



BROADSIGHT

by  **BROADGATE**[™]
FINANCIAL

May 2013—Issue 1



Foreword

Dear readers,

It is with great pleasure and enthusiasm that we introduce to you the maiden issue of our corporate monthly magazine “Broadsight”. The name of the magazine was a very challenging decision but we firmly believe that “Broadsight” is testament in our ability to forecast future industry market trends.

Today, Broadgate Financial is one of Southeast Asia’s most diverse corporate consultancy and financial advisory groups. It was time then for us to provide to all people interested in our business, the relevant information on the markets we are involved in and BROADSIGHT aims to do so! Through our three subsidiaries: Broadgate Advisory, Broadgate Construction and Broadgate Plantations you will get articles, news and projects relevant to these brands. I truly hope that you will enjoy this magazine and if you have any feedback on it please feel free to email us directly at clientservices@broadgatefinancial.com.

From everyone at Broadgate, happy reading!



John Mills
President & Chief Executive Officer



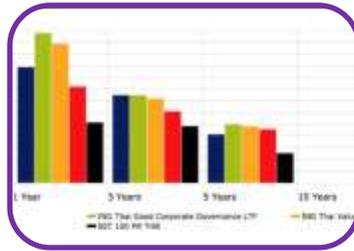
In this issue of **BROADSIGHT**,



News Feed



Industry News
Plantations



Industry News
Advisory



Industry News
Construction

India Solar Panels		Adding a "multinationals company" to... ...to... ...to...	2014
Apple Light Bulbs		Working with the local government... ...and large private developers? as... ...are replacing ceiling light bulbs (incandescent)... ...major malls, not parks, and with LED bulbs.	2014
Asia Air Conditioners		Implementing energy saving and efficient air... ...conditions for large developers?	2014
Novus Waste-to-Energy		Cooperating with local authorities? to... ...sustainablely implement and operate... ...incinerators, which will provide energy for... ...burning municipal solid waste.	2014
Mitsubishi Air Gap		Working closely with a local based... ...enterprise? to construct major property... ...developments using specially qualified staff.	2014

Project News



Q&A



ISR



Article on
Branding



Contact
Information

All at Broadgate Financial are very excited to launch our first Corporate Magazine **BROADSIGHT**.

We wanted to make it clear, comfortable to read and enjoyable. That's why in each of the future issues, you will find the same guidelines with:

- The hottest news from the previous month and the upcoming important issues relating to the business world in ASEAN and beyond ;
- Industry news related to our services in Plantations, Construction and Advisory ;
- A presentation of one new project running at Broadgate Financial ;
- A Q&A specific to our three industries ;
- And a presentation of an *Individual Social Responsibility* project run at Broadgate Financial ;

We do hope you will enjoy this magazine as much as we did making it. If you have any questions or requests, please feel free to contact us at clientservices@broadgatefinancial.com.

Motorcyclists main victims of Songkran accidents

Three out of four road accidents during the Songkran festival involved motorcycles, with drunk driving the biggest single cause of crashes, according to the Disaster Prevention and Mitigation Department.

The number of accidents was down 9.62% on 2012 when there were 3,129 crashes. The number of injuries was also down, 8.43%, but the death toll was one more than for the same seven-day period in 2012.

<http://www.bangkokpost.com/>

2020 deadline speeds up the construction of 5 Thai motorways: 3 roads to be funded by 2 trillion transport loan

The government has prioritised the construction of five inter-provincial motorways, which will cost 267 billion baht and span a combined length of 705 kilometres.

The construction of the motorways is expected to be completed by 2020.

The projects are among 13 motorways nationwide to be built under the Highway Department.

The 13 motorways will cover 4,150km and cost 472 billion baht.

<http://www.bangkokpost.com/>

H7N9 bird flu is a 'serious threat' - researchers warn

The outbreak of a new type of bird flu in China poses a "serious threat" to human health, but it is still too soon to predict how far it will spread, experts have said. Of the 126 people known to be infected so far, 24 have died, with many more still severely ill in hospital. The H7N9 virus has not, however, yet proved able to spread between a person - which limit its global threat.

<http://www.bbc.co.uk/>

ADB to fund development of 57MW of Thai PV capacity

The Asian Development Bank (ADB) will fund a 57MW solar power project in central Thailand by providing a financing package worth US\$85 million.

As part of the financing deal, ADB has confirmed that a THB1.65 billion (US\$52 million) loan has been approved for Solarco, a solar developer owned by Yanhee EGCO Holding.

ADB will provide an additional US\$33 million loan to Solarco which will be financed by the ADB Clean Technology Fund, which is part of the Climate Investment Fund implemented by various development banks to support the rapid deployment of low-carbon technologies in the region.

<http://www.pv-tech.org/>

World Bank sees better growth in Thai economy

The World Bank has lifted its economic growth outlook for Thailand in its latest report, released in Singapore on Monday. The bank forecasts the Thai economy will grow 5.3% this year, up from its 5% prediction in December, with a strong performance next year and economic growth of 5%, up from 4.5% earlier projected.

The bank predicts East Asian and Pacific economies will grow 7.8% this year on robust domestic demand, but it warns countries to guard against overheating in credit and asset prices.

<http://www.bangkokpost.com/>

Warren Buffett to build world's largest solar energy project

Billionaire US investor Warren Buffett is taking a \$2.5bn (£1.5bn) bet on solar energy, acquiring what is set to become the largest photovoltaic development in the world.

MidAmerican Energy Holdings, a subsidiary of Mr Buffett's Berkshire Hathaway investment company, has struck a deal with SunPower to acquire and build two projects in California's Antelope Valley.

The deal, which will see MidAmerican pay between \$2bn to \$2.5bn, marks the third time in little over a year that Mr Buffett has ploughed cash into solar energy.

The two projects acquired by MidAmerican will have a combined capacity of 579 megawatts, creating the largest solar photovoltaic power development in the world. The scheme is expected to create about 650 construction jobs,

SunPower said in a filing with the US Securities and Exchange Commission. In total, the Berkshire Hathaway subsidiary has more than 1,830 MW of assets, also including wind power, geothermal, and hydro projects.

SunPower will invest about \$15 million for a 25% stake in a joint venture with three Chinese firms to manufacture and deploy its solar concentrator technology in the Chinese market. China is set to become the largest solar panel market by next year on attractive government subsidies and growing energy needs.



The Broadgate Financial Group's agricultural and renewable energy subsidiary, Broadgate Plantations will invest circa \$500m in solar farms across Thailand over a 5 years project via its exclusive client - a leading global tech-manufacturing company.

Simon Osborne

News related by The Telegraph

Top performing Long Term Funds

In the previous years, many industry awards have been created in order to highlight top performing fund, but they mainly only focus on one-year performance. At Broadgate Advisory we have established a ranking of long term funds in Thailand, not only regarding last year's performance, but also observing 7 (seven) years of both risks and returns. Indeed many people, and even investors, often forget that LTF funds are long-term investments, and should be held for at least 5 five years to benefit from the tax advantages in Thailand.

What are LTF's?

LTF's are long-term mutual funds created under the International Monetary Funds' program to attract long-term investments on Thai financial markets (especially the SET) in exchange of tax advantages for investors (up to 500,000 baht). It is also a way for investors to diversify by penetrating a dynamic developing country.

Nevertheless, it is a long term investment, if a withdrawal occurs within a 5 year period, penalty fees will be levied as well as reclaiming of all of the tax deductions and a further 10% tax will be applied on any capital gains.

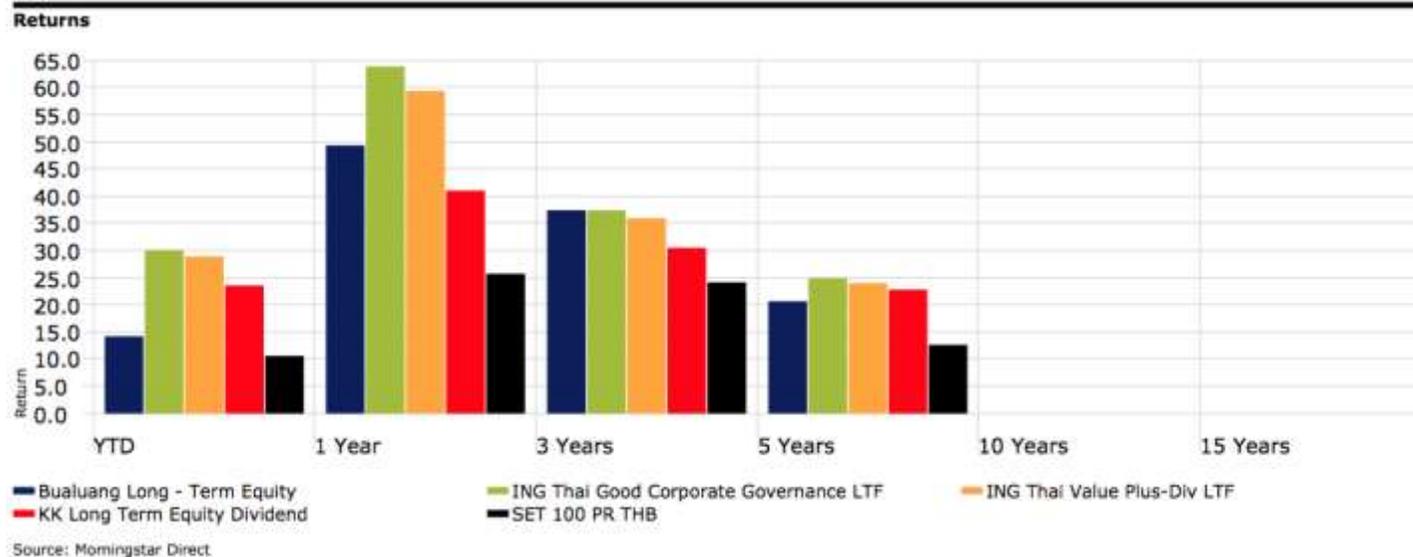
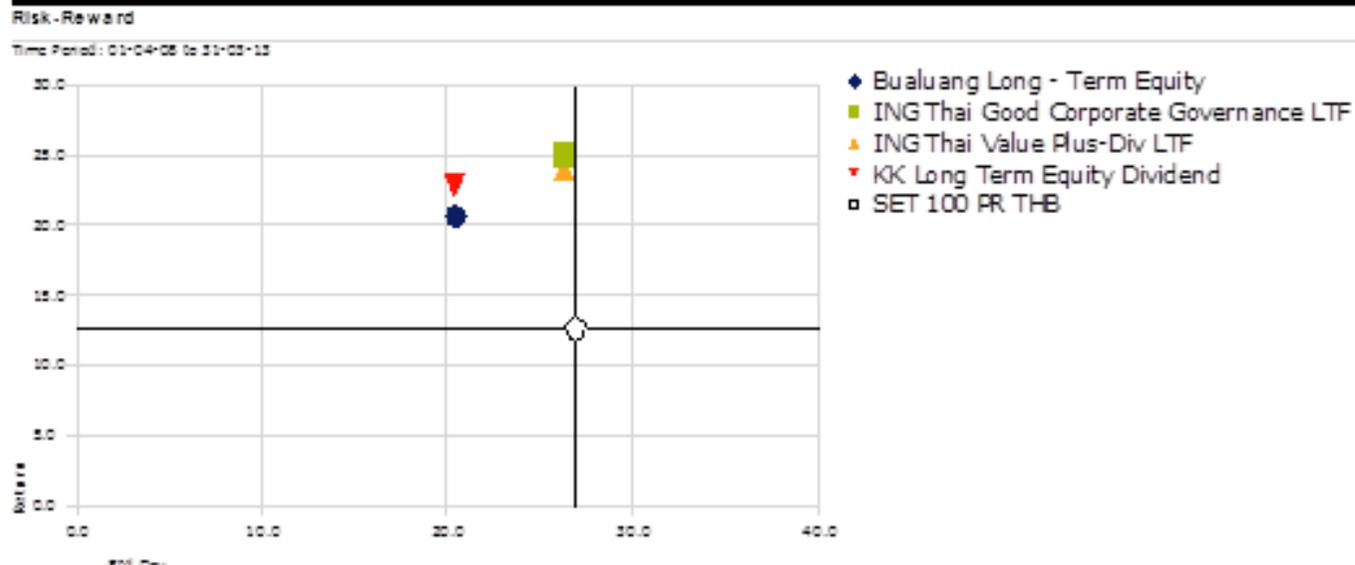
Our selection :



These four funds:

- Bualuang Long-Term Equity
- ING Thai Good Governance
- KK Long Term Equity Dividend
- ING Thai Value Plus Dividend Long Term Equity Fund

They have succeeded in obtaining great returns in the past 7 years whilst, during the same period, maintaining acceptable levels of risk for these types of products. Moreover, they demonstrated good management, a high resistance to the 2008 financial crises and strongly benefited from the post-floods recovery. They as well took advantage from the high increase of the Thai economy in the last years capitalizing mainly on the energy, banking and construction industries. In the last few years we can observe an increase of commerce on their portfolio corresponding to an emergence of a middle-class.



Macro-Analysis

There is a consensus by the experts on the growth of the markets in the coming years, due to the stimulus provided by the government (plan of \$62 billion) and the commencement of the ASEAN's common market starting from 2015. This rise of the expenses will increase the state liabilities. Furthermore, investors remain confident thanks to the restoration of the Fitch credit rating (BBB to BBB+) in line with the S&P and Moody's grades. In the short term, investors are looking for higher returns from investing in developing countries. Exports will remain strong while the contribution of domestic consumption is forecast to increase.

Complementary Information – Risk of investing

Previous performance does not reflect future returns. Every investment is subject to risks, mainly two forms of it: the business risk that is inherent to each security and the systemic risk, which is the whole market risk.

Interested in LTFs? Broadgate Financial can help you to invest.

Please visit Broadgate Financial [website](#).

Fees & Expenses								
	Inception Date	Fund Size	Annual Report Net Expense Ratio	Management Fee	Max Front Load	Deferred Load	12b-1 Fee	Redemption Fee
Bualuang Long - Term Equity	11-11-04	19,918,288,574.00	1.70	1.50	1.00	1.00		
ING Thai Good Corporate Governance LTF	27-10-04	1,339,206,242.00	1.81	1.61	1.00	1.00		
ING Thai Value Plus-Div LTF	26-06-07	1,031,725,033.00	2.39	2.14	0.00	0.00		
KK Long Term Equity Dividend	22-10-04	368,279,004.00	1.11	1.00	0.00	0.00		
SET 100 PR THB	19-05-05							
Thailand OE Equity Large Cap	01-07-92		1.71					

Source: Morningstar Direct

John Mills & Pierre-Louis Vouteau
Information from MorningStar

Broadgate Investment Advisory Securities (Thailand) Ltd. is regulated by the Thai Securities and Exchange Commission under licenses D06-0048-18 and SC03-0048-28 issued by the Thai Ministry of Finance. All investments contain risks. You should study any investment fund's prospectus and consult a qualified tax professional for tax-related advice prior to making a decision to invest.

Becoming a homeowner in Thailand

Who has never dreamt about sun, palm trees and a nice view on the beach? Getting a house in Thailand can represent a will for many foreigners either aiming to make investment or just to enjoy holidays. But regarding the “Act Promulgating the Land Code, B.E. 2497(1954)”, the “farangs” (foreigners in Thai) are not allowed to own any land. How can this dream become true then?

Despite the law, the purchase of one special kind of accommodation is possible. A condominium is an apartment where you share the use and access to the common facilities with the other owners. The purchase of such apartments represents the only exception for the foreigners. Therefore, the “Section 19 bit of the Condominium Act” states that the total area of a condominium owned by aliens should not exceed 49% of its total area. This option represents so an easy way for the foreigners to obtain property with few limitations. Though it may not fulfil the dream of having a house; two other options remain.

Using a limited company is one of them. A foreigner can create a company or join one as long as his shares do not exceed 49%. Indeed, for protection reasons, a Thai company cannot be fully owned by foreigners. Once the foreigner is part of a local company they can buy a plot of land and build their house. This will still be the company’s property and in that way, it represents a danger, as the foreigner cannot have real control over it. In previous years, many aliens created Thai companies for this only purpose, benefiting from the loopholes in the law. The government being aware of this practice decided to pay attention to every suspicious company and took actions against the simulated ones in shutting them down.

Thus, creating a company should only be for the purpose of running a business and not a way to acquire property.

Finally, a last solution remains by renting land. A foreigner is able to get long-term lease agreements with Thai landlords. Those contracts can last a maximum of 30 years but can be renewable twice. Thus, the foreigner may only rent the land but fully owns its property and in this way seems an acceptable option.

If you are willing to get your own house in Thailand, The Broadgate Financial Group can help via our construction subsidiary Broadgate Construction. It offers a full range of houses that can be adapted regarding your needs.

Bénédicte Ciotti



Projects at Broadgate Financial

Since its creation, Broadgate Financial put sustainability as a key point in its strategy. Let's see how this concept can be found at the heart of each project.

Created in 2008, Broadgate Financial is working in three markets through its companies Broadgate Advisory, Broadgate Construction and Broadgate Plantations. As defined by the Brundtland World Commission on the Environment and Development, sustainability is a *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”*

As every action has consequence(s), Broadgate Financial puts sustainability at the heart of its strategy. In this way, all of its projects are benefitting the environment in a sustainable way in order to contribute for a better future and for this they need to respond to several criteria as being viable in the long term, meaningful and respectful to populations, not wasting any resources and enhancing development in the location it is involved in.

In this issue, we are going to talk about 3 projects, all affiliated to one of Broadgate Financial's subsidiaries. The first one, **Navitas**, under Broadgate Plantations has the goal of cooperation with local authorities to successfully implement and operate incinerators which will provide energy by burning municipal solid waste. The expected date of completion is 2020.

With Broadgate Construction, we have **Miverva**, with undisclosed expectation date of completion. The aim of this project is to work closely with a family owned conglomerate to construct major property developments using specially modified sandwich panel technology provided by Easy Panel.

The last project, named **Pecunia** is under Broadgate Advisory and will be completed in 2013. The company is working in collaboration with a state owned enterprise under the Ministry of Finance to develop a Sharia compliant fund.

Bénédicte Ciotti & Juliette Vidailhet



Meet Marc Kijner

Marc-Henri J. Kijner is a real estate broker with [KSI Realty](#) in Thailand, a Realtor® in Miami, Florida with Fortune International Realty and a true industry expert. He managed to find a gap in his tight schedule to answer some questions about the Thai market and his company's business.



Marc and Laura Kijner at the Paris Real Estate Show in April 2012

Q: What makes Thailand an attractive place to invest in?

A: Thailand is a very attractive place to invest in, because first it is a developed nation with a striving economy and low unemployment rates. Thailand hasn't been as strongly impacted by the recent world economic crises as Europe or the US. In addition, it has a prime location in the Southeast Asian region, being a strategic hub connecting Europe, the US and Asia thanks to numerous direct flights. Prices are low compared to other mature markets and there are low investment barriers as well as several visa entry and residency options offered to foreign investors. "The Land of Smiles" is not only a fairly

regulated place where transactions are safe and reliable but also a country where it is easy to exchange foreign currencies in the local Thai Baht.

Furthermore, banks provide cheap credit to Thai nationals. Indeed, there is a strong domestic demand as Thai people are the first to heavily invest in their own country. Simply speaking, Thailand is a proven market. The participation of Thailand in the ASEAN community truly brings it onto the world map. This is to me a very strong argument for investors. Most importantly, Thailand has a capitalist economic system with its own stock market. As a democracy with a constitutional

monarchy, there is an elected Prime Minister, a hereditary monarch and an independent judiciary system.

Particularly interesting are the demographics of the country. Thailand has a 68 million population where over 60% is around the age of 30. Although the country's GDP per capita is pretty low, there is a strong domestic market with considerable purchasing power: the Bangkok area is a lot more developed and most wealth is concentrated there. Thai people will first buy a car or a motorcycle, but their second big investment would normally be a house.



Q: Where has most of your business been going on, as an indicator of the property market here?

A: Our business here is dictated by our own local and international clients as well as the overall market demand in Thailand. We are a boutique real estate company, which responds to our clients' wealth management needs to mitigate liability, assess investment risk and most importantly, find the biggest growth and ROI potential. Unlike many other real estate groups in Thailand, we decided to go in another direction by helping clients look for mixed-use type of properties to limit risk. For example, we were offering properties with a mix of commercial and residential elements, comprising of shops/offices at the ground floor and apartments in the upper floors.

Q: In what sector do you see most opportunities?

A: I call this "the one million dollar question", but I have my humble opinion. Commercial/retail property offers a lot of opportunities and is expected to grow at a rate of 8% yearly. Culturally-speaking and because of the current world economy, Westerners are more discrete with their real estate investments while Thai people are actually very comfortable talking about money and their latest acquisitions. Success and wealth are to be displayed and are highly respected in Asia.

Commercial real estate is an interesting and promising sector while residential real estate seems to be a little more saturated at the moment. The idea is thus to go for smaller - but still comfortable - units: 1-2 bedroom apartment/condo's are the most sought-after types of investment. In the condominium market I see more opportunities in gentrified and low-rise human-scaled buildings with a lower density of units. People do not want to live in big buildings with high costs of maintenance, more potential for conflicts between tenants and complicated management styles.

People are always more attracted to smaller communities. With a lot of units taken by absentee owners with tenants, owners see less interest in keeping their unit well maintained. After a few years, when the owner has earned some yield and made a capital gain, he/she will move on. However, there is not a big secondary market in Thailand!

The service sector is interesting too: if you combine real estate with Thailand's expertise in tourism, hospitality and accommodation business, you have definitely an equation for success. Thailand has a substantial amount of nurses, top of the line medical facilities and is extremely attractive among the international retiree community thanks to beautiful warm weather year-round as well as an excellent and inexpensive quality of life in a safe and friendly environment. Although the Thai tourism industry is in an everlasting growth stage, investors need to be careful, as it is also a "hype industry".

Ten years ago, you could observe a mix of luxury and mass tourism, while today, Thailand caters more and more to mass tourism thanks to very inexpensive and all-inclusive vacation packages. Property developers, who built boutique-hotels and luxurious resorts, now have problems selling their properties. Be careful of market trends, and look out for true statistics, official data and market forecasts.

Q: We at Broadgate are fixated on sustainability, which is reflected in the Easy Panel™. How does the property market in Thailand behave in relation to our sustainability desire?



The people and the government must change, but you cannot blame Thailand, a nation with a lot of other pressing issues at hand such as wealth distribution, education, health and ongoing economic and social development objectives. However, Thai people see what is happening overseas. People in the industry want to build something that won't be obsolete in 20 years time and that will still be appealing to future generations especially with foreign buyers from the US, Europe and Asia looking for more environmentally friendly and low energy consumption buildings. Sustainability and eco-conscious materials are the future of construction. We are seeing a shift and it will and must happen in years to come.

Interview made by Nathan Koekoek

For any more information, please visit KSI Realty's [website](#) or calling them at +66 (0)8 44 67 80 78.

The Bethany Children's Home (BCH)

At Broadgate Financial, we are aware that money can be replenished but not time. In that way, we are developing Individual Social Responsibility rather than a corporate one because we believe that several small actions can go beyond a single big one. The Bethany Children's Home (BCH) is an example of this commitment from our employees.

Located in Chiang Rai, Thailand, **The Bethany Children's Home (BCH)** is a Christian non-profit organization, which provides care to poor children from the Northern regions of Thailand.

Created in 2006, it helps today up to 40 children in need ranging from 6 to 18 years old by providing them food and a safe place away from active human trafficking syndicates. Children get an opportunity to develop thanks to education that can even lead them to tertiary studies.



Simon Osborne, Vice President of Broadgate Financial, at the BCH

In October 2012, Simon Osborne, Vice President of Broadgate Financial, gave some of his time to BCH. He joined them for a few days and helped the local team. In particular, he provided meals to the children of mainly hamburgers that have been more than well received! He shared as well his experience and reminded as to how important it is to educate all the children.

All the Broadgate Financial team wishes a long and successful life to this great organization!

Bénédicte Ciotti

The Bethany Children's Home is always looking for support either financial or humanitarian.

If you are willing to support and join Broadgate's ISR initiative or for more information about BCH, please visit their [website](#) or contact them directly on +66 5371 8695 or by email: bethanychfoundation@gmail.com

How to achieve Brand Awareness using the example of Coca-Cola®

According to Business Dictionary, brand awareness is the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product. Creating this brand awareness is one of the most important tasks in Marketing. If consumers are not aware of a brand they would not recognise various companies and their products and hence would have no information on where to go to satisfy their wants and needs. Ultimately brand awareness is needed to achieve the key goal for any business, which is to boost profits. One company that really stands out in terms of brand awareness is Coca Cola.

Coca Cola might not be the most valuable brand as it has been surpassed by the latest technological advancement (Apple, IBM, Google, Microsoft), but for me Coca Cola is still THE brand that is recognized by everyone around the globe. It is available in every country except Cuba and North Korea and has a product portfolio of over 3,500 brands. (I went to the Coca Cola museum in Atlanta and it took me probably 2 hours just to taste a small selection of each continent's Coca Cola drinks. I was also nearly falling into a diabetic coma afterwards.) In 2011 it had a market value of about \$74 billion, which is more than Budweiser, Starbucks, Red Bull and Pepsi combined.



But how do you achieve great brand awareness like Coca Cola® has?

From 1993 until 2006 Coca Cola spent \$ 26.7 billion on advertising and it is one of the first companies ever to spend more money on marketing than on the product itself. Another factor is its authenticity. Coca Cola marks itself as the “The Real Thing” with the formula being created 125 years ago and kept a secret since. Its strong self-belief and consistent identity also helped achieve its position in the market. Coca Cola has shown great flexibility and innovativeness, they adapted their drink to the various markets around the world and thereby achieved to satisfy the different tastes of the consumers. Coca Cola is also a very aesthetic product. The design of the curvaceous glass bottle design and the red-and-white branding of the cans is recognized all over the world.

What I experienced when entering the World of Coca Cola in Atlanta was not the drink

itself (which was really only trivial), the emphasis was on the various commercials they showed, the hype around the huge safe where the secret formula was in and other marketing trappings (like the Coca Cola polar bear, the happiness



factory etc.) To sum up, one can say that it is not the product itself that made Coca Cola one of the most recognizable brands in the world; it is the exceptional marketing around it.

One might ask how Broadgate is trying to achieve brand awareness in the Southeast Asian market? Well, even though Broadgate is a fairly young and small company, it is already well established and well known in the Thai market. Not only with its diverse service offerings but also with its unique corporate image and slogan (“Passionate about Investing”) Broadgate is differentiating itself from the competition. The company also has a vast presence on the social media websites Facebook and Twitter which helped raising the company’s brand awareness and achieving the great brand recognition it has now in the Southeast Asian market. So even here at Broadgate, an investment service company, it’s not all about finance but Marketing and Brand Management plays a big role as well.

Laura Dzino

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Many thanks to :

Laura Kijner

Marc Kijner

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official position of The Broadgate Financial Group.