

HEMARAJ

Newsletter

The World Class Developer
in Thailand



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Hemaraj and Realization of Green Industrial Estates

When talking about factories and industrial areas, many people still can't forget the picture of long blocks of grayish buildings emitting smoke fumes day and night. Though it is difficult to erase this visual image from the public's perception, the truth is that over the decades, industry has changed. Manufacturers of the present day have learnt a great deal from the mistakes of their predecessors. Today, it is widely recognized that industry has to be developed in a sustainable manner, which treats the environment with care and responsibility. This change has come about simply because it is the only option; a flourishing business and wealth won't mean anything if the coming generations don't have a decent planet to live on.

With this notion, Hemaraj Land and Development Plc., as a leader in land development, made it policy from day one to ensure that its industrial estates, the surrounding environs and local communities, live in harmony. In understanding the environmental effects of different industries, Hemaraj has found it essential to group the appropriate clusters of companies together in the areas with a geographical setting that allows for a reasonable provision of resources to deal with the environmental care. Laying out matching infrastructure, utility capacities and regulations on sensitive routines also resolve tomorrow's problems today. Once factories are operating, in cooperation with its customers, the Industrial Estate Authority of Thailand (IEAT) and Hemaraj monitor the environmental parameters of all factories to safeguard the green process. Reciprocally, Hemaraj keeps its infrastructure, water treatment and waste water systems well maintained to ensure smooth environmental operations.

In terms of waste, different procedures are applied to effectively manage non-hazardous wastes and wastewater. Instead of burning non-hazardous waste, Hemaraj has chosen a more environment-friendly method, modern sanitary landfill. Hemaraj entered into an agreement with Waste Management Siam, a world-class professional in the field, to set up a landfill site in the Hemaraj Chonburi Industrial Estate, which provides services to customers and factories on the Eastern Seaboard and nationwide. *(continue page 3)*

Danieli Far East's Baht 3 Billion Production Facility Up and Running



Danieli Far East Co., Ltd. was officially inaugurated by Prime Minister Surayud Chulanont with the opening of the company's full production facilities worth Baht 3 billion at Hemaraj's Eastern Seaboard Industrial Estate (Rayong).

In the picture: Prime Minister Surayud Chulanont (center), Mr. Ignazio di Pace (5th from right), The Italian Ambassador in Thailand, Mr. Gianpietro Benedetti (7th from left), CEO of Danieli, Italy, Mr. Ferdinando Tedesco (5th from left), President of Danieli Far East and Mr. David Nardone (4th from right) President & CEO of Hemaraj. *(continue page 3)*

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World Class Development by Hemaraj

- Hemaraj Chonburi Industrial Estate
- Hemaraj Eastern Industrial Estate (Map Ta Phut)
- Eastern Seaboard Industrial Estate (Rayong)
- Hemaraj Eastern Seaboard Industrial Estate
- S I L Industrial Land (Saraburi)
- Rayong Industrial Land
- The Park Chidlom, high-end residential condominium



CEO Talk

Sustainable Development with Continual Growth of Auto Industry in Thailand

In the last issue of Hemaraj newsletter, my report on “Is Thailand Still an Attractive Location for Manufacturing?” was published.* In this issue, as a manifest to that important question, we inform you the expansion of Auto Alliance (Thailand), the venture between Ford and Mazda, in its way to invest Baht 17 billion on B-car in Thailand. This extension will take place right next to AAT’s existing facilities in our Eastern Seaboard Industrial Estate (Rayong), dubbed Detroit of the East.

In the prosperous future of land development with the ever-growing industries, Hemaraj is aware of our duty towards society especially in environment and community cares.

Environmental Care

From day one, Hemaraj sets it our policy that industrial estates must be developed in a sustainable manner and we have to ensure that industries, environment and people co-live in a friendly way. For that reason Hemaraj applies industrial clustering concept for each industrial estate to ensure sufficient level of infrastructure, utilities and appropriate level of supervision and control together with the Industrial Estate Authority of Thailand. Our customers, being mostly international companies, concur and appreciate our principles as the achievements from them provide lasting sustainable production base for their facilities. Keep Hemaraj’s industrial estates green has proven a success for almost 2 decades.

Hemaraj has also gone an extra mile in managing the environment. By invitation, Waste Management, a world-class solid waste disposal services provider from the United States has built an engineered landfill in one of our industrial estates and is providing international standard disposal services to our industrial customers. Factories all over the country are benefiting from this operation as well. One of our aims is to make available professionally run services to help our customers to achieve their global stringent environmental protection policies.

Likewise, Hemaraj has recently developed a “constructed wetland” wastewater treatment plant in cooperation research with Biotech and Asian Institute of Technology. In it, special vegetations are used as means to treat wastewater in lieu of mechanical means of which usually acquire high energy consumption and operating cost. Friendlier environment and surroundings and lower use of energy (and thus lower CO2 emission) to treat wastewater are the highlights of the system. An extension of its application has been fully implemented in our latest industrial estate in the Hemaraj Eastern Seaboard Industrial Estate where the “Detroit of the East” continues.

Community Nurturing

Hemaraj customers enjoy the fact that we operate in friendly atmosphere with nearby communities. The good understanding was no coincidence. Neighbors appreciate our presence because time has proven that we are environmental friendly industrial estates. In addition, our presence comes with considerable infrastructure development, which ease life of villagers in many ways. What’s

* In case you missed it, please log on to www.hemaraj.com for checking out our last newsletter’s article.

more? Hemaraj not only provides jobs to community people but also tries to enhance the living of communities for years. We have run several annual programs on education, health and utility. Every year, our projects reach out to more than 10,000 pupils in Eastern Seaboard and a large number of people in many villages.

In December 2007, in cooperation with American Chamber of Commerce and our customers, Hemaraj will proceed with building repairs and education equipment provision to 14 schools in Pluak Daeng’s radius and Maptaphut area.

Hemaraj will continue our mission for the society. We hope that our efforts, though relatively small for the scale of the country, will do some good to people in Eastern Seaboard in long term.

Mr. David Nardone
President & CEO

Series of Seminars, More Value Added from Hemaraj

Hemaraj not only look inside out but also outside in to find ways to serve customers better. Information supplement for customers is an area we work on. Hemaraj tries to cater information relevant to industrial operations to our customers. This year we have initiated a series of Hemaraj Investor Club Seminars with many topics. They included Free Zone, How to Maximize Your VAT, Building Audit Preparation, Transfer Pricing, HR Management and Employee Relations and last but not least Corporate Social Responsibility for Sustainable Business Operation. Speakers were recognized figures in their fields and these seminars got highly appraised by attendants. We plan to organize some more next year and will inform you in due time. In case there are subjects that you would like to know more about, please do not hesitate to drop us a note at marketing@hemaraj.com.

Inquiries on Hemaraj's products and comments on our services and newsletter can be addressed to :

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from The Cover

Danieli Far East's Baht 3 Billion Production Facility Up and Running

(continued from page 1)

The first Thai company supplying the international steel industry, Danieli Far East (DFE) is an affiliate of Danieli & C. Officine Meccaniche S.P.A., one of the top three steel suppliers of the world with a turnover of 2 billion Euro and 6,000 employees worldwide.

DFE President, Mr. Ferdinando Tedesco, disclosed that the Rayong facilities employ 1,200 people while 800 more job opportunities will be created by the end of this year as the company further expands its operations.

"The facilities occupy a total land area of 200 rai in Hemaraj's ESIE Free Zone with a total investment of 3-4 billion

baht. About 585,000 sq.m. is dedicated to manufacturing and assembly."

To address new market challenges, another Danieli facility has been inaugurated in the Beijing development area last year while one more is being built in Chanshu, near Shanghai, Mr. Tedesco revealed.

Mr. David Nardone, President & CEO of Hemaraj Land And Development Plc. said that the opening of the Danieli production facilities is a continuation of the trust placed by foreign and local manufacturing companies on Hemaraj's well-established Eastern Seaboard Industrial Estate (Rayong). Located in proximity to the deep-sea port, Hemaraj's Free Zone is an ideal premise for Danieli as the majority of its products are for export.

Mr. Tedesco said "DFE, the largest engineering and manufacturing heavy industry mechanical factory in Thailand and the region, designs and manufactures technological equipment for quality export and will be involved in the supply of products for a prestigious order from Tokyo Steel Mfg. Co., Ltd.'s new meltshop based on a 420-t Electric Arc Furnace - the biggest EAF in the world."

"Other major projects under way include Arcelor-Mittal (France) slab casters, UMMC Steel (Russia) minimill for long products and GHC (UAE) DRI-based minimill for long products."

The new greenfield DFE production center was established and put in operation in a very short time. Following graving operations started in February 2005, in September of the same year DFE began the production of their first job: the reheating furnace for the Balboa Minimill in Spain, which is one of the biggest undergoing steel plant projects in Europe. Since then, all design, manufacturing, assembly and project management departments have been in operation following a stepping expansion program.

Danieli supplies the steel industry with plants and equipment for the production of finished flat and long products starting from ore processing and scrap melting.

"Continuous innovation through research and development costing 60 million Euro annually has led to remarkable technological achievements, which together with superior quality manufacturing capabilities made Danieli the reliable and innovative team it is today in the steel industry," added Mr. Tedesco.

Highlights

Hemaraj and Realization of Green Industrial Estates

(continued from page 1)

Since 2002, Hemaraj has adopted an alternative way of wastewater treatment, Constructed Wetland. This involves using plants and bacteria to treat the wastewater. Wetlands are an environmentally friendly and energy efficient means of disposal and the quality of the water after treatment

is better than the traditional power-based system. This environmentally sensitive system has been inspected and approved by relevant authorities. Following the green concept of Reuse-Reduce-Recycle, Hemaraj makes sure the treated water is reused for gardening and cooling process in factories, helping decrease demand on fresh water, lower the demand for more expensive treated potable water and bringing the remainder of prior processes back into the productivity loop.

Thanks to continuous commitment to environmental care, Hemaraj's Industrial Estates have received the Best Environmental Management EIA Awards from the Ministry of Sciences, Technology and Environment, and are ISO 14001 and ISO 9001:2000 certified.



Ford-Mazda to Invest More Than US\$500 Million to Produce Small Cars in Thailand

Ford Motor Company and Mazda Motor Corporation announced plans to invest more than US\$500 million in a new, highly-flexible small passenger car plant at Auto Alliance Thailand (AAT) – the successful joint venture of the two global automotive leaders.

The new, flexible small car plant will utilize the same automated systems and processes, and state-of-the-art auto manufacturing technologies.

AAT will begin manufacturing small cars in 2009, which will compete in what the auto industry refers to as the

'B-car' category. AAT will also be able to accommodate a more diversified range of products in the future, with simultaneous production of different passenger cars that extend up through the mid-size segment.



Plans for the small car production plant call for a new stamping line and body shop, new trim and final process area. A completely paint shop will utilize the environmentally friendly three-wet technology paint process, which dramatically reduces emissions and waste and improves paint quality. Additionally, warehouse storage will be expanded to handle the increased production volume, and a new employee cafeteria will be built.

Ford and Mazda have already jointly invested more than US\$1 billion in the vast AAT facility. The new investment

underscores the strategic role that AAT will continue to play as a regional production hub for both Ford and Mazda, as well as their confidence in the facility's ongoing success. AAT celebrated the production milestone of 1 million units earlier this year, reaching it nearly two years ahead of schedule.

The total investment value will be split evenly between Ford and Mazda, and increase AAT's potential production capacity to 275,000 units from its current annual 175,000, including both complete built up (CBU) units and complete knock down (CKD) units. In addition to domestic sale, Ford and Mazda plan to export their respective small cars manufactured at AAT to markets in the ASEAN region, as well as Australia, New Zealand and South Africa.

The world-class AAT plant is already one of the largest and most modern automotive manufacturing facilities in Southeast Asia, exporting Ford and Mazda pickup trucks to more than 130 markets around the world. Leveraging the collective practices of the Ford-Mazda partnership,

AAT has helped set standards for auto manufacturing in the ASEAN region, through its ongoing commitment to worldclass quality, standards and procedures.

AAT currently purchases approximately 60 billion Baht (US\$1.72 billion) worth of components annually from 177 different suppliers – 90 percent of which are local, representing one of Thailand's largest domestic supply networks.

The facility currently employs about 3,600 staff, including engineers, technicians and skilled assembly workers. AAT says it will hire an additional 2,000 employees by the time the new production commences in 2009, which in turn, will result in up to 6,000 indirect jobs being created.

The AAT facility currently includes stamping; body construction; paint, engine, trim and final assembly, and CKD production and packing facilities covering more than 529 rai of land in the Eastern Seaboard Industrial Estate in Rayong province.

Transfer Pricing and BOI Tax Holidays: Is It Really an Issue?

By Stuart Simons and Sangravee Thaidamri

The primary role of the Thailand Board of Investment (BOI) is to promote investment in certain industries and business activities in Thailand by offering tax and non-tax incentives.

In many instances one of the main tax incentives offered is a corporate-tax holiday period of up to 8 years on the net profits derived from the promoted business activity.

In contrast, the key role of the Thailand Revenue Department is to maximize the collection of tax revenues for the government. Whilst the Thai Revenue Department may (reluctantly) accept the existence of these tax holidays, based on our experience, it is not unusual for BOI companies to find their compliance with the terms and conditions of the BOI tax incentives scrutinized by the Thailand Revenue Department to ensure that the companies are not taking away too much of a tax benefit.

Many of the companies, which have business activities promoted by the BOI, are Thailand manufacturing bases for multinational companies.

A significant proportion of the revenues and/or expenses of these companies

may arise from transactions with related companies. For example, the Thailand manufacturing company may export all of its production to its parent company based in a foreign country.

Normally, the Thailand Revenue Department's transfer pricing rules would require that the transactions between related parties be determined on the basis of market prices (arms length prices). The objective of these rules is to ensure that Thailand tax base is not eroded through the shifting profits offshore through pricing of transactions with related parties.

If a company receives a corporate tax holiday from the BOI, a common question that arises is, does the company have to worry about the transfer-pricing rules? The quick answer is "yes". BOI promoted companies that have significant transactions with related parties are still on the Revenue Department's radar for transfer pricing. Below we present two scenarios, which are likely to attract the Revenue Department's attention.

In the first scenario, the Thai subsidiary of a multinational group with significant related-party transactions has high profits during the tax holiday, which drop at the time the BOI tax holiday ends.

This will clearly trigger the Revenue Department's suspicion regarding the new profit levels and they may be very reluctant to accept the reduction of profit. In addition, if the Thai company has very high levels of profitability

during the tax holiday to take advantage of the tax exemption, this may raise questions from the tax authorities in the parent company's country as to why the profits in their country are quite low, but high in Thailand.

The second scenario involves a Thai subsidiary of a multinational group, which incurs losses from a BOI promoted business during the tax holiday period. Such losses incurred during the tax holiday period can be carried-forward after the tax holiday for 5 years to use against taxable profits.

Clearly, from the multinational's transfer-pricing planning viewpoint, the objective should be to maximize the use of the tax holiday and ensure that the Thailand subsidiary has profits. There is certainly no tax-planning principle, which would require that losses be created in the Thai subsidiary.

However, we have seen the Thailand Revenue Department attempt to argue that losses incurred during the tax holiday arose from transfer pricing and the losses could not be carried forward after the end of the tax holiday to offset against taxable profits.

How does the Thailand subsidiary effectively deal with the transfer pricing risk in the above scenarios? BOI-promoted companies must ensure that their related-party transactions are priced at market prices following the transfer-pricing guidelines of the Thailand Revenue Department from the start of its operations.

This involves selecting the most appropriate transfer-pricing method provided under the guidelines for the company's related-party transactions. It would then be necessary to benchmark the pricing/profitability on the related-party transactions with comparable transactions between unrelated companies to ensure that the pricing is at market rates.

An essential part of the transfer-pricing process is to prepare documentation, which supports that the company has complied with the transfer-pricing rules. The transfer-pricing rules include a list of the types of documentation, which the company should maintain.

By engaging in transfer-pricing planning on day one as opposed to waiting until the tax holiday ends, the Thai company and its multinational group may be able to take advantage of the tax holiday

to shift a supportable level of profit to the Thailand company to reduce the multinational group's worldwide tax cost, whilst also planning ahead for the day when the tax holiday ends.

If losses are incurred during the tax holiday period and are unavoidable, then documenting the commercial reasons for the losses (e.g. heavy start-up costs, unfavorable economic conditions, inefficiencies, or other legitimate business reasons) will be essential if the company is to convince the Thailand Revenue Department that these losses should be carried forward.

Do not neglect transfer-pricing planning and analysis simply because you have a BOI corporate-tax holiday. Soundly planned transfer pricing could help prevent your BOI-promoted company from unnecessary costs of doing business in Thailand caused by tax disputes.

As a final point, transfer pricing is not the only area, which may give rise to tax issues for BOI companies. Effective tax planning needs to be performed in a number of other areas, including:

- Timing of the start of the tax-holiday period
- Allocation of revenues and expenses between BOI and non-BOI business
- Ensuring other BOI tax concessions (e.g. double deductions for infrastructure cost) are maximized
- Ensuring that dividends paid from tax holiday profits obtain exemption from withholding tax

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Thailand-Australia FTA Continues to Generate Practical Outcomes

By Pannalak,
Australian Trade Commission

As Thailand-Australia Free Trade Agreement (TAFTA) enters its third year, Thailand takes its place as Australia's eleventh largest merchandise trading partner and the second largest export market in South East Asia. In 2006, two-way trade between Australia-Thailand trade increased by 18 percent to AUD\$ 10.59 billion. Based on future projections for business growth between the two countries, it seems the sky's the limit in terms of opportunities for both countries.

TAFTA has reduced the cost of doing business in Thailand and increased the margin for Thai businesses sourcing from Australia. It is delivering competitive outcomes to Australian exporters and a better bottom line for Thai importers. Thanks to TAFTA, Australian companies hitherto excluded by trade restrictions such as high tariffs and quotas now face quite the opposite. More than 50

percent of Thailand's tariffs, accounting for nearly 80 percent of Australian exports have been removed and 98 percent of all tariffs in two-way trade will be phased out by 2010.

Since the TAFTA came into force on 1 January 2005, the Australian Trade Commission (Austrade) has worked with a higher number of Thai and Australian firms, and achieved more business outcomes than ever before. In 2006/2007, Austrade assisted 346 Australian businesses achieve export deals worth AUD\$560 million to Thailand. Of these 48 were new exporters.

As tariff rates continue to drop, an increasing number of Australian suppliers are entering the Thai market early and more Thai buyers are targeting Australian goods and services, which in turn translate into more TAFTA-driven wins.

During 2007, businesses will enjoy more obvious benefits through greater reduction in tariffs. Austrade research indicates that the industry sectors with the most FTA tariff-based benefits to offer in the short-to-medium term are food and beverage, wine, advanced manufacturing, building and

construction, consumer and lifestyle products and pharmaceuticals. For example, tariffs on most Australian auto parts have reduced from 30- 40 percent to 12 percent. Tariffs on engines used in vehicles are reduced to 8 percent from 12 percent.

In addition to benefits for trade in goods, TAFTA's liberalization of regulatory procedures has also stimulated two-way trade in services — in the last financial year alone, total two-way trade in services was worth AUD\$1.9 billion. Building on this are increasing opportunities for corporate training, industry-focused training programs and consultancy services targeting Thai businesses and government departments.

With 80 points of contact across Australia and 22 specialist staff in Thailand, the Australian Trade Commission (Austrade) can assist Australian and Thai businesses by providing free and impartial advisory services. Austrade can reduce the time, cost and risk involved in finding the right supplier or partner. For further information on how TAFTA can help your business, contact Khun Pannalak on +66 (2) 344 6334 or email pannalak@austrade.gov.au.

ESIE Summer Internship

The ESIE Summer Internship program was first introduced among HR managers in ESIE HR Club early this year to bring in young students in Por Vor Chor (Vocational Certificate Level) and Por Vor Sor (Vocational Diploma Level) to the real work environment in various industries as part of the compulsory course of the vocational education module. With internship, the gap between educational world and real

life practice has been narrowed down for the benefits of both parties.

This small step helps vocational students to be ready or prepared for their opening career gateways. This will also provide greater strength for industries, which require technical graduate operators working in their production lines. Hicom Automotive Plastics (Thailand) Ltd. and ELYO-H Facility Management Co., Ltd. are the initial two openhanded companies participating in this year's program.



Seven students traveled 564 kilometers from Nongnarn Technical College in UdonThani Province to work in factories in the Eastern Seaboard Industrial Estate (Rayong) as intern students from March to August 2007.

Team up at ELYO-H Facility Management

Mr. Sawat Macmyraxe, General Manager of ELYO-H Facility Management talks about hosting six students in his company. During the first couple of weeks, these students need to adjust to their work environment. After they are assigned to their jobs, they learn the work pattern and schedule. So he sees that the period of five months is not too long for internship since the learning period normally takes more time.

Talking about expectations, Mr. Sawat keeps them realistic since he understands that these students are fresh from school with limited experiences. Thus, what he makes out from this program besides the extra helping hand is the reflection showing how well his staff is able to train and pass on knowledge and skills to the students.

When talking about the students -- Preecha Phoobuagnuen (18), Suksan Kanwibool (18), Anucha Yothee (17), Wittaya Sawangdee (18), Tawatchai Sangsai (17) and Supaporn Klahan (19) -- it is noticeable that they are happy and proud of their jobs

Supaporn, the oldest of the team studies in Por Vor Sor level, majoring in accounting. She is assigned to assist in the office. Her main responsibility is to support the accounting department. She also has the opportunity to help the sales and marketing team in building up

prospects database.

The rest of her team who are majoring in electronics is divided as follows: Preecha Phoobuagnuen and Suksan Kanwibool are assigned to work with the team at Saint-Gobain Sekurit. Their main responsibilities are to maintain and monitor the condition of the industrial air compressor.

Being under age for safety precaution, Wittaya Sawangdee and Tawatchai Sangsai are in the mobile unit team. Apart from their supporting roles, they also have a chance to complete a project called "Efficient Use of Resource".

Anucha Yothee is assigned to take charge of the Computerized Maintenance Management System (CMMS). Therefore, he is learning to set up maintenance schedule, plan and maintain database and monitor customer maintenance tasks.

Solo at Hicom Automotive Plastics (Thailand)

Mr. Nattawat Uraphranom, a third year Por Vor Chor student (Vocational Certificate Level) works as an internship at Hicom Automotive Plastics (Thailand) Ltd., Eastern Seaboard Industrial Estate (Rayong). This is his first step out of the college fence where he experiences the real world of work. Nattawat's major is in accounting, thus the company has made available a position in the purchasing department, where Nattawat is learning and adapting very well to be a part of the team.

Normally, the internship program for vocational students covers only one semester or about three months, usually in the first semester of their senior year. But Nattawat requested to



have a five-month internship starting from his summer school break. Mr. Kittipong Chaingam, Procurement & HRA Manager of Hicom Automotive Plastics (Thailand) Ltd. says the longer the program, the more the interns have a chance to learn and gain more experience on the job.

Nattawat's main responsibilities at Hicom Automotive Plastics (Thailand) Ltd. include placing orders to suppliers, processing document flow between related departments, submitting files, and sorting purchase documents. Nattawat works carefully and always makes sure that the assigned tasks are 100 percent complete.

Ms. Nisachon, who supervises Nattawat on the job, says that she didn't expect much from the intern, as she is aware of the limitation of knowledge and experience of the intern. However, Nattawat shows much willingness to work, paying good attention to his assigned tasks. He is a fast learner. He has improved in many ways. He is able to work under pressure, is more mature, understands the workflow and has better communication skills. Mr. Kittipong adds that with extra training time and with the given daily allowance, Nattawat is very commendable in terms of work outcome.

Hemaraj Land And Development Plc. anticipates that this short-term internship program is one of the many approaches to diminish the workforce difficulties. The longer internship arrangement such as the Dual Vocational Education is also available.

For more information or participation in the program, please contact Khun Fasai Finch at fasaif@hemaraj.com or 02 719 9555.



Government Update

BOI Drives the Eco-Car Forward

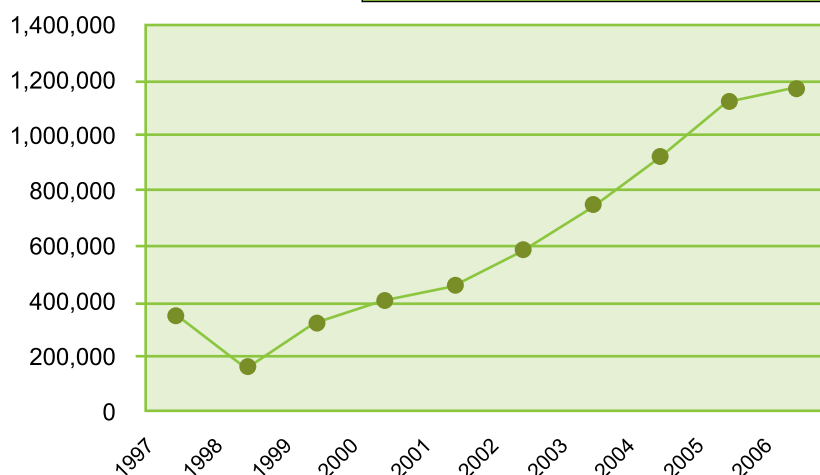
The Board of Investment (BOI) announced in mid-June its investment promotion scheme for Eco-Car manufacturing, whereby maximum incentives are now offered for integrated car assembly and key parts manufacturing projects. Under the new incentives, projects, which must have a minimum investment value of approximately US\$ 144 million, will be offered a corporate income tax exemption of 8 years, regardless of the projects location in the country, along with duty-free importation of machinery.

Implementation of an eco-car policy could ultimately prove as lucrative and successful as Thailand's pick-up truck manufacturing, which has propelled the country to the number one world pick-up truck manufacturing position. That segment of the auto industry continues to enjoy growing success and at the beginning of this year Toyota opened a third assembly plant in Thailand, with an initial production capacity of 100,000 units per year for the assembly of Hilux pickup trucks for both the domestic and export market. According to Mr. Suparat Sirisuwannangkura, Senior Vice President of Thailand Co., Ltd. "One could say that the Ban Pho Plant is one of the most modern plants in Asia."

The eco-car program will undoubtedly help drive forward Thailand's goal of becoming ranked as one of the world's top-ten automotive manufacturing countries within the year 2010, which the country is well on the way to achieving with its 2006 automotives production of 1,176,840 units and the forecast for 2007 production set to increase by 7.7%.

In order to qualify for the investment promotion incentives being offered by the BOI, there are several criteria that must be met. "The actual production capacity must not be lower than 100,000 units per year from the fifth year of the projects operation. The cars should be fuel efficient, consuming not over 5 liters per 100 kilometers and should have a minimum pollution standard of EURO4 or higher, emitting no more than 120 grams of carbon dioxide per kilometer. The car should also satisfy passenger safety standards for both front and side impact as specified by UNECE Reg. 94 and Reg. 95 respectively." These

Eco-car production of not less than 100k unit per year from the fifth year



parameters are in keeping with the growing consumer demand for safer, more fuel efficient and environmentally friendly modes of transportation, without sacrificing in the areas of comfort and style.

The BOI announcement of its incentives was met with approval from industry executives, several of whom have expressed interest in competing in this new segment of auto manufacturing. Adding further attraction for eco-car manufacturers, are the excise tax incentives being offered by the Finance Ministry: a 17% excise tax rate on eco-cars that have engines smaller than 1,300cc for petrol engines and 1,400cc for diesel engines.

The current excise tax rate that is being applied for standard passenger cars is between 30% and 50%. The Thai government web site reports Finance Minister Chalongphob Sussangkarn as saying that the new excise tax was equivalent to reducing retail prices for buyers by US\$ 2,000 compared with standard passenger cars and that "Thailand wants to be a leader in producing fuel efficient cars. We will develop eco-cars to be a second product champion for the country, complementing our position in light pick-up trucks."

Thailand's automotive industry success is the result of its decades-long evolution from import-substitution policies to becoming a contender to become a top-ten world manufacturer. The addition of eco-car manufacturing represents a response to consumer demands that has characterized the Kingdom's successful rise in the automotives hierarchy and will secure its place in a 21st century market.

Source: www.boi.go.th

Free Online Recruitment Service from Department of Employment

Over the past 3 years, Department of Employment has developed and provided E-job online recruitment, which is an online administrative system support of employment promotion. The service, currently available in Thai, allows entrepreneurs to announce job vacancies and also lets job-seekers to place resume and find the appropriate careers in accordance with their knowledge, ability, and aptitude. Last year only there were over 44,693 resumes posted to the system and 122,895 job vacancies were announced from 1,539 companies.

For entrepreneurs, to register for this recruitment service is free and simple. Documents needed for setting up an online recruitment account comprise of registration form, company registrations, and a set of active e-mail address for correspondence. Send these documents by fax to 0-2245-1908 and 0-2248-4929. After the documents are checked, within two days a set of login and password will be sent to the given e-mail address. After logging in, one will be able to post job vacancies and also view and select a list of candidates, which are categorized by qualifications. For more information, call 02 245 1908 or visit www.doe.go.th.



Customer Showcase

CNK Manufacturing (Thailand)

Surface Treatment and Transfer Equipment Operator
Serving Auto Cluster in ESIE

CNK Manufacturing Thailand, with head office in Kariya City, Aichi, Japan, is a manufacturing company producing metal surface treatment and producing transfer equipment such as autoloaders, NC rolling machines and automobile parts.

Its first overseas base factory in the Eastern Seaboard Industrial Estate (ESIE) had been established in February 2003 with a capital of 55 million Baht. With high expectation for the expansion of Thailand's metal surface treatment business, the company increased the capital to 193 million Baht.

According to Vice-President Mr. Masaru Yamamoto, CNK acquired a dome-shaped, pole-free facility (Hemaraj's SME Factory), which made production configuration easier. "The building's ceiling is 7.5 meters high, very suitable for heat treatment production business" noted Mr. Yamamoto.

The selection of ESIE for its production location was a logical one as its business partners' production facilities are also located in the same industrial estate. Moreover, Mr. Yamamoto said the excellent services provided by Hemaraj were the compelling reason for selecting ESIE and "professional Japanese-speaking sales team makes communication easier".

CNK started manufacturing automobile parts in July 2004. It produces rack shaft for power steering gear for Toyota's 1-ton pick-up truck "Hilux Vigo" for JTEKT Automotive Thailand. The latter was formerly known as Toyota Machine Works Thailand.

Mr. Yamamoto said that "business is steadily increasing and the company is now supplying metal-treated surface automobile parts to JTEK and Thai Fine Sinter.

CNK's metal surface treatment business started in October 2006. The heat treatment business is served for automobiles plant. The land area covers 11,900 square meters and 4,976 square meters of factory floor. "Heat treatment is a process which increases the strength of parts. By heating the parts and attaching



carbon to the wear and tear surfaces, the parts become more resistant to friction," disclosed Mr. Yamamoto.

"The area is now in use for heat treatment is only 4,400 square meters. And we have an additional 2,800 square-meter space for any future production expansion. We will maintain our present capacity, with expansion depending on demand", Mr. Yamamoto added.

The company is now carrying out heat treatment for such parts as rotary valves for "Hilux Vigo" and Yamaha motorcycles utilizing three emersion furnaces. It has made improvements to its factory building by adding two 5 - 3.8 meters doors to enhance ventilation and minimize the heat circulation in the factory.

Mr. Yamamoto emphasizes "we are the specialists in heat treatment with high experience in solving any kind of heat treatment problems and we can provide solutions for both customers and prospects in various ways."

Contact information:
CNK Manufacturing (Thailand) Co., Ltd.
Tel: 038 955 537-38

KYODEN (Thailand) Construction of 4th Factory Decided.

Full-Scale Operation Planned for July 2009

Thailand has been becoming a major production site for printed circuit boards



(PCB) for the expanding worldwide demand, KYODEN (Thailand) is now on full-scale operation in the Export Processing Zone (EPZ) of the Hemaraj Chonburi Industrial Estates. The production capacity expansion has already been planned where the upcoming fourth factory will require an investment of about two billion baht.

KYODEN has been producing PCB for more than ten years and the production facility in Thailand is KYODEN's only overseas PCB production center. KYODEN (Thailand) was established as TOEI DENSHI (Thailand) in 1996. In April 2007, the parent company KYODEN took over TOEI DENSHI.

Development of the new factory is due to start soon. In early December, construction will commence with completion expected in October 2008. July 2009 is the target date for full-scale operation.

The existing three factories in Hemaraj Chonburi Industrial Estate have a combined area of about 42,000 square meters, and with the planned 46,000 square meter area of the 4th factory, total area of the four factories will be 88,000 square meters.

The current total monthly production of the three factories is 20,000 square meters for single layered PCB, 10,000 square meters for the silver through-hole PCB, and 70,000 square meters for double layered PCB. The new factory has a planned monthly production of 30,000 square meters of multi-layered PCB.

At present, the company produces 70% of its PCB products for usage in car equipments like car audio system and the remaining balance for air conditioner switches, digital devices such as printers and ultra thin-model TVs. About 75% of its production is for domestic use, and the rest exported to the EU (European Union) countries, ASEAN (Association of Southeast Asian Nations) countries including Indonesia, as well as the US and Japan.

Mr. Kenichi Hashimoto, the Managing Director of KYODEN (Thailand) talks enthusiastically about the fourth factory, "In the new factory we will initially produce multi-layered PCB such as 4-6 layered PCB for some time to come, and in the future we will consider the production of high-performance multi-layered PCB, depending on demand. We will create a system to meet the broad range of demand from commodity products to high-performance multi-layered PCB, and aim for the expansion of the merchandise range".

Mr. Hashimoto lauded Hemaraj for its Japanese-speaking staff members and seamless service interface. He added, "We appreciate abundant water supply as we use plenty of in our plating process, much the same for its uninterrupted supply of electricity."

As far as environmental issues are concerned, the company has already obtained an environmental recognition certification, ISO14001, and is working effectively by adapting environmental policies revised annually by the parent company.

The company expects 70% growth over last year's sales by the end of 2010, after the new production facility is activated, with future expansion greatly anticipated.

Contact information:
Kyoden (Thailand) Co., Ltd.
Tel: 038 345 882-5

PAMCO Trading Limited

A Thailand First Producing

Glance Orange Peel

Set up by father and son of the Mariani family, PAMCO Trading limited is a subsidiary of Mariani's, extensive Australian Operations. As the business is going well, in a couple of weeks the fourth generation of Mariani, Mr. Andrew, GM will push the operation button of PAMCO Trading, the second facility of the Mariani Family at Eastern Seaboard Industrial Estate (Rayong).

Mr. Andrew Mariani is very excited about the food prospects in Thailand despite being here barely three months. "I know Thailand has many opportunities for growing business. Our mission is to provide the best quality citrus peel fruit processing, so we only concentrate on one product. Glance orange peel, in the form of dices and strips, is in demand by specialist markets such as confectionery, bakeries, ice-cream manufacturers and nutritional companies. The business is unique, and still has significant demand from the Japanese, Australian and American markets. We are not seeking to diversify into new businesses now, but wish to maintain and develop our product to the highest quality. Presently, we only focus on Glance orange peel and will closely observe which direction the market grows."

PAMCO Trading's CEO and Chairman, Mr. Paul Mariani is the founder of Mariani Australia Pty, Ltd. With 40 years experience in the growing, manufacture, processing, packing and selling of dried fruit, meat and related products, he has all it takes to drive the business in the right direction.

"I am a third generation member of the Mariani family and Andrew is the fourth. Our business has learned from the experiences of the past generations and we know what we can offer customers, endeavoring to serve the best," said Mr. Paul Mariani.

Mr. Paul Mariani disclosed that PAMCO has close relationships with some major food producers/distributors and customers in its network including ANA (Japan) Sunbeam (Australia) and Nestle, and other major Australian companies.

PAMCO plans to process 1,000 tons of glance orange peel next year and expects to be a leader in the domestic market



as well as export the product to Japan, Korea, Taiwan, Singapore, Hong Kong, China, Australia, America, South Africa and Europe.

PAMCO's raw materials are oranges imported from Australia, as its customers require premium quality. The company also has a pre-processing operation in Australia to insure the continuous supply chain between Thailand and Australia in order to meet all market requirements. To maximize quality, PAMCO brings in its own unique production equipment, designed out of Mr. Paul Mariani years of expertise.

PAMCO holds a 3-year lease contract with Hemaraj's SME Factory located at Hemaraj's Eastern Seaboard Industrial Estate (Rayong).

Mr. Paul Mariani said that "establishing a factory in Thailand was an easy decision because of its lower costs, skills of the workforce, the country's strong economy and the enthusiastic response towards the manufacturing sector, even for 100% foreign-owned investors. Additionally, we are participating in one of the region's most dynamic food processing markets. We decided to set up at Hemaraj's factory because of its ready-to-move-in facilities and ample factory space that would allow us to expand the business. Moreover I feel very appreciative and thankful for the cooperative support from Ms. Rungruethai, Senior Customer Development Manager of Hemaraj in many ways."

Mr. Paul Mariani also added "We are working on our primary product to deliver to our customers. We are confident of business success based on our expertise and generations of work experiences. With his strong business vision and a keen listener, I have confidence in my son Andrew looking after the company with care and taking the business to the world."

Regarding the environment, Mr. Mariani promised that PAMCO, although a new company in Thailand, will come up with thoughtful inspiration other than just donating money to charities. He aims to cooperate with the community to do something positive to protect the environment in the near future.

Contact information:
Mr. Andrew Mariani
GM Thailand Operations
Tel: 038 955 998
E-mail: andrew@pamco.com.au

Hemaraj Congratulates Auto Alliance on Its 1,000,000th Vehicle



Auto Alliance (Thailand), a joint venture between Mazda Motor Corporation and Ford Motor Company, recently celebrated the production of its one-million vehicle. From integrated manufacturing facilities in Hemaraj's Eastern Seaboard Industrial Estate (Rayong), Auto Alliance Thailand manufactures one-ton pickups for domestic consumption and for export to 130 countries all over the world. The factory production capacity stands at 175,000 vehicles per year.

In the picture: Mr. David Nardone (4th from left), President & CEO of Hemaraj, presenting a floral bouquet to Mr. Masatoshi Maruyama (4th from right), Executive Vice President, Production & Engineering of Auto Alliance (Thailand), on the occasion of its vehicle production milestone.

Saraburi Governor Visits S I L Industrial Land (Saraburi)



A team of executive officials of Saraburi province led by its Governor Mr. Thawatchai Therdpaothai recently visited

S I L Industrial land (Saraburi), managed by Hemaraj. The purpose of the trip was to create mutual understanding on how industry has contributed to Saraburi development and, in turn, for the officials to ascertain the needs of industrial investors and explore areas they can enhance for future development. During the trip, they also visited Michelin Siam Co., Ltd. in the industrial land.

In the picture: Mr. Thawatchai Therdpaothai (front row 5th from left), Governor of Saraburi Province, and his team are seen welcomed by Mr. Vivat Jiratikarnsakul (front 3rd from left), Hemaraj's Executive Vice President.

S I L Industrial Land Receives Sustainable Development Recognition



Mr. Aree Wong-araya, Minister of Interior recently presented a consolation prize of Sustainable Development Recognition to S I L Industrial Land (Saraburi) managed by Hemaraj at the "Sufficient People Day 2007" event. The award is part of Saraburi Province "Year of Sustainable Economy – 2007" campaign to encourage industrial sector to apply HM the King's initiative of sustainable economy philosophy in its operation.

In the picture: Mr. Aree Wong-araya (left), Minister of Interior is seen presenting a plaque to Mr. Khamhoung Ratsamany, Director of Industrial Estate Operations, Hemaraj Land And Development Plc. at the City Hall of Saraburi province.

Hemaraj Donates Baht 500,000 to Teacher Plus Foundation



Hemaraj Land And Development Plc. recently donated Baht 500,000 to the Teacher Plus Foundation in order to set up the first Educational Center at Trakan Phut Phon District, Ubonratchathani Province. The donation is part of Hemaraj's continuing social contribution programs

The Teacher Plus Foundation is a charity organization. The objective of the foundation is to promote teaching and learning methods for non-urban teachers in order to help develop the thinking and analytical skills of non-urban students which can be applied for local community development.

In the picture: Mr. David Nardone, President & CEO of Hemaraj presents the donation of Baht 500,000 to Ms. Napaporn Kurupasutachai, Vice Chairman of Teacher Plus Foundation.

Hemaraj Supports Walk-Run Rally to Commemorate the 80th Birthday Anniversary of HM the King

Hemaraj Land And Development Plc., recently presented Baht 100,000 to Rayong Provincial Police to support the "Walk-run Rally to commemorate the 80th Birthday Anniversary of HM the King". The rally, awarding

Hemaraj News



the royal cup championship of HRH Princess Soamsavali Phravaratatinuddamatu, is held on 23 September 2007 at Sri Muang Park, Rayong province.

In the picture: Mr. Sunya Baopoonthong (2nd from right),

Community Affairs Manager of Hemaraj presents Baht 100,000 to Pol.Maj.Gen. Poomira Wattanaprane (2nd from left), Commander of Rayong Provincial Police at Rayong Provincial Police Office.

What's New with Our Customers

THK Rhythm Purchases Land at Eastern Seaboard Industrial Estate (Rayong)



THK Rhythm (Thailand) Co., Ltd., a Japanese leading manufacturer of suspension ball joint, recently signed a contract with Hemaraj Land And Development Plc. to purchase 11.5 rai of land for a factory at the Eastern Seaboard Industrial Estate (Rayong).

THK Rhythm's Thailand factory will produce suspension ball joint and steering tie rod with a capacity of four million pieces per year to be mainly supplied to Nissan Motor Co., Ltd., Mazda Motor Co., Ltd., Ford Motor Co., Ltd. and others.

In the picture: Mr. Vivat Jiratikarnsakul (3rd from left), Executive Vice President of Hemaraj presents the land purchase contract to Mr. Katsuo Kitamura (4th from right), President & CEO, Rhythm Corporation while Mr. Sawasdi Horrungruang (4th from left), Chairman of the Board, Hemaraj, Mr. Toyofumi Horiuchi (3rd from right), Vice

President of Rhythm Corporation and Mr. Akio Ito (2nd from right) General Manager- Office for Thai Corporation look on.

NRB Brahma Spirit House Ceremony at Eastern Seaboard Industrial Estate (Rayong)



NRB Bearings (Thailand) Limited, recently held a Brahma spirit house ceremony for its plant in Eastern Seaboard Industrial Estate (Rayong).

The plant will manufacture bearings, with a production capacity of 32 million pieces per annum. 70 percent of the products will be exported while the remaining 30 percent will be supplied to the Thai market.

In the picture: Ms. Rungruethai Kittipinyochai (left), Senior Manager, Customer Development of Hemaraj, congratulates Mr. A S Kohli (right), Vice President, NRB Bearings (Thailand) Limited during the ceremony at Eastern Seaboard Industrial Estate (Rayong).

Prospect and Green One Grand Opening at Eastern Seaboard Industrial Estate (Rayong)



Prospect International Co., Ltd. and Green One Food Industrial Co., Ltd., recently held the Grand Opening of the companies' factory in Eastern Seaboard Industrial Estate (Rayong).

Prospect International Co., Ltd. is a leading manufacturer of Steel Bush, Collar, Tube, Ring, ERW and Cold Drawn Steel Pipe for auto parts with a capacity of 2.5 million pieces of steel bush per month while Green One Food Industrial Co., Ltd. produces extract tea, green tea drink and powder beverage with a capacity of 80-100 tons per month for powder beverage and 2,000 Kg. per day for extract green tea and green tea beverage.

In the picture: Mr. Henry Chang (3rd from right) Managing Director of Prospect International Co., Ltd is seen congratulated from Mr. Vivat Jiratikarnsakul (2nd from left), Executive Vice President of Hemaraj.

What's New with Our Customers

Omni Leases Land and Building at Eastern Seaboard Industrial Estate (Rayong)



Omni Plastics (Thailand) Co., Ltd., recently signed a contract with Hemaraj Land And Development Plc to rent an SME factory at Eastern Seaboard Industrial Estate (Rayong).

The factory will produce plastic injection with a capacity of 1,750 ton per year for supplying to LG Electronics and Calcomp Electronics.

In the picture: From left, Mr. Apisak Kamwan, Senior Manager, Customer Development of Hemaraj, Mr. Vivat Jiratikarnsakul, Executive Vice President of Hemaraj, Mr. Lee Chee Hon, General Manager of Omni Plastics (Thailand) Co., Ltd. and Mr. Tan Kok Leong, Finance Manager of Omni Plastics (Thailand) Co., Ltd.

NRB Opens Its Factory at Hemaraj's Industrial Estate



NRB Bearings (Thailand) Limited, a bearings manufacturer from India recently held a soft opening ceremony for its plant in Eastern Seaboard Industrial Estate (Rayong).

In the picture: Ms. Harshbeena S. Zaveri, President of NRB Bearings Limited, presides over the soft opening ceremony of NRB Bearings (Thailand) Ltd. at Eastern Seaboard Industrial Estate (Rayong).

M/S. KLJ Organic Thailand Stone Laying Ceremony at Hemaraj Eastern Industrial Estate



M/S.KLJ Organic (Thailand) Ltd. recently held a foundation stone laying ceremony of its plant worth 270 million baht on a 11.5 rai piece of land in Hemaraj Eastern Industrial Estate (Map Ta Phut).

The plant will manufacture Chlorinated Paraffin, Hydrochloric acid, Sodium Hypo and plastics drums 70% of which will be supplied to the Thai market while 30% will be slated for export.

In the picture: Ms. Rungruethai Kittipinyochai (4th from right), Senior Manager, Customer Development of Hemaraj congratulates Mr. Pushp Jain (Center), Director of M/S.KLJ Organic (Thailand) Limited. at the ceremony, as Mr. Laxminarayan Sunthwal (2nd from right) General Manager of M/S. KLJ Organic (Thailand) Ltd. looks on.

Thai Kobelco Purchases Land at Hemaraj Eastern Seaboard Industrial Estate



Thai Kobelco Construction Machinery Limited, an affiliate of Kobelco Construction Machinery Co., Ltd., a Japanese leading manufacturer of SR Series mini excavators, recently signed a contract with Hemaraj Land And Development Plc. to purchase 45 rai of land for a new factory at Hemaraj Eastern Seaboard Industrial Estate to support its business expansion. The new factory will have a production capacity of 2,400 units per year.

This is Thai Kobelco's second land purchase with Hemaraj Land And Development. Its earlier purchase is the factory located on 16 rai of land at Eastern Seaboard Industrial Estate (Rayong).

In the picture: Mr. Vivat Jiratikarnsakul (4th from left), Executive Vice President of Hemaraj presents the land purchase contract to Mr. Kiyokazu Kuroda (5th from left), Executive Director/Managing Director, Engineering & Manufacturing Division, Kobelco Construction Machinery Co., Ltd. while Mr. Sunthorn Kongsunthornkitkul (3rd from left), Vice President, Hemaraj Land And Development Plc., Mr. Keiji Saito (5th from right) Managing Director, Thai Kobelco Construction Machinery Ltd. and Mr. Shinji Kito (3rd from right), General Manager, Kobelco Construction Machinery Co., Ltd. look on.

What's New with Our Customers

A Japanese Aerosol Manufacturer Buys Land at Hemaraj Eastern Seaboard Industrial Estate



Toyo Filling International Co., Ltd., a subsidiary of Toyo Aerosol Industry Co., Ltd., Japan's leading manufacturer of aerosol treatments, recently signed an agreement to purchase land of 21 rai in the Free Zone of Hemaraj Eastern Seaboard Industrial Estate.

Toyo Filling International's factory will produce aerosol treatments for hair and body with a capacity of 40 million cans per year to be mainly exported to Japan and Europe.

In the pictures: Mr. David Nardone (2nd from left), President & CEO of Hemaraj presents the land purchase contract to Mr. Yuichi Takayanagi (2nd from right), Senior Executive Director of Toyo Aerosol Industries while Mr. Vivat Jiratikarnsakul (left), Hemaraj's Executive Vice President and Mr. Hideki Kozuka (right), General Sub Manager, Sale Department of Toyo Aerosol Industries look on.

Thai Okawa's Stone Laying Ceremony at Hemaraj Eastern Seaboard Industrial Estate

Thai Okawa Co., Ltd., a Japanese auto parts producer, recently organized a ground breaking and stone laying ceremony for



its new factory project at Hemaraj Eastern Seaboard Industrial Estate (Hemaraj ESIE). Thai Okawa will build an 8,500 sq.m. factory that has the capacity to produce 100 million brake hose end fittings and stud bolts per year. The plant is scheduled to begin operating in April 2009.

In the picture: Mr. David Nardone (right), President & CEO of Hemaraj Land And Development Plc., congratulates Mr. Katsuyoshi Okawa (left), President of Okawa Screw Manufacturing Co., Ltd. at the ceremony.

Honeywell's Expansion at Hemaraj Chonburi Industrial Estate



Honeywell Electronic Materials (Thailand) Co., Ltd., recently organized a ground-breaking ceremony for its expansion at Hemaraj Chonburi Industrial Estate. This factory will play a key role in manufacturing Honeywell's thermal management product lines, missions transferred from other Asia Pacific countries and regions around the globe. The company plans to operate its full production capacity in July 2008.

In the picture: Mr. Apisak Kamwan (2nd from left, front row), Senior Manager, Customer Development of Hemaraj congratulates Ms. Rebecca B Liebert (3rd from left, front row), HEM Vice President & General Manager and Mr. Lawrence Garcia (5th from right) Site Leader of Honeywell Electronic Materials (Thailand) Co., Ltd. at the ceremony.

World Class Zamil Chooses Hemaraj's Industrial Estate for its First Plant in Thailand



Zamil Industrial Investment Co., (ZIIC), the world's largest and most reliable manufacturer & supplier of Pre-engineered steel buildings, recently signed a land purchase contract with Hemaraj Land And Development Plc. for its first factory in Thailand at Hemaraj Chonburi Industrial Estate.

The factory will manufacture MAXSEAM roof panel and related accessories with a production capacity of 360,000 sq.m. per year. Since 1977 Zamil Industrial Investment Co., has supplied more than 40,000 steel buildings to over 80 countries worldwide.

In the picture: From left, Mr. Vivat Jiratikarnsakul, Executive Vice President of Hemaraj and Mr. George E. Kobrossy, General Director, South East Asia, Zamil Industrial Investment Co., while Ms. Rungruethai Kittipinyochai, Senior Manager, Customer Development of Hemaraj Land And Development Plc., and Mr. Wael Elmawie, Regional Manager of Zamil Steel Building Vietnam Co. Ltd. look on.

What's New with Our Customers

Lungka Products' Grand Opening at Hemaraj Chonburi Industrial Estate



Lungka Products Asia Co., Ltd, recently held a grand opening ceremony at Hemaraj Chonburi Industrial Estate. The company has produced roofing and rainwater goods being introduced from Australia with a capacity of 4 million pieces per year mainly exported to Australia.

In the picture: Mr. Nirut Somboonsup (2nd from left), Site Superintendent of Hemaraj congratulates Mr. Frank Kaiser (2nd from right), Managing Director, Lungka Products Asia Co., Ltd. during the ceremony, as Ms. Suchada Limpornpugdee (left) Hemaraj's Customer Development Manager looks on.

BST Purchases Land at Hemaraj Eastern Industrial Estate (Map Tha Phut)



Bangkok Synthetics Co. Ltd., the largest Mixed C4's derivative producer in South East Asia, recently signed a contract with Hemaraj Land And Development Plc. to purchase land for its factory at Hemaraj Eastern Industrial Estate (Map Tha Phut).

In the picture: Mr. David Nardone (6th from left), President & CEO, Hemaraj presents the land purchase contract to Dr. Pichit Nithivasin (6th from right), President, Bangkok Synthetics Co. Ltd. while Mr. Sawasdi Horrurunguang (center), Chairman of the Board, Hemaraj, Mr. Vivat Jiratikarnsakul (5th from left), Executive Vice President of Hemaraj and Mr. Chaiyot Wongphyat (5th from right), Managing Director of Bangkok Synthetics Co. Ltd. look on.

Pack Delta Purchases Land at Hemaraj Eastern Industrial Estate (Map Ta Phut)



Pack Delta Public Company Limited, a leading manufacturer of plastic containers, recently signed a contract with Hemaraj Land And Development Plc. to purchase land for its factory at Hemaraj Eastern Industrial Estate (Map Ta Phut). The factory will produce plastic containers for chemical and food industries.

In the picture: Mr. Vivat Jiratikarnsakul (2nd from left), Executive Vice President of Hemaraj presents the land purchase contract to Mr. Thongchai Ampiegulwatana (2nd from right), Managing Director, Pack Delta Public Company Limited while Mr. David Nardone (center), President & CEO, Hemaraj, Ms. Pattama Horrurunguang (left), Senior Vice President & Chief Financial Officer, Hemaraj, and Mr. Kampol Vatnasurrkitt (right), Factory Manager of Pack Delta Public Company Limited look on.

From the Clubs

Hemaraj Organizes Blood Donation

Hemaraj Land And Development Plc. recently organized a blood donation activity at its Hemaraj Eastern Industrial Estate in Map Ta Phut as part of its social contribution programs. Hemaraj's employees and its customers' representatives numbering as many as 170 donated blood at the camp organized by the Eastern Safety and Environmental Club in association with the Thai Red Cross Society at the industrial estate.



Hemaraj Investor Club Seminar -- HR Corporate Policy & Employee Relations for Top Management

Recently Mr. Supachai Manusphaibool, knowledgeable advisor of many auto part companies and instructor of Labor Laws for International Graduate Program, Chulalongkorn University, shared his insights on HR Management at Hemaraj Investor Club Seminar to the audience from Hemaraj's industrial estates. The following article is the extracted content from the series of his Alert Newsletter, a Fair Employer's Guide for Employment Practices.



Prepare for the upcoming amendment of labor protection law

The practice of putting up someone to act as an employer on behalf of the business, and pocket 20% of wage payment is being curtailed. The new labor protection law amendment (which is expected shortly) will force business to provide similar fringe benefit to directly employed workers and those brought in by labor suppliers if their work is the same. To justify different compensation, there is a need to prove that work requires different level of skills, and hardship, or because of differences in service years.

The new amendment means up to 30% extra cost when taking into consideration expenses for group insurance, provident fund, year end bonus and etc. It is recommended to make following preparation during the coming months before the new law takes effects.

Reduce the use of manpower supplies by agents by selecting efficient workers and employ them directly to replace those who leave. Contract with labor suppliers should not be more than 3 months.

Classify types of work for directly employed workers, and others for the remaining outsourced labor to work separately.

Prepare wage structure with wage rates varying according to skill levels as well as service years.

Be prepared to provide severance payment if your labor suppliers cannot afford to do so at the end of contract. Improve labor management relation through regular communication to assure employees of job security. Fear of job loss may motivate workers to unionize and negotiate to save their jobs. With lower bonus and small wage raise, good and early explanation is required.

How should the management ready themselves for a new round of union negotiation?

1. Audit your employment practices and employee relation activities whether they are in compliance with the law, company's policies and regulations, and collective bargaining agreement.
2. Check how your front line managers/ supervisors behave.
3. Improve in-house staff communication; keep them informed of problems as well as success stories.
4. Develop and strengthen staff-management relation, with particular attention to "informal" leaders and union committee members. The relationship should be both on individual as well as a collective basis.
5. Prepare to build up inventory of finished goods as well as critical raw materials, in case there are industrial actions, e.g. slow down, work to rules, overtime ban, etc.

6. Develop alternative strategies for quick ending or foot dragging negotiation.
7. Identify the issues most likely to be included in the negotiation, develop the company's stand to agree or disagree in the light of comparative cost of agreeing or disagreeing.
8. Prepare negotiation mechanism, i.e. negotiation team, time and place, best-case scenario and worst-case scenario, strategies inside and outside negotiation room.
9. Consider changes in business situations and decide if the agreement should have 1 year enforcement period where employees may be aroused or excited every year, or a longer period to but time to dilute union solidarity.
10. Develop and promote worker participation in company's activities such as sports, training, day trip, savings and loan club, blood donation, 5S, QC Circle, etc.

If the management is broad minded and committed to make the basics right, it is very likely that the year end negotiation season will get through smoothly with employers and employees feeling satisfied.

MR & TS Company Limited:
Labor Laws and Labor Relations
Consultancy Company
Tel: 02 267 7903,
E-mail: mrts@ksc.th.com.

Emergency Numbers

As the dry weather has arrived, Hemaraj would like to ensure our customers have a list of emergency numbers handy when required. Listed below are the emergency numbers for each site, which are available 24 hours 7 days.

Hemaraj Chonburi Industrial Estate (Hemaraj CIE)	038 345 234
Eastern Seaboard Industrial Estate (Rayong) (ESIE)	038 954 543
Hemaraj Eastern Seaboard Industrial Estate (Hemaraj ESIE)	038 954 543
Hemaraj Eastern Industrial Estate (Hemaraj EIE)	038 683 961-2
Rayong Industrial Land (Rayong IL)	038 892 222-3
S I L Industrial Land (Saraburi) (S I L)	036 373 333-5

Management Update

Hitachi Tochigi Electronics (Thailand) Names Mr. Katsuzo Murakami as MD and Farewell to Mr. Satoshi Ono

Mr. Satoshi Ono, former Managing Director of Hitachi Tochigi Electronics (Thailand) Ltd. in ESIE, has returned to Japan to take on a new responsibility as Production Manager.

The position goes to Mr. Katsuzo Murakami who has been with Hitachi Tochigi Electronics (Thailand) for many years.

Social Contribution

Hemaraj & AMCHAM in “Adopt A School Program” in Rayong Province



Hemaraj Land And Development Plc., together with the AMCHAM Thailand Charitable Foundation, recently started an “Adopt a School Program” dedication trip

with Sugar Mill School, located nearby Hemaraj Eastern Seaboard Industrial Estate.

The donation involves replacing a new roof for a building and provision of computers and books. The “Adopt a School” program is one of Hemaraj’s Corporate Social Responsibility (CSR) programs, which has been implemented for over 10 years.

In the picture: (back row, third from left) Hemaraj’s President & CEO, Mr. David Nardone; and (back row: fourth from right) AMCHAM’s Executive Director, Ms. Judy A. Benn.

Hemaraj Presents Motorcycle to Huay Pong Police Station, Rayong Province

Hemaraj Land And Development Plc. recently presented a motorcycle to Huay Pong Police Station, Rayong Province for use in the police services in industrial estate and nearby



communities. The presentation is part of Hemaraj’s continuing social contribution programs.

In the picture: Mr. Khamhoung Ratsamany (5th from left), Director of Industrial Estate Operations, Hemaraj presents a motorcycle to Pol.Lt.Col. Wanchai Amarasing (2nd from right), Deputy Superintendent, Inspector (suppression), Huay Pong Police Station while Pol.Lt.Col. Boonyok Chaiyawong (right), Deputy Superintendent, Inspector (Investigation), Huay Pong Police Station and representatives of EIE Safety And Environmental Club look on.

Training Program

Training Programs at Hemaraj Training Center, Eastern Seaboard Industrial Estate (Rayong) November - December 2007

No.	Course	Institute	Date	Time	Cost/Person (Baht)
1.	Operation Technique of Forklift Truck	IQS	6 Nov 07	9:00-16:30	1,700
2.	Excellent HR	Faibukkol	23 Nov 07	9:00-16:30	1,900
3.	Leadership	Faibukkol	13 Dec 07	9:00-16:30	1,900
4.	First Aid Course		14 Dec 07	9:00-16:00	1,500

Remarks

Discount 10% for Hemaraj's Customer
 Prices include hand out, coffee break and/or lunch.
 Date and time is subjected to change, please call to confirm.
 Please send in the reservation at least 2 weeks before the starting date.
 For more information and course details, please call Khun Wanna at (038) 955 263, 955 282-3,
 Fax (038) 955 281 or e-mail wannaw@hemaraj.com.



Hemaraj Customers Are Entitled to



Enjoy a 10% Membership Discount

at Pattana Golf & Sports Resort,
the Ultimate Championship Golf Course.



Pattana Golf & Sports Resort offers a challenging 27-hole course carved on 1,200 rai of rolling terrain on Thailand's Eastern Seaboard, providing a highly enjoyable if not challenging golf in an impressive natural environment.

The Resort provides a variety of accommodation including hotel-style rooms, mansions and private villas.

Resort's facilities comprise of sports-complex, seminar & banqueting facilities, restaurants, spa and a large swimming pool.

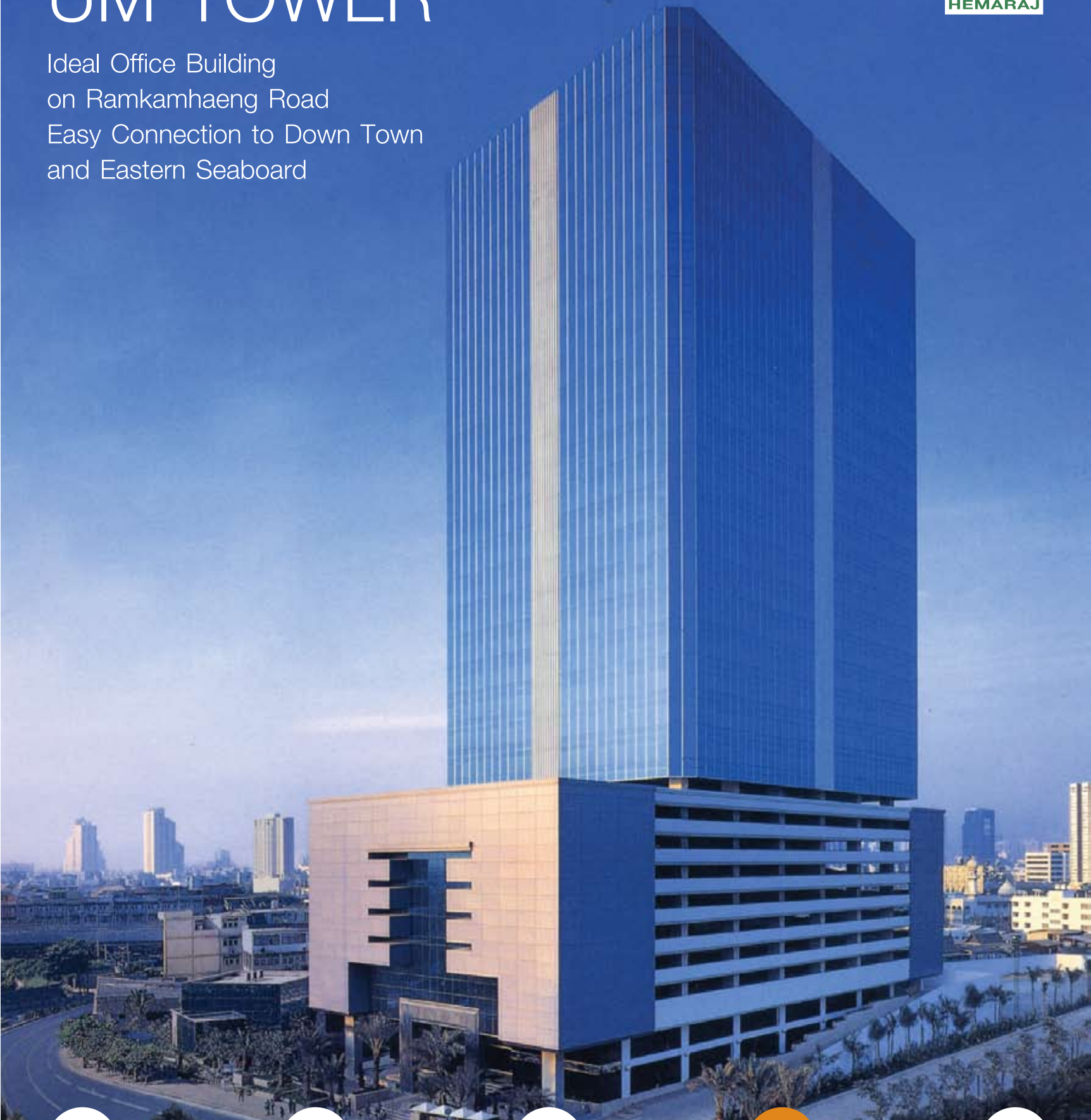
For more information on memberships, please contact Khun Rungruethai at Hemaraj
 Tel: 02 719 9555 or visit www.hemaraj.com/golf.asp



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Ideal Office Building
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For leasing enquiries, please contact :

Tel : 02 719 9555

Fax : 02 719 9546-7

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UM Tower
Hemaraj Land And Development Plc.
9 Ramkhamhaeng Road, Suanluang, Bangkok 10250

PARK *The* CHIDLOM

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Simulated Image
A development of Hemaraj Land And Development Plc.

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Project : The Park Chidlom, residential condominium with 2 towers of 28 storeys with 117 units and 35 storeys with 102 units, in total of 219 units Project Location: The Park Chidlom, Soi Somkid Chidlom, Pathumwan, Bangkok 10330, Thailand. Total Project Area: 5,461 Rai Land Title Deed: No.247, and 248 Project Developer and Owner: Hemaraj Land And Development Public Company Limited Office Location : 18th Fl., UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand. President & CEO: David Nardone Registered Capital: 15,000 MB (Paid up 6,886 MB) Construction Begins: December 2003 Completion Expected: 2007 Building Permit: 515/46 EIA Permit Number: 1009/1295 Project Encumbered and Supported By: Krungthai Bank Plc. Juristic Person will be registered after project completion and common area fee will be paid by buyers to the project Juristic Person.



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