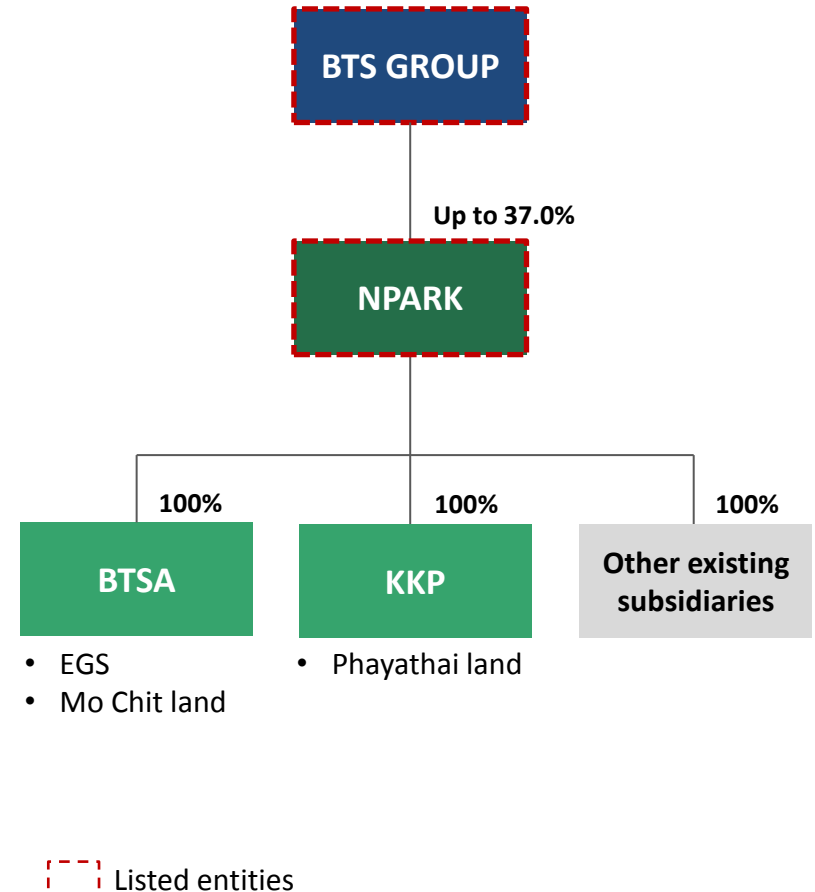
NPARK Investment Highlights

BENEFITS TO BTS

- Separately listed vehicle for **expanding commercial property business**
- NPARK has **existing commercial property portfolio** with capable management
- BTS uses existing assets as equity without the need for further cash injection - in line with BTS Group's strategy for Property business to be self-sustaining
- NPARK will **develop land at Mo Chit and Phayathai** for mixed use and manage recurring income real estate



SHAREHOLDING STRUCTURE POST TRANSACTION



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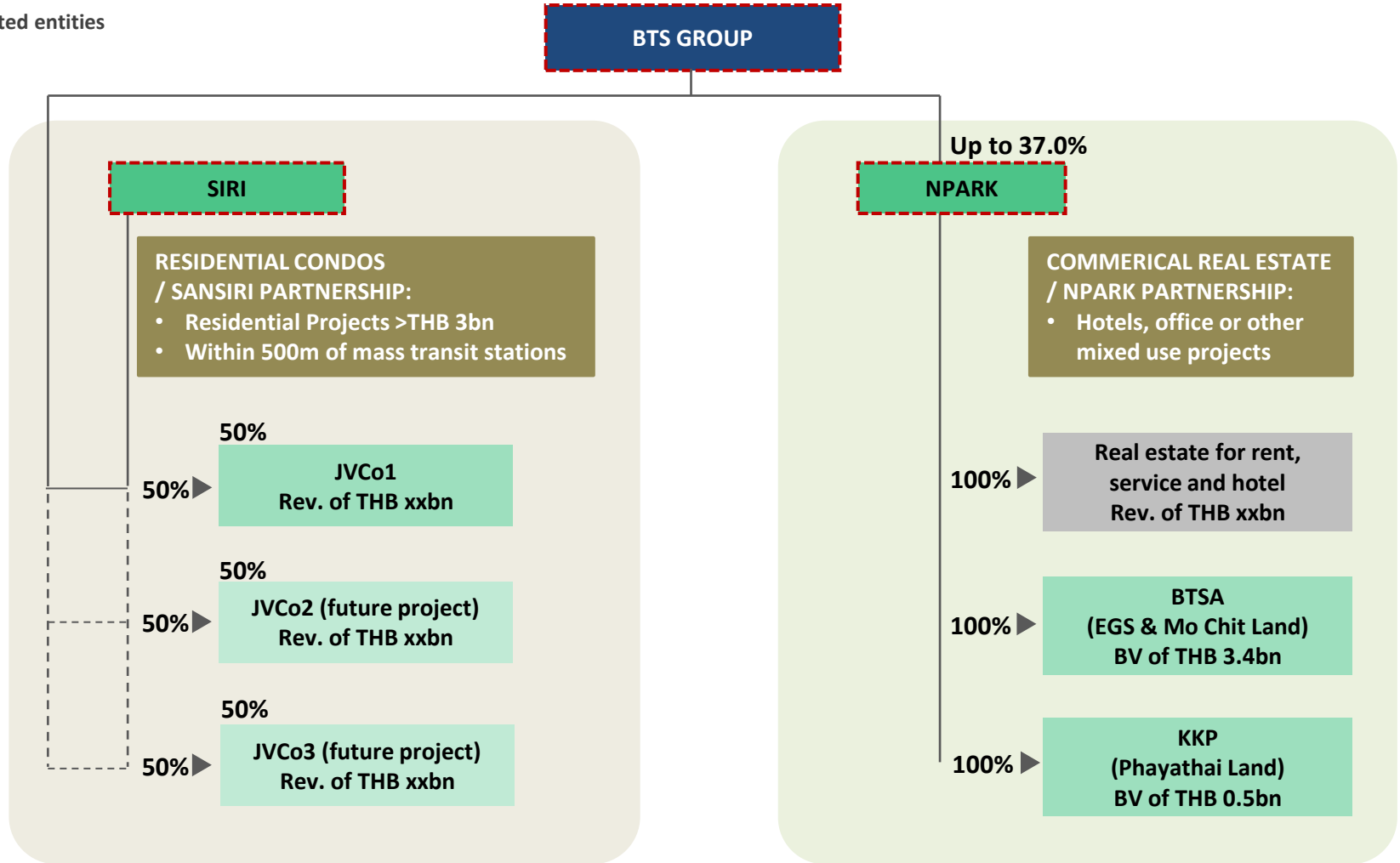
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Property Strategy

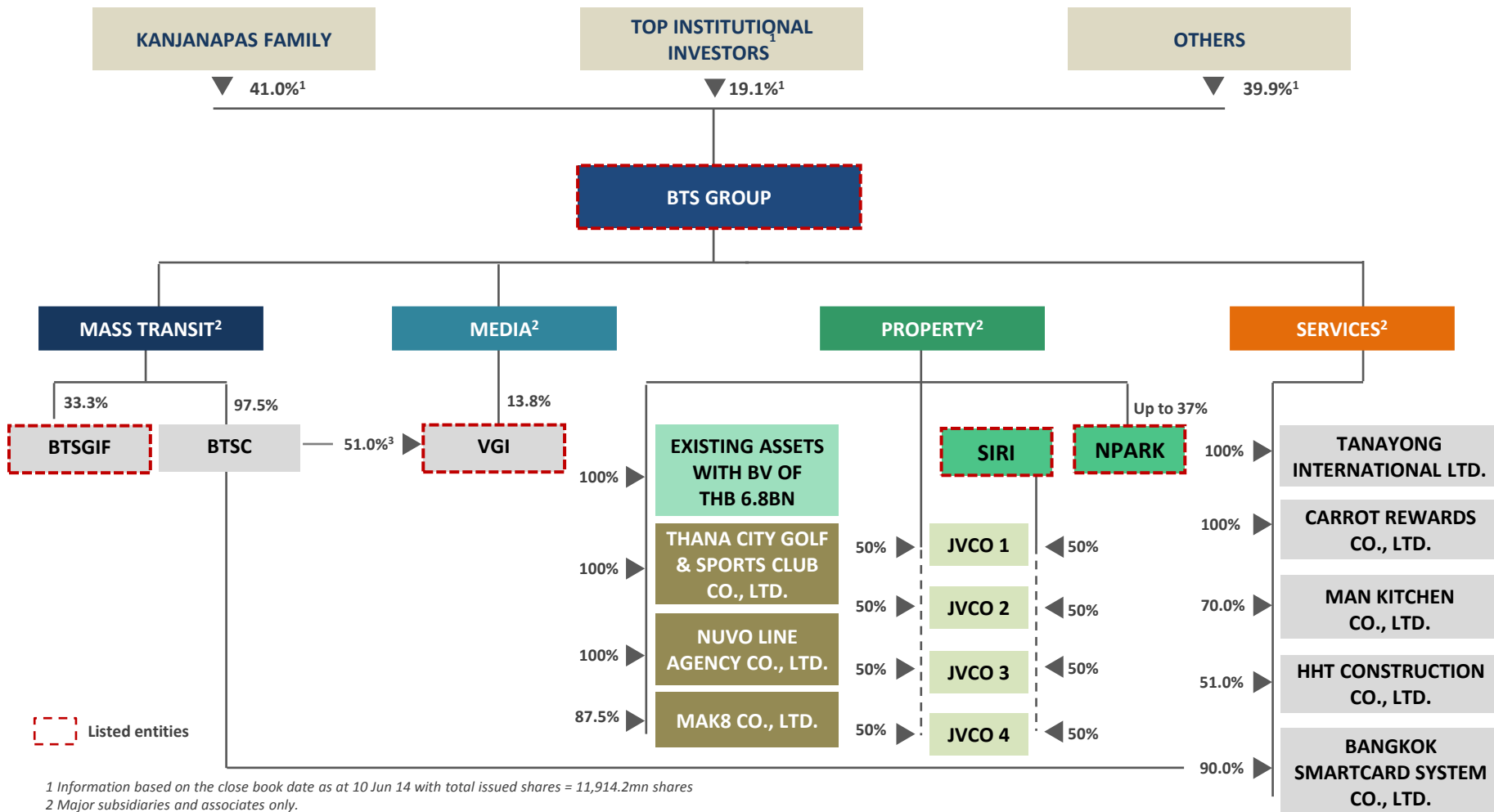
 Listed entities



BTS Group – Capital allocation strategy



“BTS GROUP HAS 4 BUSINESS UNITS AND EACH BUSINESS UNIT IS SELF SUFFICIENT”



¹ Information based on the close book date as at 10 Jun 14 with total issued shares = 11,914.2mn shares

² Major subsidiaries and associates only.

³ BTSG holds 64.82% in VGI indirectly and directly

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Remaining Properties in BTS Group

BTS-OWNED ASSETS:

- Develop existing projects alone or with other partners
- Land purchase or land sale

BTS GROUP PROPERTY (TOTAL BV OF THB 6.8bn¹)

COMMERCIAL PROPERTIES (BV OF THB 2.8bn^{1,2})

- ▶ THANA CITY GOLF COURSE & SPORTS CLUB
- ▶ U CHIANG MAI
- ▶ U INCHANTREE KANCHANABURI
- ▶ RESIDENTIAL APARTMENTS FOR RENT
- ▶ U SATHORN (opening in NOV 14)

RESIDENTIAL PROPERTIES (BV OF THB 2.0bn¹)

- ▶ ABSTRACTS PHAHONYOTHIN
- ▶ PAR1
- ▶ THANA CITY RESIDENTIAL PROJECTS

LAND BANK (BV OF THB 1.9bn¹)

- ▶ BANGKOK
- ▶ SAMUTPRAKARN
- ▶ NAKORN RATCHASIMA
- ▶ CHIANG RAI
- ▶ PHUKET
- ▶ OTHER PROVINCES

¹ Book value as of 30 Jun 2014, assuming completion of SIRI and NPARK transactions

² Excludes U Sathorn BV of approx. THB 690mn

THANK YOU

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