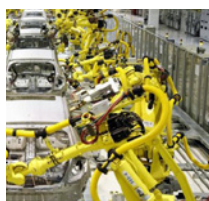


The Amata Times

News from the World's Leading Industrial City Developer

Q4 2016 - Q1 2017



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In Memory of HM King Bhumibol Adulyadej

The passing of His Majesty the late King Bhumibol Adulyadej, the Ninth King of the Chakri Dynasty, brought the greatest loss to Thai people and the world. In remembrance of his fortitude and devotion for seven decades, the Industrial Estate Authority of Thailand (IEAT) and AMATA Group organized a mourning ceremony to express deepest condolences and heartfelt appreciation to His Majesty the late King. The ceremony included lighting candles in letters and the number "9" with the Royal Anthem sung by hundreds of customers and partners on the 25th of November at Amata Castle in Amata Nakorn Industrial Estate in Chonburi. His Majesty will remain forever in everyone's hearts.

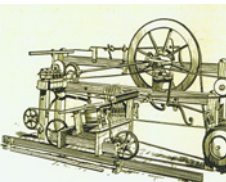





Industry 4.0 in Southeast Asia

Advanced Robotics and the Future of Manufacturing

With its embrace of the forward-looking “Industry 4.0” concept, all signs point to Asia’s continued dominance in the world of manufacturing. Skyrocketing investment in integrated robotics across the region continues to be spurred on by the combination of technological advancement and government incentives in Thailand and beyond.

Robots on the assembly line are not new, but the previous iteration of industry AI was heavy on the ‘artificial’ and light on ‘intelligence’, ideal for performing repetitive tasks under highly controlled conditions. By contrast, Industry 4.0 refers to the use of sophisticated robots and computer systems capable of performing a wide range of tasks, and responding intelligently when faced with unexpected circumstances.

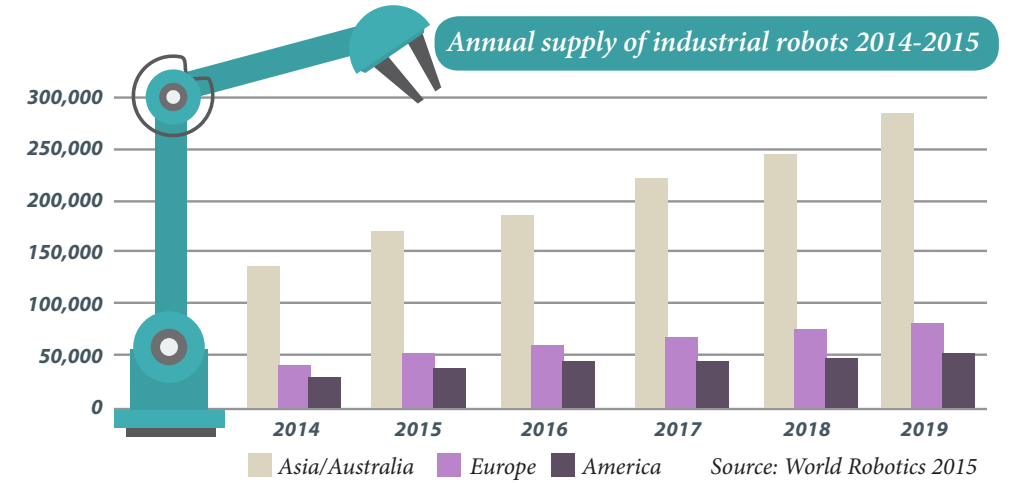
			
Industry 1.0	Industry 2.0	Industry 3.0	Industry 4.0
The mechanical weaving loom, water and steam power	First production line Mass production using electrical energy	First programmable logic controller (PLC). Use of electronics and IT for further automation	Based on cyber physical systems (linking real objects with info. processing/virtual objects & processes via information networks [e.g. the Internet].
1784	1970	1969	Today

A modern factory’s intranet may now be run by robots capable of automatically switching between tasks based on real-time inventory needs, and adjusting parts that are misaligned or have fallen over on the assembly line. The resulting increase in efficiency may tempt future manufacturers to switch to so-called “dark factories”, where so few people would be needed that most of the day-to-day operations could be left to the machines.

Such speculation drives worries that human workers may be left on the losing side of the equation, and the estimated effects on employment numbers do indeed vary. But there is plenty of reason for optimism, even among workers themselves, based on the performance surrounding similar technology that has already been introduced elsewhere.

Smart cars are on their way to America, and one demographic that has openly expressed fear for its livelihood has been that of truck drivers. While self-driving trucks do eliminate the need for human guidance, this feature works only on highways and main routes. Trucks on city streets and other zones where traffic is encountered still require human control, meaning that the driver still needs to be there to take over when necessary. The technology is nevertheless tremendously helpful, because it obviates the need for truck drivers to be alert and driving for extended periods of time. The new system results in safer work for drivers, faster delivery over longer distances for companies, and the added benefit of providing gainful employment to the companies producing the smart car systems in the first place.

This last benefit should not be overlooked. Even if advanced robotics allows factories to operate with fewer staff, someone still has to design, program, produce, and test the robots themselves. This task is likely to fall to the same regions where other types of production are already in full swing. In 2015, for example, Thailand had 7,500 employees in the industrial robotics industry. By 2018, according to the International Federation of Robotics, that figure is expected to double. Over 60 companies in Thailand already produce robotics for industry, a number that will surely grow over time.



Ripple effects tend to follow from upgrades of this type. Education generally adapts to industry, and jobs in design, programming and production of robotics will lead to upgrades in the educational infrastructure across the region, making new engineering graduates more competitive in job markets worldwide.

Thailand’s BOI, sensing the opportunities available with the country’s successful adoption of advanced robotics in manufacturing, is providing strong incentives to businesses in the field. These include exemption of corporate income tax for 8 years, with an additional 50% reduction for the following 5 years. Import duty on machinery and raw materials will likewise be exempted, and land ownership for foreign investors in this field will be allowed.



Amata Vision

Successful Management Starts From Within

By Warapatr Todhanakasem
Director at Amata Corporation Public Company Limited

Thailand’s 1997 financial crisis was a turning point – not just for the economy, but for the entire region. Management standards used to be very loose, with too many corners cut and too little attention paid to running companies in a sustainable way that encouraged long-term internal health and success.

To earn back the trust of investors, the country needed stricter standards on corporate governance and transparency, beginning with the establishment of a reputable agency to audit internal practices at a management level. Were companies taking their Code of Conduct policies seriously? Were their stated principles being observed and enforced? Were they making sincere efforts to develop the skills and morale of their employees?

The new era of accountability ensured that businesses would need to invest in responsible internal governance practices because potential investors could easily find out whether any given company was built on solid foundations. By and large, businesses made the right adjustments, money started coming back in, and Asian economies began to rise once again.

Put simply, the investors were right. My fifteen years as a management trainer and facilitator has taught me that the right internal governance does indeed make the difference between a company that is on a tenuous lucky streak and one that has the underpinnings of real success in the long run.

Throughout my time as a formal and informal adviser to businesses across Asia, I have found that the most important single variable to a company’s success is the level of motivation within management to commit to sound business practices. A dedicated team can always improve on its missteps, given the right training.

I have maintained a close relationship with Amata from the beginning, and have always viewed it as a model for professionalism in its commitment to its employees as well as its principles. One of my most powerful memories of Khun Vikrom’s dedication to his original vision comes from his response to an environmental issue decades ago. He had insisted on an Amata policy of producing zero pollution, but a factory belonging to one of our tenants had set itself up in a way that allowed dirty runoff to enter a nearby river.

Vikrom’s response was unequivocal. Although the pollution didn’t technically come from Amata itself, the surrounding community would nevertheless suffer because of it. Therefore, it became Amata’s responsibility, and so the estate would need to take action to prevent the runoff.

Amata’s approach to its own employees shows a similar sense of responsibility, on the principle that the happiest employees will be the best ones. Accordingly, we provide healthy meals free of charge for all our on-site staff, as well as medicine and vitamins when needed. Personal development is also key; Amata invests in English-language learning for employees at all positions, and promotions are often contingent on language ability, as well as job performance.

A successful company culture is one where employees are treated as friends, hard work is rewarded, and good relations are maintained with the community at large. In Thailand, Vietnam, and beyond, the trends for corporate governance are moving in the right direction, and a continued focus on holistic development suggests a bright future for the region. In a win-win corporate culture, everybody does indeed win.



Customers in Profile

*Thomas Chambers, Managing Director
Continental Automotive Thailand*

Guiding Continental's new office and factory through their initial stages has been a great responsibility over the years, but the sense of teamwork and achievement has made it more than worthwhile.

The fast-moving innovation and excitement across the industry represents an extra reward for Thomas and his team. Continental is at the leading edge of some of the auto industry's hottest trends, including automated driving, advanced driving safety technology, heads-up displays, and fuel supply systems, as well as fundamental components such as tires and brakes.

As the industry changes, so must Continental. Its products used to be exclusively mechanical in nature, but the shift toward electronics has prompted Continental to bring aboard 8,000 software engineers, all working to develop the next generation of automobile components. Success in the new business landscape requires a fundamental re-thinking of business. As Thomas puts it, "I think of us as a well-balanced tech company that happens to be in the automotive industry."

That well-balanced approach has also become a key philosophy for those within the company. Continental's four core values – 'Freedom to Act', 'Trust', 'Passion to Win', and 'For One Another' – provide an internal culture of teamwork, support, and the kind of autonomy that leads to true innovation.

Thomas likewise keeps his own life as balanced as possible, given his demanding travel schedule. Motorbike racing is one of his special passions, and it has the added bonus of requiring total commitment and focus, so that his mind can be entirely free from business for a few hours at a time. While not racing, he can often be found playing golf, water sports, or simply relaxing at the beach.

With this healthy approach to business and life, Thomas sees himself and his multinational team as a perfect fit for the welcoming culture that can be felt across Thailand. For financial and logistical reasons as well, the country also happens to be an ideal hub for the manufacture of automotive components across ASEAN, particularly as it presents a perfect fit for BOI incentive programs.

The economic fundamentals of Thailand, in particular, have proven themselves to be strong over time, most notably in the period following the 2009 economic crisis. Continental never wavered in its commitment to its Thai locations during that time, and has since been rewarded with an extended period of growth and expansion.

With its clear and confident vision of the road ahead, Continental seems poised to continue its successful run in Thailand and overseas. Thomas, for his part, looks forward in equal measure to the next innovation on the horizon, as well as

his next chance to take his motorbike out to the racetrack – powered by Continental parts, of course.

Continental Automotive provides systems and components for cars and motorcycles worldwide.

Product lines: brake systems, powertrain and chassis components, automotive safety equipment, vehicle electronics and tires
Corporate office: Hanover, Germany
Branches: 430 locations in 55 countries
Revenue: 39.2 billion euros (2015)
Number of employees in Thailand: 490
Number of employees worldwide: Over 200,000
Owned by: Schaeffler Group

Continental Automotive takes an active role in CSR projects, providing annual road safety workshops for secondary school students in Rayong. Continental has delivered training to over 1,000 students through this program over the past five years and have provided 750 free motorbike helmets. Continental staff have also participated in mangrove tree planting (1,400 trees) in a salt-water marsh, and the company donated food and supplies to Ayutthaya in 2011 in a flood relief effort.

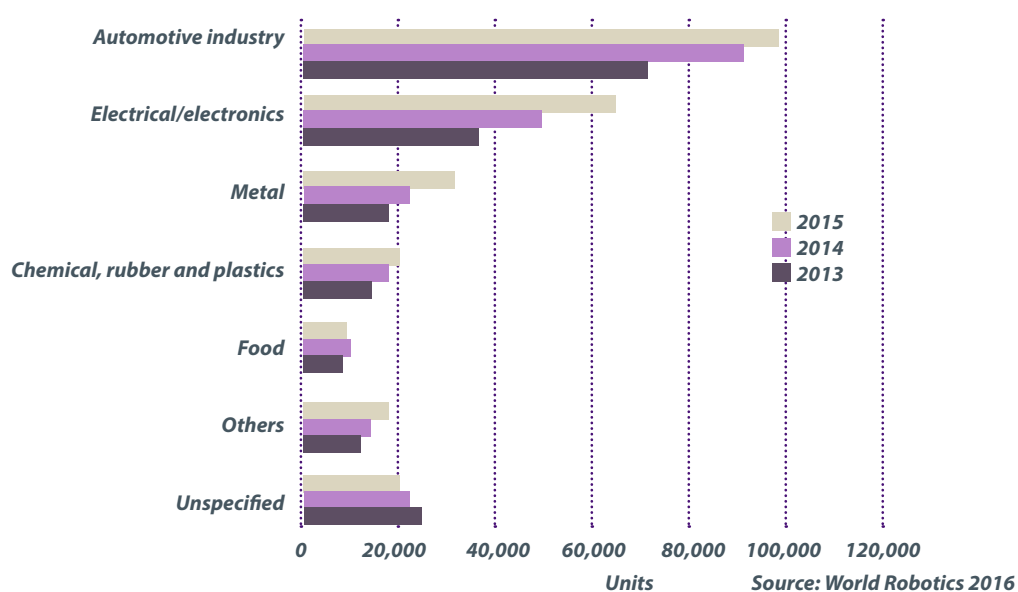
Industry 4.0

Continued from Page 2

Other government agencies, such as the Ministry of Finance, are also considering offering additional benefits to companies involved with robotics. These benefits are even more attractive when considering the relatively low 3% import duties on machinery in Thailand. Other countries in Asia, notably China, are offering attractive packages to robotics companies as well.

Among those in line to benefit most from this new era in manufacturing are the big automakers, more than a dozen of which have factories in Thailand. Electronics and makers of machinery are also expected to rely heavily on the new technology in the future, as are the major players in agriculture and food processing.

Estimated worldwide annual supply of industrial robots



Such an irresistible trend is well on its way toward changing the face of production worldwide. With the era of Industry 4.0 now upon us, robots on the production line will soon be as common a sight as hard hats and safety goggles – with an increase in output to accompany them.

CSR at Amata



Caring for Kids

Amata Vietnam's CSR team continually aims to help less fortunate and disabled children.

From contributions collected at Amata Vietnam's 20th Anniversary celebration charity fundraiser, activities have been organized to help upgrade infrastructure and facilities at children's care centers – the Bien Hoa Orphan Training and Sponsor Center and the Dong Nai Disabled Orphan Education and Care Center – in nearby communities. Donations

also included needed daily goods, toys, food supplements, stationery, and other items worth around VND 150,000,000 (USD 6,700). Also, a cheque was presented to Dong Nai Red Cross.

The organization is making it possible so that less fortunate children with heart disease can receive necessary treatments, including vital surgeries.

Customer News

Vietnam's leading footwear manufacturer expands to Amata City Bien Hoa



Lai Khiem, General Director, Dona Biti's Imex Corp. Pte. Ltd., and Sudo Osamu, Senior Marketing & Sales Manager, Amata (Vietnam) JSC, are holding the agreement.

Dona Biti's Imex. Corporation Pte. Ltd. is the leading footwear (slippers, sandals, sports shoes, fashion shoes, and others) manufacturer in Vietnam, with over 4,000 shops and agents nationwide and exporting to more than

40 countries all over the world. The company signed a property lease agreement with Amata (Vietnam) JSC for the lease of a land plot at Amata City Bien Hoa of 34,000 square meters. Dona Biti's will invest around VND 150 billion (USD 6.6 million) in the new factory, expected to be ready by early 2018.

Laris Global Thailand to triple production capacity after new mill ground breaking



From left: Mr. Nopporn Phatthararuchi, Country Manager (Thailand); Mr. Akarathon Sereechaikul, Mill Manager/Managing Director; Mrs. Hoany Muljadi, Chief Executive Officer; and Mr. Tonny Widjaja, Finance Director.

Laris Global (Thailand) Co., Ltd., the manufacturer of tissue paper made from 100% virgin pulp (natural tissues), including the brands Paseo, Nice, Jolly, and Livi, organized a ground breaking ceremony of the new mill over 100 rai (160,000 sqm) in size at Amata Nakorn Industrial Estate to triple its production capacity. The investment budget is over 1.5 billion baht.

The company intends to respond to consum-

ers' needs with the tissue paper made from 100% natural tissue that brings customers soft touch and safety, but no phosphor and no bleaching powder (OBA free); heavy metal residues are not included. The company selects 100% natural tissue from eco-friendly and sustainable forests where new trees are planted continually. Consequently, the products are eco-friendly, easy to decay, and do not lead to bacteria accumulation. Products are sterilized at high temperature, so it is confident that all brands under Laris Global are clean, natural, and safe.

Molding expert Tontec Precision Tooling signs deal with Amata



Veerajak Jareonleena, Managing Director Tontec Precision Tooling (Thailand) Co., Ltd., center, is seen with Amata Corporation PCL's Chackchai Panichapat, Executive Director (right), and Viboon Kromadit, Chief Marketing Officer (left).

Tontec International's subsidiary, Tontec Precision Tooling (Thailand) Co., Ltd., recently signed a land purchase and sale agreement with Amata Corporation PCL. for a plot of land of 12 rai at Amata Nakorn, Chonburi. Tontec Company was established in 1982 with headquarters in Hong Kong. It operates several modern and advanced manufacturing plants throughout China. Tontec International

produces high quality products; its expertise covers plastic injection molding, metal stamping, mold and die making, silk screening and pad printing, spray painting, and assembly.

We are much honored that Tontec has chosen Amata for its first plant in Thailand and the ASEAN region. Welcome to the Amata Family!

www.tontec.com

McCormick grows at Amata with new facility



Michael Bratan, Director Global Engineering McCormick shakes hands with Chackchai Panichapat, Executive Director Amata Corp. Also in the photo: Thitigorn Rojanasasitornwong, Business Development Director SEA and General Manager McCormick Thailand (second left); Kiattisak Racsenawanich, Finance and Admin Manager McCormick Thailand (far left); Ian Hamilton, Director Industrial Services Colliers International Thailand (far right); Viboon Kromadit, Chief Marketing Officer Amata Corporation (third from right); and also from Amata, Chatrakarn Tumpakorn, Sales Executive

The sale agreement McCormick Thailand and Amata Corporation have signed represents a major milestone towards supporting McCormick's growth plans in Thailand and Southeast Asia. McCormick Thailand started operations in 2003 through the opening of its existing manufacturing facility located in the Eastern Seaboard Industrial Estate Rayong, serving industrial customers located in Thailand and overseas.

"To be better able to support our customers, and our overall growth ambitions for Southeast Asia, we are excited to be investing in the construction of a new facility in Thailand at Amata Nakorn," says Daniel Moorfield, McCormick President, Asia Pacific Zone.

Following a USD 30 million investment, McCormick's Thailand new facility in Amata Nakorn, built on a plot of 12 rai, will support industrial and retail customers in Thailand, across the region, and globally. By consolidating McCormick's current manu-

facturing capabilities from Thailand and Singapore, the company will create a much more flexible and efficient supply chain operation. When fully operational, the new facility will create 200 jobs, operating across three shifts.

Michael Bratan, McCormick's Director of Global Engineering, adds, "After a thorough evaluation, we believe Amata Nakorn Industrial Estate is a perfect match to our long-term growth journey in Thailand. We have been thoroughly impressed by the quality of the infrastructure across the Industrial Estate and the high level of professionalism of everyone on the Amata team. We are looking forward to a successful business relation for many years to come."

We are truly proud to welcome McCormick to the Amata family and wish you every success to come!

www.mccormickcorporation.com

Business Center

Krungsri organizes special seminar for Japanese customers



Krungsri (Bank of Ayudhya PCL) organized a special seminar for Japanese customers in Amata Nakorn Industrial Estate and nearby areas to share an insightful overview of Thailand's market and economy including the outlook for the second half of 2016. Mr. Masashi Onodera, Krungsri Deputy Head of JPC/MNC Banking, delivered the opening remarks and welcomed Japanese executives, as well as three speakers who are

specialists in financial market, economy, and cash management service. The seminar, arranged at Amata Spring Country Club, also introduced the new Krungsri Business Center at Amata Nakorn Industrial Estate Chonburi, which serves international trade, international fund transfer, and domestic cash management services for Thai, multinational, and Japanese customers whose production bases are located in the industrial estate.