

MBK FINDS STRENGTH IN DIVERSITY TO PROVIDE SHAREHOLDERS WITH CONSISTENT RETURNS

MBK Plc was founded in 1974 as Mah Boon Krong Drying and Silo Co Ltd, and in 1985 it opened the Mah Boon Krong shopping centre, which remains a Bangkok landmark. Today it has a broad portfolio of businesses ranging from shopping centres and office buildings to finance and property development. Chief executive Suvait Theeravachirakul discusses the company's strategy and outlook.

What is MBK's business model?

MBK has several businesses within its portfolio ranging from shopping centres, hotels and tourism to golf, real estate, food services, finance and supporting businesses. Ten years ago, we decided to increase our businesses in the tourism market with the expansion into hotels, and to drive more foreign tourists to our shopping malls, which has proven successful.

With this strong base, we next focused on the domestic market with the finance business, and now we are expanding our real estate development business via housing and condominium developments. Each of our businesses is unique but within the group structure

the synergies that we are able to extract ensure that we are able to target customers from Thailand and the world.

MBK is well known for its flagship shopping centre. How is business progressing and what are the plans within the group?

Within the shopping centre portfolio, we fully own MBK Center, The Nine Rama 9 Community Mall, both Glas Haus properties, and have a 50:50 joint venture with Siam Piwat for Paradise Park. We also have a 30% stake in Siam Piwat, which owns Siam Center, Siam Discovery and a portion of Siam Paragon. Recently Siam Piwat also announced a new project called IconSiam, which is a joint venture with CP Group.

MBK Center is our most valuable asset and 10 years ago we began to focus on increasing the number of tourists who visit it. Today foreigners represent 45% of total visitors and MBK is a must-visit destination in the minds of any tourists to Thailand. We will continue to focus on ensuring the tenant mix at MBK Center is attractive to visitors, and now we are focusing on increasing the number of

EXECUTIVE Q&A

SHAREINVESTOR

Thai visitors to the shopping centre as well.

For the business group, we have two policies for growth: we will either expand ourselves or as a shareholder in Siam Piwat, as this allows us to diversify our risk and yet still continue to increase our company's value.

MBK's finance business now represents the second-largest business group. Could you provide more information on this?

MBK decided to focus on the finance business three years ago and we have seen it grow very well. There are three main business functions within the finance group: motorcycle leasing focused in the Greater Bangkok area;

asset-backed financing; and mortgages for non-Thais. Each of these business segments was in untapped, diverse markets. They have thus far performed well and we expect them to continue to do so in the future.

MBK also looks to be more active with real estate development. What are your plans?

We have an extensive land bank and over the past few years have been studying the best projects to fully realise the value of each of our properties. In Phuket we have four housing projects that cater to both Thais and foreigners, and in Bangkok we launched The Quinn Condo on Ratchadaphisek Soi 17, which has a project value of 3.2 billion baht. We will look to launch another condominium in 2015 as well as to continue to develop our housing projects in Phuket and Bangkok around our golf courses.

What are the biggest risks facing

your business?

Our key asset is MBK shopping centre, so we have to ensure that it is well insured and that we are able to maintain a strong mix of tenants that will attract both domestic and international visitors. We are looking at ways to further enhance the number of visitors, especially Thais, so that we will be less reliant on international visitors.



Suvait: We have a balanced portfolio

For our shareholders, because we have eight businesses within our portfolio, we are able to provide balanced and stable profit growth. If one group performs negatively, then the other groups will be able to compensate.

What impact will the Asean Economic Community have on your business?

With the ability of people in the region to move around more easily, we will benefit indirectly. We have seen Korean, Japanese and now Chinese companies already beginning to use Thailand as a regional centre for their businesses and,

because of Thailand's geographic location, we should benefit the most.

Where do you see MBK five years from now?

We will be focusing on several of our businesses over the next five years, driving more Thais to visit MBK Center, expanding the shopping centre business through our holding in Siam Piwat, and further developing the financial businesses. And, because we are developing our land bank, the real estate business segment should have a larger financial impact on the overall group. Our aim is to ensure that MBK has steady growth over the next five years and to provide our shareholders with a consistent return on their investment.

The Executive Q&A Series is presented by ShareInvestor, Asia's leading financial internet media and technology company and the largest investor relations network in the region, with more than 500 listed clients. This interview was conducted by ShareInvestor. For more information, e-mail admin.th@shareinvestor.com or visit www.shareinvestorthailand.com