

# IMPACT GROWTH REIT: CREATING A DESTINATION FOR EVERYONE

## EXECUTIVE Q&A

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*Impact Growth Real Estate Investment Trust, backed by the Impact Exhibition Center and related facilities, began trading on the SET in October 2014. Paul Kanjanapas, managing director of Impact Exhibition Management Co Ltd, the property manager of Impact Growth REIT, discusses the strategy and outlook for the fund and its assets.*

### Which assets are currently in the REIT?

We acquired the four freehold assets — Impact Area, Impact Challenger, Impact Exhibition Center and Impact Forum — from Impact Exhibition Management, which is owned by Bangkok Land (BLAND) on Sept 29, 2014.

Together they represent the largest exhibition and convention centre in Asean with a total gross area of 481,938 square metres and net lettable area of 165,606 sq m.

We launched the fund with 80% equity and 20% debt and its net asset value as of the end of 2015 was just over 16 billion baht. Our dividend policy is at least 90% of adjusted net profit, paid quarterly to our unit holders.

### Who are the customers of the assets?

We have created something unique in Bangkok as we have the only location that can cater to virtually any type of business. At Impact Arena we have concerts, family shows, incentive events and parties, and the other three sites cater to exhibitions, both business to business and business to consumer, conferences, meetings and banquets. In the third quarter of our 2015-16 financial year, 70% of our clients were from the domestic private sector, 23% public sector and 7% international private sector; however, over 12 months the last group represented 15%.

### Are there plans to add additional assets to the REIT?

We have three prospective assets: the Novotel Bangkok Impact with 380 rooms and 71% occupancy, the New Geneva office building with 86% occupancy, and the P3 indoor parking building with a 2,000-car capacity, linked directly to the Impact complex via a skybridge.

Our strategy from BLAND's viewpoint is to focus on one REIT for now as we have these assets and are developing others to further enhance the Muang Thong Thani area. However, we are not in a rush to sell assets into the REIT as we need to ensure that the viewpoints of both Bangkok Land and Impact are aligned. Thus we will rely on recommendations from our financial advisers, business needs and market conditions.

### What assets are being developed to enhance the Muang Thong Thani area?

Bangkok Land has six projects in various stages of development. This year we will launch a marina with berths for 36 yachts with waterfront dining, a boat showroom and shopping developed around the lake. In 2017 we will open the 587-room Ibis hotel near Impact Exhibition Center; a link bridge and four-storey building with retail and food and beverage facilities; the premium Cosmo Office Park with 58,000 sq m; and a 100,000 sq m water park that will be the largest in Asean with



**Paul: Committed to giving value to investors**

a 3,000-seat amphitheatre for Mice (meetings, incentives, conventions and exhibitions) and other corporate activities. Finally, in 2018 we will open a 300-room Pullman Hotel. We are developing these additional assets because we see the opportunity to enhance the value of this location further, to attract more visitors, increase occupancy and utilisation of existing assets, and to lengthen the average length of stay. Our aim is to create a destination in Bangkok that can not only serve business customers but families.

### Why has Impact been the success that it is?

Our customers have three main requirements, location, size and services, all of which we are readily able to provide. We have a natural location advantage because venues in the city face transport limitations for trucks moving large equipment, whereas our location has direct access to the highway and no vehicle restrictions.

Second is size. Every customer aims to grow over time and the other locations in Bangkok are limited by their size; this is why the Motor Show had to move to Impact. It is expanding continuously and this year used Challenger Halls 1-3 and Impact Exhibition Center Halls 1-4 which total 80,000 sq m. For concerts we have the largest seating capacity at 12,000 seats, so international and domestic stars come here.

Importantly, our services and staff are well organised and always available and prepared to ensure that each event runs smoothly. Finally, being located in Thailand has advantages as a natural destination with a well-known reputation and is the centre for regional exhibitions.

### Where do you see Impact five years from now?

With the further development of Muang Thong Thani, we see that it will be a destination for Bangkok and the region for both businesses and families. We have created something unique that will cater to everyone. These developments will naturally allow the Impact Growth REIT to continue performing well, as it has done since its IPO.

We will have to work harder to look after our existing unit holders to ensure attractive returns and we are very committed to continuing to develop and give value to our investors.

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. The interview was conducted by Pon Van Compennolle. For more information, e-mail [pon@rossvancompennolle.com](mailto:pon@rossvancompennolle.com) or [supat@shareinvestor.com](mailto:supat@shareinvestor.com). Website: [www.ShareInvestorThailand.com](http://www.ShareInvestorThailand.com)