

The Amata Times

News from the World's Leading Industrial City Developer – Q4 / 2015



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The man behind the scenes

The Amata story has been, and still is, strongly shaped and driven by its founder, Vikrom Kromadit. Born on March 17, 1953 in Kanchanaburi Province, he is the eldest son of 23 brothers and sisters, including stepsiblings. Since his childhood, he was interested in business and marketing – while studying in grade three, he took over a roasted peanut shop started by his aunt.

After having received a Bachelor's degree in Mechanical Engineering from National Taiwan University, Taipei, he returned to Thailand and soon established his first company, V & K Corp. Ltd., which engaged in import-export activities.

Gifted with a personality that can bring together the right people, an extraordinary sense for business opportunities, and a strong vision paired with detailed planning, all these qualities of Vikrom Kromadit have left their marks on the Amata story and contributed to the success of what Amata is today. But let's tell the story first.

Opportunities in a developing Thailand

After natural gas was discovered in the Gulf of Siam in 1973, Thailand, which previously had no known oil resources, began a process of industrial-

Celebrating 40 years in Thailand & 20 years in Vietnam

The Amata Journey

How it all began

ization based on energy self-sufficiency. The Eastern Seaboard, comprised of Chachoengsao, Chonburi, and Rayong provinces, because of its proximity to Bangkok and suitability for the development of a deep-sea port, figured prominently in the eyes of development planners. Against this background, the Thai government made the development of the region one of the priority issues in the Fifth National Economic and Social Development Plan (1982-1986) and created the Eastern Seaboard Development Committee with the Prime Minister serving as chairman to aid in its development.

The key initiatives of the Eastern Seaboard Development Plan included the construction of the Map Ta Phut Industrial Estate, which focuses on the development of heavy chemical industries; the construction of the Laemchabang Industrial Estate, as a location for non-polluting, export-oriented

industry; and the establishment of a related infrastructure to support the initiatives. The Japanese Government expressed positive support for the plan and, through the Japan International Cooperation Agency, has actively supported it since the 1980s.

With the dramatic appreciation of the Japanese Yen, a result of an international agreement to depreciate the U.S. Dollar in relation to the Japanese Yen and German Deutsche Mark in 1985, Japanese manufacturers began to look for alternative plant sites abroad and found Thailand and Malaysia were the most suitable among developing countries in Asia.

A wave of direct investment from Japan became visible towards the end of 1986. Thailand's Board of Investment announced that Japanese investment

had increased in the first half of the year by 50 percent. Stimulated by this movement, investors from Taiwan, Hong Kong, and Korea also began to sharply increase their direct investment in Thailand.

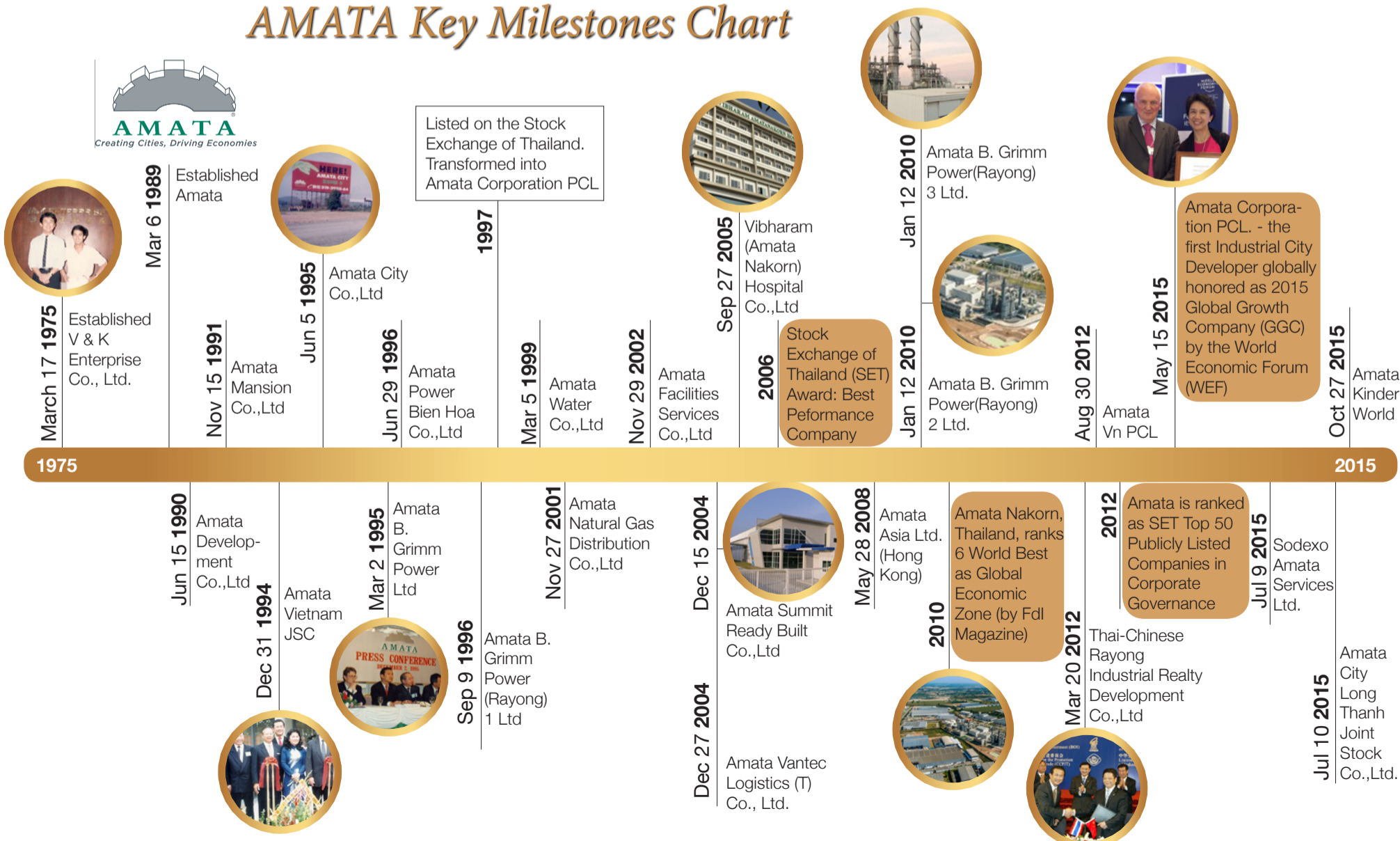
Establishing Amata

In 1987, Taiwanese officials asked Mr. Vikrom Kromadit, then President of the trade team of Thai Alumni at National Taiwan University (from which he graduated), to help find sites for building factories. Khun Vikrom, subsequently the founder of Amata and a man who often asserts, "Nothing is impossible, and dreams cost nothing," recognized that there might be business opportunities in developing sites for new factories. In 1988, he purchased 750 rai (120 acres) for US\$4.7 million in an area strategically located between Bangkok and the new Laem Chabang deep sea port and adjacent to the main road connecting Bangkok with Chonburi.

This was the beginning of Amata. Over the next five years, some 50 Japanese companies, including Asahi Glass, Hitachi, and Mitsubishi, signed up, and Bangpakong Industrial Park was renamed as Amata Corporation PCL in 1989. The industrial park is now called Amata Nakorn, Chonburi.

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AMATA Key Milestones Chart



The Amata Journey From Page 1

In 1995, Amata expanded into another Thai site, Amata City in Rayong Province, where customers



could take advantage of higher tax breaks aimed at boosting investment outside the capital.

In 1997, Amata entered a new period in its history when it was successfully listed on the Stock Exchange of Thailand (SET).

The Asian financial crisis of 1997, which started in Thailand, and was later well known as the Tom Yum Goong crisis in Thailand, was equally tough on Amata. Only merely surviving, the company evolved even stronger and grew more mature and more experienced.

Coupled with favorable rules on foreign ownership and attractive investment incentives granted by the Thai government, Thailand quickly became a top foreign investment destination. The later years showed steady growth and success, with more and more manufacturers choosing Amata. New subsid-



aries were established, primarily for managing basic utilities like water and wastewater, site facilities and upkeep, power, or natural gas.

The Amata concept is truly unique. Factories are integrated with the infrastructure you will find in any city – residential, financial and leisure – to create a vibrant working community. Amata's business development is driven by the company's vision to build up industrial estates to become integrated cities where people not only work, but also can live rewarding lives.

New subsidiaries were formed assisting customers with support services like ready-built factories for rent, a logistics provider, a hospital, additional investments in private power plants, or convenience facilities like a Financial Street, shopping mall, bilingual school and training institutes, and others.

Amata was the first in many ways: Amata offered as a first, a special Free Zone with streamlined customs procedures to accommodate import-export businesses; a first to accommodate such prestigious golf course like Amata Spring Country Club within an industrial estate; a first in establishing a special Thai-Chinese industrial zone welcoming investors from Mainland China.

In 2006, Amata was recognized with the award of Best Performance Company by the SET.

Amata Nakorn made it to the top ten out of 700, in fDi Magazine's (Foreign Direct Investment) first global ranking of economic zones. The industrial estate ranked 6th worldwide in the category Best Economic Potential, and 7th in Best Airport Zone. Judging criteria included total size and employment, number of businesses operating, growth rates, and many more.

In 2015, Amata named Global Growth Finalist by the World Economic Forum (WEF). Global Growth Companies are defined by the WEF as "fast-growing companies with the potential to be-

come global economic leaders." Amata is the one, and only, Thai company awarded finalist.

Today, our Thai industrial sites count almost 1,000 manufacturers of 30 nationalities. The total GDP contribution by Amata and its customers exceeds USD 25 billion.

The Vietnam Journey – celebrating 20 years in Vietnam

In 1994, Amata City in Bien Hoa, near Ho Chi Minh City, was established, offering a choice for companies wanting lower labor costs, as well as serving as a second leg in case the Thai market became saturated.

At that time, Amata Nakorn was already established for eight years. Following the success of industrial estate business in Thailand, Vikrom Kromadit was ambitious to find ways for expanding abroad the business he was already becoming specialized in. His very first trip to Vietnam was in 1991, motivated to discover this country, which was introduced to him by Mr. Tanaka, back then, the General Manager of Itochu Corporation Representative Office in Hanoi. He accompanied Mr. Tanaka on a trip to Ho Chi Minh City, Dong Nai, Hanoi, and Haiphong to understand the environment, geography, culture, traditions and lifestyles of Vietnam. He was overwhelmed by the hospitality and friendly welcome he received throughout his travels there and the interest Vietnamese leaders expressed on the possibility of establishing an industrial park in Vietnam.

Vikrom spent almost four years studying the land to ensure that it was viable to establish a new Amata estate there.

Finally in 1995, Amata's first industrial park overseas and the first Thai industrial park in Dong Nai was established: a joint venture between Amata and Vietnamese state enterprise Sonadezi, with an initial investment of USD 40 Million. With the great support of local partners, Amata obtained the Investment License on the last day of 1994.

The site chosen in Long Binh, Dong Nai was a perfect location. The land has a history of once being a U.S. military base during the Vietnam War, which served as a logistics center, a U.S. Army base, and a major command headquarters for United States



Army in Vietnam (USARV). It was the largest U.S. Army base in Vietnam at that time, with a peak of 60,000 personnel in 1969.¹ The infrastructure of an industrial estate is similar to that of a military base, therefore, the infrastructure left behind by the U.S. military at that site fit very well with the industrial business to be developed.

In addition, the land level was 40-50 meters above mean sea level, situated on the main National Highway No.1, only 33 kilometers away from Ho Chi Minh City, the airport, and the seaport. Water supplies were abundant and electricity quite adequate.

Amata City Bien Hoa quickly became a top choice for foreign investors by offering not only the most strategic location, but also reliable utilities supply and well-managed facilities, including reinforced concrete roads, and its own power and wastewater treatment plants.

As of mid-2015, Amata City Bien Hoa is the home of 145 manufacturers from 21 countries, with investment capital of over USD 2.34 billion, creating nearly 43,000 jobs. The majority of Amata clients



Vikrom's Vision

By Vikrom Kromadit

2015 is the fortieth anniversary of the foundation of Amata. Along our 40-year journey, we have gone through many accomplishments and hugely varying obstacles in growing our business. However, that experience has strengthened and pushed Amata forward to become one of the leading Industrial Estates developers in the world today.

I compiled some of the remarkable stories since Amata's first day of business in March 1975 together in a book titled "Be a Better Man – Business Part". This book is an excellent guide for Amata's partners and clients because it will let

them thoroughly understand Amata regarding our background and business structure, and also our thoughts and philosophy in doing business. I do believe that this book will provide some lessons for everyone, as well as describe the glowing future that Amata is heading to.

I hope that, after reading this book, everyone will get better understanding about Amata and further our business collaborations peacefully and productively. Our group of companies follows Amata's philosophy, which is "Go forward to the future success together." Amata will bring you to success because "Your future is here."

are leading multinational corporations with well-known brands, such as Nestle, Pepsico, Toshiba, Shiseido, Kao, and Ritek, affirming the reputation and prestige of being one of the best industrial parks in the country.

Led by vision and foresight, and with a business concept adding comprehensive support services to the industrial estate, Amata City Bien Hoa has also strongly contributed to the social and economic development of Bien Hoa and Dong Nai.

The newest project is the Amata Commercial Complex at a prime location right alongside the National Highway, which features residences, hotels, banking, international schools, clinics, sports and leisure, including Amata Square, a public park for outdoor activities, recreation, and relaxation.



The Amata Vietnam journey will continue and grow rapidly in the near future

Amata has established three new subsidiaries, namely Amata City Long Thanh, Amata City Township Long Thanh, and Amata City Halong companies.

Amata City Long Thanh enjoys a strategic location within Long Thanh district. Adjacent to Dong Nai River, and right on the new highway connecting the future Long Thanh International Airport with Ho Chi Minh City, it will be a short 10 kilometers to and from the new international airport.

"In Sanskrit, 'amata' means 'eternity'. As a company, Amata aims to develop integrated cities that continually improve, making tomorrow better than today for everyone. Happiness and success go hand-in-hand for Amata's clients, staff, and stakeholders alike... for all eternity."

The development will stretch over 1,285 hectares and will consist of three components: a high-tech park, a mixed-use development, and a service zone.

Amata has already received an investment certificate for Phase 1, the construction of a high-tech industrial park, the first of its kind in the district. The USD 300-million project, which will cover 410 hectares, is expected to transform into a modern, international-level industrial estate.

Amata's anniversary celebrations, both in Vietnam and Thailand, highlight the achievements the company has produced along these journeys and the promise of a future full of opportunities and growth.

Clients from all over the world, including many Fortune 500 companies, have chosen Amata as their preferred partner, and the combination of quality, environmental sustainability and long-term commitment continues to attract new investors.

We are always building, always expanding. Why not make Amata home for your business?

¹Information provided by Wikipedia – en.wikipedia.org/wiki/Long_Binh_ward

Khun Sanan Angubolkul, chairman and president of Srithai Superware PCL, credits the “life-changing experience” of living and studying in the United States with helping him develop the skills needed to be successful in business, and to eventually run Thailand’s leading developer of melamine and plastic tableware.

While studying at Assumption Commercial College, he received an AFS scholarship (an international exchange program that operates in more than 50 countries) that gave him an opportunity to study and live with an American family for one year in the U.S. After his exchange year, he decided to stay in the U.S., earning his Bachelor’s degree from Oglethorpe University. When he returned to Thailand, his outlook on life and business had completely changed.

“The experience was life-changing. To succeed as an exchange student in the U.S., it was very important to learn how to adapt to a totally new culture and environment. As you can imagine, it was totally different from Thai culture, and the daily lifestyle took some getting used to – the way people lived, communicated, ate, it was a totally new experience. So, I decided that it was good for me to learn how to adapt to other people and to learn more about their culture, their thoughts, and ideas, and way of life. As I did this, I learned how to make friends and connect with so many people.”

Khun Sanan says that these experiences and his new outlook helped him develop a way of thinking that he still uses in his daily life today.

“It soon became obvious to me that interdependence was necessary to form strong and lasting relationships. I needed to try to understand others, as well as reach out and support others in achieving their goals instead of being so focused on my own goals.

This outlook helped to widen my perspective in everything, and I started to get a more global vision about life. It helped me to be more aware and to see things from different angles.

Customers in Profile

Sanan Angubolkul, Chairman and President Srithai Superware Public Company Limited



I realized how important it was to be open-minded.”

Khun Sanan began his business career with Rieckermann (Thailand) Co., Ltd., a leading German trading company whose business also included plastic injection machine trading. He soon realized that the business of the future

would be in the manufacturing industry and that success would depend on having a technological advantage. Any industry without a distinctive competitive edge would not be sustainable.

Eventually, Khun Sanan met Khun Sumit Lertsumitkul, founder of Srithai Plastic, who asked him to join the Srithai management team. Eager to implement the beliefs and vision gained during his years abroad and his time with Rieckermann, he and his team changed the company name to Srithai Superware and established new management and production procedures that would help Srithai modernize and expand.

These new modern management procedures included a focus on quality, productivity and innovation, using data and statistics to establish policies, and a stream-lined decision-making process. All of these changes helped the company transition from a Thailand-based family business to a public company with operations throughout the region. Today, Srithai has become a ten-billion-baht global enterprise with a name that is recognized by customers worldwide.

An avid golfer who plays nine holes almost every day, Khun Sanan uses the time to improve his concentration and his discipline, and he says that many of his new business ideas come from his time on the golf course.

Khun Sanan is also active in the community serving as Vice Chairman of the Board of Trade of Thailand and as the Honorary Consul-General of the Republic of Maldives. And coming full circle, one of the positions that gives him

great pride is that of President of AFS Thailand, which is regarded by AFS International as “best-in-class” in terms of operations, financial strength, and volunteer management.

Having learned the importance of interdependence during his time as an exchange student many years ago, Khun Sanan now uses that principle as the basis of his philosophy of modern management.

“The goal of running a business is not about making the most profit. It is about ensuring business sustainability. Therefore, it makes me very happy when we fulfill our role in building a community and contributing to society, as this helps to establish the foundation needed for economic stability. I am passionate about this vision because only then can we say we have achieved true and lasting success.”

Srithai Superware is the world’s largest manufacturer of 100% Melamine Tableware and is set to be ASEAN’s leading manufacturer in the plastic injection business.

1. Srithai Superware registered capital, THB 2,709 Million.
2. Total revenues, THB 9,960 Million in 2014.
3. Market coverage, 110 countries.
4. Manufacturing businesses are 100% melamine tableware, plastic packaging for food and beverage products, plastic product for industrial use.
5. Trading business is Multi-Level Marketing of own brand products.
6. Retail business is in the name of “Srithai Super Outlet”.
7. Production capacity is approximately 100,000 tons per year.
8. Overseas have branch offices in Laos, Myanmar, Cambodia, Malaysia, and India.
9. Operations manufacturing are in Thailand, Vietnam, Indonesia, and India.

JV Spotlight: Amata KinderWorld

With over 200,000 employees at its tenant factories, Amata believes that its sites are more than just industrial estates. Amata takes a holistic view that they are entire communi-



ties, or mixed-use townships, with dedicated spaces for living, recreational and lifestyle, health, and working too, of course. For a year or more, the Urban Development group, under the management of Nol Ruangnaovarat, has been focusing on developing a multi-generational model at Amata Nakorn that will be implemented at its other estates, within and outside of Thailand.

Amata and the urban group believes the most important “space” within these communities is education. More than 20 years ago, Vikrom Kromadit, provided land for free to the YWCA to develop a kindergarten and nursery that serves over 200 children currently. Now, Amata believes it is the time to advance education to the next level at their facilities, so

in October, they entered into a Joint Venture agreement with Singapore’s KinderWorld to enhance the YWCA’s work and expand it to further grade levels gradually. Starting with K1-K3, Years 1-3 will be added in 2016 with more primary, high school, vocational, and university levels to follow with time.

Immediate goals for Amata and KinderWorld working together are to enhance and further develop the English program at the school and to bring the education standards to a level that will eventually lead to international school accreditation. Existing facilities will be improved, and current staff will remain, but additional new staff with international education experience will be hired as new grade levels are added.

KinderWorld first began in Singapore in 1986 and then developed programs in Vietnam in the late 1990s and looks forward to partnering with Amata to develop its educational programs to international levels.

The school at Amata is open to the public, and while certainly the goal is to serve the needs of the families of the companies at Amata, the local communities nearby are welcome to attend the school as well.

GGC Award

Amata receives award as Global Growth Company

Amata Corporation PCL is the first Industrial City Developer globally honored as a 2015 Global Growth Company (GGC) by the World Economic Forum (WEF). The award was presented and proudly received by Amata Corporation’s Chairman of the Investment Board, Mrs. Somhatai Panichewa, at the recent Annual Meeting of the new Champions in Dalian, P.R. China.



Following a rigorous selection process, the six regional finalists were announced in April this year during the World Economic Forum in Jakarta.

GGCs are fast-growing companies with the potential to become global economic leaders. The GGC honorees represent a broad cross-section of industry sectors and share a track record of exceeding industry standards in revenue growth, promotion of innovative business practices, and demonstration of leadership in corporate citizenship. “When choosing entrants to our community of GGCs, we assess companies on their business model, annual revenues and growth rates, executive leadership, and market position. Amata is a dynamic group with clear potential to shape the future in its relevant business sectors and so is a perfect fit to our GGC community,” says Olivier Schwab, Head of Business Engagement at the WEF.

“I am very happy that Amata’s achievements are recognized by an esteemed international organization such as the World Economic Forum,” says Vikrom Kromadit, Chief Executive Officer of Amata Corporation PCL. “Becoming part of the GGC community, our company is being put on the global stage along other leading international companies. We are excited, and so are our stakeholders and investors.”

Somhatai Panichewa, Chairperson of the Board of Investment Committee, Amata Corporation PCL., said upon receiving the award on the company’s behalf, “This recognition is extremely motivating for us; it will keep us going and contribute to the growth beyond our core businesses, and also enhance the overall branding of the Asia region. Besides expanding our existing sites in Thailand and Vietnam, we are also looking at many new projects with the potential to positively impact performance and economies.”

Customer News

Winterhalter enters deal with Amata



Ms. Kamonchanok Wimmer, Office Manager; Mr. Pirom Khongkwanmueng, SCM Manager; and Mr. Tobias Wimmer, MD from Winterhalter Asia • Pol. Gen. Chavalit Yodmani, Executive Director and Mr. Viboon Kromadit, Managing Director of Amata City Co., Ltd. • Ms. Chattrakarn Tumpakorn, Marketing Executive, Amata Corporation PCL

Winterhalter Asia Co., Ltd. recently entered into an agreement with Amata City Co., Ltd. to purchase land at Amata City Industrial Estate, Rayong, to establish a new factory.

worldwide and manufacturing plants in numerous countries, the owner-operated company is one of the global players in the commercial kitchen industry.

The new Thailand hub will manufacture modern technology warewashing machines.

Winterhalter has worldwide representation in more than 70 subsidiaries or partners.

Winterhalter is the specialist in commercial warewashing systems. Perfect cleaning results are guaranteed from dishwashers, cleaning products, water treatment devices and racks. Winterhalter products are characterised by their innovation, efficiency, ease of use and the results delivered to professional kitchens for decades.

In 2015, Winterhalter won the prestigious FCSI award for Manufacturer of the Year. The award was announced at the FCSI EAME (Europe, Africa, Middle East) conference in Madrid. The FCSI is the largest worldwide foodservice industry association. The award covers both the company and the product line – so, as well as Winterhalter being Manufacturer of the Year, the company's product is Product of the Year.

Winterhalter was founded in 1947 by Karl Winterhalter in Friedrichshafen, Southern Germany. Today, Jürgen and Ralph Winterhalter, the son and grandson of the founder, run the family company. With over 1,200 employees

Amata proudly welcomes its new member and wishes Winterhalter every success to come! www.winterhalter.biz

Kato Works Company Ground Breaking



Kato Works (Thailand) Co., Ltd. held a Ground Breaking Ceremony for its new plant at Amata City Industrial Estate, Rayong. Once completed, the factory will assemble mobile cranes.

Kato Works's top management, Dirs. Mr. Kimiyasu Kato, Mr. Yasushi Ishimaru, and Mr. Yunfeng Bai, presided over the ceremony, and Amata was represented by Police General Chavalit Yodmani and Kamjorn Vorawongsakul. www.kato-works.co.jp

Zhongli Talesun Solar celebrates Grand Opening



Viboon Kromadit, Managing Director of Amata City Co., Ltd., presents a congratulations plate to Barry Lo, Chief Financial Officer of Zhongli Talesun Solar (Thailand) Co., Ltd.

Zhongli Talesun Solar (Thailand) Co., Ltd., our esteemed customer at Amata City Industrial Estate, Rayong, celebrated the Grand Opening of their new plant. Zhongli Talesun Thailand Company is a 100% subsidiary of Zhongli Talesun Group, one of the biggest solar module suppliers, owned by Zhongli

Sci-Tech Group based in Changshu, Jiangsu, P.R. China. The new Thailand plant manufactures solar cells and modules.

Congratulations and a very warm welcome to the Amata Family! www.talesun.com

BMW Manufacturing Thailand celebrates its 15th Anniversary



Mr. Jeffrey Gaudiano, Managing Director of BMW Group Manufacturing Thailand said, "This is a truly historic moment for the BMW Group Manufacturing Thailand. The spirit of our team at Plant Thailand allowed us to increase efficiency, contributed to continuous growth, and earned the trust of BMW Group in Munich. The skill, experience, and craftsmanship of our operators enabled us to build superior quality into our great products and earn the trust of our customers.

2013, the Mini was launched in Thailand. All together with Mini, BMW and Motorcycle, Plant Thailand has the most diverse and complex model mix in the world and it is also the only BMW plant in the world to produce all three models under one roof.

Through BMW's commitment to Thailand with more than 3 billion baht investment so far, I can safely say that this plant is stronger than ever. 15 years ago, we started out with less than 1,000 cars per year and 2 models. In 2015, we will build 8,800 vehicles with 10 different models. 2014 saw the start of Motor cycle production in Thailand with about 1,000 motorcycles produced.

We have just completed phase 1 with an 11 million baht investment of an onsite training facility. We are planning another big investment for Phase 2 to be completed next year. I am pleased to announce a partnership with the Thai Austrian Technical College in Na Jomtien to train High Vocational Students in Mechatronics. The first 10 students started in June 2015 and will complete their two year training program with a degree in Mechatronics in May 2017.

This year we have launched an unprecedented 8 new models bringing the total motorcycle models in 2015 to 9 and production volume of 2,800 motorcycles. In

In 2016 we will be adding a second partner to our training program. Students from Her Majesty Princess Sirindorn Chitralada Vocational school will begin their education and training for a Mechatronics degree." www.bmw.co.th

Trex Thairung celebrates Grand Opening



Chattrakarn Tumpakorn, Marketing Executive, and Kamjorn Vorawongsakul, Vice President of Amata Corporation PCL., present flowers and a congratulations plate to Mr. Sompong Phaoenchoke, Vice Chairman, and Mr. Hiroshi Matsubara, Managing Director, at Trex Thairung Co., Ltd.

Recently, Trex Thairung Co., Ltd. held its Grand Opening Ceremony for the new plant at Amata City Industrial Estate, Rayong, manufacturing Wing Van Body, 10-doors Van Body, Dump (Tipper) Body, and Full-Trailers.

Thai Rung Union Car Company and Mitsiam International; all are leaders in their own make. This joint venture will help Trex Thairung to enter the heavy-truck business with sales locally and regionally.

Trex Thairung Co., Ltd. is a joint venture of Japan's Nippon Trex Company and its parent, Kyokuto Kaihatsu Kogyo with Thai companies

We give a heartfelt congratulates to Trex Thairung! www.trext.com



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