

แนวโน้มและปัจจัยของการซื้อและความรวมกิจการของรัฐกิจ
ในประเทศไทย

นาย ทรงวุฒิ วรรณบวร

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จุฬาลงกรณ์มหาวิทยาลัย

วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาวิศวกรรมศาสตรมหาบัณฑิต

สาขาวิชาการจัดการทางวิศวกรรม ศูนย์ระดับภูมิภาคทางวิศวกรรมระบบการผลิต

คณะวิศวกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2545

ISBN 974-17-1482-3

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

TREND AND FACTORS OF MERGERS AND ACQUISITIONS
OF BUSINESS IN THAILAND



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สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Engineering in Engineering Management
The Regional Centre for Manufacturing Systems Engineering

Faculty of Engineering
Chulalongkorn University

Academic Year 2002

ISBN 974-17-1482-3

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Thesis Title Trend and factors of Mergers and Acquisitions of
Business in Thailand

By Mr. Songwut Wannaborworn

Field of Study Engineering Management

Thesis Advisor Asst. Prof. Suthas Ratanakuakangwan

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(Trend and factors of Mergers and Acquisitions of business in Thailand) อ.ที่ปรึกษา: ผศ. สุทัศน์

รัตนเกื้อกั้วาน, 375 หน้า, ISBN 974-17-1482-3

การประกอบธุรกิจในปัจจุบันมีการแข่งขันที่รุนแรง และคู่แข่งได้พัฒนาตัวเองอย่างต่อเนื่องเพื่อแข่งขันใน
โลกธุรกิจ การเกิดขึ้นของการหดตัวทางเศรษฐกิจทั่วโลกและการเข้ามาของข้อตกลงการค้าเสรีทำให้การดำเนินธุรกิจ
ในปัจจุบันไม่อาจหลีกเลี่ยงการเปลี่ยนแปลงนี้ได้ คณะผู้บริหารจึงจำเป็นต้องนำองค์กรของตน ไปสู่ทิศทางที่อยู่รอดได้
ด้วยการปรับเปลี่ยนองค์กรและนำกลยุทธ์ที่เหมาะสมมาใช้ การซื้อและควบรวมกิจการเป็นกลยุทธ์หนึ่งที่น่าสนใจและ
เป็นที่นิยมอย่างแพร่หลายในยุโรปและสหรัฐอเมริกาในปัจจุบันนี้ ถึงแม้ว่าปัจจุบันนี้ในประเทศไทยการซื้อและควบ
รวมกิจการยังไม่เป็นที่นิยมแพร่หลายนักแต่จะเห็นได้ว่าการซื้อและควบรวมกิจการก็เป็นอีกหนึ่งทางเลือกที่น่าสนใจ
ในการตัดสินใจเพื่อความอยู่รอดและได้มาซึ่งความได้เปรียบของธุรกิจในประเทศไทย

ในเบื้องต้นของวิทยานิพนธ์ฉบับนี้ ได้ทำการศึกษาถึงทฤษฎีต่างๆที่เกี่ยวข้องกับการซื้อและควบรวมกิจการ
อีกทั้งได้นำกรณีศึกษาของการควบรวมกิจการของสองบริษัทในประเทศอินเดีย (Tata Oil Mills Company และ
Hindustan Lever Limited) มาแสดงให้เห็นถึงขั้นตอนต่างๆในการควบรวมกิจการรวมถึงแรงจูงใจในการควบรวม
กิจการ แล้วจึงทำการศึกษาการซื้อและควบรวมกิจการจากกรณีศึกษาต่างๆ 671 กรณีที่เกิดขึ้นตั้งแต่ปีพ.ศ.2540 ถึง ไตร
มาสแรกของปีพ.ศ.2545 จากนั้นจึงได้ทำการศึกษาปัจจัยอื่นๆที่มีผลต่อการซื้อและควบรวมกิจการของธุรกิจในประเทศไทย
เริ่มต้นด้วยการศึกษาข้อมูลต่างๆที่ใช้ในการตัดสินใจประกอบธุรกิจในประเทศไทย จากนั้นจึงศึกษากฎหมายที่
เกี่ยวข้องกับการซื้อและควบรวมกิจการทั้งในประเทศไทยและต่างประเทศ ต่อมาจึงศึกษาดัชนีหลักบ่งชี้เศรษฐกิจของ
ประเทศไทย หลังจากนั้นจึงศึกษาความสามารถในการทำกำไรจากผลประกอบการย้อนหลัง 5 ปีของบริษัทที่ประกอบ
ธุรกิจในประเทศไทยและจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย

จากการวิเคราะห์เหตุผลที่ก่อให้เกิดการซื้อและควบรวมกิจการ จากกรณีศึกษาพบว่ามาจากความต้องการทำ
ให้องค์กรเติบโตและได้มาซึ่งผลประโยชน์จากความสอดคล้องตามลำดับ เมื่อพิจารณาเหตุผลเหล่านี้อย่างละเอียดจะ
พบว่า “ความสอดคล้องทางการปฏิบัติการ” และ “การขยายธุรกิจ” เป็นปัจจัยภายในที่สำคัญ สำหรับปัจจัยภายนอก
การศึกษาปัจจัยที่เกี่ยวกับการประกอบธุรกิจในประเทศไทย พบว่าประเทศไทยเป็นประเทศหนึ่งที่น่าสนใจจะลงทุน
เนื่องจากมีผลประโยชน์ที่เอื้อต่อนักลงทุน ในส่วนของปัจจัยด้านกฎหมายที่เกี่ยวข้องกับการซื้อและควบรวมกิจการ
พบว่ามีการลดข้อจำกัดลงในหลายเรื่องและเอื้อต่อนักลงทุนจากต่างชาติ ดังนั้นจึงเป็นการจูงใจให้ต่างชาติเข้ามาลงทุน
ในธุรกิจในประเทศไทยเพิ่มขึ้น การศึกษาปัจจัยทางเศรษฐกิจของประเทศไทยพบว่าบรรยากาศในการลงทุนค่อนข้างดี
สำหรับความสามารถในการทำกำไรของบริษัทที่ประกอบธุรกิจในประเทศไทยและอยู่ในตลาดหลักทรัพย์แห่งประเทศไทย
ไทยส่วนใหญ่อยู่ในเกณฑ์ดีแต่ก็มีบางกลุ่มธุรกิจที่อยู่ในเกณฑ์ที่ไม่ค่อยดีนัก

การซื้อและควบรวมกิจการในประเทศไทยในอนาคตมีแนวโน้มที่จะเพิ่มจำนวนขึ้น เนื่องมาจากมีหลายๆ
ปัจจัยสนับสนุนและธุรกิจที่เกี่ยวกับการผลิตในประเทศไทยจำเป็นต้องปรับตัวและนำกลยุทธ์ใหม่ๆเช่น “การรวมเข้า
ด้วยกันในพื้นที่ทางภูมิศาสตร์” เพื่อการอยู่รอดของธุรกิจ

ศูนย์ระดับภูมิภาคทางวิศวกรรมระบบการผลิต

สาขาวิชา การจัดการทางวิศวกรรม

ปีการศึกษา 2545

ลายมือชื่อนิติกร.....

ลายมือชื่ออาจารย์ที่ปรึกษา.....

4271618921: MAJOR ENGINEERING MANAGEMENT

KEY WORD: TREND AND FACTORS / MERGERS / ACQUISITIONS / BUSINESS

SONGWUT WANNABORWORN: TREND AND FACTORS OF MERGERS AND ACQUISITIONS OF BUSINESS IN THAILAND. THESIS ADVISOR: ASSISTANT PROFESSOR SUTHAS RATANAKUAKANGWAN, 375 pp. ISBN 974-17-1482-3

In today business, competition is intensive and competitors continuously improve themselves to compete in marketplace. Unfortunately, due to an occurring of economic recession throughout the world and the coming agreement of free trade, doing business nowadays can't avoid the effect of these changes. Management has to lead its organization in a survivable direction by adjustment its organization and inducement suitable strategies. Mergers and Acquisitions (M&A) is now an attractive strategy and widely popular in Europe and United State of America. Although in Thailand nowadays M&A aren't widely popular but it is an interesting alternative in making decision to survive or gain advantages in Thailand's business.

At the beginning of this thesis, the theory of Mergers and Acquisitions were studied and merging case study of two businesses in India (Tata Oil Mills Company and Hindustan Lever Limited) was shown to illustrate the process of merging company and motives of merging. The study of history of M&A deals from collected 671 cases of Mergers and Acquisitions during 1997 to the first quarter of 2002 was, then, studied. After that, other factors relating to Mergers and Acquisitions of business in Thailand were studied. Beginning with study of information using in making decision to do business in Thailand. Then law relating with Mergers and Acquisitions both in Thailand and other countries are studied. Thailand's key economic indicators are, then, considered. After that, past 5 years profitability performance of companies in Stock Exchange Market of Thailand are studied.

From the analysis of reasons of Mergers and Acquisitions case study, the most attractive reasons behind these deals are the need to "make business growth" and "gain synergy", respectively. When deeply consider these reasons, "operating synergy" and "expanding business" are the key internal factors. For external factors, the study of factors relating doing business in Thailand is found that Thailand is attractive to invest in due to many benefits given to investor. For the factor of law relating with M&A, it is found that many limited regulations were released and special benefit was giving to foreign investor so it can draw foreign investors to invest in Thailand more. The economic factor studied was found that climate for investment in Thailand is quite good. For the profitability performance of most companies in Stock Exchange Market of Thailand were quite good but in some group of companies experienced trouble in recent past five years.

The M&A activity in Thailand in the future tend to increase due to many factors support it and manufacturing business in Thailand has to adjust and induce new strategy such as "Consolidate within a Geographic Area" to survive itself.

The Regional Centre for Manufacturing System Engineering

Student Signature.....

Field of Study Engineering Management

Advisor's Signature.....

Academic Year 2002

Acknowledgement

For my first appreciation, I would like to give to Assistant Professor Suthas Ratankuakangwan, my thesis Advisor for his invaluable suggestions through out my thesis.

Second, thank you Professor Dr. Sirichan Thongprasert and Associate Professor, Dr. Chuvej Chansa-ngavej for being the members of the examination committee and every suggestion.

Last, thank you my family and my friends for supports and will power particularly my parents for love and believe in me.



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CHAPTER 1

INTRODUCTION

1.1 Background of the Research

As society is dependent on its wealth to advance, and as corporations are a major contributor to societal wealth, it is important to understand how and if, corporate wealth is increased through corporate mergers and takeovers. If there is no potential for increased wealth for the shareholders in a planned takeover, there is no potential for societal wealth to increase and the shareholders should not approve the plans.

In relation to the above statements, it is widely believed that mergers and acquisitions are a result of strategic decisions taken in order to maximize a company's growth by improving its operational capacity. Hence, M&A have become a useful financial technique in building mega corporations with large resources to compete in an increasingly competitive world of business. Moreover, the process of globalization has fueled the pace of M&A activity due to the elimination of trade barriers, free flow of capital across countries, deregulation of economies and their integration with other economies.

The benefits of mergers may come in the form of economies of scale through efficient production, increased market share, reduced competition and better use of resources. The increased efficiency and profitability as a result of M&A can lead to value creation for the combined firm. However, this is not always true. In terms of the national economy as a whole, M&A may lead to adverse impact on the economy through the creation of a monopoly power. Further, M&A are also seen by stock market speculators as a route to short-term gains which may also have bad effect on the overall economy. Therefore, the costs and the benefits arising out of M&A need to be considered carefully. Hence, the government has to play an important role to regulate the process of M&A activity.

Due to the free flow of cash across countries, the financing of M&A has become an important issue and the role played by the financial institutions needs to be examined. In addition, the final success in terms of future growth of the merged company will depend upon the people concerned with the company, from the shop floor worker to the senior management. This is because when two or more companies come together to form a single entity, the different corporate cultures of the merging companies may lead to conflicts that may hamper its future prospects. To cope with such diverse cultures, the human resource department must be adequately trained so that they can bring about a streamlined and harmonious merger of the cultures and deal effectively with personnel problems.

In today business, there are intensive competition due to the effect of economic recession through the world and the agreement in free trade. Management has to decide to change strategy to survive their organization and to gain the advantage from both domestic and foreign competitions. Mergers and Acquisitions (M&A) is now an attractive strategy and widely popular in Europe and United State of America. Although in Thailand nowadays M&A aren't widely popular but it can be seen that it is an interested alternative in deciding to survive or gain an advantage in Thailand's business.

1.2 Statement of the problem

1. There are rivalry competitions in today business of Thailand so many companies find the way to survive and M&A is one of the interested alternatives.
2. Thailand is one of the countries in Asia the international companies want to expand their business so M&A with Thai companies is an attractive way to do business in Thailand.
3. The free trade agreement in this near future urges Thai companies to adjust their business to be able to compete with international companies so merging or acquiring with other Thai companies can be one of alternative ways to success.

1.3 Objective of the Research

1. To determine trend of M&A of business in Thailand.
2. To identify factors incurring M&A of business in Thailand.

1.4 Scope of the Research

1. Thai company selected to analyze is only the company registered in Stock Exchange Market of Thailand.

1.5 Expected Results

1. To know trend of M&A in Thailand.
2. To know factors incurring M&A in Thailand.
3. To find the way for survival of the business in Thailand.

1.6 Research Procedure

1. Problem identification
2. Literature Survey
3. Studying cases of M&A around the world
4. Studying cases of M&A in Thailand
5. Studying Thai companies' financial statements and the crucial event for M&A in Thailand.
6. Comparing the factors incurring M&A from case study of M&A around the world with Thai company.
7. Analyzing trend of M&A in Thailand.
8. Evaluation and conclusion trend of M&A in Thailand.
9. Writing up thesis.
10. Examination

CHAPTER 2

RELATED DOCUMENTS AND RESEARCHES

2.1 Definition of Mergers and Acquisitions

The combination of business organizations may take forms of mergers, acquisitions, amalgamations and takeovers.

Merger is a term of business transaction that forms one business or economic unit by the combination of two or more business units. In a merger, one or more companies may combine with an existing company or they may combine to form a new company. In an *absorption merger*, all companies but one lose their separate identities where as in a *consolidation merger*, all companies are legally dissolved and a new entity is created. The principle characteristic of a merger is that the acquiring company takes over the ownership of other company and combines its operation with that of its own.

Acquisition or takeover is the act of acquiring the effective control by one company over the assets or management of another company without any combination of the companies. Therefore, in an acquisition two or more companies may remain independent, separate entities, but there may be a change in control of companies. A company having a minority ownership can gain effective control over another company. Different countries have regulations governing minority ownership. When the management of the acquiring and target companies mutually and willingly agree to a takeover, it is called *friendly takeover*, otherwise, it is termed as a *hostile takeover*.

2.2 Types of Merger

There are three basic types of mergers:

1. Horizontal Merger is a combination of firms in the similar line of business operation i.e. production, distribution etc. Motives for merger are to reduce operating cost through economies of scale and to gain dominant market share or power.

2. Vertical Merger is a combination of firms in different stages of production / distribution in the form of forward or backward integration. Motives for merger are to secure raw materials and to maintain constant demand for finished products.

3. Conglomerate is a combination of firms in unrelated lines of business operation and may be in the form of product-extension, market-extension, or pure conglomerate mergers. Motive for merger is to diversify the risk.

2.3 Motives for Mergers and Acquisitions

There are several reasons for firms to choose merging. Some firms believe that the combination will bring faster and steadier growth of earning per share for both companies. To achieve a more efficient capital structure is a crucial reason for some companies while some companies may acquire other companies in order to take advantage of certain managerial skills that are not available in their own firms. However,

there are arguments that are sometimes given for mergers are more equivocal. A number of motives that may explain why firms involve in merger activities are explained as following

1. Economies of Scale

Economies of scale which results in value addition by combining two firms, either from operational or financial sources is the primary source of synergy. This is based on the assumption that the managers of targets and acquirer maximize shareholder wealth and would engage in M&A activity only if it results gains to the shareholders of both the combining firms. The bigger the merged firm, the lower the unit costs, partly because of favorable operating leverage and partly because the duplication of functions is eliminated. The merged firm benefits from a larger fixed-cost base, which may help to lower unit costs.

2. Use of surplus Funds

The company having surplus cash and shortage of good investment opportunities should distribute the surplus cash to shareholders through dividend payment or by stock repurchase. However, if a company has better investment opportunities than stockholders and therefore decide not to offer dividends. In such case the firm may decide to purchase the shares of another company.

3. Diversification of Risk

To reduce risk or variability of earnings through the combination of firms in unrelated lines of business, diversification may be chosen. It is usually achieved in conglomerate mergers. Conglomerate merger can result in the reduction of total risk through substantial reduction of cyclical operations. Total risk will be reduced if the operations of the combining firms are negatively correlated. However, justification conglomerate merger on the basis of economies is quite difficult due to it does not help to strengthen horizontal or vertical linkages. Moreover, the stockholders can diversify their personal portfolios cheaper and more efficiently than a merger done by firms.

4. Eliminating Inefficiencies

The firms with better management may find the firms with unexplored opportunities to cut costs and increase sales and earnings as the targets for acquisition. Mergers with this motive provide a mechanism to remove poor management from target firms. The potential gains associated with acquiring a badly managed firm and improving its performance provide the incentive for acquirers to remove inefficient and entrenched management via takeovers.

5. Combining Complementary Resources

Two firms having complementary resources may merge due to each have what the other needs. The two firms are worth more together than apart because each acquires something it does not have and gets it cheaper than acting on its own. The missing elements necessary for the firm's success may involve raw materials, machinery, brands, distribution networks, etc.

6. Growth of Earning per share (EPS)

Acquiring another firm is a possible way to raise its earning per share. A stagnant firm may boost its EPS simply by acquiring a firm lower price-to-earning (P/E) ratio. Merger with this motive neither creates real gain nor increases the two firms'

combined value. Because of the two firm's stock prices remain unchanged, the price earnings ratio of merged firm falls.

7. Eliminating Financial Constraint

In the case that a companies experience constrained growth through internal development due to shortage of funds the companies can grow externally by acquiring another company by the exchange of shares and in the process, release the financial constraint.

8. Lower Financing Costs

High borrowing costs is one of the main problems many firms have to urgently solve. Many firms choose to merge in order to reduce borrowing costs. This because a large firm may secure bank loans more easily and at a lower cost. Two companies can guarantee each other's debt, therefore lowering cost of debt and hence the risk of the merged firm. However, the reduced borrowing cost does not mean a net gain for the merged firm.

9. Enhancing Debt Capacity

To solve the problem about stability of cash flows, two companies, with fluctuating, but negatively correlated, cash flows may choose to merge together. The stability of cash flows reduced the risk of insolvency and enhances the capacity of the new entity to serve a larger amount of debt. Hence, the debt capacity of the combined company can be greater than the sum of the two firm's capacities before their merger. The increased borrowing provides a higher interest tax shield that adds to the shareholders' wealth.

2.4 Tender Offer

Tender Offer is a formal offer to purchase a specific number of a company's shares at a specific price. The offer price is generally quoted at a premium in order to induce the shareholders to tender their shares. There are two ways to make a tender offer. The first one is the acquiring firm may directly approach the target firm for its acquisition or it may directly approach the shareholders of the target firm using tender offer. The second one is the tender offer may also be used without any negotiations which may lead to a hostile takeover.

However, there are reasons for the management of the target company to do not approve a tender offer such as

1. the acquiring company may change the present management with a new management.
2. the acquiring company may not understand the culture of the target company which can lead to failure.
3. the future plan of the acquiring company may not be in best interests of shareholders of the target company.

2.5 Information and Signaling

In M&A studies, it has been found that the shares of the target company experience upward movement even if the offer turns out to be unsuccessful. This is said to happen because of the new information generated through the tender offer and the revaluation is permanent.

2.6 Takeover Defences

There are several tactics can be employed by a target company to defend itself against a hostile takeover bid. These defences may vary in nature such as making the company less attractive to raiders or more difficult to takeover and hence discourage a prospective raider. Some of the most common forms of defences used by the targets are explained below.

1. White Knights

The directors of the target company may offer their company to a more friendly outsider. The friendly acquirer is referred as a “white knight”. This tactic is chosen as a last resort, when the company is about to be taken over, in the event the directors chose to work within one group than other.

2. Poison Pill

This tactic is to make itself unattractive to a potential bidder. In this case, the acquiring company may issue a large amount of convertible debentures to its existing shareholders to be converted at a future date when it faces a takeover threat. This makes the task of a prospective bidder more difficult since the number of shares to gain voting control of the firm will increase substantially.

3. Change in Asset and Ownership Structure

The target company may sell its assets which made it attractive as a target to a third party. It may also issue new securities having special provisions made to conflict with the aspects of a takeover bid.

4. Leveraged Recapitalisation

This technique is also known as a leveraged cash-out (LCO) and developed by Goldman Sachs in 1985. In this form of defence, outside shareholders receive a large one-time cash dividend and the managers and employee benefit plans receive new shares instead of the cash dividend. The cash dividend is financed mostly by newly borrowed funds comprising of senior bank debt and subordinated debentures. In the process, the firm’s leverage is increased to an “abnormally” high level to discourage takeover attempts financed mainly against the firm’s own assets. Also, the proportional equity ownership of the management rises through recapitalization. In many instances, new shares, called stubs, are issued to replace the old shares.

5. Greenmail and Standstill Agreements

Greenmail is termed in the case when a target company repurchases through private negotiation a large block of its stock from an individual shareholder or a group of shareholders at a premium. The premium on the buy-back is given to end a hostile takeover threat by the large block holder or greenmailer.

Standstill Agreement is written in the process of targeted repurchases. This is a voluntary contract in which the stockholder who is bought out agrees not to make further investments in the target firm during a specified period of time.

6. Crown Jewels

This tactic is the selling off certain highly valued assets of the firm that are aims of the bid. Many companies used this tactic to make themselves less attractive to a prospective bidder.

7. Golden Parachutes

Golden Parachutes are termed in the cases that the separation provisions of an employment contract that compensate managers for the loss of their jobs under a change-of-control clause.

2.7 Financing of Mergers and Acquisitions

Investment bankers and other financial institutions have devised many innovative ways of financing M&A activity. Among those techniques are Junk Bonds, Leveraged Buyouts (LBOs) and Employee Stock Ownership Plans (ESOP).

1. Junk Bonds

These are low quality, unsecured debentures, which are usually assigned a Baa rating and have a yield 3% to 5% more than superior quality bonds. This way of financing often leads to increase in their debt-to-capitalization ratio to dangerously high levels. These bonds tend to weaken the position of existing creditors.

2. Leveraged and Management Buyouts

Leveraged buyout (LBO) is termed in the case when a company is purchased or acquired by another company, or an outside individual using large amounts of debt to finance the purchase. It is usually 70 to 90 percent of purchase funds that are provided by debt finance in this type of operation. Because of this very high percentage of debt finance, the resulting post buy-out company is termed as highly leveraged.

Management Buyout (MBO) is a special case of leveraged buyouts in which management of a firm itself decides to take it's publicly held company private and are the main participants in the post-buyout equity holding.

3. Employee Stock Ownership Plans (ESOP)

Employee Stock Ownership Plans (ESOP) are the plans for the company that want to tender its own stock, paying for it by borrowing at a bank. The company then repays the loan from the employee stock fund. Due to several special advantages, these kinds of financing are attractive. They are also used to increase controlling stock ownership to prevent hostile takeovers.

2.8 Mergers and Acquisitions Process

An M&A program can be broken into five distinct steps. The process begins with a pre-acquisition phase that involves a careful evaluation of the acquired company and the industry it is in. The process ends with a carefully planned post-merger integration that is executed as quickly as possible to capture the premium that was paid for the acquisition. When a firm is looking for outside growth, it is useful to develop a careful program.

Step 1: Manage the Pre-acquisition Phase

The acquiring firm must take a proactive stance, maintaining secrecy throughout the entire program when undertaking an active acquisition campaign. The firm staff should also be trained to do valuation from an outsider's prospective using publicly available information. Valuation the acquiring company's own business units and their worth is a useful starting point. After having valued itself by doing SWOT analysis and

understanding the changing industry structure, the firm can then proceed to identify value-adding approach which will suit its own growth. There are three possible approaches:

1. Capitalize on functional economies of scale.
2. Benefit from technology or skills transfer.
3. Strengthen or leverage the firm's core business.

Step 2: Screen Candidate

The acquirer has to undertake its' own active screening process, independent of outside sources. Criteria such as firm size, location, preferred approach, overall performance, and availability should be developed to narrow the acquisition candidate should be considered by the firm. Each has its suitable place, but the level of activity varies at each state of an acquisition. Tax and legal advice is necessary at all places. After a list of candidates has been narrowed, the detailed work of valuing each candidate and identifying an explicit strategy for earning back the merger premium which the acquirer will have to pay.

Step 3: Value Remaining Candidates

The acquirer should consider the difference between the value to the company to and the price to be paid when doing a detailed valuation of the remaining candidates. The value of the acquirer needs to be added to the merger firm without any take over premium added in. Then, the value of the synergies that are realistic needs to be estimated. Partly, this includes an assessment of how long it will take to capture them. After subtracting any transaction costs for doing the deal, the rest is the value of the combined post-merger firm. Net value gained from the deal is the combined value less the value of next best alternative, usually the stand-alone value of the acquirer and less the price paid for the acquisition. The acquirer should not only value the realistic synergies but also those that may accrue to other potential acquirers.

Step 4: Negotiate

The acquirer should carefully choose the negotiating team. The financial condition of the other side, the ownership structure of the target firm should be clarified and bidding strategies should be developed in advance. There are several key steps in a negotiation strategy such as

1. The acquirer should assess the value of the acquisition to itself.
2. Assess the value of the acquisition candidate to the existing owners and potential buyers.
3. Assess the financial condition of the existing owners and other potential acquirers.
4. Assess the strategy and motivation of the existing owners and other potential acquirers.
5. Determine whether the other parties are using or will use a negotiation intermediary, and examine the history of their approaches.
6. Create a bid strategy, focusing on potential changes in value and on the initial offer, conditioned by the situation of the initial owners and of potential bidders.
7. Understand the potential impact of anti-takeover provisions.

Step 5: Manage Post-merger Integration

An acquirer has to carefully plan and implement the steps of post-merger integration to avoid destroying value. One of the most important aspects of post-merger integration is to quickly decide on common management goals. Senior management

meeting need to hammer out a new direction that both firms can subscribe to. In addition, the speed of action is crucial. A communication plan for both organizations must be developed to allay anxieties, and organizational structures and systems must be integrated to minimize operational disruptions and departures of talented people. Finally, the strategy of the combined entity must be clarified.

2.9 Corporate Restructuring

There are several forms of corporate restructuring- divestiture, equity carve-out, spin-offs, and split-ups.

Divestiture is a sale of a portion of the company to an outside party. The selling company is usually paid in cash, marketable securities, or a combination of the two. **Equity Carve-out** is a variation of a divestiture that involves the sale of an equity interest in a subsidiary to outsiders. The sale may not necessarily leave the parent firm in control of the subsidiary. The new equity gives the investors shares of ownership in the portion of the selling firm that is being divested. In an equity carve-out, a new legal entity is created with a stockholder base that may be different from that of the parent selling company. The divested company has a different management team and is run as a separate firm. A new legal entity is also created in a standard **Spin-off**. Once again new shares are distribution of shares, the stockholders on a pro rata basis. As a result of the proportional distribution of shares, the stockholder base in the new firm is the same as that of the old company. Although the stockholders are initially the same, the spun-off firm has its own management and is run as a separate company. One difference between a spin-off and a divestiture is that a divestiture involves an infusion of funds into the parent corporation whereas a spin-off normally does not provide the parent with a cash infusion. In a split-off, some of the stockholders in the parent firm are given shares in the firm, which are split off in exchange for their shares in the parent firm. Finally, in a **split-up** the entire company is broken up into a series of spin-offs. The end result of this process is that the parent company no longer exists, leaving only the newly formed companies. Sometimes a combination of a divestiture and a spin-off may occur. In this case, the firm's shares are both sold to the public and distributed to existing shareholders.

2.10 Framework for Financial Valuation of Mergers and Acquisitions

The information that is required for the valuation of the target company can be obtained through published literature of the company and also from the company's internal source. The commonly used techniques for valuation followed by the management and the financial analysts of both the acquirer and the target company are given below:

2.10.1 Price-Earning Analysis

(a) Share Exchange

This analysis should be used when there is a share exchange offer. The number of share exchanged is determined using the share exchange ratio which is the ratio of the market price of the shares of the acquiring and target company.

$$\text{Share Exchange Ratio (SER)} = \frac{\text{Share price of target firm}}{\text{Share price of acquiring firm}}$$

The price paid in acquisition depends on this ratio. The exchange ratio in terms of the market value of shares will keep the position of the shareholders in value terms unchanged, in the absence of net economic gain, after the merger since their proportionate wealth would remain at the pre-merger level. There is no incentive for the shareholder of the acquired firm, and they would require a premium to be paid by the acquiring company. Could the acquiring firm pay a premium and be better off in terms of the additional value to its shareholders? In the absence of net economic gain, the shareholders of the acquiring company would be worse-off unless the price-earning ration of the acquiring company remains the same as before the merger.

$$\text{Price / Earning Ratio paid} = \frac{\text{Price paid in acquisition}^*}{\text{EPS of the acquiring firm}}$$

* This is determined by the share exchange ratio

b) Market P/E Ratio

The price paid in acquisition can also be determined by estimating the industry average P/E ratio and EPS of the acquired company in the first year after acquisition.

$$\text{Price / Earning Ratio paid} = \frac{\text{Price paid in acquisition}^*}{\text{EPS of the acquired firm}}$$

* To be determined based on industry average

NOTE: The price paid in acquisition includes the premium to the acquired firm.

2.10.2 Market Value and Book Value Analysis

The acquiring company would exchange certain number of shares in order to maintain the market value of the acquiring company after merger. The appropriate number of shares to be exchange is calculated as follow:

$$\text{Total Market Capitalization} = \text{No. of Shares} \times \text{Market Value Per Share}$$

$$\text{Maximum No. of Shares to be Exchanged to maintain MV} = \frac{\text{Post-merger Total Market Value}}{\text{Pre-merger MV of acquiring firm}} - \text{Pre-merger no. shares of the acquirer}$$

The acquiring company would exchange certain number of shares in order to maintain book value of the acquiring company after merger. The appropriate number of shares to be exchanged is calculated as follow:

$$\text{Total Book Value} = \text{No. of Shares} \times \text{Book Value Per Share}$$

$$\text{Maximum No. of Shares to be Exchanged to maintain BV} = \frac{\text{Post-merger TBV}}{\text{Pre-merger BV of acquiring firm}} - \text{Pre-merger no. of the shares acquirer}$$

2.10.3 The Discounted Cash Flow Analysis

Information about an estimate of cash flows, the timing of cash flows, and the discount rate is required in order to make use of the discounted cash flow (DCF) analysis for decisions like acquisitions or divestitures.

The corporate earnings form the basis for estimating cash flows. Adjusting for depreciation, capital expenditure and working capital requirements should be included in the cash flows. Hence, the Net Cash Flow can be estimated using the formula:

$$\text{NCF} = \text{EBIT} (1-T) + \text{DEP} - \Delta \text{NWC} - \Delta \text{CAPEX}$$

where	NCF	=	Net cash flow
	EBIT	=	Earnings before interest and tax
	DEP	=	Depreciation
	ΔNWC	=	Change in net working capital, and
	ΔCAPEX	=	Change in capital expenditure

The suitable discount rate depends upon the riskiness of the cash flows. Due to the cash flows are expected from the target firm's operations, its cost capital should be used to discount the cash flows.

In DCF analysis for a merger, the following steps should be followed:

1. Identification of growth scenarios and profitability assumptions.
2. Projection of the magnitude of cash flows and their timings.
3. Estimation of cost of capital.
4. Computation of NPV for each of scenario.
5. Decision towards the attractive of the acquisition based on the NPV.
6. Obtain the equity value of the target's share.
7. Calculation of value per share that is the maximum price paid for acquisition including premium or discount.

2.10.4 Financial Statement Analysis

Relevant financial statement such as balance sheet, profit and loss statement, and cash flow statements are examined carefully when appraising the value of the target firm.

The target firm may attempt to temporarily alter the makeup of the balance sheet so as to receive a higher price for itself. The crucial areas to be considered in examining the *balance sheet* are:

1. Low-quality assets. It should be determined that the valuation of all major assets on the balance sheet accurately reflects the value these assets might command in the market place or their value to an acquirer.

2. Understated liabilities. Firms that are offering themselves for sale may want to understate liabilities to increase the value of the firm. Firms may estimate the potential in various areas such as litigation, health care, and pension liabilities.

3. Overstated receivables. A receivable is only as good as its likelihood of being paid. Receivables to firms that are in financial difficulty or that are subject to return policies may have to be revalued.

4. Inventory. Changes in the level of inventory from period need to be considered. A rapid build-up of inventory may signal a decreased marketability for the product.

5. Valuation of securities. For firms that have substantial assets in marketable securities, an analysis of the portfolio of the firm needs to be conducted. The marketability of each security in the portfolio should be determined. The increased volatility of securities has heightened the need to be cautious in valuing such assets.

6. Intangible assets. Intangible assets, such as goodwill, though difficult to value, may be quite valuable. The name of an established business with a sound reputation in the marketable may be valuable, even though it is intangible.

7. Real estate assets. Real estate assets have been a motivation for many takeover battles. The valuation of these assets is subject to the unpredictable changes of the real estate market.

8. Valuation of divisions. The valuation of companies becomes crucial in the highly leveraged takeovers. The value that a division, subsidiary, or major asset might bring in the market will only be known after it has actually been sold. This problem can be prevented if the sale of certain assets can be prearranged in advance with a third party.

In the *income statement*, the acquirer should examine the quality of earnings because some firms experiencing hard times may resort to accounting manipulations to generate income. Also, companies can recognize revenues for services that have not been performed and, in fact, may be performed in later time period. This has the effect of increasing the profits in the current time period.

Statement of cash flow would provide analysis and investors with valuable information on the cash receipts and cash payment of the firm. It shows the impact of the firm's operations, investment, and financial decisions on its cash position.

2.10.5 Financial Ratio Analysis

Ratio analysis is necessary in determining the performance of the target company. It is also useful in analyzing the post-merger performance of the target company so as to determine the success of acquisition. The formula for calculation of these ratios are given in Appendix A. The important ratio are explained following:

1. Liquidity ratios. The more liquid the firm is, in advance of takeover, the more likely it will not face liquidity problems if it assumes additional post-merger costs.

2. Activity ratios. The more favorable the activity ratios, the better the company is the potential target.

3. Profitability ratios. A decline in profit margin may make a firm vulnerable to hostile takeover if it causes the stock price to fall.

4. Debt ratios. An acquirer may consider a target firm with a relatively low debt ratio to be an ideal takeover target. Such a firm may have much unused borrowing capacity and may be vulnerable to a takeover. It is especially true for LBOs.

2.11 HISTORY OF MERGERS

Five periods of high merger activity, often called merger waves, have taken place in the history of the United States. These periods were characterized by cyclic activity, that is, high levels of mergers followed by periods of relatively fewer mergers. The first four waves occurred between 1897 and 1904, 1916 and 1929, 1965 and 1969, and 1984 and 1989. According to Patrick A. Gaughan (2002), merger activity declined at the end of the 1980s but resumed again in the early 1990s to begin the current fifth merger wave. The various merger waves provoked major changes in the structure of American business. They were instrumental in transforming American industry from a collection of small and medium-sized business to the current form, which includes thousands of multinational corporations.

The First Wave, 1897-1904

The first merger wave occurred after the Depression of 1883, peaked between 1898 and 1902, and ended in 1904 (Table 2.1 and Figure 2.1). Although these mergers affected all major mining and manufacturing industries, certain industries clearly demonstrated a higher incidence of merger activity. According to a National Bureau of Economic Research study by Professor Ralph Nelson, eight industries---primary metals, food products, petroleum products, chemicals, transportation equipment, fabricated metal products, machinery, and bituminous coal---experienced the greatest merger activity. These industries accounted for approximately two-thirds of all mergers during this period.

The first merger wave included many horizontal combinations and the consolidations of several industries.

Year	Number of Mergers
1897	69
1898	303
1899	1208
1900	340
1901	423
1902	379
1903	142
1904	79

Table 2.1: Mergers, 1897-1904

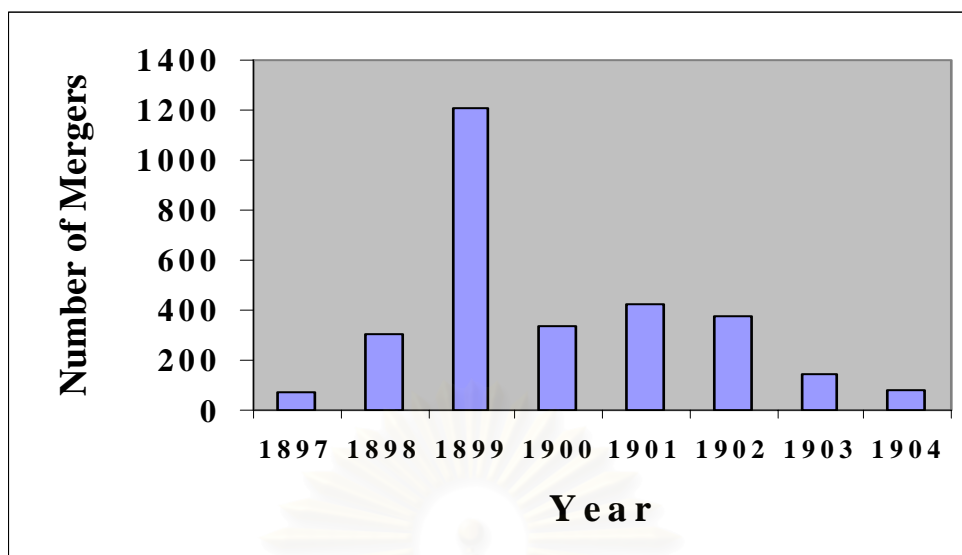


Figure 2.1: Merger of the first wave, 1897-1904

THE SECOND WAVE, 1916-29

During the second merger wave, several industries were consolidated. Rather than monopolies, the result was often an oligopolistic industry structure. The consolidation pattern established in the first merger period continued into the second period. During this second period, the American economy continued to evolve and develop, primarily because of the post-World War I economic boom, which provided much investment capital for eagerly waiting securities markets. The availability of capital, which was fueled by favorable economic conditions and lax margin requirements, set the stage for the stock market crash of 1929.

Between 1926 and 1930, a total of 4,600 mergers took place, and from 1919 to 1930, 12,000 manufacturing, mining, public utility, and banking firms disappeared.

The second merger wave bears some similarity to the fourth merger wave in that there was a significant use of debt to finance the deals that took place. Companies used a significant amount of debt in their capital structure, which provided the opportunity for investors to earn high returns but also brought downside risk if the economy slowed, as it soon did. One type of capital structure that became popular was the pyramid holding company, in which a small group of investors could control big business with a relatively small amount of invested capital.

The second merger wave ended with the stock market crash on October 29, 1929. “Black Thursday” would mark the largest stock market drop in history until the crash of October 1987. Although this collapse was not *per se* the cause of the Great Depression, it played a large role in it, for in contributing to a dramatic drop in business and investment confidence, business and consumer spending was further curtailed, thereby worsening the depression. After the crash, the number of corporate mergers declined dramatically. No longer focusing on expansion, firms sought merely to maintain solvency amid the rapid and widespread reduction in demand.

The number of mergers that took place during the first two waves demonstrates that investment banks generally supported merger activities. However, in the third merger period, the conglomerate era, the financial impetus for mergers would come from sources other than investment banks.

THE THIRD WAVE, 1965-69

The third merger wave featured a historically high level of merger activity. This was brought about in part by a booming economy. During these years, often known as the conglomerate merger period, it was not uncommon for relatively smaller firms to target larger companies for acquisition. In contrast, during the two earlier waves, the majority of the target firms were significantly smaller than the acquiring firms.

The number of mergers and acquisitions during the 1960s is shown in Table 2.2 and Figure 2.2. These data were compiled by W.T. Grimm and Company (now provided by Houlihan Lokey Howard & Zukin), which began recording merger and acquisition announcements on January 1, 1963. As noted, a larger percentage of the mergers and acquisitions that took place in this period were conglomerate transactions. The FTC reported that 80% of the mergers that took place in the 10-year period between 1965 and 1975 were conglomerate merger.²

The conglomerates formed during this period were more than merely diversified in their product lines. The term diversified firms is generally applied to firms that have some subsidiaries in other industries but a majority of their production within one industry category. Unlike diversified firms, conglomerates conduct a large percentage of their business activities in different industries.

Year	Number of Mergers
1963	1,361
1964	1,950
1965	2,125
1966	2,377
1967	2,975
1968	4,462
1969	6,107
1970	5,152

Table 2.2: Third Merger Wave, 1963-70

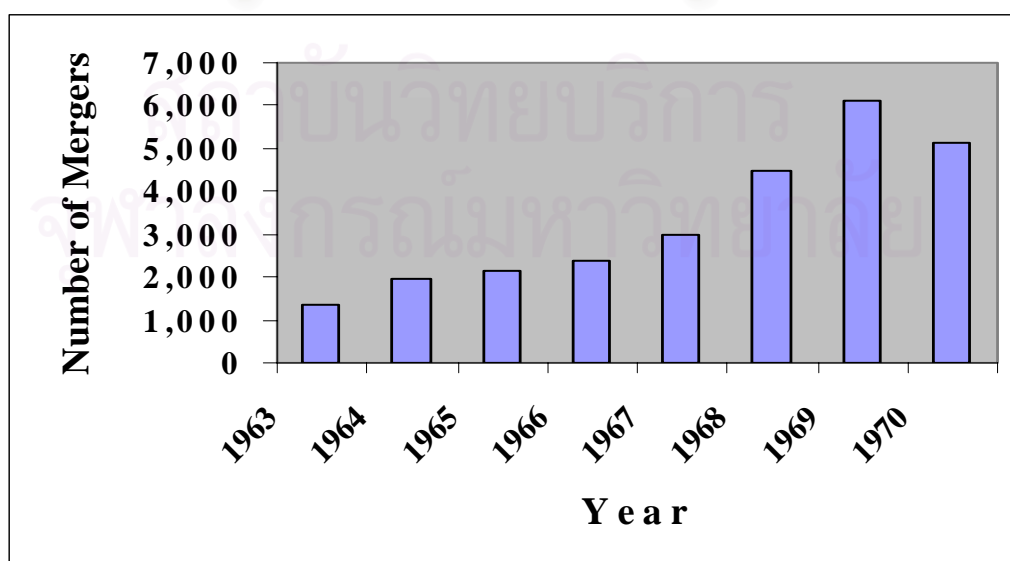


Figure 2.2: Third merger wave, 1963-70.

Because most of the mergers in the third wave involved the formation of conglomerates rather than vertical or horizontal mergers, they did not increase industrial concentration. For this reason, the degree of competition in different industries did not change appreciably despite the large number of mergers. Some 6,000 mergers, entailing the disappearance economy were not greatly reduced. This clearly contrasts with the first merger wave, which resulted in a dramatic increase in industry concentration in many industries.

THE FOURTH WAVE, 1981-89

The downward trend that characterized mergers and acquisitions in the 1970s through 1980 reversed sharply in 1981. Although the pace of mergers slowed again in 1982 as the economy weakened, a strong merger wave had taken hold by 1984. Table 2.3 shows the number of merger and acquisition announcements for the period from 1970 to 1989, and Figure 2.3 shows the decrease from 1974 to 1994. The unique characteristic of the fourth wave is the significant role of hostile mergers. As noted previously, hostile mergers had become an acceptable form of corporate expansion by 1908, and the corporate raid had gained status as a highly profitable speculative activity. Consequently, corporations and speculative partnerships played the takeover game as a means of enjoying very high profits in a short time.

Although the absolute number of hostile takeovers is not high with respect to the total number of takeovers, the relative percentage of hostile takeovers in the total value of takeover is large.

The fourth merger period may also be distinguished from the other three waves by the size and prominence of the merger and acquisition targets. Some of the nation's largest firms became targets of acquisition during the 1980s. The fourth wave became the wave of the megamerger. The total dollar value paid in acquisitions rose sharply during this decade. In addition to the rise in the dollar value of mergers, the average size of the typical transaction increased significantly.

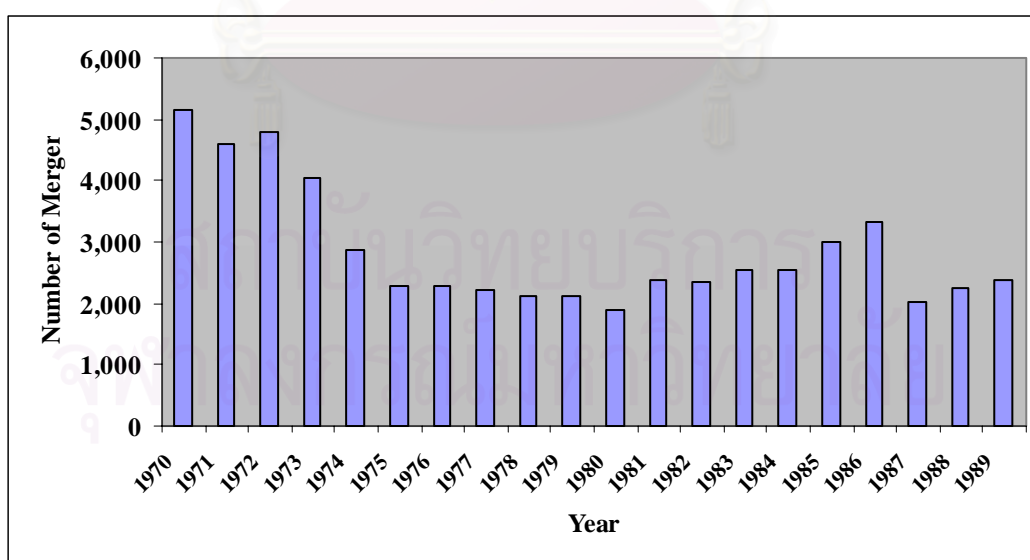


Figure 2.3: Merger and acquisition in fourth wave, 1963-1989

Year	Total Dollar Value Paid	Number of Mergers
1970	16,414.9	5,152
1971	12,619.3	4,608
1972	16,680.5	4,801
1973	16,664.5	4,040
1974	12,465.6	2,861
1975	11,796.4	2,297
1976	20,029.5	2,276
1977	21,937.1	2,224
1978	34,180.4	2,106
1979	43,535.1	2,128
1980	44,345.7	1,889
1981	82,617.6	2,395
1982	53,754.5	2,346
1983	73,080.5	2,533
1984	122,223.7	2,543
1985	179,767.5	3,001
1986	173,136.9	3,336
1987	173,136.9	2,032
1988	246,875.1	2,258
1989	221,085.1	2,366

Table 2.3: Merger and Acquisition Transactions, 1970-89 (\$ Millions)

THE FIFTH WAVE

Starting in 1992 the number of mergers and acquisitions once again began to increase. Large deals, some similar in size to those that occurred in the fourth merger wave, began to occur once again. Although the fifth merger wave featured many large megamergers, there were fewer hostile deals and more strategic mergers occurred. As the economy recovered from the 1990-91 recession, companies began to seek to expand and mergers once again were seen as a quick and efficient manner in which to do that. Unlike the deals of the 1980s, however, the transactions of the 1990s emphasized strategy more than quick financial gains. These deals were not the debt-financed bustup transactions of the fourth merger wave. Rather, they were financed through the increased use of equity, which resulted in less heavily leveraged combinations.

Because the deals of the early 1990s did not rely on as much debt, there was not as much pressure to quickly sell off assets to pay down the debt and reduce the pressure of debt service. The deals that occurred were motivated by a specific strategy of the acquirer that could more readily be achieved by acquisitions and mergers than through internal expansion.

Each wave brought with it certain uniquely different transactions, and the fifth wave was no exception. In the mid-1990s the market became enthralled with consolidating deals--what were called roll-ups. Here fragmented industries were consolidated through larger scale acquisitions of companies that were called consolidators. This occurred in many industries such as the funeral business, office products, and floral products. On the whole, it was an idea that initially may have had some merit but which was taken way too far. The market changed its view of these deals as we reached the late 1990s, and they failed to deliver on promised gains such as lower costs and greater synergies.

2.12 CASE STUDY OF M&A

This section includes an analysis of a case study of merging companies in India, Tata Oil Mills Company, which was merged with Hindustan Lever Limited, in 1993. Due to some limitations in information gathering, no sufficient primary data is available. This case study is analyzed mainly with the help of secondary data available through company annual reports, company press releases, journals and newspaper publications.

2.12.1 Company Profiles and Operations

(a) Tata Oil Mills Company

Tata Oil Mills Company Limited (Tomco) was founded in December 1917 with an authorized capital of Rs 10 million. The goal was to set up a large mill for crushing copra and exporting coconut oil. Huge profits were anticipated as the market at that time was lucrative. Unfortunately, the profits envisioned by the directors of the company never came. Even to declare nominal profits without providing for depreciation, it took a good 12 years – a period of immense anxiety for the shareholders.

The first mention of profits, Rs 51,103 rupees, occurs in the Directors' Report for the year ended March 31, 1930. The first dividend to the shareholders was Re 1 per share, originally of face value Rs 100 but later reduced to Rs 25. This was declared for the year 1930-40.

Numerous problems dogged the fledging enterprise: a limited product portfolio, a slow-growing market and stiff competition. But to the credit of the managing agents, Tata Sons, they never gave up. Mr. J. R. D. Tata, the visionary industrialist took over the reins of Tomco as Chairman in 1938. Although better known in latter years as a soapmaker, Tomco's business focus in those early years 1924-30 was on milling. As the directors saw it, soap was only a "sideline" activity.

The beleaguered young company faced up to its tasks pretty well. It had a sales network in place by 1923-24, an acknowledgement that domestic sales were extremely important. It had a brand, Cocogem, a refined coconut oil, packaged in cans. The country was divided into several distributing areas, each worked by a separate distributor. The obvious target was the ghee (purified butter) consumer, and the company expected to displace what it called "bazaar ghee" in large number of households across the country. The product was good and was selling at fixed prices; there was no element of speculation; and with proper propaganda, it hoped "to convince people that it is better to use a pure and economical ghee-substitute like Cocogem".

Although a hydrogeneration plant was commissioned in 1932 for production of vanaspati (hardened vegetable oil), it was the soaps business which showed growth. Sales doubled and there was urgency to expand production. A plan was drawn up

to experiment with production of “pure vegetable washing soap of high quality” and also two or three varieties of toilet soaps. The expanded soap plant was ready the following year and the aim was to use its capacity fully. The battle was again to deal with the competition “from imported soaps and numberless soaps of inferior quality made within the country”. Tomco was proud of the now 501 brand and its high quality and wanted legislation to prohibit of substandard soaps unfit for human use.

There arrived in 1934 a tough competitor for Tomco, Lever Brothers, referred to by the directors in their report euphemistically as “a large foreign corporation that has started its own manufacturing in Bombay”. Lever Brothers may have used pricing as a weapon that year. Tomco director called it a “disturbance in the soap market caused by the sudden and unduly reduction in soap prices”. It was the battle of Sunlight versus 501, and it lasted six months before peace returned.

The country, then ruled as a colony by the British, was being swept by Satyagraha, and the ferment of the times brought the Swadeshi movement to boycott foreign goods. Although imported cloth was the main target of the movement, it went a long way in ensuring a growing franchise within the country for Tomco’s soaps. A new oil mill was set up in Sewri, Bombay, and a soap plant was also located there to supplement soap production in Cochin (Tatapuram).

A major problem for Tomco in those years was to set up a depreciation fund. Profits being modest, even as late as 1941, the amount available in the depreciation fund was only Rs 0.83 million. “The company’s plant and machinery are now over 20 years old and this provision is still inadequate,” the directors told the shareholders. A general reserve was also being built up from the available surplus and this reflected their prudent and conservative style of management.

A growth trend had set in under Mr. J. R. D. Tata’s chairmanship. For the first time, in 1942, employees were granted a month’s salary as bonus. The shareholders were optimistic and subscribed enthusiastically to the company’s new issue of shares, thereby, doubling its equity base. New equipment was ordered to enhance soap capacity and a semi-industrial laboratory was set up for distillation and fractionation of indigenous essential oils in Sewri complex. Additional hydrogeneration equipment was also commissioned at Cochin.

The company was in upbeat mood when it turned 25 in 1942-43. By capitalizing a portion of its reserves, it declared an issue of bonus shares at the one for every 20 shares held, as a mark of celebration. For the first time sales crossed Rs 10.8 million against Rs 10.02 million in the previous year. By then, additions to the portfolio included performed hair oil and eau-de-cologne. It even launched a perfume named Nirvan, which it sold as a high-grade product.

Amenities to employees also grew. Apart from setting up medical facilities and fair price shops, tea was also supplied free to them. At the end of World War II, not only were employees paid a month’s salary as normal bonus but in addition, 15 day’s emoluments as what the directors’ report called “victory bonus”. A new plant was also commissioned in Tatapuram. Later the company increased its capacity by acquiring a factory each in Calcutta and Ghaziabad for laundry and toilet soap production. Production units were also acquired in Calicut and Madras to meet the ambitious estimate of the demand for the company’s brands.

Simultaneously with expanding production capacities, Tomco also established efficient sales network and even organized sales competitions between its field and sales office teams in different locations. Sale vans were introduced to undertake distribution in smaller markets, and products began to get advertised. The ad for 501 declared: “501 saves money. Save clothes. Saves work.” Other innovations of that time

also took root. For instance, 501 washing soap was made available to consumers in the form of chips as well as powder.

The company felt that synthetic detergents had vast market potential because in large areas of the country where water was hard, detergents gave a better wash. Tomco began production of synthetic detergents under the brand “Magic” in 1966, and followed it up with another innovation for that time – the introduction of a detergent bar, Bonus, perhaps the first of its kind in the country.

The company’s interest in floating a new venture, Lakme Limited, a business dealing in personal products and industrial perfumes, both with French technical know-how, during the 1950s underscores Tomco’s determination to participate in India’s self-reliance movement after independence. Indeed, both businesses were born out of the government’s ban on imports of foreign cosmetics because of a foreign exchange shortage. Today Lakme is a profitable, independent company.

However, since 1990, Tomco started on a steady downhill. The company, about 80 percent of whose turnover is accounted for by soaps and detergents, found its products being pushed into third place by Hindustan Lever and Godrej. Tomco’s problems were low productivity and high labor costs. A surplus and militant workforce added to its problems in the highly competitive soaps and detergents market. Table 2.4 gives the company’s profile and its operations.

(b) Hindustan Lever

The birth of Hindustan Lever was a result of prolonged negotiations lasting over a year. The company was formed in July 1956 by merging three wholly owned Unilever subsidiaries that had been operating in India for more than a quarter of century. In November of the same year, the new company offered 10 percent of its equity to the Indian public, being the first among the foreign subsidiaries to do so.

Over the past four decades, Hindustan Lever has vigorously responded to the stimulus of economic growth. The volume of sales has grown nearly 14-fold, from about 123,000 tonnes in 1956 to nearly 1.7 million tonnes in 1995. Inclusive of subsidiaries, the sales turnover has multiplied about 155 times, from Rs 256 million to Rs 39.8 billion in 1995, while Profit After Tax (PAT) has grown over 240 times, from Rs 10.4 million in 1956 to Rs. 2.52 billion in 1995. Even after correcting the monetary values for inflation, the respective factors of 9 for turnover and 14 for PAT are quite impressive. Table 2.5 highlights HLLs performance since 1956.

The growth process has been accompanied by careful diversification from its original base of vanaspati, soaps and personal products through the addition of synthetic detergents, animal feeds, diary products, specialty and bulk chemicals, fertilizers, hybrid seeds and several specialty export lines. Although vanaspati, animal feeds and diary products have been divested off to a sister concern, the company undoubtedly operates today from a stronger and broader base. Table 2.6 gives the company’s profile and its operations.

Although, the company has a fine reputation for marketing skills, its success is based on several other factors.

1. People Development

As early as 1942, the decision was taken to develop Indian managers for running the business. The first Indian Director was appointed in 1951 and first Indian Chairman in 1961. Training of all employees began in the early fifties and in-house management development programs commenced in 1953. Such formal training activities now cover all levels of employees.

2. Productivity Orientation

Introduced in 1954, productivity techniques and payment by results is now applied at all levels. The disciplines of Value Analysis and Cost Effectiveness were introduced in the late sixties to counter the squeeze on margins. Their scope now includes promotions and media expenditure. The Quality movement that was begun in 1985 now extends to advanced versions such as TQM.

3. Technology Focus

Hindustan Lever believes in the coordinated application of technology solutions to resolve quality, cost and competitiveness issues. The Research Center was set up in 1958 and the Integrated Development Unit was established in 1965. Working together, they have given rise to a number of new product concepts as well as many novel-processing techniques for improving turnover and profits. The engineering Development initiative, started in 1969, has created the capacity for producing new generation appliances. Process Control technology has been harnessed to improve quality and reliability in continuous operations.

4. Innovation Initiatives

Innovation has been one of the core strengths of Hindustan Lever. Innovative product concepts such as the detergent bar and the fairness cream, innovative processes such as the non-tower route for advanced powder formulations, and innovative systems for rural distribution and communication, are all examples of innovation being put to work for better consumer service and improved bottom line.

5. Financial Management

The strong and effective financial information and control system maintained by the company permeates every sphere of activity. For example, by constantly comparing the cost incurred for an operation with the value generated, which is measured on a rational basis, it has been possible to enliven interest in capital or cost productivity at all levels.

While striving for excellence, as measured in objective terms, Hindustan Lever has kept its systems continuously updated, principally by adapting the new developments to local circumstances, thereby enhancing their effectiveness. Excellence is also achieved by creative interaction between different systems, such as between Quality Assurance and Cost Efficiency, thereby achieving a multiplier effect, rather than a merely additive one.

2.12.2 Pre-Merger Performance of the Companies

(a) Tomco

The company had a stable history of profitability until the year 1990. However, Tomco's fortunes took a downturn in the year 1991 when the profits started to decline and Tomco started incurring heavy losses, primarily due to the following reasons:

1. Sales stagnated and started declining in 1991-92. Many brand relaunches, as well as new introductions of the 1990s did not succeed. Despite excellent brand properties, Tomco could not efficiently compete in a market place that saw fierce competition between HLL, Godrej, P&G and Nirma.

2. The company overextended its finances through investments in diversification projects as well as additional factory locations for soaps and detergents in anticipation of sales growth that did not materialize.

3. In its anxiety to register sales increases, the company extended an inordinate amount of credit to its stockists, which further accentuated the financial crunch. The company then resorted to heavy borrowing to tide over the crisis, which resulted in a high interest burden as well as higher cost of brought out materials and products. Tomco's financial statements are given in the Table 2.7.

It can be observed that in spite of an increase in sales in 1991-92, profits decreased. Profitability went down by more than half. More significantly, "other income" increased from Rs 44.1 million in 1990-91 to Rs 142.3 million in 1991-92. Manufacturing and other expenses increased during 1991-92 from 95 percent to 98 percent. The company attributed its poor performance to an unprecedented increase in competition with dozens of new brands striving to gain a market share a substantial increase in raw material costs and higher salaries and wages. Exports too deteriorated. Table 2.8 gives the financial highlights of Tomco before being acquired.

In spite of the funds raised through issue of partly convertible debentures in October 1990 and the subsequent conversion, which raised share capital from Rs 108.8 million as on March 31, 1991, to Rs 226.5 million, as on March 31, 1992, the company's leverage remained high with total outside liabilities being 3.5 times the net worth.

Tomco continued with its downslide in the first half of 1992-93. Income from net sales and service was Rs 1528.2 million – down Rs 630 million from the corresponding period of 1991-92. Other income was Rs 127.2 million as against 32.9 million. Gross loss was Rs 48.4 million, while the company has posted a gross profit of Rs 20.9 million in the first half of 1991-92. Interest costs increased from Rs 73.1 million to 93.4 million, while depreciation costs remained unchanged at Rs 18 million.

The net loss posted by Tomco during April-September 1992 amounted to Rs 66.4 million. If the company had not made a profit of Rs 102.8 million selling off investments, the first half losses would have been a massive Rs 169.2 million. The company attributed the disastrous results to a significant drop in sales, resulting from severe competition and higher cost of finance.

(b) Hindustan Lever

In sharp contrast to Tomco, Hindustan Lever posted excellent results for its accounting year ended December 31, 1992. The company is the market leader in soaps with a 50 percent market share. In this segment, the company controls 86 percent of the carbolic soaps market. Hindustan Lever has 34 percent of the synthetic detergent market, 25 percent of the personal products market and 14 percent of the toothpaste market. Procter & Gamble, on the other hand, improved its market share to 7.6 in the detergent market, and can be considered as a potent threat. HLL's financial statements are given in the Table 2.9.

In the year ended December 31, 1992, in spite of the market suffering from recession, Hindustan Lever increased gross sales from Rs 17,760 million to Rs 20,870 million. Profitability also improved during the period. Although interest costs were up substantially, both gross as well as net profits improved. The company's soaps, detergents and personal products divisions showed better performance while exports increased from Rs 2020 million in 1991 to Rs 2240 million.

As a comparison, the Tomco's share was being quoted at Rs 45 while the Hindustan Lever's share was being quoted at Rs 366. The Lever share was traded at 15 times its book value of Rs 24.26, while Tomco was trading at just 1.5 times its book value. Hindustan Lever paid a total dividend of 42 percent in 1992 while Tomco had to slash dividends to 12.5 percent. Hindustan Lever's earnings per share was 7.04 for the year ended December 31, 1992, giving a price-earning ratio of 52, as against Tomco's EPS of 0.52 for 1991-92, giving a PE ratio of 86. Table 2.10 gives the financial highlights of HLL before it acquired Tomco.

At one stage, Hindustan Lever had faced the same problems that were faced by Tomco before being acquired. It solved the problems by reducing its dependence on soaps and detergents and took steps to reduce its labor troubles. It can be seen from its performance that the strategy paid off in terms of rising profits and increase in productivity.

In Hindustan Lever's Sewree factory, a voluntary retirement plan cut down one-third of its work force, and led to realignment of product lines. This increased productivity from 52 tonnes of soap per day per employee in 1985, to 88 tonnes per employee. The switch between the soaps Lux and Rexona is now possible within three shifts as against 3-4 days in 1985.

2.12.3 SWOT Analysis of the Merger

SWOT analysis can help in explaining the motives of the buyer, seller and also the synergies arising from the merger. The SWOT analysis can also point out the areas of compatibility and complementarity. Table 2.11 and 2.12 illustrates SWOT analysis of Tomco and Hindustan Lever, respectively.

The SWOT analysis clearly shows that Tomco and Hindustan Lever have complementary resources and if they merge, it will be beneficial to both.

2.12.4 Motives of the Buyer, Hindustan Lever Limited

For Levers, the Tomco acquisition clearly rates as a strategic move. Tomco is a good buy for Levers on three very important counts: complementary brands, manufacturing locations and complementary networks.

1. Complementary Brands

Tomco's acquisition fits in well with Levers' strategy of occupying as many niches as possible in any market.

2. Complementary Locations

Despite the fact that Levers has as many as 17 manufacturing facilities all over the country, its production base in the south is weak. On the other hand, two of Tomco's seven manufacturing facilities are in Kerala and Tamil Nadu.

3. Complementary Networks

Since both Levers and Tomco are soap, detergent and personal product (shampoos and toothpastes) manufacturers, there are tremendous synergies in the field. Following the merger, Lever's network of stockists could very well double from the 3,000 it has at the moment.

2.12.5 Motives of the Seller, Tata Sons

The divestiture of Tomco by Tata Sons was part of a restructuring plan for group companies, drawn in 1983 by its chairman, Ratan Tata. The first part of the corporate plan was to get into high growth areas like oil, and telecommunications. The second part deals with strategic withdrawal from area where the Tatas don't have a leading position, a long-term competitive edge, or where technology and margins are low.

In spite of the process of Tata Sons restructuring plans, Tomco's merger with HLL was inevitable because Tomco was going steadily downhill. It was faced with the major problems of low productivity, high labor costs and declining sales. The company, whose 80 percent turnover is accounted for soaps and detergents, found its products pushed into the third place by Hindustan Lever and Godrej. A surplus militant force added to its problems in the highly competitive soaps and detergents market.

Increase in competition with dozens of new brands striving to gain a market share, increase in manufacturing costs and higher salaries and wages with declining exports were the other reasons for its divestiture.

2.12.6 Valuation of the Share Exchange Ratio

To find the fair value of shares, three well-accepted methods are adopted. The methods are the yield method, the asset value method and the market value method.

Using the market value method the share exchange ratio can be calculated as:

1. The market price of Tomco shares as on 17th March 1993 was 52.50.
2. The market price of HLL shares as on 17th March 1993 was 375.

The share exchange ratio can be calculated as follows:

$$\begin{aligned}
 \text{Share Exchange Ratio (SER)} &= \frac{\text{Share price of target firm}}{\text{Share price of acquiring firm}} \\
 &= 52.50 / 375 \\
 &= 0.14 \text{ or } 2 \text{ shares of HLL for } 15 \text{ shares of} \\
 \text{Tomco.}
 \end{aligned}$$

TABLE 2.4: Tomco's Profile and Operations

Date of Incorporation			
Incorporated as a Public Limited Company on December 10, 1917.			
Business of the Company			
Engaged in the manufacture of Soaps, Detergents, Glycerine, Vanaspi (hardened vegetable oil), Edible Oils, Toilet Preparations, Cattle and Poultry Feeds, Oil Cakes, Deoiled Meals, Fish and Fish Products.			
Manufacturing Units			
Various manufacturing units located in the states of Maharashtra, West Bengal, Kerala, Bihar, Gujarat, Uttar Pradesh and Tamil Nadu.			
Subsidiaries			
International Fisheries Ltd., Aftab Investment Company Ltd.			
Capital as at 31/3/93 (Rs. in millions)			
	Authorised	Issued	Subscribed
Equity	238.5	215.1	215.1
Preference	11.5	11.5	11.5
Capital Bonus of Rs. 5 per share on conversion of shares from a face value of Rs. 25 into three shares of Rs. 10 each, in 1990-91.			
Shareholding Pattern as at 31/3/1993 (in %)			
Corporate Bodies	22.87		
Financial Institutions	40.84		
Public	36.29		
The equity shares are listed on the stock exchanges at Bombay, Cochin and Madars.			

TABLE 2.5: HLL's Financial Performance Since 1956.

	1956	1984*	1992	Yearly 1984-92
growth Rs in million (%)				
Gross Turnover	274.0	6,342.4	20,868.7	16.05%
Profit Before Tax	22.4	440.1	1,659.8	18.05%
Profit After Tax	10.4	216.8	984.8	20.83%

**First year after transfer of the edible fats, diary and AFS business to Lipton India Ltd.*

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

TABLE 2.6: HLL's Profile and Operations

Date of Incorporation			
Incorporated as a Private Limited Company on October 17, 1933 and converted into a Public Limited Company on October 27, 1956.			
Business of the Company			
Engaged in the manufacture and marketing of Soaps, Detergents, Toilet Preparations, Basic Chemicals, Fertilizers and other Agricultural Inputs. HLL is also a recognized Export Trading House.			
Manufacturing Units			
Various manufacturing units located in the states of Maharashtra, West Bengal, Jammu and Kashmir, Madhya Pradesh, Karnataka, Punjab, Gujarat, Uttar Pradesh, Andhra Pradesh and Tamil Nadu, and in the Union Territories of New Delhi and Pondicherry.			
Subsidiaries			
Indexport Ltd., Levers Associated Trust Ltd., Levindra Trust Ltd., Hindlever Trust Ltd., Stepan Chemicals Ltd., Shekhar Engineering Industries Ltd.			
Capital as at 31/12/92 (Rs. In millions)			
	Authorised	Issued	Subscribed
Equity	1,400.0	1399.9	1399.9
Bonus Issues:	1983-84, 3:5	1987-88, 1:1	1990-91, 1:2
Shareholding Pattern as at 31/3/1993 (in %)			
Corporate Bodies	51.16		
Financial Institutions	16.19		
Public	32.05		
The equity shares are listed on the stock exchanges at Ahmedabad, Bombay, Calcutta, Cochin, Delhi and Madars.			

TABLE 2.7: FINANCIAL STATEMENTS: TATA OIL MILLS Co.

Year	Mar-90	Mar-91	Mar-92	Mar-93	Mar-94
<u>Income & Expenditure</u>					
Sales / Main Income	335.33	381.20	428.39	313.34	326.09
Other Income	3.68	5.52	7.87	9.32	7.64
Non-Recurring Income	0.51	1.88	14.32	53.23	15.82
Change in Stocks	5.61	6.29	6.91	-2.83	8.14
Raw Materials	217.78	250.38	288.47	212.38	221.56
Energy	11.32	12.81	13.99	10.82	11.01
Indirect Taxes	29.15	34.90	46.26	28.70	26.77
Wages	27.77	31.82	37.78	31.66	31.71
Advt., Mktg & Distribution	22.06	24.00	25.27	38.09	26.42
Other Expenses	15.93	17.61	18.75	22.76	23.03
Non-Recurring Expenses	0.01			0.03	
Less: Expenses Capitalised	0.41	0.65	0.71	2.71	1.29
<u>Profits & Their Appropriation</u>					
Profit Before Int., Dep. & Tax	21.52	24.02	27.68	31.30	18.48
Interest Payments	10.97	14.30	22.92	26.77	16.36
Profit Before Dep. & Tax	10.55	9.72	4.76	4.53	2.12
Depreciation	3.19	3.18	3.64	3.59	3.34
Profit Before Tax	7.36	6.54	1.12	0.94	-1.22
Direct Taxes	2.00	0.90		0.28	0.09
Net Profit After Tax	5.36	5.64	1.12	0.66	-1.31
Dividend Payments	1.75	2.07	1.71	0.13	
Retained Profits	3.61	3.57	-0.59	0.53	-1.31
Net Value Added	46.81	53.40	62.74	61.08	48.73

Year	Mar-90	Mar-91	Mar-92	Mar-93	Mar-94
<u>Liabilities</u>					
Net Worth	33.47	37.04	66.00	66.53	65.22
Paid Up Capital	9.26	10.88	22.65	22.65	22.66
Reserves & Surplus	24.21	26.16	43.35	43.88	42.56
Revaluation Reserves					
Borrowings	82.18	117.34	133.13	103.48	81.98
Banks	48.73	44.48	53.70	41.52	35.93
Financial Institutions	4.40	3.95	18.09	15.98	
Other Borrowings	29.05	68.91	61.34	45.98	46.05
Current Liabilities & Provisions	44.81	59.20	94.60	71.04	46.77
Sundry Creditors	41.47	57.57	94.41	73.88	49.63
<u>Assets</u>					
Gross Fixed Assets	57.41	65.02	63.97	66.19	67.77
Plant & Machinery	37.76	45.11	44.34	45.67	46.72
Net Fixed Assets	30.00	34.70	32.57	31.38	31.18
Inventory	63.70	60.54	69.81	56.04	67.99
Investments	3.23	16.01	13.43	23.39	11.60
Cash & Bank Balance	1.78	4.76	6.71	7.95	8.51
Receiveables	61.75	97.57	171.21	122.29	74.69
Sundry Debtors	40.61	59.71	101.81	41.56	13.73
<u>Total Assets / Total Liabilities</u>	160.46	213.58	293.73	241.05	193.97
Total Exports	28.72	8.22	7.51	1.39	3.06
Total Imports	11.21	3.41	19.53	7.29	5.58

TABLE 2.8: Tomco's Financial Highlights Before Being Acquired

(Rs. Million)	March 1990	March 1991	March 1992	March 1993
Assets	574.10	650.20	639.70	661.90
Current Assets	687.10	813.10	899.50	873.80
Receivables	617.50	975.70	1,712.10	1,222.90
Liabilities	821.80	1,173.40	1,331.30	1,034.80
Current Liabilities	448.10	592.00	946.00	710.40
Paid Up Capital	92.60	108.80	226.50	226.50
Revenue	3,353.30	3,812.00	4,283.90	3,133.40
Other Income	36.80	55.20	78.70	93.20
Total Exports	287.20	82.20	75.10	13.90
Interest Expenses	109.70	143.00	229.20	267.70
Depreciation Expenses	31.90	31.80	36.40	35.90
Net Profit	53.60	56.40	11.20	6.60
KEY RATIOS	March 1990	March 1991	March 1992	March 1993
Net Profit / Sales (%)	1.60	1.48	0.26	0.21
Return On Net Worth (%)	16.01	15.23	1.70	0.99
Assets Turnover Ratio	2.09	1.78	1.46	1.30
Debt / Equity Ratio	1.00	1.97	1.20	0.93
Current Ratio	1.39	1.72	1.75	1.85
Equity Earnings / Equity Capital (%)	64.49	56.63	4.60	2.47
Equity Dividend Rate (%)	20.00	20.00	12.50	

TABLE 2.9: FINANCIAL STATEMENTS: HINDUSTAN LEVER

Year	Dec-89	Dec-90	Dec-91	Dec-92	Dec-93
<u>Income & Expenditure</u>					
Sales / Main Income	1,193.21	1,463.44	1,781.06	2,086.87	2,436.06
Other Income	2.97	5.51	4.99	10.85	24.45
Non-Recurring Income	1.16	7.58	10.47	3.13	9.35
Change in Stocks	27.53	32.92	13.35	62.64	24.56
Raw Materials	704.36	824.85	1,025.37	1,207.02	1,353.33
Energy	29.14	37.68	44.61	53.73	55.44
Indirect Taxes	200.93	242.35	276.10	365.57	396.67
Wages	50.50	70.98	62.80	64.47	84.26
Advt., Mktg & Distribution	53.42	94.75	106.68	142.36	204.43
Other Expenses	62.21	83.72	106.75	110.60	123.86
Non-Recurring Expenses	0.56	1.70	0.73	0.08	0.56
Less: Expenses Capitalised					
<u>Profits & Their Appropriation</u>					
Profit Before Int., Dep. & Tax	123.75	153.42	186.83	219.66	275.87
Interest Payments	17.51	18.31	20.63	32.19	27.23
Profit Before Dep. & Tax	106.24	135.11	166.20	187.47	248.64
Depreciation	15.47	17.25	19.19	19.60	22.22
Profit Before Tax	90.77	117.86	147.01	167.87	226.42
Direct Taxes	35.80	52.00	57.50	67.50	95.50
Net Profit After Tax	54.97	65.86	89.51	100.37	130.92
Dividend Payments	32.66	39.20	53.90	58.79	78.40
Retained Profits	22.31	26.66	35.61	41.58	52.52
Net Value Added	163.70	213.33	237.69	271.94	348.65

Year	Dec-89	Dec-90	Dec-91	Dec-92	Dec-93
<u>Liabilities</u>					
Net Worth	228.52	255.38	291.10	333.30	385.68
Paid Up Capital	93.32	93.32	139.99	139.99	139.99
Reserves & Surplus	135.20	162.06	151.11	193.31	245.69
Revaluation Reserves					
Borrowings	128.19	159.07	164.74	200.27	115.21
Banks	60.61	80.00	75.24	57.77	8.80
Financial Institutions			0.72		
Other Borrowings	67.58	79.07	88.78	142.50	106.41
Current Liabilities & Provisions	240.62	258.46	354.83	395.98	573.37
Sundry Creditors	183.35	220.47	295.58	339.79	468.49
<u>Assets</u>					
Gross Fixed Assets	275.09	302.50	330.49	377.08	420.81
Plant & Machinery	175.27	202.01	224.84	249.91	273.91
Net Fixed Assets	163.35	179.19	193.53	222.75	254.34
Inventory	301.45	356.10	419.62	486.22	471.06
Investments	7.91	8.52	7.60	12.25	50.95
Cash & Bank Balance	10.29	5.29	31.58	27.18	55.02
Receiveables	114.33	123.81	158.34	181.15	242.89
Sundry Debtors	42.39	49.94	82.27	84.29	111.22
<u>Total Assets / Total Liabilities</u>	597.33	672.91	810.67	929.55	1,074.26
Total Exports	119.26	149.79	184.14	207.23	243.78
Total Imports	69.25	103.10	78.43	129.26	222.40

TABLE 2.10: HLL's Financial Highlights Before Acquiring Tomco

(Rs. Million)	March 1990	March 1991	March 1992	March 1993
Assets	3,025.00	3,304.90	3,770.80	4,208.10
Current Assets	3,699.00	4,588.00	5,256.50	5,770.30
Receivables	1,238.00	1,583.40	1,811.50	2,428.90
Liabilities	1,590.00	1,647.40	2,002.70	1,152.10
Current Liabilities	2,584.60	3,548.30	3,959.80	5,733.70
Paid Up Capital	933.20	933.20	1,399.90	1,399.90
Revenue	14,634.40	17,810.60	20,868.70	24,360.60
Other Income	55.10	49.90	108.50	244.50
Total Exports	1,497.90	184.14	2,072.30	2,437.80
Interest Expenses	183.10	206.30	321.90	272.30
Depreciation Expenses	172.50	191.90	196.00	222.20
Net Profit	658.60	895.10	1,003.70	1,309.20
KEY RATIOS	March 1990	March 1991	March 1992	March 1993
Net Profit / Sales (%)	4.50	5.03	4.81	5.37
Return On Net Worth (%)	25.79	30.75	30.11	33.95
Assets Turnover Ratio	2.17	2.20	2.25	2.27
Debt / Equity Ratio	0.54	0.22	0.32	0.28
Current Ratio	1.77	1.36	1.45	1.41
Equity Earnings / Equity Capital (%)	70.57	63.94	71.70	93.52
Equity Dividend Rate (%)	42.00	38.50	42.00	56.00

TABLE 2.11: SWOT Analysis of Tomco

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <input type="checkbox"/> 5833 tonnes of installed capacity, allows economies of scale. <input type="checkbox"/> A large portfolio of well-known brands occupying niche market with a market share of 8.1% in soaps and 5.6% in detergents. <input type="checkbox"/> 17 manufacturing units in various locations. <input type="checkbox"/> A large distribution network. <input type="checkbox"/> Goodwill among its customers. 	<ul style="list-style-type: none"> <input type="checkbox"/> Huge operational losses since 1991. <input type="checkbox"/> High interest burden. <input type="checkbox"/> High manufacturing costs. <input type="checkbox"/> High labor costs. <input type="checkbox"/> Low productivity. <input type="checkbox"/> Militant work force. <input type="checkbox"/> Declining exports. <input type="checkbox"/> Shortage of Funds to support operations.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <input type="checkbox"/> Decreasing market share presents no opportunities for external growth, except for it to merge with another competitor in the same line of business. <input type="checkbox"/> Internal opportunities do exist in the form for reducing all costs as well as corporate restructuring. 	<ul style="list-style-type: none"> <input type="checkbox"/> Increasing competition from new brands, losing market share. <input type="checkbox"/> Main competitors: <ul style="list-style-type: none"> - HLL, 34.2% market share, 107556 tonnes installed capacity. - Godrej Soaps Ltd., 8.1% market share.

TABLE 2.12: SWOT Analysis of Hindustan Lever

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <input type="checkbox"/> 107556 tonnes of installed capacity, allows economies of scale. <input type="checkbox"/> Financial strength <input type="checkbox"/> Highly profitable company <input type="checkbox"/> Marketing skills <input type="checkbox"/> High technological capacities due to its being a subsidiary of Unilever, UK. <input type="checkbox"/> Producer of well-known brands, having a market share of 34.2% in soaps and 24.5% in detergents. <input type="checkbox"/> Many high-tech manufacturing units in various locations. <input type="checkbox"/> A large distribution network. <input type="checkbox"/> Goodwill among its customers. 	<ul style="list-style-type: none"> <input type="checkbox"/> No representation in the niche markets. <input type="checkbox"/> Location of manufacturing units rises transportation costs. <input type="checkbox"/> Weak manufacturing base in the south of India. <input type="checkbox"/> Not the lowest-cost producer of detergents.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <input type="checkbox"/> Surplus funds permit external growth through capacity expansion by investments in new units or acquisition of another company in the same-line of business. <input type="checkbox"/> Opportunities to increase market share in soaps and detergents. <input type="checkbox"/> Enter new market segments. <input type="checkbox"/> Expand its network of stockists. <input type="checkbox"/> Enter new manufacturing locations. <input type="checkbox"/> Reduce its manufacturing costs in detergents through economies of scale. 	<ul style="list-style-type: none"> <input type="checkbox"/> Increasing competition. <input type="checkbox"/> Main competitors: <ul style="list-style-type: none"> - Nirma Chemical Works Ltd., 9.8% market share in detergents. Lowest cost producer of detergents. - Godrej Soaps Ltd., 4.4% market share in detergents. - Procter&Gamble India Ltd., 4.4% market share in detergents. Although not an immediate competitor, it has financial strength to expand or acquire capacity.

2.13 Literature Survey

Patrick A. Gaughan (2002)

The book presents the fundamental concepts of Mergers and Acquisitions and, merger waves in U.S.A.

Andrew J. Sherman (1998)

The book presents the fundamental concepts of Mergers and Acquisitions and, moreover, gives strategic and practical guidance for small- and middle-market buyers and sellers.

Alexandra Reed Lajoux (1997)

This book gives a guide to merging resources, processes and responsibilities when Mergers and Acquisitions are applied.

Price Pritchett, Donald Robinson, Russell Clarkson (1997)

This book explains the concepts of Mergers and Acquisitions and the guide for successful integration.

Kanji Ishizumi (1990)

This book presents Mergers and Acquisitions in the Japanese market and also explains how to acquire a Japanese company.

Lary H.P. Lang (2000)

This books gives cases of Mergers and Acquisitions in Hong Kong and also explains the process and how to integration with successfully.

CHAPTER 3

CASES OF MERGERS AND ACQUISITIONS

3.1 Cases of Mergers and Acquisitions of general business around the world during 1997- the first quarter of 2002.

Cases of M&A of general business around the world during 1997-the first quarter of 2002 are collected from newspapers and illustrated the reasons for mergers and acquisitions of each case in Table 3.1.

3.2 Cases of Mergers and Acquisitions of general business in Thailand during 1997- the first quarter of 2002.

Cases of M&A of general business in Thailand during 1997-the first quarter of 2002 are collected from newspapers and illustrated the reasons for mergers and acquisitions of each case in Table 3.2.

3.3 Cases of Mergers and Acquisitions of manufacturing business around the world during 1997- the first quarter of 2002.

Cases of M&A of manufacturing business around the world during 1997-the first quarter of 2002 are collected from newspapers and illustrated the reasons for mergers and acquisitions of each case in Table 3.3.

3.4 Cases of Mergers and Acquisitions of manufacturing business in Thailand during 1997- the first quarter of 2002.

Cases of M&A of manufacturing business in Thailand during 1997-the first quarter of 2002 are collected from newspapers and illustrated the reasons for mergers and acquisitions of each case in Table 3.4.

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Metro Goldwin Major Inc (Studio, USA)	Acquire	Metro Media (Entertainment & film library, USA)	<ul style="list-style-type: none"> - MGM wants to enlarge its movie library and promote company's income. - MGM wants to penetrate TV market and home VDO. 	573.00	1* 30-Apr-97 Page 10
GTE Corp (Telephone service provider, USA)	Acquire	BBN Corp (Internet service provider, USA)	<ul style="list-style-type: none"> - BBN doesn't have money or sale team penetrating communication service market in company level through the country but with GTE it's possible. - GTE has enough reserved cash. 	616.00	2* 08-May-97 Page 6
Conseco Inc. (Finance, USA)	Acquire	Colonial Pennlife Insurance (Insurance and feature for commerce, USA)	<ul style="list-style-type: none"> - Conseco wants to enlarge distribution channel of Conseco's product via TV commercial and direct mail and telemarketing. 	460.00	3* 11-May-97 Page 11
Royal Caribbean Cruises Ltd. (Luxury boat service provider, USA)	Merge	Celebrity Lines Inc. (Luxury boat service provider, USA)	<ul style="list-style-type: none"> - Caribbean wants Celebrity's brand name and market share to gain advantage. - Celebrity wants to increase market share. - They want to reduce operation cost. 	1,030.00	3* 22-Jun-97 Page 11
First Union (Bank, USA)	Acquire	Signet Banking (Bank, USA)	<ul style="list-style-type: none"> - First Union wants to protect its business after its competitor acquired two banks in Virginia. - Signet wants to decrease its cost. 	N.A.	3* 27-Jul-97 Page 10

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Nation Bank Corp (Bank, USA)	Acquire	Barnet Bank Inc (Bank, USA)	- Nation Bank will be the third biggest bank in USA. - Nation Bank will have strong position in rapidly grow market.	15,000.00	3* 07-Sep-97 Page 18
Merrill Lynch (Finance, USA)	Merge	Centorus Corporate Finance (Finance, Australia)	- Merrill Lynch wants to enlarge its business in Australia. - Centorus has special skill in M&A.	29.00	2* 03-Oct-97 Page 15
Yahoo Inc. (Internet media, USA)	Acquire	Fore11 (Electronic mail and telephone user list service provider, USA)	- Yahoo wants to enlarge service to closely serve its customers .	94.00	4* 08-Oct-97 Page 5
Union Bank of Switzerland (UBS) (Bank, Switzerland)	Merge	Swiss Banking Corporation (SBC) (Bank, Switzerland)	- They want to strengthen their resource. - They want to reduce operation cost. - UBS wants to be the most biggest asset manager in the world.	592,000	2* 09-Dec-97 Page 10,13
Humana Inc. (Insurance, USA)	Acquire	Ficisian Corp of America (Health insurance organization, USA)	- Humana wants to enlarge its customer base. - Humana will have more insurance premium. - Humana wants to increase its income.	400.00	3* 23-Dec-97 Page 10,13
Corr Pacific Security Co. (Broker, Taiwan)	Acquire	Yamaichi International Ltd. (Finance, Hongkong)	- They want to establish its central merchant business in Asia.	N.A.	4* 26-Dec-97 Page 3,4

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Royal Bank of Canada (Bank, Canada)	Merge	Bank of Montreal (Bank, Canada)	- They want to increase their role in world financial service industry.	13,200.00	3* 01-Feb-98 Page 8
Hudson Bay Limited (Wholesaler, Canada)	Acquire	Kmart Canada Limited (Discount retailer, Canada)	- Hudson wants to be the leader in discount retailer in Canada. - They want to increase profit. - They want to obstruct Wall Mart's increasing share in discount retailer market in Canada.	167.90	3* 15-Feb-98 Page 15
Commercial Union (Insurance, England)	Merge	General Accident Limited (Insurance, England)	- They want to strengthen their business - They want to increase their customer base - They want to increase their competitive ability in world market.	N.A.	7* 15-Mar-98 Page 8
Bertelsmann (Media, Europe)	Acquire	Random House Inc. (Print, USA)	- Bertelsmann wants to do business in USA. - They want to be the biggest publishing company in the world.	1,300.00	2* 25-Mar-98 Page 15
City CorPage (Bank, USA)	Merge	Traveler Group (Insurance, USA)	- They want to increase their customer base. - They want to increase their profit. - They want to expand their service area.	N.A.	4* 27-Apr-98 Page 20

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Royal Ahold (Supermarket, Netherlands)	Acquire Giant Food (Supermarket chain, USA)	- Ahold wants to expand its market in USA. - Ahold wants to increase its profit.	2,600.00	4* 21-May-98 Page 24
Northern Telecom (Solution digital network provider, USA)	Acquire Brit Bay Network (Information network marketer, USA)	- Nortel wants to be the first company who offers completed network.	9,100.00	8* 18-Jun-98 Page 8
Merrill Lince and Co. (Broker, USA)	Acquire Mid Land Vallin (Broker, Canada)	- Merrill Lince wants to penetrate Canada market.	855.00	4* 24-Jun-98 Page 26
Colonial Group (Insurance, Australia)	Acquire Legal General (Financial consultant, England)	- They want to expand distribution channel. - They want to increase customer base. - They want to grow. - They want to reduce operation cost.	892.00	9* 01-Jul-98 Page 6
Seagate Software Inc. (Network system management, USA)	Merge Veritas Software Inc. (Software manufacturer and developer, USA)	- Seagate wants to increase potentiality for its variety of product. - Seagate wants to be leader in NSM market.	N.A.	1* 12-Oct-98 Page 4
Robert Flaming Holding (Finance, England)	Acquire Jardin Matheson Holding (Trading company & broker, Hong Kong)	- Jardin has problem with money. - Robert Flaming wants to increase efficiency.	300.00	2* 05-Dec-98 Page 7

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
GE Capital (Finance, USA)	Acquire Japan Leasing (Leasing, Japan)	- GE wants to expand its business to Japan's capital market.	6,000.00	4* 24-Jan-99 Page 3
Axxa (Insurance, France)	Acquire Gardian Royal Exchange (Insurance, England)	- Axxa wants to expand its business by using Gardian's business around the world. - Axxa wants to reduce operation cost.	5,600.00	7* 11-Feb-99 Page 9
CMG International Financial Service (Finance, USA)	Acquire Bank of Fiji (Bank, Fiji)	- CMG wants to expand its business channel in bank and insurance. - CMG believes that its management can better manage Bank of Fiji.	4.58	7* 21-Feb-99 Page 9
CMG International Financial Service (Finance, USA)	Acquire Capital Fund of Nicolas-Applegate (Fund management, USA)	- CMG wants to increase its customer base. - CMG wants to increase profit.	14.65	7* 21-Feb-99 Page 9
Jone Lang Woothun (Real estate, Europe)	Merge Lazal Partners (Real estate, USA)	- They want to cover business around the world. - They want to combine their strength together. - They want to increase their customer base.	N.A.	7* 18-Mar-99 Page 12
Standard Charter Bank (Bank, England)	Acquire Bali Bank (Bank, Indonesia)	- Bali bank wants capital. - Standard Charter sees the opportunity for doing business in Indonesia.	55.80	4* 24-Apr-99 Page 20

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
ABN Amroll (Bank, Netherlands)	Acquire Great Pacific Saving Bank (Bank, Philippines)	- ABN Amroll wants to expand business. - Great Pacific Saving expands business according to Philippines central bank's policy.	N.A.	4* 08-Jun-99 Page 27
CMGI Inc. (Internet investor, USA)	Acquire Altavista (Search engine, USA)	- CMGI wants to be the key service provider on internet. - CMGI sees the potentiality of Altavista. - CMGI can gain profit from Altavista.	2,300.00	4* 02-Jul-99 Page 9
Double Click Inc. (Advertising on internet, USA)	Acquire Net Gravity Inc. (Sale and maintenance service of computer software system for website, USA)	- Double Click gains benefit from Net Gravity's customer. - Double Click wants to get rid of competitor. - Their business can support each other.	530.00	4* 15-Jul-99 Page 8
National Westminster Bank (Bank, England)	Acquire Legal and General (Insurance, England)	- National wants to reduce operation cost. - National wants to increase customer base. - National wants to diversify in other business.	17,200.00	4* 07-Sep-99 Page 28
Autoweb Dot Com (AWEB) (Website, USA)	Acquire Autosite Dot Com (AIC) (Website, USA)	- AWEB can increase its potentiality in competition. - AWEB can increase its customer base.	20.00	1* 28-Sep-99 Page 3

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Asahi Bank (Bank, Japan)	Merge	Tokai Bank (Bank, Japan)	<ul style="list-style-type: none"> - They want to grow. - They can reduce operation cost. - They want to solve profitability problems. 	N.A.	2* 08-Oct-99 Page 6
Excite At Home CorPage (Website, USA)	Acquire	Blue Mountain Dot Com (Website, USA)	<ul style="list-style-type: none"> - Excite wants to expand its business. - Excite sees the opportunity to make profit from advertising in Bluemountain website. 	780.00	4* 27-Oct-99 Page 9
Double Click (Advertising producer on internet, USA)	Merge	Abacus Direct (Market researcher, USA)	<ul style="list-style-type: none"> - Double Click wants to secure its market leader position. - Double Click can offer effective advertising. 	1,700.00	4* 29-Nov-99 Page 9
Amazon Dot Com (Website, USA)	Acquire	Hurtdon (Toy manufacturer, USA)	<ul style="list-style-type: none"> - Amazon wants to increase more service in its website. - Amazon sees opportunity to make profit in online shopping toy. 	N.A.	1* 02-Dec-99 Page 3
American Online (Internet provider, USA)	Acquire	Tegic Communications (Message insertor for wireless instrument, USA)	<ul style="list-style-type: none"> - AOL wants to strengthen its potentiality. - AOL wants to offer new service. - AOL wants to secure its leader position. 	N.A.	4* 03-Dec-99 Page 9
Granada (Media and lazor, England)	Merge	Thorn (Television leasing provider, England)	<ul style="list-style-type: none"> - They guess to gain more profit. - They want to be the leader of electronics wholesaler in UK. 	1,620.00	7* 26-Dec-99 Page 25

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Time Warner (Entertainment, USA)	Merge EMI (Music industry, England)	- They can reduce operation cost. - They want to grow in music market. - They can make more profit.	20,000.00	6* 27-Jan-00 Page 10
Informix Software Inc. (Software specialist, USA)	Acquire Ardent Software Inc. (Software specialist, USA)	- Informix will be the first company in software for organization structure management. - Informix wants Ardent's technology.	875.00	7* 30-Jan-00 Page 24
Allianzed (Insurance, Germany)	Acquire Hana Bank (Bank, South Korea)	- Allianzed wants to expand business in South Korea's market.	141.60	4* 29-Feb-00 Page 29
Tele Corp PCS Inc. (Wireless telephone, USA)	Acquire Tritel Inc. (Wireless, USA)	- They want to increase ability in wireless service in USA. - Tele Corp wants to strengthen market status.	5,300.00	4* 02-Mar-00 Page 9
Bungo Bilbao Vichaya Argentia Bank (Bank, Spain)	Acquire First-E (Online bank, Ireland)	- BBVA wants to invest in online bank in Europe market. - BBVA sees chance to make profit.	2,280.00	1* 08-Mar-00 Page 3
Verisign (Software for system security manufacturer, USA)	Acquire Network Solutions (Domain name register, USA)	- Verisign wants Network Solution's software. - They are alliance before acquisition.	21,000.00	4* 09-Mar-00 Page 9

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Amazon Dot Com (Website, USA)	Acquire Kozmo Dot Com (Website, USA)	<ul style="list-style-type: none"> - Amazon wants to increase its ability in delivery to customer. - Amazon wants to secure its leader position in e-commerce market. 	60.00	1* 22-Mar-00 Page 3
Chloride Group Ltd. (Uninterruptible power suppliers manufacturer and distributor, England)	Acquire Mastercard (Power protection manufacturer, Germany)	<ul style="list-style-type: none"> - Chloride wants to strengthen its business in Pan-European market. - Chloride wants Mastercard's technology. 	30.45	7* 16-Apr-00 Page 12
WPP Group (Advertising agency, England)	Acquire Young & Rubicam (Y&R) (Advertising agency, USA)	<ul style="list-style-type: none"> - WPP can increase its customer base. - WPP can reduce operation cost. - WPP will be the biggest advertising agency. - They can compensate each other weak points. 	4,700.00	4* 13-May-00 Page 1,4
UAL CorPage (Airline, USA)	Acquire US Airway (Airline, USA)	<ul style="list-style-type: none"> - UAL can increase its service ability. - US Airway has problem with making profit. 	4,300.00	2* 25-May-00 Page 23
Jupiter Telecommunication (Cable TV, Japan)	Merge Titus Communication (Cable TV, Japan)	<ul style="list-style-type: none"> - They will be the second biggest group in cable TV business in Japan. - Their customer base increases. - They can reduce operation cost. 	5,000.00	1* 28-Jun-00 Page 3

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Yahoo Inc. (Website, USA)	Acquire Egroup Inc (E-mail communication service provider, USA)	<ul style="list-style-type: none"> - Yahoo wants to increase its ability in serving customer by using Egroup's ability. - Yahoo wants to expand its customer base. 	432.00	1* 30-Jun-00 Page 3
Malayan Banking (Bank, Malaysia)	Merge Filieaw Allied (Finance, Malaysia)	<ul style="list-style-type: none"> - They want to increase potentiality in banking, insurance, security business. - They must improve their strength to compete in intensive rivalry. 	N.A.	4* 02-Jul-00 Page 12
CNET Networks Inc. (Internet printed matter producer, USA)	Acquire Ziff-Davis Inc. (Internet printed matter producer, USA)	<ul style="list-style-type: none"> - They want to increase customer base. - They gain more profit. - They can reduce operation cost. 	1,480.00	4* 21-Jul-00 Page 9
Chang Kieng Infrastructure (Infrastructure, Hong Kong)	Acquire Power Corr (Electrical distributor, Australia)	<ul style="list-style-type: none"> - CKI wants to expand business cover all continent. 	2,310.00	4* 04-Aug-00 Page 28
Credit Swiss Bank (Bank, Switzerland)	Acquire Donalson Lufkin and Janerett (Finance, USA)	<ul style="list-style-type: none"> - Credit Swiss expands business in USA. - Credit Swiss has to strengthen its business to compete with competitors merging before it. 	13,700.00	1* 01-Sep-00 Page 3
Weber Public Relation (Public relation, USA)	Merge Sandvick International (Public relation, USA)	<ul style="list-style-type: none"> - They increase ability to serve their customers. - They gain more profit. - They can reduce operation cost. 	N.A.	4* 21-Sep-00 Page 32

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Boot Healthcare International (Medical supply and body care product retailer, England)	Acquire Clearasil (Pimple curement product, USA)	<ul style="list-style-type: none"> - BHI sees growth in pimple curement market. - Clearasil has very good brandname. - BHI can gain much profit from Clearasil. - P&G wants to sell Clearasil. 	340.00	4* 19-Oct-00 Page 34
Yahoo Inc. (Website, USA)	Acquire Kimo Dot Com (Website, Taiwan)	<ul style="list-style-type: none"> - Yahoo prepares to expand business in China. - Yahoo can increase customer base. - Kimo wants money and expands business. 	146.00	4* 11-Nov-00 Page 7
Deithalm Holding Ltd. (Distribution, Switzerland)	Merge Edward Kellor Ltd. (Distribution, Switzerland)	<ul style="list-style-type: none"> - Their network will strengthen. - They can develop their business together. - They can reduce operation cost. 	N.A.	4* 25-Nov-00 Page 5

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
American Greeting Dot Com (Electronic greeting card service provider, USA)	Acquire Egreeting Dot Com (Electronic greeting card service provider, USA)	- American Greeting will have a leader position. - American Greeting increases customer base. - American Greeting can increase its profit.	28.60	4* 08-Feb-01 Page 7
United Parcel Service (UPS) (Parcel delivery service provider, USA)	Acquire Mail Box Ltd. (Parcel packaging and delivery service provider, USA)	- They want to expand service to small business and general customer. - They can increase service ability.	N.A.	4* 06-Mar-01 Page 28
Axxa (Insurance, France)	Acquire Nippon Duntai (Insurance, Japan)	- Axxa sees good opportunity to buy Japan's insurance company in cheap price. - Axxa wants to expand business in Japan. - Nippon wants money.	1,545.00	4* 21-Mar-01 Page 32
Sociate General Bank (Bank, France)	Acquire GEFA (Leasing, Germany)	- Sociate General wants to increase its profit. - Sociate General wants to diversify business.	574.12	4* 05-Apr-01 Page 28
Sociate General Bank (Bank, France)	Acquire ALD (Rent car supplier, Germany)	- Sociate General wants to increase its profit. - Sociate General wants to diversify business.	114.44	4* 05-Apr-01 Page 28
E-Global (Security service on computer network and internet, USA)	Merge TRG Ltd. (Security service on computer network and internet, USA)	- They have similar technology and service. - They want to increase customer base.	N.A.	4* 18-Apr-01 Page 8

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Halifax Bank (Bank, England)	Merge	Bank of Scotland (Bank, Scotland)	<ul style="list-style-type: none"> - They can reduce operation cost. - They can make more profit. - They want to grow enough for today rivalry. 	N.A.	4* 05-May-01 Page 22
American International Group (Insurance, USA)	Acquire	American General CorPage (Insurance, USA)	<ul style="list-style-type: none"> - AIG increases its competitive potentiality. - AIG can reduce operation cost. 	23,000.00	4* 13-May-01 Page 10
Centrophy Partners (Interactive consultant, USA)	Merge	MRM Worldwide (Marketing, USA)	<ul style="list-style-type: none"> - They want to combine their strengths. - Internet advertising business is downward. 	N.A.	4* 19-May-01 Page 22
Vevondee (Public utility, France)	Acquire	MP3 Dot Com (Website, USA)	<ul style="list-style-type: none"> - Vevondee strengthens itself for competing with its main competitor. - Vevondee wants MP3's technology. 	372.00	4* 22-May-01 Page 9
Compudyn Winfosystem (Software, India)	Acquire	VFX Studio (Special effect studio, USA)	<ul style="list-style-type: none"> - Compudyn wants to access into Hollywood's virtual effect easily. 	4.00	11* 12-Jul-01 Page 3
GE Capital (Finance, USA)	Acquire	Haller Financial (Finance, USA)	<ul style="list-style-type: none"> - GE Capital wants to increase its business. - GE Capital wants to grow. 	5,300.00	4* 31-Jul-01 Page 30

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Nationwide Global Holding Ltd. (Insurance, USA)	Acquire Provident Mutual Life Ltd. (Insurance, USA)	- Nationwide wants to grow. - Nationwide wants to provide service in all areas.	1,750.00	12* 15-Aug-01 Page 8
Walt Disney (Entertainment, USA)	Acquire Fox Family Worldwide (Cable TV and network, USA)	- Disney wants to increase its customers. - Disney can increase more profit.	5,200.00	2* 29-Oct-01 Page 21

TABLE 3.1: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Exact Software (Software, Europe)	Acquire Macola (Software, USA)	- They want to combine their strengths. - They can increase customer base.	N.A.	4* 01-Feb-02 Page 6
Bcom3 Group (Advertising agency, USA)	Merge Publicis Group(France) & Dentsu(Japan) (Advertising agency, France & Japan)	- New company can serve customers cover in many countries. - They can increase bargaining power. - They believe that most customers want to deal with big advertising agency. - They want to prevent new competitors.	N.A.	13* 18-Mar-02 Page B5

REMARK (*):

- | | |
|----------------------------------|------------------------------|
| 1. Wattajak Newspaper | 10. KawSod Newspaper |
| 2. Manager Daily Newspaper | 11. Today World Newspaper |
| 3. Siambusiness Newspaper | 12. Siamrath Newspaper |
| 4. Bangkokbusiness Newspaper | 13. Manager Weekly Newspaper |
| 5. Thai post Newspaper | |
| 6. Prachachartbusiness Newspaper | |
| 7. Thansettakij Newspaper | |
| 8. Matichon Newspaper | |
| 9. Kukaeng Weekly Newspaper | |

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TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Sara Lee (Retailer, USA)	Acquire Nutri-Metics International Ltd. (Cosmetics direct sale, Thailand)	- Sara Lee wants to enlarge its business. - Nutri-Metics wants to grow further in Asia market. - Nutri-Metics has no business heir.	N.A.	14* 14-Jul-97 Page 15
Family Mart (Convenient store, Thailand)	Merge Central Minimart (Convenient store, Thailand)	- Central Minimart wants Know-how from Family Mart. - Family Mart wants to increase its franchises.	N.A.	15* 31-Aug-97 Page 21
UTV Cable Network Ltd. (Cable TV, Thailand)	Merge International Broad Casting Corpage Ltd. (Cable TV, Thailand)	- Both of them have seriously financial problem. - They want to reduce operation cost.	N.A.	2* 11-Dec-97 Page 13,14

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Thai Commercial Bank (Bank, Thailand)	Acquire Cambodia Bank (Bank, Cambodia)	<ul style="list-style-type: none"> - Cambodia Central Bank wanted to sell its shares to show the transparency for IMF. - Thai Commercial Bank gains more profit. - Thai Commercial Bank has good relation with Cambodia's leader. 	N.A.	1* 16-Mar-98 Page 7, 12
Skycrif Ltd. (Real estate, Thailand) & Merge Chonlasin (Break rock, Thailand) & Tungkum (Mine Survey, Thailand)	Samuth Resource (Mine Patent Right, Thailand) & Mine and International Management, (Mine business, Thailand)	<ul style="list-style-type: none"> - All of them are Tungca Harbour's subsidiaries. - Tungca wants to streamline its business. - Tungca wants to be registered company in stock market again. 	N.A.	2* 22-Apr-98 Page 14, 16
ABN Amroll (Bank, Netherlands)	Merge Asia Bank (Bank, Thailand)	<ul style="list-style-type: none"> - ABN Amroll wants to settle down business in Asia. - ABN Amroll sees the opportunity to buy Thai bank in cheap price. - ABN Amroll wants to grow. - ABN Amroll increases customer base. 	1,000.00	5* 07-Jul-98 Page 7, 8
Lehman Brothers (Finance, England)	Acquire Peregrine (Finance, Thailand)	<ul style="list-style-type: none"> - Lehman can increase its role in financial industry in Thailand. - Lehman can offer completed service to customer in Thailand. 	N.A.	4* 31-Jul-98 Page 17, 23

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
SCT Ltd. (Computer system service provider, Thailand)	Merge PMS Ltd. (Computer system service provider, Thailand)	- They want to reduce operation cost. - They want to streamline their business. - PMS is SCT's subsidiary.	N.A.	7* 06-Aug-98 Page 33, 34
BNP Prime Peregrine (Finance, France)	Acquire Aekachart Security (Security, Thailand)	- BNP wants to completely serve its customers in Thailand. - BNP wants Aekachart's trading patent right.	N.A.	4* 29-Oct-98 Page 18
Platinum Technology Ltd. (Software, USA)	Acquire Web Info Ltd. (Software, Thailand)	- Platinum wants Web Info's products. - Platinum wants Web Info's staffs. - Web Info has financial problem.	N.A.	6* 03-Dec-98 Page 1, 4
MIH Asia BV Ltd. (Cable TV and internet, South Africa)	Acquire Samart's Internet Business (Internet, Thailand)	- Samart wants to sell its business which suffers a loss. - MIH sees chance in internet market in Thailand.	1.38	5* 04-Dec-98 Page 8

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (Million \$)	SOURCE
Clifford Sance (International law consultant, Thailand)	Merge	Virote International (Law consultant, Thailand)	- They want to strengthen and increase potentiality. - They want to combine their strengths in law.	N.A.	4* 09-Jan-99 Page 11, 12
Delleh The Lion Group (Retailer, Belgium)	Acquire	Lion Supermarket (Supermarket, Thailand)	- Delleh wants to be the leader in food retailer business.	10.00	4* 30-Apr-99 Page 6
Ford Motor Credit (Credit, Thailand)	Acquire	Sahasin Capital (Capital, Thailand)	- Ford wants Sahasin's business permission. - Ford wants to invest in other business. - Ford can offer new services to its customer.	N.A.	4* 08-May-99 Page 13,14
Aektumrong Security (Security, Thailand)	Acquire	KGI Security (Security, Hong Kong) & Sepower Security (Security, Hong Kong) &	- Aektumrong wants to increase customer base. - Aektumrong wants to be big enough for competing in Asia.	32.50	4* 28-May-99 Page 1, 4
Lalil Land and House (Real estate, Thailand)	Acquire	Country Village Ornmuch (Real estate, Thailand)	- Lalil sees the potentiality of Country's project. - Country has financial problem.	5.00	6* 08-Jul-99 Page 10
Mweb Ltd. (Website & internet service provider, Thailand)	Acquire	Sanook Dot Com (Website, Thailand)	- Mweb sees opportunity to make profit in Thai internet market.	2.50	16* 11-Jul-99 Page 9

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Laguna Resort and Hotel Ltd. (Resort and hotel, Thailand)	Acquire Bunyuntree Hotel Group (Resort and hotel, Thailand)	<ul style="list-style-type: none"> - Laguna will be the leader in Asia. - Laguna wants Bunyuntree's assets and brand. - Laguna wants to grow. 	91.75	6* 12-Jul-99 Page 4
Commercial Union Insurance Ltd. (Insurance, Thailand)	Merge General Accident Insurance Ltd. (Insurance, Thailand)	<ul style="list-style-type: none"> - They want to strengthen their service ability. - CU can increase customer base. - CU plans to be the leader in Thailand insurance market. 	N.A.	13* 26-Jul-99 Page 4
Access Thailand Investment Fund (Real estate Fund, Singapore)	Acquire The Pine Project (Service Apartment, Thailand)	<ul style="list-style-type: none"> - Access sees the opportunity to make long-term profit. 	N.A.	4* 10-Aug-99 Page 6
Informix Software Ltd. (Software, Thailand)	Acquire Crowdscape Inc. (Distribution e-business, Thailand)	<ul style="list-style-type: none"> - Informix gains competitive advantages in information management system market. - Crowdscape's technology supports Informix's solution to rapidly develop. 	100.00	2* 25-Oct-99 Page 22
CIA Media Network Ltd. (Media, England)	Acquire Media Innovation Ltd. (Media Independence, Thailand)	<ul style="list-style-type: none"> - CIA sees the opportunity to make profit in media independence market in Thailand. - CIA wants Media Innovation being as business base in Asia. 	N.A.	4* 05-Nov-99 Page 6

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
CMG Asia (Finance, Thailand)	Acquire Trust Bank (Bank, Australia)	- CMG wants to expand its banking business in Australia. - CMG wants to increase customer base.	93.13	3* 05-Dec-99 Page 11
Broad Casting Network Thailand (Media & entertainment, Thailand)	Acquire Onpa International (Music & entertainment, Thailand)	- Onpa has much debt. - UNT sees opportunity to make profit. - Onpa trusts in ability of UNT's management. - UNT wants Onpa's network system.	N.A.	2* 14-Dec-99 Page 17, 19
Mweb Thailand Ltd. (Website & internet service provider, Thailand)	Acquire Simplemag Dot Com (Website, Thailand) & Sabuy Dot Com	- Mweb sees opportunity to make profit. - Simplemag and Sabuy are both potentiality website and having increasing popularity. - Content in both websites match with what Mweb wants.	N.A.	7* 16-Dec-99 Page 45

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (Million \$)	SOURCE
Northbridge Community (Development education in community, Thailand)	Merge	Asia Property Inc. (Property, USA)	<ul style="list-style-type: none"> - Northbridge can rapidly access USA market. - Northbridge's shareholder can increase cash flexibility. 	N.A.	4* 10-Feb-00 Page 21
White and Case LLP (Law service provider, Thailand)	Merge	Noppadon & Khaisri (Law service provider, Thailand)	<ul style="list-style-type: none"> - White and Case wants Noppadon and Khaisri as its base for expanding business in Asia. - They combine their strengths in law to completely serve their customer's satisfaction. 	N.A.	4* 01-Apr-00 Page 15, 27
Credit Swiss First Boston (Finance, USA)	Acquire	Paribars Equity (Security, Thailand)	<ul style="list-style-type: none"> - Credit Swiss expands business in Thailand. - It's suitable time to invest in security business in Thailand due to economic crisis. 	N.A.	2* 21-Jun-00 Page 27
Credit Leyonnaes (Broker, France)	Acquire	Dutch Morgan Granfel (Subbroker, Thailand)	<ul style="list-style-type: none"> - Credit Leyonnaes expands business base. - Stock Exchange Trade market open for independent broker so Credit Leyonnaes can invest in cheap price. 	2.50	4* 29-Jun-00 Page 17, 27
Newthailand Dot Com (Website, Thailand)	Merge	Paragon Design Group (Website designer, Thailand)	<ul style="list-style-type: none"> - Paragon wants money to support its business. - Newthailand wants Paragon's ability in website design. - Newthailand wants to offer completed service to its customer. 	N.A.	4* 26-Aug-00 Page 7

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (Million \$)	SOURCE
Axxa Insurance Ltd. (Insurance, Thailand)	Merge	Guardian Insurance (Insurance, Thailand)	<ul style="list-style-type: none"> - Axxa wants to expand insurance business in Thailand. - Axxa wants Guardian's fame in insurance. - Axxa wants to increase customer base. 	N.A.	4* 13-Sep-00 Page 20
Tracktorbell Electric and Natural Gas Ltd. (Energy, Thailand)	Acquire	Pacific's Electrical Plant (Electrical plant, Thailand)	<ul style="list-style-type: none"> - Tracktorbell increases strength and ability for doing energy business in Thailand. - Tracktorbell chooses Thailand as centre for looking after its business in Asia. 	490.00	2* 11-Nov-00 Page 6
Brooker Group (Research & Consultant, Thailand)	Acquire	Tara Siam (Research, Thailand)	<ul style="list-style-type: none"> - Brooker will be the leader in this business in Thailand. - Brooker can offer completed service to its customer. - Tara Siam can support Brooker's business. 	N.A.	4* 20-Dec-00 Page 25

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
RHB Capital (Broker, Malaysia)	Acquire Thaisagura Capital (Capital, Thailand)	- RHB wants to increase its customer base. - Thaisagura wants RHB's research team.	5.80	4* 19-Jan-01 Page 20
Mhachai Hospital Co. (Hospital, Thailand)	Acquire Petchaburi Holding (Hospital, Thailand)	- Mhachai wants to expand network to serve cover wider area. - Mhachai sees opportunity to gain profit.	3.88	4* 30-Jan-01 Page 18
Starcom Co. (Media advertizing agency, Thailand)	Merge Media West Co. (Media advertizing agency, Thailand)	- Their head office abroad merged so they have to merge as their parent companies. - They have more capital for researching and developing.	N.A.	7* 03-May-01 Page 18
Navakit Insurance (Insurance, Thailand)	Acquire International Insurance (Insurance, Thailand)	- Navakit wants to increase customer base. - They want to strengthen to compete in intensive rivalry. - International Insurance's owner sold his shares. - They can reduce operation cost.	3.50	4* 20-Jun-01 Page 19, 26
Tylor Nelson Soffress (Market researcher, Thailand)	Merge Marketwise (Market researcher, Thailand)	- They will be the second biggest leader. - They can increase market share. - They can increase customer base. - They can reduce operation cost.	N.A.	7* 05-Jul-01 Page 22

TABLE 3.2: CASES OF MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (Million \$)	SOURCE
ING Group (Insurance, Thailand)	Merge	Ethna Financial Service (Finance, Thailand)	<ul style="list-style-type: none"> - ING will have financial stability cause Ethna has much money. - They can better serve their customer. - They can reduce operation cost. 	N.A.	3* 27-Jan-02 Page 8, 12
Trinity Asset Ltd. (Asset, Thailand)	Merge	United Asset Ltd. (Plc) (Asset, Thailand)	<ul style="list-style-type: none"> - They sees the good trend of capital market in Thailand. - They want to increase customer base and business - They are both Thai company. 	N.A.	6* 01-Apr-02 Page 16

REMARK (*):

1. Wattajak Newspaper
2. Manager Daily Newspaper
3. Siambusiness Newspaper
4. Bangkokbusiness Newspaper
5. Thai post Newspaper
6. Prachachartbusiness Newspaper
7. Thansettakij Newspaper
8. Matichon Newspaper

9. Kukaeng Weekly Newspaper
10. KawSod Newspaper
11. Today World Newspaper
12. Siamrath Newspaper
13. Manager Weekly Newspaper

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TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Coca-Cola Enterprise Inc (Drink, USA)	Acquire Coca-Cola Beverage Ltd. (Canada) and Coca-Cola Bottling of Newyork Inc (USA) (Bottling, Canada & USA)	- Coca-Cola Enterprise wants to enlarge market share. - Coca-Cola Enterprise wants to increase profit.	1,660.00	1* 29-May-97 Page 10
Intel Corporation (Semiconductor manufacturer, USA)	Acquire Chip And Technology Inc (Chip manufacturer, USA)	- Intel wants to develop ability in graphic and picture processing of its laptop by using Chip and Technology's skills in chip manufacturing.	N.A.	1* 12-Jul-97 Page 5
Segate Technology Inc. (Computer disk drive manufacturer, USA)	Aquire Quinta Corporation Ltd. (Disk drive and fiber optic technology manufacturer, USA)	- Segate wants Quinta's technology.	230.00	2* 19-Jul-97 Page 9
Microsoft CorPage (Computer software manufacturer, USA)	Acquire Vextreme (Computer software manufacturer, USA)	- Vextreme will help Microsoft in making standard in internet connection via audio and vedio.	75.00	1* 06-Aug-97 Page 4
International Business Machines CorPage (IBM) (Computer manufacturer, USA)	Acquire Unisun Software Inc. (Network system management software manufacturer, USA)	- IBM wants Unisun's technology. - IBM wants to increase more market share. - IBM's key competitor wants Unison too.	170.00	3* 20-Sep-97 Page 1,6
Designer Holding Company (Cloth, USA)	Acquire Warnaco (Lady's underwear manufacturer, USA)	- Designer Holding wants to increase market shares of clothes and underwear in America. - Warnaco is Designer Holding's subsidiary.	354.00	3* 30-Sep-97 Page 10

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
World Com Inc. (Distance telephone service provider, USA)	Acquire MCI CorPage (Distance telephone service provider, USA)	- World Com wants to be the biggest company in communication business. - World Com can control internet traffic system and have advantage over its competitors.	N.A.	3* 05-Oct-97 Page 1,9
Demler Benz Aerospace (Germany) & Aerospacial(France) (Aircraft, Germany & France)	Merge British Aerospace Enterprise (Aircraft, England)	- They want to increase their competitive ability - There are political benefits for this merging.	N.A.	2* 11-Dec-97 Page 16
Compaq Computer CorPage (Personal computer manufacturer, USA)	Acquire Tendem Computer Inc. (Online business processor system manufacturer, USA)	- They want to increase market opportunity. - Compaq wants to be the top three leader in computer manufacturer.	3,020.00	2* 20-Dec-97 Page 18
CB Commercial Real-estate Service Ltd. (Real-estate, England)	Merge Richard Ellis International Ltd. (Real-estate, England)	- They want to increase their potentiality. - They want to increase their customer base.	N.A.	3* 20-Dec-97 Page 19
World Com Inc. (Distance telephone service provider, USA)	Acquire Brook Fiber Property Inc (Local telephone service provider, USA)	- Wold Com wants to enlarge its distance telephone network.	2,400.00	5* 21-Dec-97 Page 5
Armorsam International (Biology science business, USA)	Merge Pharmacy Biotech (Pharmacy, USA)	- They want to be the biggest biological technology provider company in the world.	N.A.	7* 25-Dec-97 Page 7

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A	REASONS FOR M&A	VALUE (million \$)	SOURCE
Kocuchai Denchi Denwa Ltd. Merge Teleway Japan (International telephone service provider, Japan) (Domestic telephone service provider, Japan)	<ul style="list-style-type: none"> - Teleway wants to penetrate in world communication market. - KDD sees that Teleway owns fiber optic cable network linking main city in Japan. 	37,000.00	5* 28-Dec-97 Page 11

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Tran Canada Pipeline (Pipeline, Canada)	Merge	Nova Corporation (Pipeline, Canada)	<ul style="list-style-type: none"> - They want to reduce operation cost - They want to have service flexibility. - They want to increase business opportunity. 	21,000.00	5* 31-Jan-98 Page 23
Compaq Computer CorPage (Personal computer manufacturer, USA)	Acquire	Digital Corporation (Computer manufacturer, USA)	<ul style="list-style-type: none"> - They want to be the organization having biggest computer distribute channel. - They want to increase their growth. 	9,600.00	6* 02-Feb-98 Page 22
West Management Inc. (Garbage transport, USA)	Merge	USA West Service Inc. (Garbage transport, USA)	<ul style="list-style-type: none"> - They want to reduce cost - They want to increase their growth 	N.A.	2* 13-Mar-98 Page 15
Wang Laboratory Inc (System network and destop, USA)	Merge	Olivetti SPA (System and information, Italy)	<ul style="list-style-type: none"> - Wang wants to expand its business in Europe and Asia. - Olivetti gain benefit in business of system and network. 	390.00	3* 15-Mar-98 Page 21
Altel Corp (Distance telephone provider, USA)	Merge	360 Communication Co. (Mobile phone provider, USA)	<ul style="list-style-type: none"> - Altel wants to big enough to compete with its key competitor. - They want to reduce their cost. - They want to increase their profit. 	4,100.00	4* 18-Mar-98 Page 20

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
United Video Satellite Group Inc. (Television channel producer, USA)	Acquire TV. Guide (Magazine, USA)	<ul style="list-style-type: none"> - TV Guide wants to improve and expand to television and internet by helping from United Video. - United Video wants to expand its business. - United Video wants to increase its profit. 	2,000.00	4* 15-Jun-98 Page 26
Daimler-Benz AG (Automobile manufacturer, Germany)	Merge Chrysler CorPage (Automobile manufacturer, USA)	<ul style="list-style-type: none"> - They want to increase their potentiality - They want to reduce cost - They want to increase profit. - Demler-Benz can increase sale in USA. - Chrysler wants to increase sale in Europe. 	40,500.00	9* 01-Jul-98 Page 14
British Petroleum (Petrol, England)	Acquire Amoco CorPage (Petrol, USA)	<ul style="list-style-type: none"> - They want to be the biggest company. - They want to strengthen their company to compete in intensive rivalry. - They want to reduce operation cost. 	49,200.00	2* 13-Aug-98 Page 7
Nippon Oil (Petrol, Japan)	Merge Mitsubishi Oil (Petrol, Japan)	<ul style="list-style-type: none"> - They want to be the biggest in Japan. - They want to increase sale. - They want to strengthen themselves for competing with big foreign competitors. 	N.A.	1* 29-Oct-98 Page 9

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Sanofi (Drug, France)	Merge Synthelabo (Drug, France)	<ul style="list-style-type: none"> - They want to reduce operation cost. - They want to grow. - They want to reduce time in research and develop drug - They want to expand business to new market. 	N.A.	4* 05-Dec-98 Page 5
Fairsild Semiconductor (Semiconductor manufacturer, USA)	Acquire Transistor Part Production Unit of Sumsung Electronics (Electronic component manufacturer, Korea)	<ul style="list-style-type: none"> - Fairsild wants to increase its ability in expanding production for electronic appliances - Sumsung wants to go ahead in production of chip and big integrated circuit board. 	455.00	4* 23-Dec-98 Page 22

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million\$)	SOURCE
Rothmans International (Tobacco, Netherlands)	Merge	British American Tobacco (Tobacco, England)	<ul style="list-style-type: none"> - They want to reduce operation cost. - They want to grow. - They want to increase their market share. 	19,500.00	4* 12-Jan-99 Page 16
Lucent (Telephone instrument manufacturer, USA)	Acquire	Ascent (Computer network manufacturer, USA)	<ul style="list-style-type: none"> - Lucent wants Ascent's skills in technology and information. - Lucent wants to improve itself for competing in world market. 	18,500.00	2* 15-Jan-99 Page 7
Vodafone Group (Mobile telephone provider , England)	Acquire	Airtouch Communications (Wireless telephone provider, USA)	<ul style="list-style-type: none"> - Vodafone wants to reduce operation cost. - Vodafone wants to be the biggest wireless telephone company in the world. - Vodafone expands business cover Europe. 	66,500.00	2* 19-Jan-99 Page 7
Mitsui O.S.K. Lines (Shipping, Japan)	Merge	Navix Lines Ltd. (Shipping, Japan)	<ul style="list-style-type: none"> - They want to be the biggest shipping company in the world. - They want to reduce operation cost. 	N.A.	7* 28-Feb-99 Page 36
Dunlop (Tire manufacturer, Japan)	Merge	Goodyear (Tire manufacturer, USA)	<ul style="list-style-type: none"> - They want to reduce operation cost. - They want to increase their market share in world market. - They want to share Technology. 	N.A.	6* 15-Mar-99 Page 25

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Renaul SA (Car, France)	Merge Nissan Motor (Car, Japan)	<ul style="list-style-type: none"> - Renault wants to penetrate in USA's market. - Nissan wants cash from Renault - They want to reduce operation cost. 	5,400.00	2* 29-Mar-99 Page 6
Computer Associate International (Software manufacturer, USA)	Acquire Platinum Technology International (Software manufacturer, USA)	<ul style="list-style-type: none"> - They want to grow. - CA wants to increase profit. - CA wants to obstruct its competitor who wants to buy Platinum too. 	3,500.00	4* 31-Mar-99 Page 28
BP Amoco (Petroleum, USA)	Acquire Atlantic Richfield (Petroleum, USA)	<ul style="list-style-type: none"> - BP Amoco wants to reduce its operation cost. - BP gains benefit from Atlantic's retail network. - BP wants to strengthen its business. 	26,800.00	1* 05-Apr-99 Page 9
Intel Corporation Ltd. (Semiconductor manufacturer, USA)	Acquire Level One Communications (Solution in connection with silicon, USA)	<ul style="list-style-type: none"> - Intel wants to be leader in internet and intranet component market provider. - Intel wants Level One's Technology. - Intel wants to grow rapidly. 	2,200.00	2* 19-Apr-99 Page 18
General Electrics (Telecommunication and electronic, England)	Acquire For System Inc. (ATM and internet protocol network instrument, USA)	<ul style="list-style-type: none"> - GEC wants to develop technology rapidly. - GEC expands its business to USA's market. - GEC wants to increase its potentiality. - For System wants cash from GEC. 	4,500.00	2* 01-May-99 Page 4

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
TRW (Car component, USA)	Acquire Lucus Variety (Car component, USA)	- TRW wants to reduce operation cost. - TRW wants to be a leader in control instrument market.	7,000.00	10* 02-Jun-99 Page 26
Allied Signal (Industrial product manufacturer, USA)	Acquire Honeywell (Automatic control system, USA)	- Ally Signal wants to increase its strength. - Ally Signal wants Honeywell's technology. - Ally Signal wants to increase profit. - Ally Signal wants to reduce operation cost.	14,000.00	4* 08-Jun-99 Page 27
Cable and Wireless (Communication, England)	Acquire International Digital Communications (Communication, Japan)	- Cable and Wireless wants to expand business in Japan.	575.00	4* 10-Jun-99 Page 27
Intel Corporation Ltd. (Semiconductor manufacturer, USA)	Acquire Dialogic Corporation Ltd. (Computer telephony software, USA)	- Intel wants stability in role of product distributor for internet and telecommunication industry. - Intel wants Dialogic's technology.	780.00	1* 10-Jun-99 Page 3
Simix Systems Inc. (Supplychain system, USA)	Acquire Distribution Architect International (Supplychain system, USA)	- Simix wants to get rid of it's weak. - Simix can completely serve service. - Simix expands business to middle industry.	N.A.	4* 30-Jun-99 Page 8
Cisco Systems Inc. (Network instrument manufacturer, USA)	Acquire Stratum One Communications Inc. (High speed chip manufacturer, USA)	- Cisco wants Stratum's technology. - Cisco sees Stratum's strategic values.	435.00	4* 02-Jul-99 Page 9

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Symix System Inc. (Software for medium industry, USA)	Acquire Distribution Architects International (Supply chain management solution, USA)	- Symix wants Distribution's Supply Chain Management Solution. - Symix wants to expand medium size market.	N.A.	2* 05-Jul-99 Page 22
Allied Signal (Industrial product manufacturer, USA)	Acquire Johnson Matthey PLC (Electronics component manufacturer, England)	- Allied Signal invested in high profit business. - Allied Signal will have more products in semiconductor market.	655.00	4* 13-Jul-99 Page 8
Rothmans of Paul Mall (Cigarette manufacturer, Malaysia)	Acquire Malaysia Tobacco (Cigarette manufacturer, Malaysia)	- Rothmans can increase market shares. - Rothmans can increase distribution network. - Rothmans can reduce operation cost.	202.50	4* 21-Jul-99 Page 26
Texas Instruments Inc. (Chip manufacturer, USA)	Acquire Unitrode CorPage (Chip manufacturer, USA)	- TI wants to expand production line of its semiconductor into mobile instruments. - TI wants Unitrode's technology.	1,200.00	4* 28-Jul-99 Page 7
Mirror Group (Newspaper, England)	Merge Trinity (Newspaper, England)	- They want to be the biggest newspaper company in England. - Trinity wants to improve its image. - They want to increase customer base.	2,000.00	4* 03-Aug-99 Page 28
EMC CorPage (Computer harddisk manufacturer, USA)	Acquire Data General CorPage (Computer manufacturer, USA)	- EMC enlarges ability in leader of harddisk market. - EMC can use production line of main network computer of Data General.	952.00	4* 12-Aug-99 Page 8

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Deutsche Telekom AG (Telephone provider, Germany)	Merge	One2one (Mobile phone provider, England)	<ul style="list-style-type: none"> - Deutsche wants to set market base in England - Deutsche wants to be a world player. - Deutsche wants to increase profit. 	13,500.00	4* 11-Aug-99 Page 8
Alco (Aluminium manufacturer, USA)	Acquire	Renolds Metal (Aluminium manufacturer, USA)	<ul style="list-style-type: none"> - Alco wants to increase their strength. - Alco can reduce operation cost. - Renolds Metal have cash problem. - Alco will be the leader in aluminium market. 	4,400.00	4* 21-Aug-99 Page 22
British Telecommunications PLC (Telephone provider, England)	Acquire	Yellow Book USA (Yellow pages publisher, USA)	<ul style="list-style-type: none"> - BT sees the profit of advertising in yellow pages business. - BT wants Yellow Book USA to support yellow pages that it bought before. 	665.00	4* 28-Aug-99 Page 9
DHL Worldwide Express (International delivery service, USA)	Acquire	DHL Argentina (International delivery service, Argentina)	<ul style="list-style-type: none"> - DHL Worldwide sees opportunity of high growth in Argentina's market. - DHL Worldwide uses Argentina as base for doing business in Latin America. 	9.25	9* 30-Aug-99 Page 15
Via Technologies Ltd. (Chip manufacturer, Taiwan)	Acquire	Cyrix (Chip designer, USA)	<ul style="list-style-type: none"> - Via wants to combine Cyrix with its chip designer team. - Via wants Cyrix's technology. 	167.00	4* 10-Sep-99 Page 8

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (million \$)	SOURCE
Carrefour (Retailer chain, France)	Merge	Promodae (Retailer chain, France)	<ul style="list-style-type: none"> - Carrefour increases power of bargaining. - Carrefour wants to increase profit. - Carrefour wants Promodae's strong inventory management system and distribution. 	16,500.00	7* 12-Sep-99 Page 26
Solectron (Computer and electronics manufacturer, USA)	Acquire	Smart Modular Technologies (Memory Chip manufacturer, USA)	<ul style="list-style-type: none"> - Solectron wants to increase its product amount to its customers. - Solectron can increase profit. 	2,000.00	4* 15-Sep-99 Page 9
Xerox CorPage (Printer Manufacturer, USA)	Acquire	Tektronix Inc. (Color Printer Manufacturer, USA)	<ul style="list-style-type: none"> - Xerox sees profit in color printer for office. - Xerox increases color printer's market share. - Xerox can increase distribution channel around the world. 	950.00	4* 24-Sep-99 Page 9
Intel Corporation (Semiconductor manufacturer, USA)	Acquire	IPivot (Internet trading instrument manufacturer, USA)	<ul style="list-style-type: none"> - Intel wants to help its customer to manage traffic on website effectively. - Intel sees the opportunity to make profit in internet trading instrument market. 	500.00	1* 13-Oct-99 Page 3
American Home Product (Medical supplies, USA)	Merge	Warner Lampert (Medical supplies, USA)	<ul style="list-style-type: none"> - They want to grow. - They can reduce operation cost. 	72,000.00	2* 05-Nov-99 Page 20

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Oracle (Database software manufacturer, USA)	Acquire Carleton (Software for pulling information manufacturer, USA)	- Oracle wants to increase efficiency for its information center by using Carleton's technology.	8.70	4* 12-Nov-99 Page 9

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Red Hat ("Linux" Operation system distributor, USA)	Acquire Hell's Kitchen Systems (E-commerce software manufacturer, USA)	- Red Hat wants Hell's technology. - Red Hat wants to expand its market.	86.00	4* 07-Jan-00 Page 8
Nortel Networks CorPage (Telecommunications instrument manufacturer, USA)	Acquire Promatory Communications Inc. (High speed internet connection system developer, USA)	- Nortel fulfills its product gab in the market. - Nortel wants Promatory's technology.	778.00	4* 10-Jan-00 Page 8
Taiwan Semiconductor Manufacturing Co. (Semiconductor manufacturer, Taiwan)	Acquire Worldwide Semiconductor Manufacturing CorPage (Semiconductor manufacturer, USA)	- TSMI wants to increase its ability. - TSMI wants to secure its leader market position.	8,000.00	4* 11-Jan-00 Page 7
Telstra CorPage (Telecommunications service provider, Australia)	Acquire OzEmail (Internet service provider, Australia)	- Telstra wants to grow rapidly. - Telstra sees the opportunity to make profit.	165.00	4* 12-Jan-00 Page 10
Boeing (Aircraft manufacturer, USA)	Acquire Hughes Electronics (Electronics manufacturer, USA)	- Boing can increase profit. - Boing wants to be the leader. - Boing wants Hughes's technology.	3,750.00	4* 15-Jan-00 Page 7
Nortel Network CorPage (Telecommunication service provider, USA)	Acquire Cutera CorPage (Fiber optic network system manufacturer, USA)	- Nortel wants to be the leader in speed, stability, quality, and economic leader on internet.	3,250.00	4* 01-Feb-00 Page 11

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Corel (Software manufacturer, USA)	Acquire Inprise/Borland (Instrument aided program making, USA)	- Corel wants to increase its product potentiality. - Corel wants Inprise/Borland's technology.	2,440.00	4* 09-Feb-00 Page 9
Computer Associate (Organization software manufacturer, USA)	Acquire Sterling Software (Organization software manufacturer, USA)	- CA can expand its product variety. - CA wants Sterling's technology.	4,000.00	4* 16-Feb-00 Page 7
Stora Enso Oyi (Paper manufacturer, Finland)	Acquire Consolidate Papers (Paper manufacturer, USA)	- Stora wants to strengthen its business base in USA market. - Stora wants to grow enough to compete with key competitors.	3,860.00	4* 24-Feb-00 Page 28
Alcatel (Telephone instrument manufacturer, France)	Acquire Newbridge Networks (Network, Canada)	- Alcatel want to grow enough to compete with its key competitors. - Alcatel wants Newbridge's technology.	7,100.00	4* 25-Feb-00 Page 7
Chicago Tribune (Newspaper, USA)	Merge Los Angeles Times (Newspaper, USA)	- They want to grow enough to make profit. - They see chance to make profit. - They can increase their efficiency.	8,000.00	2* 15-Mar-00 Page 19
Intel Corporation (Semiconductor manufacturer, USA)	Acquire Giga A/S (Telecommunication chip manufacturer, Denmark)	- Intel wants to increase its line of product in network chip industry. - Intel wants Giga's technology.	1,250.00	4* 20-Mar-00 Page 8

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
BASF AG (Chemical product, Germany)	Acquire American Home Product (Chemical product, USA)	- BASF wants to increase sale. - BASF can increase its competition ability in both variety of product and quality.	3,800.00	7* 16-Apr-00 Page 12
Byer (Medical supplies industry, Germany)	Acquire Leondell Chemical Ltd. (Polymer manufacturer, USA)	- Byer wants to be the biggest polyurethane supplier in the world. - Byer wants Leondell's technology. - Byer can reduce operation cost.	2,450.00	7* 16-Apr-00 Page 12
Motorola (Mobile phone manufacturer, USA)	Acquire Hundai's Silicon Chip Factory (Silicon chip manufacturer, South Korea)	- Motorola wants to invest in Europe. - Motorola sees growth in chip manufacturing. - Motorola saves time in constructing new factory.	2,000.00	4* 24-Apr-00 Page 7
Fizor Ince (Medical supplies industry, USA)	Acquire Warner-Lampert (Medical supplies industry, USA)	- Fizor can reduce operation cost. - Fizor can increase profit. - Fizor will be the biggest medical supplies company in the world.	116,000	4* 21-Jun-00 Page 30
Vevondee (Public utility, France)	Acquire Seagram (Drink, Canada)	- Vevondee wants to combine its entertainment business with Seagram's entertainment business. - The combined entertainment business will be the second biggest media group in the world. - Vevondee can increase profit.	34,000.00	2* 21-Jun-00 Page 17,18

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Texas Instruments Inc. (Chip manufacturer, USA)	Acquire Ber-Brown (Chip manufacturer, USA)	<ul style="list-style-type: none"> - Texas wants to get rid of its key competitor. - Texas wants to strengthen its market position. - Texas wants Ber-Brown's strength in analog and digital chip system market. - Texas wants to increase its market share. 	7,600.00	1* 23-Jun-00 Page 3
Tricom (Computer network instrument Manufacturer, USA)	Acquire Curbanco (Internet radio developer, USA)	<ul style="list-style-type: none"> - Tricom wants to expand business to information proposition instrument market. 	80.00	1* 29-Jun-00 Page 3
Cisco System (Network industry, USA)	Acquire IP Mobile (Wireless communication software manufacturer, USA)	<ul style="list-style-type: none"> - Cisco wants to prepare for expanding wireless telephone business in third generation. 	425.00	1* 03-Aug-00 Page 3
Witman (Bottling, USA)	Acquire Pepsi America (Bottling, USA)	<ul style="list-style-type: none"> - Witman can increase operation efficiency. - Witman increases proposition in Pepsi's bottling. - Witman can reduce operation cost. 	662.00	4* 23-Aug-00 Page 28
SmithKline Besam (Medical supply, England)	Acquire Block Drug (Mouth and teeth health care product manufacturer, USA)	<ul style="list-style-type: none"> - Smith sees potentiality in long-term benefit from mouth and teeth health care product. - Block Drug's products are fit with Smith's product. 	1,240.00	4* 10-Oct-00 page 30

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Intel CorPage (Chip manufacturer, USA)	Acquire Secom Inc. (Mobile phone instrument accessory manufacturer, USA)	<ul style="list-style-type: none"> - Intel wants to increase its manufacturing efficiency of desktop computer components. - Intel wants to increase its potentiality and competitive ability in IT market. - They can propose new product and alternative by combining their strengths. 	748.00	1* 17-Jan-01 Page 44
Apple Computer (Computer manufacturer, USA)	Acquire Power School (Education software developer, USA)	<ul style="list-style-type: none"> - Apple will be leader in providing information system for students throughout USA. 	62.00	1* 16-Mar-01 Page 3
Billington (Mine, England)	Merge BHP (Petrol, Australia)	<ul style="list-style-type: none"> - They want to reduce operation cost. - They want to increase bargain power in buying. 	N.A.	4* 20-Mar-01 Page 29
Microsoft CorPage (Software manufacture, USA)	Acquire Encompass Lab. (Software for production and management web content, USA)	<ul style="list-style-type: none"> - Microsoft sees the importance of software for production and management web content. - Microsoft wants Encompass's products. 	N.A.	1* 03-May-01 Page 3
Valero Energy (Petrol refinery, USA)	Acquire Ultramar Diamond Samrock (Petrol refinery, USA)	<ul style="list-style-type: none"> - Valero can reduce operation cost. - Valero will be the second biggest petrol refinery in USA. 	4,000.00	4* 09-May-01 Page 32

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Proctor and Gamble (P&G) (Consumer product manufacturer, USA)	Acquire Clairol (Hair care product, USA)	<ul style="list-style-type: none"> - P&G wants Clairol's products. - P&G can get rid of many competitors. - P&G can increase more profit. - P&G can increase more market share. 	4,950.00	6* 24-May-01 Page 9
Merk (Medical supply, Germany)	Acquire Kyowa Hugcongeaow (Medical supply, Japan)	<ul style="list-style-type: none"> - Merk wants to expand market in Japan. - Merk can increase profit. 	N.A.	4* 22-Jun-01 Page 25
Philip Electronics (Electronic equipment, Holland)	Acquire Medical Systems Business (Medical supply, USA)	<ul style="list-style-type: none"> - Phillip will be the second biggest medical supply manufacturer in the world. 	1,100.00	4* 05-Jul-01 Page 25
Siko (Watch manufacturer, Japan)	Merge Citizen (Watch manufacturer, Japan)	<ul style="list-style-type: none"> - They want to be bigger for competing with new foreign competitors. - They can reduce operation cost. 	N.A.	8* 09-Dec-01 Page 24
Conoco (Petrol, USA)	Merge Philip Petroleum (Petrol, USA)	<ul style="list-style-type: none"> - They increase their capital for investing. - They can reduce operation cost. - They can reduce risk. 	15,170.00	13* 17-Dec-01 Page B4

TABLE 3.3: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (million \$)	SOURCE
Royal Dutch / Shell (Oil, Netherlands)	Acquire Pennzoil-Quakerstate (Car oil, USA)	- Shell wants to penetrate in engine oil market. - Shell wants Pennzoil's famous product name. - Shell wants to strengthen its business.	1,800.00	2* 28-Mar-02 Page 21

REMARK (*):

1. Wattajak Newspaper
2. Manager Daily Newspaper
3. Siambusiness Newspaper
4. Bangkokbusiness Newspaper
5. Thaipost Newspaper
6. Prachachartbusiness Newspaper
7. Thansettakij Newspaper
8. Matichon Newspaper
9. Kukaeng Weekly Newspaper
10. KawSod Newspaper
11. Today World Newspaper
12. Siamrath Newspaper
13. Manager Weekly Newspaper

สถาบันวิทยบริการ
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TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Lumsoong Ltd. (Palm oil manufacturer and distributor, Thailand)	Acquire APO Palm Oil Ltd. (Rude palm oil provider, Thailand)	- Lumsoong wants APO to secure its raw material supply. - Lumsoong wants to reduce cost.	0.93	3* 02-Sep-97 Page 10
Dutch mill (Dairy Product Manufacturer, Thailand)	Acquire Custommart (Distributor, Thailand)	- Dutch Mill wants to prepare distribution ability for its new business and increasing old product market.	N.A.	7* 06-Oct-97 Page 27
Incape Consumer Marketing (Consumer product Manufacturer, Thailand)	Merge EAC Marketing Service (Consumer product Manufacturer, Thailand)	- They want to combine their strength to serve suppliers and shops. - The new company will have strong point in distribution through Thailand.	N.A.	15* 16-Nov-97 Page 22
Caltex (Petrol, Thailand)	Acquire BP Oil Ltd. (Petrol, Thailand)	- Caltex wants to increase its gas station. - Caltex increases its market share.	N.A.	2* 17-Nov-97 Page 18
NPSM (Steel manufacturer, Thailand)	Merge Steel Top Company (Steel manufacturer, Thailand)	- They want to strengthen their business. - They have similar product so they think they can help together to improve potentiality.	N.A.	5* 21-Dec-97 Page 5

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Delphi Automotive Systems Ltd Acquire (Electronic component manufacturer, USA)	Delco Electronics (Electronic component manufacturer, Thailand)	<ul style="list-style-type: none"> - Delphi wants Delco's skills in manufacturing. - Delphi can reduce operation cost. - Delphi can propose variety products to customer. 	N.A.	2* 05-Jan-98 Page 4
Compaq Computer CorPage (Computer manufacturer, Thailand)	Acquire Tandem Computer International Inc. (Computer manufacturer, Thailand)	<ul style="list-style-type: none"> - Compaq head office in USA acquired Tandem headoffice so they have to combine together. - Compaq can increase its customer base. 	N.A.	7* 01-Feb-98 Page 23
Thailor Ltd. (Cosmetics manufacturer, Thailand)	Merge Siampar Ltd. (Cosmetics manufacturer, Thailand)	<ul style="list-style-type: none"> - They are Loreal (Paris)'s subsidiaries. - Loreal (Paris) wants to increase its subsidiaries' efficiency in Thailand. 	N.A.	6* 25-May-98 Page 17, 18
Chareon Pokekaparn animal Food (Animal food manufacturer, Thailand)	Merge Bangkok Agricultural Product (Agricultural product manufacturer, Thailand) & Bangkok Produce (Agricultural product manufacturer, Thailand) & Chareon Pokekaparn North East (Agricultural product manufacturer, Thailand)	<ul style="list-style-type: none"> - Chareon Pokekapan animal Food wants to streamline its business. - Chareon Pokekapan animal Food wants to increase its assets from all its subsidiaries. - Chareon Pokekapan animal Food wants to lead its all subsidiaries into the same way. - Chareon Pokekapan animal Food wants to reduce operation cost. 	N.A.	6* 11-Jun-98 Page 2

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (Million \$)	SOURCE
Thai Union Frozen Products (Seafood exporter, Thailand)	Merge	Songkhla Canning (Seafood exporter, Thailand)	<ul style="list-style-type: none"> - They can increase profit. - TUF wants to secure its growth. - TUF has policy to invest in potential company. - TUF can expand its business abroad. - They can reduce operation cost. 	N.A.	6* 21-Sep-98 Page 6
Star Petroleum Refining (Petroleum refinery, Thailand)	Merge	Rayong Petroleum Refining (Petroleum refinery, Thailand)	<ul style="list-style-type: none"> - They want to reduce operation cost. - They want to increase competitive ability. 	N.A.	4* 24-Oct-98 Page 9

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Malee Sampran Ltd. (Food , Thailand)	Acquire Thai Commercial Bank's factory (Sweet corn production factory, Thailand)	- Malee can increase its profit. - Malee prepares for oncoming expanded production.	5.00	3* 21-Mar-99 Page 15
World Gas Ltd. (Liquid petroleum gas, Thailand)	Acquire Shell's Liquid Petroleum Gas Business (Liquid petroleum gas, Thailand)	- World Gas wants to increase its market share. - World Gas wants Shell's assets and staffs. - World Gas wants to increase customer base.	N.A.	4* 02-Jun-99 Page 1, 4
Unigas and Petrochemical Ltd. (Liquid petroleum gas, Thailand)	Acquire Esso's Liquid Petroleum Gas Business (Liquid petroleum gas, Thailand)	- Unigas wants to increase customer base. - Unigas wants to increase its distribution channel.	5.00	4* 12-Jun-99 Page 15
Pan Asia Paper (Paper manufacturer, Hong Kong)	Acquire Shinho Paper Thailand Ltd. (Paper manufacturer, Thailand)	- Pan sees opportunity in Asia paper market. - Shinho has financial problem.	N.A.	7* 08-Jul-99 Page 1, 14
Fazer and Neef Network (Ice-cream import, Singapore)	Acquire United Foods Ltd. (Ice-cream manufacturer, Thailand)	- Fezer wants United's assets and right in manufacturing ice-cream business. - United has financial problem.	8.40	7* 11-Jul-99 Page 18
Shin CorPage (Telecommunication, Thailand)	Merge Samart CorPage (Telecommunication, Thailand)	- Shin has much of cash in hand. - Shin wants to increase IT business base. - Shin wants Samart's customers. - Samart has variety kinds of IT business.	N.A.	6* 11-Oct-99 Page 23, 24

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Pendulum Ltd. (Watch importer, Thailand)	Acquire Bulgary's agency (Bulgary's agency, Thailand)	<ul style="list-style-type: none"> - Pendulum sees opportunity to make profit. - Pendulum can increase its potentiality if it has Bulgary's in hand. 	N.A.	2* 26-Apr-00 Page 20
Siamfine China Ltd. (Ceramic product manufacturer, Thailand)	Merge Royal Porcelain Ltd. (Ceramic product manufacturer, Thailand)	<ul style="list-style-type: none"> - They are subsidiaries of Cement Nakorn Luang Ltd. - Cement Nakorn Luang wants to streamline business. - Their business are in the same line. - Cement Nakorn Luang reduces operation cost. 	N.A.	7* 02-Jul-00 Page 1, 2
PCM Processed Floor Ltd. (Processed floor manufacturer, Thailand)	Merge Asian Property Ltd. (Real estate development, Thailand)	<ul style="list-style-type: none"> - They want to support each other business. - Asian Property gain advantage from having raw material supply base. - PCM gains advantage from having assured customer. 	12.25	10* 14-Jul-00 Page 26
BASF Ltd. (Chemical product manufacturer, Thailand)	Acquire Shemdem Asia Limited (Super absorbentpolymer, Thailand)	<ul style="list-style-type: none"> - BASF wants Shemdem to manufacture products for it rather than it imports as usually. 	N.A.	4* 02-Aug-00 Page 19

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
BASF Ltd. (Chemical product manufacturer, Thailand)	Acquire American Cyanamid Chemical product manufacturer, USA)	- BASF can increase market share. - BASF can increase profit.	N.A.	4* 02-Aug-00 Page 19
BASF Ltd. (Chemical product manufacturer, Thailand)	Acquire Takeda Ltd. (Vitamin, Thailand)	- BASF can increase market share.	N.A.	4* 02-Aug-00 Page 19

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A		REASONS FOR M&A	VALUE (Million \$)	SOURCE
Handson Plc. (Rock, sand and concrete manufacturer, England)	Merge Readymix Pioneer Concrete (Readymix Concrete, Thailand)	- Handson wants to penetrate in Thai market. - Handson wants to increase its network.	2,500.00	6* 14-Jun-01 Page 8

TABLE 3.4: CASES OF MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (CONTINUED)

CASES OF M&A			REASONS FOR M&A	VALUE (Million \$)	SOURCE
Thai Asahi CorPage (Glass manufacturer, Thailand)	Merge	Bangkok Froth Glass Ltd. (Glass manufacturer, Thailand)	<ul style="list-style-type: none"> - They are subsidiaries of Asahi Glass CorPage (Japan). - They do business in the same line. - AGC (Japan) wants to streamline business in Thailand. - They can increase efficiency and competitive ability. 	18.75	4* 19-Feb-02 Page 20
Loxbit Ltd. (Hardware and software manufacturer, Thailand)	Merge	Netfusion (Software and internet application manufacturer, Thailand)	<ul style="list-style-type: none"> - Loxbit wants Netfusion to support software development and online business ability. - Netfusion will be supported in market channel. 	N.A.	4* 20-Feb-02 Page 6
Western Digital Ltd. (Hard disk and hard disk components manufacturer, USA)	Acquire	Fujitsu's factory (Factory, Thailand)	<ul style="list-style-type: none"> - Western wants to locate its manufacturing base in Thailand. - Fujitsu's factory can support Western production in Malaysia. 	N.A.	4* 19-Mar-02 Page 6

REMARK (*):

1. Wattajak Newspaper
2. Manager Daily Newspaper
3. Siambusiness Newspaper
4. Bangkokbusiness Newspaper
5. Thaipost Newspaper
6. Prachachartbusiness Newspaper
7. Thansettakij Newspaper
8. Matichon Newspaper
9. Kukaeng Weekly Newspaper
10. KawSod Newspaper
11. Today World Newspaper
12. Siamrath Newspaper
13. Manager Weekly Newspaper



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CHAPTER 4

RELATING ISSUES FOR DOING BUSINESS IN THAILAND

4.1 Information for Doing Business in Thailand

According to the Board of Investment of Thailand (2002), there are key issues to be considered.

4.1.1 General Information of Thailand

4.1.1.1 Demographic

ρ Population

The population of Thailand reached 62.1 million in 1999, of which approximately 30 percent are under the age of 15. With a growth rate of 1.2 to 1.4 percent per year the population is projected to exceed 70 million by 2010.

ρ Work force

The size of the work force now exceeds 32.9 million, with the majority of the workforce under 30 years of age. Each year about 800,000 people join this force, with a literacy rate above 90 percent. Many standard labor practices apply, including mandatory severance packages, and overtime payments for work in excess of the normal workday.

ρ Wage

The minimum wage in Thailand is currently 162 baht per day (US\$4.38) in Bangkok, and between 130-140 baht in the provinces. While not the lowest labor market in the region, Thailand's workforce is among the most cost-efficient in the world, as they have earned a reputation for diligence and adaptability.

ρ Education

In recent years, there has been increased emphasis on education. This emphasis is sure to continue into the 21st century, as the Eighth National Economic and Social Development Plan (1997-2002) focuses on development of the Kingdom's human resources as its highest priority.

4.1.1.2 Social-Culture

ρ Geography

Situated in the heart of the Southeast Asian mainland and covering an area of 513,115 sq. km., from North 5°30' to 21° and from East 97°30' to 105°30', Thailand borders the Lao People's Democratic Republic, Cambodia and the Gulf of Thailand to the east, Myanmar and the Indian Ocean to the west, and Malaysia to the south. Thailand has maximum dimensions of about 2,500 kilometers north to south and 1,250 kilometers east

to west, with a coastline of approximately 1,840 kilometers on the Gulf of Thailand and 865 kilometers along the Indian Ocean.

ρ **Topography**

Thailand is divided into four natural regions:

1. The North. The North is a mountainous region comprising natural forests, ridges and deep, narrow, alluvial valleys. The major city in the region is Chiang Mai.

2. The Central Plain, or Chao Phraya River Basin. Central Thailand, the basin of the Chao Phraya River, is a lush, fertile valley. It is the richest and most extensive rice-producing area in the country and has often been called the "Rice Bowl of Asia." Bangkok, the capital of Thailand, is located in this region.

3. The Northeast, or the Korat Plateau. The Northeast region is arid, characterized by rolling surfaces and undulating hills. Harsh climatic conditions often result in this region being subjected to floods and droughts.

4. The South, or Southern Peninsula. The Southern region ranges from hilly to mountainous, with thick virgin forests and rich deposits of minerals and ores. The region is the center for production of rubber and cultivation of other tropical crops.

ρ **Climate**

Thailand is a warm and rather humid tropical country. The climate is monsoonal, marked by a pronounced rainy season lasting from about May to September and a relatively dry season for the remainder of the year. Temperatures are highest in March and April and lowest in December and January. The average temperature is 28.1° C.

ρ **Population**

The population of Thailand, approximately 62.9 million in 1999, includes ethnic Chinese, Malays, Cambodians, Vietnamese, Indians, and others. Immigration is controlled by a quota system.

ρ **Religion**

Buddhism, the national religion, is the professed faith of 95 percent of the population. Islam, Christianity, Hinduism, and other creeds are embraced by the rest of the population. There is absolute religious freedom. The King of Thailand, under the constitution and in practice, is patron of all major religions.

ρ **Language**

The official national language is Thai. It is tonal, uninflected, and predominantly uses monosyllabic words. Most polysyllabic words in the vocabulary have been borrowed, mainly from Khmer, Pali and Sanskrit. Dialects are spoken in rural areas. Other languages are Chinese and Malay. English, a compulsory subject in public schools, is widely spoken and understood, particularly in Bangkok and other major cities.

ρ **Government**

Thailand is governed by a constitutional monarchy with a parliamentary form of government. The Bangkok Metropolitan Administration, BMA, is administered by an elected governor and is divided into 38 districts. The country is divided into 76

provinces, each administered by an appointed governor. The provinces are sub-divided into districts, sub-districts, tambons (groups of villages), and villages.

4.1.2 Overview of Establishing Business in Thailand

As in most countries, there are three kinds of business organizations in Thailand: Sole proprietorships, partnerships, and limited companies. The most popular form of business organization among foreign investors is the private limited company.

Private limited companies require a minimum of seven promoters and must file a memorandum of association, convene a statutory meeting, register the company, and obtain a company income tax identity card. They must also follow accounting procedures specified in the Civil and Commercial code, the Revenue Code and the Accounts Act. A balance sheet must be prepared once a year and filed with the Department of Revenue and Commercial Registration. In addition, companies are required to withhold income tax from the salary of all regular employees.

The Ministry of Industry administers The Factory Act, which governs factory construction and operation, as well as safety and pollution-control requirements. In some cases, factories do not require licenses, in other instances the requirement is simply to notify officials in advance of start-up, and in some cases licenses are required prior to commencing operations. Licenses are valid for five years, and are renewable.

Thailand recognizes three kinds of intellectual property rights: patents, trademarks, and copyrights. The Patent Act protects both inventions and product designs and pharmaceuticals. The Copyright Act protects literary, artistic works, and performance rights, by making it unlawful to reproduce or publish such works without the owner's permission. The Trademark Act governs registration of, and provides protection for, trademarks.

The Alien Occupation Law requires all foreigners working in Thailand to obtain a Work Permit prior to starting work in the Kingdom, except when they are applying under the Investment Promotion Law, in which case they have 30 days to apply.

Non-Immigrant visas provide the holder with eligibility to apply for a work permit, and allow the holder to work while the work permit application is being considered.

Through the documents below, foreign investors can learn more about topics such as industrial licensing, taxation, patents and trademarks, and the cost of doing business in Thailand. Foreign investors can also find out about the status of Thai infrastructure, including facilities such as airports, deep-sea ports, and highways, and the availability of power, water and telecommunications.

4.1.3 Taxations

The Revenue Code outlines regulations for the imposition of taxes on income. Thailand divides income tax into three categories as follows:

4.1.3.1 Corporate Income Tax

Incorporated firms operating in Thailand pay income tax at a rate of 30 percent of net profits. Foundations and Associations pay income taxes at a rate of two to 10 percent of gross business income, depending upon the activity. International transport companies face a rate of three percent of gross ticket receipts and three percent of gross freight charges.

All companies registered under Thai law are subject to taxation as stipulated in the Revenue Code and are subject to income tax on income earned from sources within and outside of Thailand. Foreign companies not registered or not residing in Thailand are subject to tax only on income derived from sources within Thailand.

Normal business expenses and depreciation allowances, at rates ranging from five to 100 percent, depending on the item, or at rates under any other acceptable depreciation method, are allowed as deductions from gross income. Inventory must be valued at cost or at market price, whichever is lower.

Net losses can be carried forward for up to five consecutive years. Interest payments on some foreign loans may be exempt from a firm's income tax.

Inter-corporate dividends are exempt from tax on 50 percent of dividends received. For holding companies and companies listed on the SET, dividends are completely exempt, provided the shares are held three months prior to and after the receipt of dividends.

Deductions for gifts and donations up to a total of four percent of net profit are available, as follows:

- ρ Two percent to approved public charities or for public benefit;
- ρ Two percent to approved education or sports bodies.

No deduction is permitted for any expenditure that is determined on the basis of net profit (e.g. bonuses paid as a percentage of net profit) at the end of an accounting period. Depreciation of assets of limited companies and partnerships is based on cost. The rates of annual depreciation permitted by the law generally vary from five to 20 years.

Entertainment and representation expenses are deductible up to maximum limits as a percentage of gross sales, or of paid-up capital at the closing date of the accounting period, whichever is greater.

Taxes are due on a semi-annual basis within 150 days of the close of a six-month accounting period, and employers are required to withhold personal income tax from their employees.

Except for newly-incorporated companies, an accounting period is defined as a duration of 12 months. Returns must be accompanied by audited financial statements. A corporate taxpayer must file a half-year return and pay 50 percent of the estimated annual income tax by the end of the eighth month of the accounting period. Failure to pay the estimated tax or underpayment by more than 25 percent may subject the taxpayer to a fine amounting to 20 percent of the amount in deficit.

Failure to file a tax return, late filing or filing a return containing false or inadequate information may subject the taxpayer to various penalties. Failure to file a return, and subsequent non-compliance with an order to pay the tax assessed, may result in a penalty equal to twice the amount of tax due. Penalties are due within 30 days of assessment.

4.1.3.2 Value Added Taxes

The value added tax (VAT) system, which came into effect on 1 January 1992, largely replaced the old business tax system, which critics claimed caused inefficient redundancies and facilitated tax evasion.

Under the new tax regime, value added at every stage of the production process is subject to a seven percent tax rate. Those who are affected by this tax are: Producers, providers of services, wholesalers, retailers, exporters and importers. VAT must be paid on a monthly basis, calculated as:

Output tax - Input tax = Tax paid

where output tax is the VAT which the operator collects from the purchaser when a sale is made, and input tax is the VAT which an operator pays to the seller of a goods or service which is then used in the operator's business.

If the result of this calculation is a positive figure, the operator must submit the remaining tax to the Revenue Department not later than 15 days after the end of each month. However, for a negative balance, the operator is entitled to a refund in the form of cash or a tax credit, which must be paid in the following month.

A. Zero Rate

- ρ Exports
- ρ Services provided in Thailand for persons in foreign countries
- ρ International transportation by air and sea by Thai juristic persons. Foreign juristic persons may enjoy zero percent when its country applies zero percent to Thai juristic persons operating there
- ρ Sale of goods or services to civil service or state enterprises under foreign loan or aid schemes
- ρ Sale of goods or services to the UN and its agencies, foreign embassies and consulates
- ρ Sale of goods or services between bonded warehouses, between operators in export processing zones, or between the former and the latter.

Operators whose gross earnings from the domestic sale of goods and services exceed 600,000 baht, but are less than 1,200,000 baht per year, can choose between paying a gross turnover tax of 1.5 percent or the normal VAT. However, operators paying the gross turnover tax may not offset this tax by charging VAT to their customers in any step of production.

B. Special exemption from VAT

- ρ Operators earning less than 600,000 baht a year
- ρ Sale or import of agricultural products, livestock, and agricultural inputs, such as fertilizer, and feed
- ρ Sale or import of published materials and books
- ρ Auditing, legal services, health services and other professional services
- ρ Cultural and religious services
- ρ Educational services
- ρ Services provided by employees under employment contracts
- ρ The sale of goods as specified by Royal Decree
- ρ Goods exempt from import duties under the Industrial Estate Authority of Thailand (IEAT) Act
- ρ Domestic transport (excluding airlines) and international transport (excluding air and sea lines).

C. Specific Business Tax (SBT)

A specific business tax of approximately three percent is imposed, in lieu of VAT, on the following businesses:

- ρ Commercial banks and similar businesses
- ρ Insurance companies
- ρ Financial securities firms and credit fonciers
- ρ Sales on the stock exchange
- ρ Sales of non-movable properties
- ρ Pawn shops.

The SBT is computed on the monthly gross receipts at the following rates:

Type of Business	Tax Rate
Banking or similar business: finance, securities and credit foncier business	3%
Insurance	
- Life	2.5%
- Insurance against loss	3%
Pawnshop	2.5%
Sale of immovable property in commercial manner for profit	3%

Source: The Board of Investment of Thailand.

Table 4.1.1: Tax Rate

D. Remittance Tax

Remittance tax applies only to profits transferred or deemed transferred from a Thailand branch to its head office overseas. It is levied at the rate of 10 percent of the amount to be remitted before tax, and must be paid by the remitting office of the offshore company within seven days of the date of remittance.

However, outward remittances for the purchase of goods, certain business expenses, principal on loans to different entities and returns on capital investment, are not subject to an outward remittance tax.

The tax does not apply to dividends or interest payments remitted out of Thailand by a company or partnership; these are taxed at the time of payment.

Section 70 of the Revenue Code addresses income paid to foreign juristic persons. When a company or partnership incorporated under a foreign law and not carrying on business in Thailand receives “assessable income” paid either from or in Thailand, the payer is usually required to deduct income tax at a rate of 15 percent of the gross remittance. In 1992, standard deductions, which used to vary with each type of income, were abolished, making the flat 15 percent rate effective on all assessable income except for dividend income, on which the 20 percent withholding tax was reduced to 10 percent.

There is no withholding tax on capital gains or on the share of profit paid to foreign investors in mutual funds, if in the SET. Physical remittance of funds may not be necessary in order to incur either the dividend or interest tax liabilities, which may be incurred by making book entries.

4.1.3.3 Personal Income Tax

Every person, resident or non-resident, who derives assessable income from employment or business in Thailand, or has assets located in Thailand, is subject to personal income tax, whether such income is paid in or outside of Thailand. Exemptions are granted to certain persons, including United Nations officers, diplomats and certain visiting experts, under the terms of international and bilateral agreements.

Personal income tax is applied on a graduated scale as follows:

Net Annual Income	Tax Rate
0 - 100,000	5%
100,001 - 500,000	10%
500,001 - 1,000,000	20%
1,000,001 - 4,000,000	30%
> 4,000,001	37%

Source: The Board of Investment of Thailand.

Table 4.1.2: Personal Income Tax

Individuals residing for 180 days or more in Thailand for any calendar year are also subject to income tax on income from foreign sources if that income is brought into Thailand during the same taxable year that they are a resident.

Exchange control laws stipulate that all foreign exchange earned by a resident, whether or not derived from employment or business in Thailand, and brought into Thailand, must be sold to or deposited with commercial banks within 15 days, unless permission for an extension is granted.

Personal income taxes and tax returns must be filed prior to the end of March of the year following the year in which the income was earned.

A standard deduction of 40 percent, but not in excess of 60,000 baht, is permitted against income from employment or services rendered or income from copyrights.

Standard deductions ranging from 10 percent to 85 percent are allowed for other categories of income. In general, however, taxpayers may elect to itemize expenses in lieu of taking standard deductions on income from sources specified by law.

Other types of taxable income and the rate of standard deduction include:

ρ Interest, dividends, capital gains on the sale of securities: Forty percent but not exceeding 60,000 baht.

ρ Rental income: Ten percent to 30 percent depending on type of property leased.

Professional fees: Sixty percent for income from medical practice, 30 percent for others.

Income derived by contractors: Seventy per cent.

Income from other business activities: Sixty-five percent to 85 percent depending on the nature of the business activity.

The following annual personal allowances are permitted:

Taxpayer	30,000
Taxpayer's spouse	30,000
Each child's education	15,000
For taxpayer contributions to an approved provident fund	10,000
For taxpayer and spouse for interest payments on loans for purchasing, hire-purchasing or construction of residential buildings	10,000
For taxpayer and spouse with respect to contributions to Social Securities Fund	Actual contribution not more than 10% of adjusted income

Source: The Board of Investment of Thailand.

Table 4.1.3: Annual Income Tax

Only three children per taxpayer family qualify for the child allowance, but this limitation applies only to children born on or after 1 January 1979.

Therefore, in counting the number of children, a child born prior to 1979 can also be counted. For example, a taxpayer with four children born before 1979 continues to qualify for an aggregate allowance of 60,000 baht. A fifth child, born in 1979, would not qualify.

Additional taxes can be assessed, within a period of two years from the date of filing a return, and up to five years for tax evasion or tax refund. If an individual fails to file a return, the assessment officer may issue summons within a period of 10 years from the filing due date.

A. Treaties to Avoid Double Taxation

Thailand has treaty agreements to eliminate double taxation with the following countries:

Austria	Australia	Bangladesh	Belgium	Canada
China	Czech Rep.	Denmark	Finland	France
Germany	Hungary	Indonesia	Israel	Italy
India	Japan	Laos	Luxembourg	Malaysia
Mauritius	Nepal	Netherlands	New Zealand	Norway

Pakistan	Philippines	Poland	Romania	Singapore
S.Korea	S.Africa	Spain	Sri Lanka	Sweden
Switzerland	United Kingdom and Northern Ireland			
United States	Vietnam			

The treaties generally place taxpayers in a more favorable position for Thai income than they would be under the Revenue Code, as profits will only be taxable if the taxpayer has a permanent establishment in Thailand.

B. Other Taxes

ρ Petroleum Income Tax

The Petroleum Income Tax Act replaces the Revenue Code in imposing a tax on income from firms which own an interest in a petroleum concession granted by the Thai government or which purchase oil from a concession holder for export. Net income from petroleum operations includes revenue from production, transport or sale of oil and gas, the value of gas delivered to the government as a royalty and the proceeds of a transfer of interest in a concession. The tax rate for most operators is not less than 50 percent and not more than 60 percent of net profits.

ρ Stamp Tax

The Revenue Code contains a Stamp Duty Schedule listing transactions subject to stamp tax. Rates depend on the nature of the transaction, and fines for failure to stamp documents are very high.

ρ Excise Tax

Excise tax is levied on the sale of a number of goods, including petroleum products, tobacco, liquor, soft drinks, cement, electrical appliances, and automobiles.

ρ Property Tax

Owners of land and/or buildings in designated areas may be subject to annual taxes levied by the local government. Under the Local Development Tax Act of 1965, rates per unit vary according to the appraised value of the land. However, land for the personal residence of the owner, animal husbandry, or land cultivation is exempted from this Act. For land taxable under the House and Land Tax Act of 1932, which is based on the value of the land and buildings or any other improvements, annual tax is levied at the rate of 12.5 percent of the assessed assumed rental value of the property, and only owner-occupied residences are exempt.

C. Tax Courts

Tax cases are considered different in nature from normal civil cases. The Tax Court Establishment and Procedure Act, effective since 1985, provides special and accelerated procedures for tax litigation. Tax courts have authority to judge the following cases:

- Appeals against the decision of tax officers or committees
- Disputes over the claims of state tax obligations

- Disputes over tax refunds
- Disputes over rights or obligations concerning tax collection obligations. Disputes over the right or obligations regarding tax collection obligations
- Other cases made subject to the Act as prescribed by other laws.

Note: Decisions of the tax courts may be appealed to the Supreme Court within one month after the date of the judgment.

D. Tax Clearance Certificates

As of May 1991, requirements for tax clearance certificates have been significantly reduced. Provided that an individual demonstrates compliance with tax laws, he is not required to secure a tax clearance certificate within 15 days before leaving the country.

Employees of businesses incorporated under foreign law, but which carry out business in Thailand, must acquire a certificate from the Revenue Department before departure. The requirement is not enforced if the individual has been in Thailand less than 90 days in any tax year and has not received any income.

E. Tax Reform

Thailand is actively pursuing reform of its tax system and taxes on industrial imports have already been sharply reduced. Over the past five years, the government has consistently moved to reduce import tariffs on machinery and raw materials. In August 1999, the government introduced a number of measures to encourage investment, including tariff cuts. One-hundred and forty-six tariff lines – 85 percent of the total number – had their rates cut to 0–five percent, notably on raw materials and capital goods.

4. Customs Duties

Tariff duties on goods are levied on an ad valorem or a specific rate basis. The majority of goods imported by businesses are subject to rates ranging from five percent to 60 percent.

The majority of imported articles are subject to two different taxes: Tariff duty and VAT. Tariff duty is computed by multiplying the CIF value of the goods by the duty rate. The duty thus determined is added to the value of the goods determined with reference to the CIF price. VAT is then levied on the total sum of the CIF value, duty, and excise tax, if any. Goods imported for re-export are generally exempted from import duty and VAT.

As a part of the BOI's Investment Promotion Program, BOI-promoted companies are eligible to receive exemptions or reductions from import duties on raw and essential materials as well as machinery.

Export duties are imposed on only a few items, including rice, hides, skins and leather, scrap iron or steel, rubber, teak and other kinds of wood.

Two exceptions to the obligation to pay customs duties apply to the importation of machinery, equipment, and materials for the use by:

- Oil and gas concessionaires and their contractors.
- Certain companies promoted by the BOI.

5. Import and Export Regulations

There are certain regulations governing the import and export of goods into and out of Thailand. However, trade in certain items is restricted through outright prohibition, the imposition of duties or licensing requirements. Thus, the export of unmilled rice and rice bran is expressly prohibited. Other goods, such as rubber, timber, rice, hides and skins, silk yarn, and iron scrap may be sold to foreign buyers, but duties must be paid on them. To export certain items, such as gold, cattle, or sugar, one must secure a license from the relevant government authorities.

1. Import controls

The Ministry of Commerce designates classes of goods that are subject to import controls, which usually take the form of permission and licensing. Although these controls are being liberalized, at present more than 50 classes of goods require import licenses from the Ministry of Commerce. These categories are frequently changed through notifications from the ministry. A license to import any of the specified items must be secured from the Ministry of Commerce. Application for the license must be accompanied by a supplier's order, confirmation, invoice, and other pertinent documents.

In addition to the Act imposing the above controls, a number of goods are subject to import controls under other laws. These include:

- The import of modern drugs requires prior licensing from the Food and Drug Administration under the Ministry of Health

- The Minerals Act stipulates that without appropriate permission, an importer is prohibited from importing tungstic oxide and tin ores and metallic tin in quantities exceeding two kilograms

- The Ancient Monuments, Antiques, Objects of Art and National Museum Act provides that antiques or objects of art, whether registered or not, must not be delivered without permission from the Director General of Fine Arts

- The Armation, Ammunition, Explosives, Fireworks and Imitation Firearms Act bars people from producing, buying, using, ordering or importing armations or ammunition or explosive devices unless they have the appropriate license from the Ministry of Interior

- The Cosmetics Act stipulates that for the purpose of protection of public health, any importer of controlled cosmetics must provide the name and location of the office and the place of manufacture or storage of the cosmetics, the name, category, or kind of cosmetics to be imported, and the major components of the cosmetics.

2. Export controls

The Act Controlling the Importation and Exportation of Goods authorizes the Ministry of Commerce to subject products to export control. At present, close to 50 items require such control.

Certain goods require export licenses under other laws, such as seeds, trees, and leaves of tobacco. Certain goods, such as sugar and rice, are subject to export licenses under the Export Standard Act, which aims to ensure that such exports are of a set quality.

Exporters of agricultural commodities may find that membership in trade associations is mandatory, and they may impose their own regulations for membership.

4.1.4 Industrial Licensing

4.1.4.1 The Factory Act

The Factory Act of 1969 (amended in 1972, 1975, 1979, and 1992) stipulates regulations for factory construction and operation, factory expansion, and safety requirements. The latest revision of the Act also imposes strict controls on industrial pollution. The Act is administered by the Department of Industrial Works of the Ministry of Industry.

A factory is defined as any premise that uses machinery equivalent to five horsepower or more, or that employs seven or more workers for manufacturing, producing, assembling, packing, repairing, maintaining, testing, improving, processing, conveying, storing or destroying anything included in the classes or types of factories listed in the Ministerial Regulations.

The Act does not apply to factories owned or operated by government agencies for the purpose of national security or safety, except that such factories must use the procedures of the Act as guidelines for their operations.

4.1.4.2 Factory Licenses

Factories are divided into three categories:

1. Factories that do not require licensing.
2. Factories that only require notification to officials in advance of the start of operations. Operators may commence operations as soon as they receive a receipt form from the Ministry stating their report has been received.
3. Factories that require licenses prior to operation. Subject to the Ministry's discretion, operators may be granted, prior to the license, a certificate allowing them to build parts of the factory.

Note: In general, the degree of government control required is dependent on the degree of environmental protection deemed necessary. The more likely a factory, based on its output, is to cause pollution, the more that type of factory is regulated.

The Ministry of Industry has the power to issue regulations for all of the categories regarding:

- Description, category, or type of machinery and equipment to be used in the operation of the factory business.
- Location, environment, interior, and description of the factory.
- Requirements for workers who have specific knowledge to carry out any duties in the factory.
- Process of manufacture and provision of equipment to prevent, stop, or alleviate danger, damage, or disturbances that may occur to the public or property in the factory or nearby premises.

Standards and procedures for the control or release of waste, pollution, or anything else arising from factory operations which may affect the environment.

Provision of necessary data and documents by the factory operators to ensure compliance with the law.

Provision of anything that may affect the safety of work operations.

If there is an inspection of a factory or machinery to ensure compliance with the Act, a private body may carry out the inspection and report in place of government officials, provided the private persons follow the regulations concerning the Act as per the Government Gazette.

Licenses granted are valid until the end of the fifth calendar year from the year in which the business started operations, except when the factory is transferred, leased or subject to hire purchase, or if operations stop. In these cases, the license is regarded as having expired on the date of issuance of a license to the factory's new operators, or on the date of cessation of operations.

Applications for renewal of licenses must be submitted prior to the date of expiration, along with a fee of 100,000 baht. Following submission, renewal is considered to have been extended unless there is a specific order otherwise. If the application is submitted within 60 days of the expiration date, it will be processed normally, but an additional fee of 20,000 baht will be levied. Once the expiry date is reached, and application for a renewal must be made within 60 days.

4.1.4.3 Factory Operations

The Ministry of Industry has the power to designate:

The size and quantity of the type of factory in each category which should not be established or expanded in any locality in the Kingdom.

The type, quality, source of origin, and ratio of raw materials to be used in a factory.

The type or quality of products to be manufactured in a factory.

The type of energy to be used in a factory.

The Ministry may also prescribe that a factory's products be used in certain industries or be wholly or partly exported. If a factory in category 2 or 3 (See Section A above) stops operation for more than one year, the operator must notify the Ministry in writing within seven days of the date the one-year period has lapsed, and must inform the Ministry before restarting operations. If the operator's factory is in category 3, he must receive written permission from the Ministry before restarting operations.

If there is an accident that causes death, injury, or sickness that incapacitates a worker beyond a 72-hour period, the operator must inform the Ministry within three days from the date of the death or the lapse of the 72 hour period. If there is

an accident that causes the factory to stop operations for more than seven days, the operator must notify the Ministry within 10 days from the date of the accident.

Factory operators must obtain permission to remove machinery from its original place of installation to another site for temporary operations, or to move a factory to another site. Permission must also be obtained to transfer, rent, offer for hire purchase, or sell a licensed factory. In these cases, the prior license is considered to have expired, and a new license must be applied for within seven days, although no fee is required. If the licensee dies, the heir or administrator of the estate must submit an application for the transfer of the license within 90 days of the date of death.

4.1.4.4 Factory Expansion

An application must be filed, and granted, prior to factory expansion. A fee of 100,000 baht is charged. As defined in the Act, the following undertakings constitute factory expansion:

An increase in the number of machines, or change or modification of machinery to increase its power by 50 percent or more.

The addition to, or alteration of, any part of the factory building which causes any part of the foundation of the factory to bear a load of an additional 500 kilograms or more.

When a licensee:

Increases the quantity of machinery

Changes or modifies machinery used for production or generation of power, but by less than 50 percent

Constructs or increases factory space by more than 100 square meters an application must be filed within seven days of the date of the change.

4.1.4.5 Other Provisions

Any factory that is seriously endangering the public may be ordered to cease operations or to make specified improvements. The Minister has the authority to order removal of all or part of the plant to a location where the public will not be threatened. Officers of the Ministry of Industry have broad powers of inspection, and are authorized to issue written orders requiring a factory to cease operations, modify or repair machinery, or to undertake other remedial measures.

Issuance of either a factory establishment license or a factory operator's license does not exempt the licensee from compliance with other central or local government requirements for carrying out a proposed industrial activity. Licenses may be suspended for violations of the Act or for failure to carry out orders issued under the Act by competent officials.

Factories established to produce and sell food and drugs must also apply for production licenses from the Ministry of Health.

Violation of certain provisions of the Act may incur penalties in the nature of a fine or imprisonment not exceeding four years. A Case Settlement Committee of three experts is appointed by the Ministry to carry out penalties for violations of the Act.

If the offender is a partnership, company or other juristic entity, the directors, managers, or other persons responsible for committing the offense are subject to the same punishment unless it can be proved that the offense was committed without their knowledge or consent.

4.1.5 Procedure of Establishing Company in Thailand

4.1.5.1 Forming a company

In order to set up a limited company in Thailand, the following procedures should be followed:

A. Corporate Name Reservation

The name to be reserved must not be the same or close to that of other companies. Certain names are not allowed and therefore the name reservation guidelines of the Commercial Registration Department in the Ministry of Commerce should be observed. The approved corporate name is valid for 30 days. No extension is allowed.

B. File a Memorandum of Association

A Memorandum of Association to be filed with the Commercial Registration Department must include the name of the company that has been successfully reserved, the province where the company will be located, its business objectives, the capital to be registered, and the names of the seven promoters. The capital information must include the number of shares and the par value. At the formation step, the authorized capital, although partly paid, must all be issued.

Although there are no minimum capital requirements, the amount of the capital should be respectable enough and adequate for the intended business operation.

The Memorandum registration fee is 50 baht per 100,000 baht of registered capital. The minimum fee is 500 baht, the maximum 25,000 baht.

C. Convene a Statutory Meeting

Once the share structure has been defined, a statutory meeting is called during which the articles of incorporation and bylaws are approved, the Board of Directors is elected and an auditor appointed. A minimum of 25 percent of the par value of each subscribed share must be paid.

D. Registration

Within three months of the date of the Statutory Meeting, the directors must submit the application to establish the company. Company registration fees are 500 baht per 100,000 baht of registered capital. The minimum fee is 5,000 baht; the maximum is 250,000 baht.

E. Tax Registration

Businesses liable for income tax must obtain a tax I.D. card and number for the company from the Revenue Department within 60 days of incorporation or the start of operations. Business operators earning more than 600,000 baht per annum must register for VAT within 30 days of the date they reach 600,000 baht in sales.

4.1.5.2 Reporting Requirements

Firms must keep books and follow accounting procedures specified in the Civil and Commercial Code, the Revenue Code and the Accounts Act. Documents may be prepared in any language, provided that a Thai translation is attached. All accounting entries should be written in ink, typewritten, or printed.

Specifically, Section 1206 of the Civil and Commercial Code provides rules on the accounts that should be maintained as follows: “The directors must cause true accounts to be kept:

1. Of the sums received and expended by the company and of the matters in respect of which each receipt or expenditure takes place;
2. Of the assets and liabilities of the company.”

A. Imposition of Taxes

Companies are required to withhold income tax from the salary of all regular employees.

A value-added tax of seven percent is levied on the value added at each stage of the production process, and is applicable to most firms. The VAT must be paid on a monthly basis.

A specific business tax is levied on firms engaged in several categories of businesses not subject to VAT, based on gross receipts, at a variable rate ranging from 0.1 – 3.0 percent.

Corporate income tax is 30 percent of net profits and is due twice each fiscal year. A mid-year profit forecast entails advance payment of corporate taxes.

B. Annual Accounts

A newly-established company or partnership should close accounts within 12 months from the date of its registration. Thereafter, the accounts should be closed every 12 months. The performance record is to be certified by the company auditor, approved by shareholders, and filed with the Commercial Registration Department, Ministry of Commerce, within five months of the end of the fiscal year, and with the Revenue Department, Ministry of Finance, within 150 days of the end of the fiscal year.

If a company wishes to change its accounting period, it must obtain written approval from the Director General of the Revenue Department.

C. Accounting Principles

In general, the basic accounting principles practiced in the United States are accepted in Thailand, as are accounting methods and conventions as sanctioned by law. The Institute of Certified Accountants and Auditors of Thailand is the authoritative group promoting the application of generally accepted accounting principles.

Any accounting method adopted by a company must be used consistently and may be changed only with approval of the Revenue Department.

Certain accounting practices of note include:

❑ **Depreciation.** The Revenue Code permits the use of varying depreciation rates according to the nature of the classes of assets which have the effect of depreciating the assets over periods that may be shorter than their estimated useful lives. These maximum depreciation rates are not mandatory; a company may use

lower rates that approximate the estimated useful lives of the assets. But if a lower rate is used in the books of the accounts, the same rate must be used in the income tax return.

Accounting for Pension Plans. Contributions to a pension or provident fund are not deductible for tax purposes unless these are actually paid out to the employees, or the fund is approved as a qualified fund by the Revenue Department and is managed by a licensed fund manager.

Consolidation. Local companies with either foreign or local subsidiaries are not required to consolidate their financial statements for tax and other government reporting purposes, except for listed companies which must submit consolidated financial statements to the Securities and Exchange Commission of Thailand.

Statutory Reserve. A statutory reserve of at least five percent of the annual net profits arising from the business must be appropriated by the company at each distribution of dividends until the reserve reaches at least 10 percent of the company's authorized capital.

Stock Dividends. Stock dividends are taxable as ordinary dividends and may be declared only if there is an approved increase in authorized capital. The law requires the authorized capital to be subscribed in full by the shareholders.

D. Auditing Requirements and Standards

Audited financial statements of juristic entities (that is, a limited company, a registered partnership, a branch, or representative office, or a regional office of a foreign corporation, or a joint venture) must be certified by an authorized auditor and submitted to the Revenue Department and (except for joint ventures) to the Commercial Registrar for each accounting year.

Auditing standards conforming to international auditing standards are, to the greater extent, recognized and practiced by authorized auditors in Thailand.

4.1.5.3 Types of business organizations

Thailand recognizes three types of business organizations:

A. Partnership

Thai and Western concepts of partnership are broadly similar. Thailand provides for three general types of partnerships:

Unregistered ordinary partnerships, in which all partners are jointly and wholly liable for all obligations of the partnership

Registered ordinary partnerships. If registered, the partnership becomes a legal entity, separate and distinct from the individual partners

Limited partnerships. Individual partner liability is restricted to the amount of capital contributed to the partnership. Limited partnerships must be registered.

B. Limited Companies

There are two types of limited companies, i.e. private or closely held companies, and public companies. The first is governed by the Civil and Commercial Code, the second by the Public Company Act.

Private Limited Companies in Thailand have basic characteristics similar to those of Western corporations. A private limited company is formed through a process

which leads to the registration of a Memorandum of Association (Articles of Incorporation) and Articles of Association (By-laws), as its constitutive documents.

Shareholders enjoy limited liability, i.e., limited to the remaining unpaid amount, if any, of the par values of their shares. The liability of the directors, however, may be unlimited if so provided in the company's memorandum of association or the articles of incorporation. The limited company is managed by a board of directors according to the company's charter and by-laws.

All shares must be subscribed to, and at least 25 percent of the subscribed shares must be paid up. Both common and preferred shares of stock may be issued, but all shares must have voting rights. Thai law prohibits the issuance of shares with no par value. It also stipulates that only shares with par value of five baht or above may be issued. Treasury shares are prohibited.

A minimum of seven shareholders is required at all times. A private limited company may be wholly owned by aliens. However, in those activities reserved for Thai nationals, aliens' participation is generally allowed up to a maximum of 49 percent.

The registration fee for a private limited company is 5,500 baht per million baht of capital.

Public Limited Companies registered in Thailand may, subject to compliance with the prospectus, approval, and other requirements, offer shares, debentures and warrants to the public and may apply to have their securities listed on the Stock Exchange of Thailand (SET).

A minimum of 15 promoters is required for the formation and registration of the memorandum of association of a public limited company, and the promoters must hold their shares for a minimum of two years before they can be transferred. The Board of Directors of a public limited company must have a minimum of five members, at least half of whom are Thai nationals. Shares must have a face value of at least five baht each and be fully paid up. Restrictions on share transfers are unlawful except those protecting the rights and benefits of the company allowed by law, and those maintaining a Thai/foreigner shareholder ratio. Debentures may only be issued with the approval of three quarters of the voting shareholders.

The registration fee is 2,000 baht per million baht of capital for a public limited company.

C. Joint Venture

A joint venture may be described in accordance with general practice as a group of persons (natural and/or juristic) entering into an agreement in order to carry on a business together. It has not yet been recognized as a legal entity under the Civil and Commercial Code. However, income from the joint venture is subject to corporate taxation under the Revenue Code, which classifies it as a single entity.

D. Other Forms of Corporate Presence

Branches of foreign companies. There is no special requirement for foreign companies to register their branches in order to do business in Thailand. However, most business activities fall within the scope of one or more laws or regulations which require special registration, either before or after the commencement of activities. Foreign business establishments must, therefore, follow generally accepted procedures. It is important to clarify beforehand what constitutes income subject to Thai tax because the Revenue Department may consider revenues directly earned by the foreign head office from sources within Thailand as subject to Thai taxes.

As a condition for approval of an Alien Business License to a branch of a foreign corporation, working capital amounting to a total of five million baht in foreign exchange must be brought into Thailand within certain intervals over a four-year period.

The branch may be allowed to operate for a period of five years, unless a shorter period is indicated in the application as a result of a contract to be performed in Thailand. Extension of the original duration of the license to operate may be granted, provided the working capital required to be brought into Thailand is met.

A representative office of foreign corporations may also be established to engage in limited “non-trading” activities, such as sourcing of goods or services in Thailand for its head office or inspecting and controlling quality of goods which its head office purchases in Thailand. Other activities can cover disseminating information about new products and services of its head office, and reporting to its head office on local business development and activities.

The working capital contributions as discussed above in respect to branches apply.

E. Regional Offices

A regional office of a multinational corporation may also be established to coordinate and direct the operation of the branches and affiliates of the head office in the region on behalf of the head office.

A regional office has the ability to coordinate and supervise the company's branches and its affiliated companies in the region on behalf of the head office. The regional office may provide these branches and affiliated companies with:

- Advisory and management services
- Financial management services
- Training and personnel development services
- Marketing control and sales promotion plans
- Product development
- Research and development services.

Benefits from Establishing a Regional Office

Companies establishing regional offices are not required to be registered or incorporated as juristic persons in Thailand, and do not have to submit any financial statements to the Department of Commercial Registration. The Department will assist in customs clearance of the personal effects of transferred foreign staff and in their applications for further temporary stay in the Kingdom or change in visa type. Work Permits for aliens performing work in the regional office will be granted for up to 5 persons depending on necessity and volume of work in each particular case, and fees of not more than 1,000 baht per year must be paid for a Work Permit or its renewal.

Conditions for Permission to Establish a Regional Office:

Regional Office must not:

- Derive any income from its activities. Expenditures incurred by the regional office shall be borne by the head office
- Have the power to accept a purchase order or make a sales offer
- Negotiate or enter into business arrangements with any natural or juristic person within the Kingdom.

A permit to establish a regional office, valid for five years, can be granted after application with the Alien Business Section of the Department of Commercial

Registration at the Ministry of Commerce. The fee is five baht per every 1,000 baht of registered capital, not to exceed 5,000 baht.

When a permit to establish a regional office is issued, it may be subject to the following conditions:

The total debt financing used in the business shall not exceed seven times the portion of the capital owned by shareholders or the owner of the business

Money used in the regional office shall be remitted from abroad and shall not be less than a total of 5,000,000 baht. During the first year period, at least 2,000,000 baht of the total must be remitted, at least half of which must be remitted within the first six months. Then, no less than 1,000,000 baht should be remitted each succeeding year until the full 5,000,000 baht has been transferred. Documents verifying this transfer must be presented to the Department of Commercial Registration.

At least one person who is responsible for operating the regional office must have their domicile in the Kingdom.

The Director-General of the Department of Commercial Registration is also authorized to impose any conditions on a business permit granted under the rules.

F. Regional Trade and Investment Support Offices

In April, 1996, the Board of Investment announced the establishment of trade and investment support offices would become a new category of activities eligible for investment promotion.

Projects in this category are eligible for BOI non-tax incentives, including:

- Permission to own land for an office
- Permission to bring in foreign nationals to undertake investment feasibility studies
- Permission to bring in as many foreign technicians and experts as required
- Permission to take or remit foreign currency abroad
- No limit on number if shares owned by foreigners.
- The range of activities eligible for promotion are:
- Controlling and advising affiliated companies
- All types of consulting services, except those engaged in:
 - Buying and selling securities
 - Foreign currency exchange
 - Accounting
 - Advertising
 - Legal affairs
 - Architecture
 - Civil engineering.

Note: Exceptions may be granted by permission from the Department of Commercial Registration or concerned government agencies

Information services related to sourcing and procurement, but not brokerages or agencies

Engineering and technical services, except these related to architecture and civil engineering

- Testing and certifying standards of products, production and services standards
- Exporting of all types of products
- Wholesaling of all types of products within the country, excluding local agricultural products, arts & crafts, antiques, and natural resources
- Provision of training on the use of machinery, engines, tools, and equipment
- Installation, maintenance, and repairing of machinery, engines, tools, and equipment
- Calibration of machinery, engines, tools, and equipment
- Computer software design and development.

If there are any other activities deemed appropriate for investment promotion under the Establishment of Trade and Investment Support Offices, the Office of the Board of Investment will consider them on a case-by-case basis.

Eligibility for regional trade and investment support offices.

Applicants must be either companies established under Thai law, or companies planning to establish under Thai law.

Conditions for regional trade and investment support offices:

- Operating licenses must have been acquired from all relevant government agencies
- Operating expenses must amount to no less than 10 million baht per year, which shall consist of sales and administrative expenses, as set forth in the Revenue Code.
- Operating plans must be approved by the Board of Investment.
- Majority or total foreign ownership is allowed.
- Non-tax privileges, only, will be granted.

4.1.6 Infrastructure

Electricity

The Electricity Generating Authority of Thailand (EGAT), has been primarily responsible for power generation and transmission, whereas the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA) share the responsibility of distributing electricity to Bangkok and the provinces, respectively. EGAT reports to the Office of the Prime Minister, whereas MEA and PEA report to the Ministry of Interior.

EGAT's long-term plan is to increase the minimum power reserve from 15% to 25% to raise energy supply security. EGAT's plans of increasing net installed capacity by 30,929 MW will bring Thailand's total capacity to 43,918 MW by 2011.

Independent Power Producer Program

In 1995, the independent power producer (IPP) program was launched in an effort to partly privatize state-controlled power utilities. Foreign and local companies have shown great interest in building, owning and operating large power plants that will ease the state's burden of investing in power generation.

The IPP projects will be wholly private undertakings. Some of the key IPP terms set by the Government are :

- any power prices submitted by IPPs should not exceed EGAT's avoided cost
- the contract for the power purchase agreement must be between 20 and 25 years
- the capacity of each project for commissioning in 1996-2002 must not exceed 1,400 MW, but may be expanded during the years 2003-2006
- investors must have proven technological capability matching the required performance specifications
- fuel choices must be clear, acceptable to the public, have stable pricing structure, have secured supply and support the Government's policy on fuel diversification for the country.

Priorities for project sites will be given to the following areas in the following order; central region, west coast (e.g. Prachuab Khiri Khan), east coast (e.g. Rayong), other regions and neighboring countries.

Water

The combination of industrial growth, increasing population, and rising incomes has led to an increased demand for water supply. Demand is estimated to be growing 20 percent a year, but the investment program of the Provincial Waterworks Authority (PWA) has increased supplies about 12 percent a year. The PWA has the capacity to serve about 60 percent of the 10 million people living in the 220 cities and towns under its jurisdiction with about 1.2 million cubic meters a day.

The Metropolitan Waterworks Authority (MWA), responsible for Bangkok and surrounding provinces has a capacity of 3.2 million cubic meters supplied to about 75 percent of the metropolitan population.

Industrial estates take either ground water or surface water and treat it to supply factories in their estates. Some estates take raw water from local authorities, treat it themselves and then supply their clients. Factories that use deep wells as their water source, especially those in the greater Bangkok area, are being pressured to stop and buy water instead from regulated water suppliers.

Telephone

Thailand's telecommunications services have improved substantially over the past few years, especially in Bangkok, which now has an abundance of fixed lines for offices and residences. The Bangkok metro area is served by two fixed-line operators: the Telephone Organization of Thailand (TOT), a state enterprise, and Telecom Asia, a private company. The latter can usually install a phone within a few days, the former somewhat longer. Local calls are not timed and carry a fixed tariff of 3 baht per call. Areas outside Bangkok are served by the TOT and the private company TT&T Public Co., Ltd. The fixed line network has a total capacity of 7.75 million lines, of which about 6.02 million are in use. In addition, 218,968 public telephones are available nationwide.

International calls are handled by the Communications Authority of Thailand (CAT), which provides direct access to just about any country. International

rates have been falling, but remain higher than neighboring countries. International phone cards are widely available in tourist areas.

Mobile phones are easily available at competitive prices from three main service providers using GSM digital networks: Advanced Info Services (AIS), Total Access Communications (TAC) and TA Orange. A wide range of service packages are available with many prices and options from which to choose. The number of mobile subscribers has soared from a less than 2 million in 1997 to 12.6 million in June 2002.

About a dozen private companies offer internet services for personal and corporate accounts. Prepaid or subscription services are available at reasonable rates. With only a couple service providers offering ADSL or cable modem options, the vast majority of users connect with dial-up modems.

❑ Seaports

The development and management of all major deep-sea ports in Thailand falls under the Port Authority of Thailand (PAT). Other ports, including two smaller deep-sea ports, are under the Harbor Department. At present, there are eight international deep-sea ports in operation, with four private ports permitted to handle container cargo. Laem Chabang Commercial Port and Map Ta Phut Industrial Port were completed in 1992. Songkhla and Phuket Ports have been developed to serve Southern Thailand.

Current commercial ports

1. Klong Toey is the largest port in Thailand and can handle approximately 14 millions tons per year (1.4 million TEU/yr.); the depth of the Chao Phraya River basin is 8.5 meters.

2. Laem Chabang can handle about 7.3 million tons per year (0.6 million TEU/yr.); port depth is 12 meters. Currently, four piers are handled by private companies.

❑ Airports

The planning and administration of the country's air transport infrastructure is under the shared responsibility of the Airport Authority of Thailand (AAT) and the Civil Aviation Department (CAD) under the Ministry of Transport and Communications. Thailand has six international airports and more than 29 domestic airports. According to AAT figures, commercial aviation services totaled 243,475 flights in 2001, a 5.44% increase from the year before. Total passengers in 2001 was 38.2 million, a 5.88 % increase from 2000.

The largest airport, Don Muang, handles more than 12 million international and nearly 5 million domestic passengers a year. Of the other international airports, Phuket has been the most successful one. Chiang Mai and Hat Yai have experienced relatively slow growth. Recently, Chiang Rai was upgraded to an international airport to accommodate growing tourism in the Golden Triangle and facilitate future cross-border trade with neighboring countries.

Major air transportation infrastructure projects include the Second Bangkok International Airport (SBIA) at Nong Ngu Hao, the Global Transpark (GTP) at U-Taphao, and the Heavy Aircraft Maintenance Center (HAMC), also at U-Taphao. There will also be various other projects including the expansion of existing international and domestic airports as well as the development of new airports in the provinces. Combined, these projects will enable Thailand to achieve its goal of becoming a regional air transportation hub.

□ Highways

Thailand's land transportation system consists of a well-developed road network of approximately 170,000 km, a rail network of more than 4,000 km serving all major regions of the country (except Phuket), and the mass transit systems in Bangkok. The development of a land transportation infrastructure is mainly the responsibility of six agencies :

1. Bangkok Metropolitan Administration (BMA)
2. Department of Land Transportation
3. Expressway and Rapid Transit Authority of Thailand (ETA)
4. Highways Department (HD)
5. Metropolitan Rapid Transit Authority (MRTA)
6. State Railway of Thailand (SRT)

Among major projects are :

- four-lane highways to all regions of Thailand
- dual-track rail lines throughout the country
- a high-speed rail link to the Eastern Seaboard
- an inland container terminal at Lat Krabang
- three truck terminals around Bangkok
- more expressways in Bangkok
- mass rapid transit systems in Bangkok
- a mass-transit system in Chiang Mai

The Highways Department is responsible for maintaining and expanding the country's highway network, which amounts to more than 52,000 km. (1997)

□ Transport

The State Railway of Thailand (SRT) operates under the Ministry of Transportation and Communications. It is responsible for building , operating, and maintaining Thailand's railway tracks. The route length of the network is nearly 4,000 km.

Lat Krabang Inland Container Depot

Construction of Thailand's first purpose-built inland container depot was completed in 1995. The depot is in the Lat Krabang Industrial Estate, about 30 km. from east of Bangkok and is meant to support the importation and exportation of the country in conjunction with the new deep seaport at Laem Chabang on the Eastern Seaboard. The depot is divided into six independent modules that are leased out to private sector operators, but the facility is managed by SRT. Throughput at the facility rose from 175,000 TEU in 1996 to 630,000 TEU in 1999, which its full capacity.

The rapid increase in containerized shipping movements through the port of Laem Chabang, the very considerable expansion of industrial and associated activities on the Eastern Seaboard have placed increasing demands the Lat Krabang port. A plan to expand the facility was completed in late 2001.

Cross Border Traffic: Thailand-Malaysia

At present, export and import of goods can be conveniently transported by train through the Thai-Malaysian border without further unloading. The traffic is made via

Sungai Kolok and Badang Besar Stations on the eastern and western borders of Malaysia respectively. Frequent shippers with a high volume of goods transported can enjoy the service through and from Singapore.

Shippers can choose between the freight service offered by the State Railway of Thailand and KTM Berhad or a containerized service. Whichever service is chosen, railway staff, customs officers and other related authorities are on hand to facilitate procedures at the border station including the handing and preparation of document, customs and formalities, inspection of goods and so forth.

4.1.7 Labor Issues

Employment legislation has a direct bearing on labor practices for each type of business. Investors should seek appropriate advice to determine which legislation applies to their line of business.

A. Labor Protection

In August 1998, the Labor Protection Act (1998) went into effect. It applies to all businesses with at least one employee. Under the law, employers who disregard the law are subject to fines ranging from 5,000 baht to 200,000 baht and imprisonment of up to one year. It should be noted that domestic workers (household staff) are not included in the definition of “employee” and are not covered by the labor Act. All other employees, whether full or part time, seasonal, casual, occasional or contract, are covered.

Important protections contained in the new law are:

- **Work Hours and Holidays:** The maximum number of hours for non-hazardous work is eight hours a day or 48 hours a week in total. In some types of work as stipulated by law, the employer and the employee may agree to arrange the period of working hours, but it still must not exceed 48 hours a week. Hazardous work may not exceed seven hours a day, or 42 hours per week. Employees are entitled to no fewer than 13 national holidays a year, and a minimum of six days of annual vacation after working consecutively for one full year. Employees have the choice of whether they wish to work overtime or on holidays. A female employee is entitled to maternity leave for a period of 90 days including holidays, but paid leave shall not exceed 45 days.

All employees are entitled to a daily rest period of at least one hour after working five consecutive hours. The employer and the employee may arrange the daily rest period to be shorter than one hour at each time, but it must not be less than one hour a day in total. A weekly holiday of at least one day a week at intervals of a six-day period must be arranged by the employer.

For work performed in excess of the maximum number or working hours fixed either by law or by specific agreement (if the latter is lower), employees must be paid overtime compensation. The rates for overtime vary and range from 1-1/2 times to three times the normal hourly wage rate for the actual overtime worked. The maximum number of overtime working hours is limited to not more than 36 hours a week.

- The minimum age for employment is 15 years, and workers below the age of 18 are banned from dangerous and hazardous jobs. They are also prohibited from working overtime, on holidays, or between the hours of 10 p.m. and six a.m. Pregnant employees are also prohibited from working overtime, on holidays, or between the hours of 10 p.m. and 6 a.m.

- **Sick Leave:** Employees can take as many days of sick leave as necessary, but if an employee takes three months of sick leave, the employer is required to pay only one month's wages

- **Severance Pay:** Employees who have worked more than 120 days, but less than one year, are entitled to 30 days severance pay. For personnel employed between one and three years, the severance pay is not less than 90 days pay. Employees with three to six years of service will receive six months salary, those with more than six to 10 years service will receive eight months salary, and employees with more than 10 years service will receive 10 months salary.

- **Termination of employment:** Conditions for termination of employment are also laid out in the Act, and a code governs unfair practices and unfair dismissals, which often are the result of the failure to follow correct legal procedures. Employee Associations and Labor Unions must be registered at the Labor Department, and require a license for operation. Finally, a Labor Court specifically settles employment disputes. If an employment contract does not specify any duration, either party can terminate the contract by giving notice at or before any time of payment, to have effect in the next pay period.

- **Employee Welfare Fund:** For companies with at least 10 employees that do not have a provident fund, an Employee Welfare Fund will be established to compensate employees who resign, are laid off, or die in service. Employers and employees will be required to contribute to this fund.

Note: Implementation of this fund will be delayed until the economy improves.

In addition to these provisions, there are restrictions on the kind of work women and children can perform. Guidelines are set for wages and overtime, as well as resolution of labor-management disputes. Employers are required to pay workers compensation if an employee suffers injury, sickness or death in the course of work.

Thai law also requires employers to provide welfare facilities, including medical and sanitary facilities.

Workmen's compensation

The Compensation Act prescribes that an employer must provide the necessary compensation benefits for employees who suffer injury or illness or who die as a result or in the performance of their work at the rates prescribed by law.

The compensation benefits can be grouped into four categories: The compensation amount, the medical expenses, work rehabilitation expenses, and funeral expenses.

The payment of compensation benefits is made in accordance with the criteria and rates prescribed by law depending on the seriousness of the case. In general, the compensation amount must be paid monthly at the rate of 60 percent of the monthly wages of the employee but not lower than 2,000 baht and not exceeding 9,000 baht a month.

Actual and necessary medical expenses must be paid but not exceeding 35,000 baht for normal cases and 50,000 baht for serious injury.

The work rehabilitation expenses must be paid as necessary according to the criteria procedures and rates prescribed by law but not exceeding 20,000 baht. In the case of death, funeral expenses will be paid at a maximum amount equal to 100 times of the minimum daily wage rate prescribed by law.

Minimum wages

These regulations apply to all businesses and rates depend largely on the location of the workplace. The minimum wage per day effective January 1, 1998 are:

- 162 baht for Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phuket, Samut Prakan and Samut Sakhon.
- 140 baht for Chonburi, Chiang Mai, Nakhon Ratchasima, Phangnga and Ranong
- 130 baht for all other areas.

Social security

The Social Security Act requires that all employers with 10 or more employees to withhold social security contributions from the monthly wages of each employee. The prescribed rates to the monthly wages are:

- From Jan. 1, 1999 to Dec. 31, 1999 : 2 percent
 From Jan. 1, 2000 to Dec 31, 2000 : 3 percent
 From Jan 1, 2001 onwards : 4.5 percent.

The maximum monthly wage base on which the rates are applied must not exceed 15,000 baht. The employer is required to match the contribution from the employee. Both contributions must be remitted to the Social Security Office within the 15th day of the following month.

Employees with social security registration may file claims for compensation in case of injury or illness, disability or death which is not due to the performance of their work, and for cases of child delivery, child welfare, old age pension and unemployment.

B. Legal Implications of Labor Management

In general, Thai labor laws provide for considerable freedom in managing labor. In many countries, it is not legal to discriminate on the basis of age or sex. Perusal of personnel ads in Thai newspapers finds employers narrowly defining their needs: "The successful candidate will be male, under 35 years of age, not a member of a labor union, and at least 150 cm in height, etc."

Further, the government doesn't interfere with a company's retrenchment policies when economic conditions necessitate cutbacks. There is no "first in, last out" requirement in Thailand.

Similarly, Thai employers have the right to transfer employees to other work locations, provided the transfer is not ordered with the exclusive intent to create hardship on them. Refusal to transfer is legal cause for dismissal.

Employee records

An employer with 10 or more regular employees is required to establish written rules and regulations in Thai language governing work performance. The regulations must be displayed on the work premises within 15 days of the date from which the number of employees reached 10 or more.

An employer with 10 or more regular employees is also required to maintain an employee register in Thai language with documents pertaining to the payment of wages, overtime, holiday work etc.

C. Tips on Recruiting and Developing Staff

The ability of a company to attract and retain staff is considerably enhanced by tailoring compensation packages to meet individual employee needs. Increasingly, factors such as work environment, organizational policies, relationships with superiors, and career path influence decisions whether to join, or remain with, a company. In a challenging living environment such as Bangkok, these “quality of life” issues take on even more importance.

Organizing training programs to upgrade skills helps to motivate staff and demonstrates a company's commitment to its employees. Admission to such programs can be seen both as a reward for good performance and as part of the total compensation package.

D. Recruiting Technically-skilled Manpower

There are two main English language daily newspapers which contain significant numbers of advertisements, both in English and in Thai. Both the Bangkok Post and The Nation boast circulation figures of close to 60,000 copies per day, and advertising rates of the two newspapers are similar. In addition to these mass-market dailies, there is an English-language daily, Business Day, which claims a daily circulation of approximately 10,000. In addition to reaching prospective employees through the print editions of these newspapers, it should be noted that the newspapers have classified advertisements on-line through their Home Pages.

Several domestic and international personnel recruitment services operate in Bangkok. In addition to securing personnel, these companies offer services such as advice on issues of organizational structure, labor relations, and the cultural implications of managing labor in Thailand.

Developing contacts with educational institutes to identify and court potential candidates as early as possible is also recommended. For firms with ongoing manpower needs, establishing a network of contacts can be especially valuable. In addition to tailoring compensation packages to individual need and emphasizing long-term and organizational benefits, high-end technical employees, such as scientists and engineers, need to be given work commensurate with their skills. By allowing them greater challenges, and less narrowly defining their role so that it may include responsibilities in systems design and possibly management, technical personnel become more productive and are more likely to view themselves as integral to the company as a whole.

Concrete, long-term benefits are an effective retention tool. Long-term benefits motivate personnel to work through problems and to identify self-interest with company interest. Committing resources to long-term benefits also insures that companies realize increased production levels from staff as they gain experience.

4.1.8. Cost of Doing Business in Thailand

4.1.8.1. Cost of establishing business

	COST	
	BAHT	US\$
1. Visas⁽¹⁾		
Work permit (new) 20 days	35,000	787
One year visa 30 days	25,000	562
Re-entry visa 1 day	2,200	49
2. Registration⁽¹⁾		
Company registration 15 days	35,000	787
Branch office 15 days	50,000	1,124
Alien business license	120,000	2,689
Factory license 30 days	85,000	1,911
3. Accounting⁽¹⁾		
Tax returns and VAT	18,000 yearly	405
Translation, per page	800	18
Review/draft contracts and agreements	22,000 up	495+
4. Office achieved rents⁽²⁾ (As of Q2 2001) (Baht/sq.m/mth)		
	CBD⁽³⁾	Non-CBD
<i>Grade A</i>	408 (US\$9.17)	242 (US\$5.44)
<i>Grade B</i>	330 (US\$7.42)	216 (US\$4.86)
<p>Notes: 1) These rents are inclusive of management fees and air-conditioning. 2) The rent-free period ranges between three to six months. 3) Grade A indicates superior premises, Grade B somewhat less so.</p> <p>Key: ¹ Tilleke & Gibbins (October 2001) ² CB Richard Ellis (Thailand) Co., Ltd. (September 2001) ³ Central Business District</p> <p>Some of the costs cited above include a service fee and do not reflect the actual cost of a fee or license itself.</p>		

Table 4.1.4: Typical Costs of Starting a Business (2002)

Position	Monthly	
	Baht	US\$
Executive Secretary (Good English skills)	29,038	653
Office Staff (Computer literate in English)	14,435	325
Researcher (Thai)	30,646	689
Sales/marketing	20,910	470
HRD Director	56,163	1,263
Office Manager	44,286	996
Plant Manager	61,537	1,384
IT Manager	52,418	1,179
Technical Staff	16,959	381
Engineering	25,662	577
Public Relations	16,913	380
Administrative Staff	14,944	336
Driver	10,973	247
Housekeeper	6,717	151
Messenger	6,986	157

Note: Bonus conditions vary from business to business, although one month's extra salary a year is closest to the average.

Source: These figures are based on the results of an informal survey conducted in the first half of 2001 of selected businesses in Bangkok.

- **Note:** All US\$ conversions are calculated at a rate of US\$1 = 44.48 baht (Average rate for 2001).
- **Source:** Bank of Thailand.

Table 4.1.5: Selected Salaries

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

4.1.8.2. Labor Cost

Entry Level Salaries for Select Jobs Position	Per month	
	Baht	US\$
Manufacturing Sector		
Engineer	16,307	417
Technician	10,379	265
Designer	10,000	256
Electrical engineer	20,000	512
Industrial engineer	17,000	435
Junior secretary	10,487	268
Private Sector		
Computer staff	11,116	284
Economist	40,000	1,023
Accountant	10,500	269
Systems analyst	21,500	550
Auditor	8,000	205
Service Sector		
Junior secretary	7,000	179
Translator	15,600	399
Receptionist	5,217	133
Sales clerk	7,172	183
Salesman	8,988	229
Retail manager	18,800	481

Source: Ministry of Labor

Table 4.1.6: Labor Cost

Minimum Daily Wage Rates (Effective January 1, 2001)	Baht	US\$
Phuket	168	3.78
Bangkok, Samut Prakan, Nonthaburi, Pathum Thani, Nakhon Pathom, and Samut Sakhon	165	3.71
Chon Buri	146	3.28
Chaing Mai, Nakhon Ratchasima, Phangnga, Ranong, Saraburi	143	3.22
Angthong	143	3.20
Chachoengsao	135	3.08
Narathivas and Singburi	135	3.04
Other Provinces	133	2.99

Source: Ministry of Labor

Table 4.1.7: Minimum Daily Wage Rate

Overtime Regulations	
Overtime performed on regular working days	- time and a half
Regular work on public holidays	- double time
Overtime performed on public holidays	- triple time
Daily workers working more than 8 hours	- time and a half

Source: Ministry of Labor

Table 4.1.8: Overtime Regulations

Severance Payment Entitlements	
Workers employed for:	
more than 120 days but less than one year	- 30 days severance pay
more than one year but less than three years	- 90 days severance pay
more than three years but less than six years	- 180 days severance pay
more than six years but less than 10 years	- 240 days severance pay
ten years and up	- 300 days severance pay

Source: Labor Department

Table 4.1.9: Severance Payment Entitlements

Bank Holidays for 2002	
January 1, Tuesday New Year's Day.	July 1, Monday Midyear closing day.
February 8, Tuesday Makha Bucha Day.	July 25, Thursday Buddhist Lent.
April 8, Monday Chakri Day.	August 12, Monday HM the Queen's Birthday.
April 15, Monday Songkran Day.	October 23, Wednesday Chulalongkorn Day.
April 16, Tuesday Songkran Day.	December 5, Thursday HM the King's Birthday.
May 1, Wednesday National Labor Day.	December 10, Tuesday Constitution Day.
May 6, Tuesday Coronation Day.	December 31, Tuesday New Year's Eve.
May 27, Monday Visaka Bucha Day.	

Source: Bank of Thailand

Table 4.1.10: Bank Holidays for 2002

4.1.8.3. Tax Rates and Double Taxation Agreements

Corporate Income Tax	Rate
A. Tax on net corporate profits	30%
B. Tax on gross income of foundations and associations (2% for income under section 40(8))	10%

Source: Revenue Department

Table 4.1.11: Corporate Income Tax

Personal Income Tax (effective Jan. 1, 1999)	
Level of taxable income (baht)	Marginal Tax Rate
0 - 50,000	0%
50,001 - 100,000	5%
100,001 - 500,000	10%
500,001 - 1,000,000	20%
1,000,001 - 4,000,000	30%
over 4,000,000	37%

Source: Revenue Department

Table 4.1.12: Personal Income Tax

Tax on Income from Bank Deposits	
	Rate
A. For individuals	15%
B. For companies	1%
C. For foundations	10%

Source: Revenue Department

Table 4.1.13: Tax on Income from Bank Deposits

Value Added Tax	
Level of taxable income (baht)	Rate
0 - 1,200,000	This level has been repealed from the VAT system
over 1,200,000	0% or 7% (effective April 1, 1999-Sept. 30, 2002) 0% to 10% (effective October 1, 2002)

Source: Revenue Department

Table 4.1.14: Value Added Tax

BIBF		
		Rate
Corporate Income Tax		
Withholding tax on remittance of interest		
	out-out	exempt
	out-in	10%
Withholding tax on remittance of profits		
	out-out	exempt
	out-in	10%
Personal Income Tax		
Withholding tax on remittance of interest		
	out-out	exempt
	out-in	10%

Source: Revenue Department

Table 4.1.15: BIBF

Withholding Tax	
	Rate
A foreign company or registered partnership not carrying out business in Thailand receiving the following income from or in Thailand:	
A. Remittance of profits	10%
B. Remittance of dividends	10%
C. Remittance of interest	15%
D. Royalties from goodwill, copyright and other rights	15%
E. Rentals from hiring property	15%

Source: Revenue Department

Table 4.1.16: Withholding Tax

Excise Tax Rates (Effective Nov 11, 1996)	
Products	Tax Rates
Unleaded benzene	Bt 3.585/liter
Diesel - more than 0.25% sulfur content	Bt 2.315/liter
Diesel - less than 0.25% sulfur content	Bt 2.215/liter
LPG	Bt 2.17/kg
NGL	Bt 3.15/liter
Perfume	15%
Air-conditioner (<72,000 BTU)	15%
Whiskey	35% (or Bt 150/liter)
Brandy	25% (or Bt 150/liter)
Other refined liquors	35% (or Bt 150/liter)
Beer	53% (or Bt 100/liter)
Other fermented liquor	25% (or Bt 100/liter)

Cigarettes and tobacco	70%
Automobiles	
> 2,400 c.c.	43%
< 2,400 c.c.	37.50%
Off Road	32%
Pick Up	5%

Source: Revenue Department

Table 4.1.17: Exercise Tax Rates

Structure of Import Tariffs	Tax Rates
Basic raw materials, necessary raw materials, and materials subjected to special treatment	0-1%
Primary goods and machinery	5%
Intermediate goods	10%
Final goods	20%
Commodities requiring specially high protection	>30%

Source: Revenue Department

Table 4.1.18: Import Tariffs

Double Taxation Agreements
<p>Double Taxation Agreements exist with the following countries: Austria, Australia, Bangladesh, Belgium, Bulgaria, Canada, China, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hungary, India, Indonesia, Israel, Italy, Japan, Laos, Luxembourg, Malaysia, Mauritius, Nepal, the Netherlands, New Zealand, Norway, Pakistan, the Philippines, Poland, Romania, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, United Arab Emirates, United Kingdom and Northern Ireland, United States, Uzbekistan and Vietnam.</p>

Source: Revenue Department

Table 4.1.19: Double Taxation Agreements

4.1.8.4. Transportation Costs

Fuel Cost, October 2001(1)				Road Transportation Cost from Bangkok		
	Unit	Baht	US\$		Rental Cost per Truck (10-12 tons, or 15 cubic meters) (2)	
					Baht	US\$
ULG 95	Liter	26.29	0.59			
ULG 91	Liter	15.29	0.34	Chiang Mai	7,930	178
High speed diesel	Liter	14.24	0.32	Nakhon Ratchasima	3,970	89
Low speed diesel	Liter	14.10	0.32	Khon Kaen	5,650	127
Kerosene	Liter	16.06	0.36	Hat Yai (near Songkhla)	10,310	231
Furnace oil type 1 (600)	Liter	9.96	0.22	Eastern Seaboard (Map Ta Phut)	3,620	81
Furnace oil type 2 (1,500)	Liter	9.53	0.21			
Cooking gas	Liter	11.75	0.26			

(1) Source: The Petroleum Authority of Thailand

(2) Source: Express Transport Organization

Table 4.1.20: Transportation Cost

Air Cargo Rates From Bangkok to Selected Destinations						
	General Rate				Bulk Rate	
	Minimum Charge		(per kg.)		(more than 45 kg.)	
	Baht	US\$	Baht	US\$	Baht	US\$
London	1,400	31.00	276	6.18	207	4.64
Amsterdam	1,400	31.00	253	5.67	190	4.26
New York	1,600	36.00	227	5.09	170	3.81
San Francisco	1,600	36.00	212	4.75	159	3.56
Tokyo	800	18.00	123	2.76	92	2.06
Singapore	700	16.00	40	0.90	30	0.67
Hong Kong	700	16.00	53	1.19	40	0.90

Source : Thai Airways International

Table 4.1.21: Air Cargo Rates from Bangkok

Shipping Cargo Rates from Bangkok to Selected Destinations						
Destination	20 feet		40 feet		Transit in days	Remarks
	Baht	US\$	Baht	US\$		
Europe*	51,325	1,513	93,723	2,107	25-30	Incl. L/C & BAF
Los Angeles	126,303	2,839	170,487	3,832	20	Incl. L/C & BAF
New York	140,361	3,155	186,107	4,185	30	Incl. L/C & BAF
Japan (Osaka)	23,208	521	37,936	852	9-11	Incl. B/L & BAF
Singapore	16,513	371	29,010	652	3	Incl. FAF & L/C
Hong Kong	14,683	330	25,989	584	4-5	Incl. L/C & BAF
Durban	64,714	1,454	123,625	2,779	18	Incl. L/C & BAF
Sydney	30,348	682	61,589	1,384	19-23	--

*European main ports: Antwerp, Bremerhaven, Hamburg, Felixstowe, Le Havre

- Prices are port to port and do not include customs clearance for exports and shipping charges.

- Prices do not include customs duties, taxes dues, levies or deposits.

- Prices do not include 7 percent VAT.

Source: Santa Fe (Thailand) Co., Ltd., October 2001

Table 4.1.22: Ship Cargo from Bangkok

Rail Transportation Costs									
From Bangkok to Selected Provinces (per ton)	By Distance (per ton)								
	Class 3		Class 4		Kilometers	Class 3		Class 4	
Baht	US\$	Baht	US\$	Baht		US\$	Baht	US\$	Baht
Chiang Mai (744 km)	450.8	10.13	393.6	8.82	50	35.1	0.79	30.6	0.69
Nakhon Ratchasima (257 km)	176.3	3.96	153.4	3.44	100	70.2	1.57	61.1	1.37
Khon Kaen (443 km)	286.5	6.43	249.5	5.59	150	105.3	2.36	91.7	2.05
Hat Yai* (near Songkhla) (938 km)	546.2	12.25	477.3	10.69	200	140.4	3.15	122.2	2.75
Eastern Seaboard (Map Ta Phut)(202km)	146.4	3.28			300	200.2	4.50	174.2	3.91

Source: State Railway of Thailand, October 2001

Table 4.1.23: Rail Transportation Costs

Air Travel Costs									
Travel from Bangkok International Airport: Return Fare					Domestic Air Fares (one way) ²				
	Economy Class		Business Class			Economy Class		Business Class	
	Baht	US\$	Baht	US\$		Baht	US\$	Baht	US\$
Paris	55,810	1,254	112,955	2,539	Phuket	2,270	51	3,070	69
Beijing	23,085	519	39,550	880	Kho Samui	3,180	71	n/a	n/a
Frankfurt	55,810	1,254	112,955	2,539	Chaing Mai	1,870	42	2,670	50
Hanoi	14,355	322	16,515	371	Chaing Rai	2,200	49	3,000	67
Hong Kong	13,390	301	22,820	513	Hat Yai	2,585	58	3,385	76
Johannesburg	29,800	670	133,230	2,995	Korat	630	14	1,430	32
Kuala Lumpur	14,565	327	16,750	376	Surat Thani	2,025	45	2,825	63
London	36,265	815	119,865	2,694	Trang	2,275	51	3,075	69
Los Angeles	35,200	791	97,140	2,183	Phitsanulok	1,080	24	1,880	42
Manila	21,645	486	31,635	712	Udon Thani	1,485	33	2,285	51
New York	43,580	979	107,370	2,413	Ubon Ratchani	1,595	36	2,395	54
San Francisco	35,200	791	97,400	2,187	<p>Notes: ¹ International fares are a selection of fares quoted by Thai Airways International, Singapore Airlines, Qantas and United Airlines as of October 2001. These prices are direct from the airlines. Cheaper rates can almost always be obtained from travel agents.</p> <p>² For domestic flights, return fare is double the single price. Source: Thai Airways International, Bangkok Airways.</p> <p>³ The airport departure tax for domestic flights is 200 baht for International flights is 500 baht.</p>				
Singapore	8,800	198	20,710	465					
Sydney	20,350	457	87,210	1,961					
Taipei	24,710	555	35,510	798					
Tokyo	19,800	445	44,000	989					

Table 4.1.24: Air Travel Costs

4.1.8.5. Communication Costs

International Telephone Rates

Zone	ISD (001)						Operator Assisted (100)		
	Minimum 1 minute			Extra 6 seconds			First 3 minutes		add. min.
	Standard Rate	Economy Rate	Reduced Rate	Standard Rate	Economy Rate	Reduced Rate	Personal Call	Personal Call	
Brunei	30	24	24	3.00	2.40	2.40	120	90	30
Indonesia	30	24	24	3.00	2.40	2.40	120	90	30
Philippines	30	24	24	3.00	2.40	2.40	120	90	30
Singapore	28	22	22	2.80	2.20	2.20	112	84	28
Algeria	50	44	35	5.00	4.00	3.50	200	150	50
Cameroon	50	44	35	5.00	4.00	3.50	200	150	50
Kenya	50	44	35	5.00	4.00	3.50	200	150	50
S. Africa	50	44	35	5.00	4.00	3.50	200	150	50
India	40	32	28	4.00	3.20	2.80	160	120	40
Japan	34	29	25	3.40	2.70	2.50	136	102	34
Hong Kong	30	24	24	3.00	2.40	2.40	120	90	30
S. Korea	34	29	25	3.40	2.70	2.50	136	102	34
China	34	29	25	3.40	2.70	2.50	136	102	34
Cambodia	30	24	24	3.00	2.40	2.40	120	90	30
Myanmar	30	24	24	3.00	2.40	2.40	120	90	30
Taiwan	34	29;	25	3.40	2.70	2.50	136	102	34
Vietnam	40	32	28	4.00	3.20	2.80	160	120	40
Australia	22	20	18	2.20	1.80	1.80	88	66	22
Europe	42	34	30	4.20	3.40	3.00	168	126	42
Middle East	46	37	32	4.60	3.70	3.20	184	138	46
North America	22	18	18	2.20	1.80	1.80	88	66	22
Pacific Ocean	46	37	40	4.60	3.40	3.00	184	138	42
South America	50	40	35	5.00	4.00	3.90	200	150	50
Central America	50	40	35	5.00	4.00	3.90	200	150	50

Source: Telecommunication Business Development Division, Communications Authority of Thailand.

Table 4.1.25: International Telephone Rates

4.1.8.6. Utility Cost

Water Rates by User Types (baht per cubic meter)			
Residents (type 1)		Businesses, government, state enterprises, industrialists, others (type 2)	
Water Used (cubic meters)	Water Rate Minimum 45 baht	Water Used (cubic meters)	Water Rate Minimum 45 baht
0-30	8.50	0-10	9.50
31-40	10.03	11-20	10.70
41-50	10.35	21-30	10.95
51-60	10.68	31-40	13.21
61-70	11.00	41-50	13.54
71-80	11.33	51-60	13.86
81-90	12.50	61-80	14.19
91-100	12.02	81-100	14.51
101-120	13.15	181-120	14.84
121-160	13.47	121-160	15.16
161-200	13.80	161-200	15.49
201 up	14.45	201 up	15.81

Notes: Bulk sale: type 1 = 10.5 baht/cu.m; Type 2 = 13 baht/cu.m.

Source: The Metropolitan Waterworks Authority

Table 4.1.26: Water Rate

Electricity Rates for Regional Areas

Small Businesses: Monthly Rate			
A small business is one with a 15-minute maximum integrated demand of less than 30 KW.			
Electricity Rate (Normal rate)	Energy Charge (baht/kWh)		Service Charge (baht/month)
Billing consumption at voltage 22-33kV	2.4649		228.17
Billing consumption less than 22kV			
First 150 kWh	1.8047	40.9	
Next 250 kWh	2.7781	40.9	
Over 400 kWh	2.987	40.9	
Small Businesses: Time of Use Rate (TOU)**			
A small business is one with a 15-minute maximum integrated demand of less than 30 KW.			
Electricity Rate (optional rate)	Energy Charge (baht/kWh)		Service Charge (baht/month)
	Peak	Off Peak	
Billing consumption at voltage 22-33kV	3.6246	1.1914	228.17
Billing consumption less than	4.3093	1.2246	57.95

22kV				
Medium Businesses: Monthly Rate				
A medium-sized business is one with a 15-minute maximum integrated demand of more than 30 KW but less than 1,000 kw and with an average energy consumption not exceeding 250,000 kWh per month for three consecutive months.				
Electricity Rate (Normal rate)		Demand Charge (baht/kWh)	Energy Charge (baht/kWh)	
Billing consumption at voltage 69 kV		175.7	1.666	
Billing consumption 22-33 kV		196.26	1.7034	
Billing consumption less than 22 kV		221.5	1.7314	
Medium Businesses: Time of Use Rate (TOU)**				
A medium-sized business is one with a 15-minute maximum integrated demand of more than 30 KW but less than 1,000 kw and with an average energy consumption not exceeding 250,000 kWh per month for three consecutive months.				
Electricity Rate	Demand Charge (baht/kWh)	Energy Charge (baht/kWh)		Service Charge (baht/month)
	Off Peak Peak	Peak	Off Peak	
Billing consumption at voltage 69 kV	74.14	2.6136	1.1726	228.17
Billing consumption 22-33 kV	132.93	2.6950	1.1914	228.17
Billing consumption less than 22kV	210	2.8408	1.2246	228.17
Large Businesses: Time of Day Rate (TOD)*				
A large business is one with a 15-minute maximum integrated demand of 1,000 KW or more or with an average energy consumption exceeding 250,000 kWh per month for three consecutive months.				
Electricity Rate	Demand Charge (baht/kWh)			Energy Charge (baht/kWh)
	Peak	Partial	Off Peak	
Billing consumption at voltage 69 kV up	224.3	29.91	0	1.666
Billing consumption 22-33 kV	285.05	58.88	0	1.7034
Billing consumption less than 22kV	332.71	68.22	0	1.7314

Large Businesses: Time of Use Rate (TOU)**				
A large business is one with a 15-minute maximum integrated demand of 1,000 KW or more or with an average energy consumption exceeding 250,000 kWh per month for three consecutive months.				
Electricity Rate	Demand Charge baht/kWh)	Energy Charge (baht/kWh)		Service Charge (baht/month)
		Peak	Off Peak	
Billing consumption at voltage 69 kV up	74.14	2.6136	1.1726	228.17
Billing consumption 22-33 kV	132.93	2.6950	1.1914	228.17
Billing consumption less than 22kV	210	2.8408	1.2246	228.17
** TOU Optional Rate for existing users: Peak: Mon-Fri 9:00-22:00; Off Peak: Mon-Fri 22:00-09:00/ Saturday, Sunday, holidays (except substitute days), all day. * TOD: Peak: 18:30-21:30; Partial 08:00-18:30; Off Peak: 21:30-08:00.				

Source: Provincial Electricity Authority.

Table 4.1.27: Electricity Rates

4.1.8.7. Cost of Living in Bangkok

	Cost	
	Baht	US\$
New Automobile		
2000 Jeep Grand Cherokee	2.65m	59,581
Honda Civic 2000	689,000	15,497
International School Fees		
<i>International School Bangkok</i>		
Annual Fee	70,000	1,574
Registration (non-refundable)	200,000	4,497
Deposit	404,200-449,200	9,088-10,100
<i>The New International School of Thailand (NIST)</i>		
Up to grade 12		
Registration	170,000	3,822
Deposit (refundable)	200,000	4,497
Tuition per semester 2 per year	96,400-185,300	2,167-4,152
Club Memberships		
<i>Royal Bangkok Sports Club</i>		
Entry	5,350	120
Yearly	133,750	3,017

<i>Pacific City Club</i>		
Startup (2 people)	150,000	3,367
Monthly	1,800	41
Health Clubs		
<i>JW Marriott</i>		
Startup	35,000	787
Startup (Group of 2 persons)	27,500	618
<i>Clark Hatch</i>		
Individual entry (1 year)	16,000	360
Entry	2,500	56
Monthly	1,400	31
<i>Regent Hotel</i>		
Entry	130,000	2,923
Yearly	50,000	1,124
Maid Services		
(English-speaking and child care)	6,000 to 10,000	135-225
Golf Club Memberships¹		
<i>Pinehurst (Bangkok)</i>	150,000	3,373
<i>Krungthep Kreta (Bangkok)</i>	800,000	17,987
<i>Muangake Vista (Bangkok)</i>	230,000	5,153
<i>Green Valley (Chiang Mai)</i>	70,000	1,574
<i>Blue Canyon (Phuket)</i>	900,000	20,024
<i>Majestic Creek (Hua Hin)</i>	100,000	2,024
<i>Siam Country Club (Pattaya)</i>	100,000	2,248
<i>Springfield (Cha-am)</i>	110,000	2,243
<i>Lakewood (East Coast)</i>	480,000	10,791

Source: Golf Course Membership Exchange Center, Oct. 2001

Table 4.1.28: Miscellaneous

Medical Insurance

Age	baht/year	US\$
31-35	6,461	145
36-40	7,266	163
41-45	8,182	184

Source: Bupa Blue Cross, Sapphire Package. Hospitalization and major medical with OPD Classic.

Table 4.1.29: Medical Insurance

	Silom / Sathorn		Central Lumpini		Sukhumvit	
	Baht	US\$	Baht	US\$	Baht	US\$
Grade A	355	7.98	318	7.15	334	7.74
Grade B	303	6.81	286	6.43	255	5.73

Typical sized units are as follows: 35-37 sq.m; 55-150 sq.m; 100-400 sq.m (Baht/sq.m/mth.)

Note: Grade A indicates superior premises, Grade B somewhat less so.

⁽¹⁾**Source:** CB Richard Ellis (Thailand) Co., Ltd.

Table 4.1.30: Apartment Rentals⁽¹⁾

Location	Size	Baht/sq.m./month	US\$
Central Business District	Studio	804	18
	1 bedroom	525-1,071	14-24
	2 bedroom	577-741	13-17
Central Lumpini	Studio	880-975	18-22
	1 bedroom	771-1,135	17-26
	2 bedroom	702-890	16-20
Sukhumvit Rd.	Studio	833-1,443	19-32
	1 bedroom	720-1,034	16-23
	2 bedroom	545-972	12-22

*Most serviced apartments provide daily maid services, room service, laundry, health and fitness centers, swimming pool, etc.
Sources: CB Richard Ellis

Table 4.1.31: Serviced Apartments in Bangkok*

	Baht	US\$
English-Thai**	400-600	9-13
English-German	800-1,000	18-22
English-French	800-1,000	18-22
English-Chinese	500-750	11-17
English-Japanese	800-1,000	18-22

*per A4 page
**same price for Thai to English, etc.
Source: Company Survey, September 2001

Table 4.1.32: Translation Costs*

Duration	Baht/day	US\$
per day	1,800	40
per week	1,500	34
per month	1,350	30
Car Lease***		
6-11 month contract		
Model	Baht	US\$
Suzuki Vitara	28,940	684
Toyota Corolla	30,780	690
Honda Accord	55,040	1,233
Volvo S70T	100,720	2,257
*1600 Toyota Corolla; +unlimited mileage, loss damage waiver (excess of 5,000 baht); Source: Budget, September 2001		

Table 4.1.33: Car Rental*+

4.1.9 Patents and Trademark

4.1.9.1 Patents

Thailand promulgated its first patent law, the Patent Act, in 1979, with significant amendments added in 1992. The Act protects both inventions and product designs and pharmaceuticals. Thailand has numerous bilateral agreements enabling citizens of other countries to file patent applications in Thailand. However, Thailand is not a signatory to the Paris Convention for the Protection of Industrial Property nor a signatory of any other international convention for reciprocal protection of patents.

In December 1997 a new intellectual property and international trade court began operations, which has significantly improved enforcement. Appeals procedures at the trademark and patent offices have also been streamlined.

A. Invention Patents

For an invention to be patentable, it must

- Have novelty
- Involve an inventive step
- Be capable of being made or used for some kind of production activity.

Therefore, the following would not qualify for patents:

- An invention widely known or used by others in Thailand before the filing of the patent application
- An invention, the subject matter of which was described in a document or printed publication, displayed or otherwise disclosed to the public, in any manner, whether inside or outside Thailand, and whenever the disclosure is by document, printed matter, exhibition or public disclosure by any means whatsoever *
- An invention that has been granted a patent inside or outside Thailand prior to the date of the patent application

- An invention that is the subject of an abandoned application in Thailand. This provision does not affect the rights of co-inventors and others who did not apply for such patent shall not be affected

- An invention for which an application for a patent was filed in a foreign country more than 12 months prior to the date of the patent application, the foreign patent not having been issued.

The revised Patents Act provides that the following are not patentable:

- Microbes and any components thereof which exist naturally; animal, plant and extracted substances from animals or plants
- Scientific or mathematical rules or theories
- Computer programs
- Methods of diagnoses, treatment and care of human and animal diseases
- Inventions that are contrary to public order or morality, public health or welfare.

B. Patentable Product Designs

A product design must be novel in order to be patented: i.e., it must not fall under any of the following conditions:

- A design widely known or used in Thailand before the filing of the patent application
- A design picture, the subject matter or details of which have been displayed or disclosed in a document or printed publication inside or outside of Thailand before the filing of the application
- A design that has been published in the patent journal under Section 65 and 28 before the filing of the patent application
- A design that so nearly resembles any of the product designs indicated in the points described above that it is apparently an imitation.

C. Product Designs Which Are Not Patentable

- Product designs which are contrary to public order and good morals
- Product designs prescribed by Royal Decree.

D. Eligibility

An inventor or product designer has the right to apply for a patent, as does a successor or assignee of the right. An assignment must be made in writing, signed by both the assignor and the assignee.

If, during the course of employment, an employee or contractor creates an invention or product design, the right to apply for a patent belongs to the employer unless otherwise provided by agreement.

The Patent Act requires that an applicant for a patent must be a Thai national or a national of a country which allows persons of Thai nationality to apply for patents in that country.

The patent holder or applicant is entitled to the following rights:

- A patent for an invention is valid for a period of 20 years from the date of filing the application; a patent for a product design is valid for a period of 10 years

from the date of filing the application. The time during which court proceedings regarding the issuance of the patent are in process may be excluded

During the period of the validity of the patent, the patent holder has the exclusive right to produce, use, sell, have for sale, offer for sale and import the patented invention or design. Any act performed before the patent is granted, that would otherwise constitute an infringement of the patent, is not deemed an infringement

A patent holder has an exclusive right to use the words “Thai Patent”, or an abbreviation or translation thereof

A patent holder may assign the patent to another holder

A patent holder may grant a license to another person, subject to restrictions:

- The patentee shall not impose upon the licensee any condition or restriction or any royalty covenant which is an unfair restraint of competition. Conditions, restrictions or covenants that unfairly restrain competition shall be prescribed by a Ministerial Regulation

- A patent holder may not require a licensee to pay a royalty or royalties after the validity of the patent has expired

- Conditions, restrictions, or royalties which are contrary to the above two points are null and void

Any assignment or license must be in writing and officially registered.

E. Compulsory Licenses

To discourage monopolies and the acquisition of patents simply to prevent other persons from manufacturing or producing the patented inventions or product designs, Section 46 of the Patent Act provides that:

At any time after the expiration of three years from the grant of a patent or four years from the date of filing an application for a patent, any person may apply to the Director-General for a compulsory license if, at the time of the application, it appears that:

- For no legitimate reason, there is no production of the patented product nor application of the patented process in the country

- For no legitimate reason, there is no sale of the product produced under the patented process or there are sales of the same at unreasonably high prices or in quantity insufficient to domestic public demand.

F. Cancellation of Patents

A patent may be canceled under the following conditions:

Although a patent has been granted, any person who has an interest in the patent or the public prosecutor may challenge its validity by petitioning the Court for cancellation

The Director-General may ask the Board of Patents to cancel a patent in the following cases:

- If it appears that two years after the issue of a license under Section 50, the licensing has been unable to prevent or alleviate the condition for which a license was issued under Section 46 or 46 bis; or

- The patentee has licensed another person to exercise the patent rights in violation of Section 41.

Before requesting the Board to cancel a patent, the Director-General shall order an inquiry and notify the patentee and licensees to submit their briefs within 60 days from the date of receipt of notification. The Director-General may summon any person to make statement or deliver any additional documents or items.

G. Foreign Patents

A foreign patent that has not been granted a separate patent in Thailand receives no protection under the Patent Act. However, foreign patent holders or owners of rights to inventions or designs in foreign countries may enter into business transactions with parties in Thailand and seek equivalent protection through contractual obligations in the form of a licensing agreement.

Since foreign patents, inventions and designs receive no protection under the Patent Act, no civil or criminal action can be taken against a third party who produces products or sells a patented product in Thailand without paying fees to the holder of the foreign patent or who applies in Thailand for a patent on an invention or design already patented in other countries. Nevertheless, legal solutions to such conflicts may be available under separate legislation.

** Disclosure of the essentials or specifications due to or in consequence of an unlawful act, or disclosure of essentials or specifications by the inventor, including display of the inventor's work at an international exhibition or an official public exhibition provided such disclosure occurred within the period of 12 months prior to the date of filing the patent application shall not be deemed to be disclosure under subsection 2.*

4.1.9.2 Copyrights ©

The Copyright Act of 1994 protects literary, artistic works, and performance rights by making it unlawful to reproduce or publish such works without the owner's permission.

A. Works Subject to Copyright

The Copyright Act protects works in the categories of literary work, including computer programs; dramatic, artistic and musical work; audiovisual material, cinematic film, recorded material; disseminated pictures or disseminated sound; or any other works in the fields of literature, science or fine arts.

The Copyright Act protects computer software against reproduction or adaptation, publicity and rental of such software. Algorithms are not, however, protected. The “copyright” as defined by the Act means “the exclusive right to take any action concerning the work created or made by the creator”. The Act also defines the word “creator” as meaning the person who does the work or creates the work, as defined by the Copyright Act.

A copyright belongs to the creator of a work, subject to the following conditions:

In the case of unpublished work, the creator must be of Thai nationality or reside in Thailand or be a national of or reside in a country which is a member of the Convention on the Protection of Copyright, of which Thailand is a member, provided that the residence at all times or most of the time is spent on the creation of the work.

☐ In the case of published work, the first publication must be made in Thailand or in a country that is a member of the Convention on the Protection of Copyright. In the case where the first publication was made outside Thailand or in a country which is not a member of the Convention, the work created must have been published in Thailand or in a country which is a member of the Convention within 30 days from the first publication, or the creator must have the qualification as prescribed above at the time of the first publication.

In cases where the creator is required to be a person of Thai nationality, and the creator is a juristic person, such juristic person must be established under the Civil and Commercial Code of Thailand.

B. Copyright Infringement ©

The Copyright Act includes a comprehensive list of the types of infringement covered by law:

☐ Infringement by reproduction. The Act defines the word “reproduction” as follows: “Reproduction includes copying by whatever means, imitating, duplicating, making printing blocks for, recording the sound of, taking pictures of, or recording the sound and taking pictures in substantial parts of the originals, from copies or from the publication, regardless of whether made in whole or in part.”

☐ Infringement by adaptation. Adaptation, as defined by the Act, means a reproduction by conversion. Modification or emulation of the original work for the substantial part without a character of creating a new work whether wholly or partly.

- With regard to literary work, it shall include a translation, a transformation or a collection by means of selection and arrangement

- With regard to a computer program, it shall include a reproduction by means of transformation, modification of the program for the substantial part without the appearance of creating a new work

- With regard to dramatic work it shall include the transformation of a non-dramatic work into a dramatic work or dramatic work to a non-dramatic work, whether in the original language or in another language

- With regard to artistic work, it shall include the transformation of a two-dimensional work or a three-dimensional work into a three-dimensional work or a two-dimensional work respectively, or the making of a model from the original work

- With regard to musical work, it shall include an arrangement of tunes or an alteration of lyrics and rhythm

☐ Infringement by publicizing without permission - It is an infringement of copyright to publicize a work without the consent of the copyright owner. “Publicize” means “present to the public by showing, lecturing, praying, playing, presenting with by sound and/or picture, constructing, distributing, selling, or by other means, the works done or created.” The word “public” refers to the person or persons who are present, and not to the place where the performance occurs. A performance will not be regarded as being carried on in public if it is restricted to family and friends of the performer or whoever is responsible for the performance.

☐ Infringement by producing audiovisual material, cinematic film, recorded material or dissemination of sound or picture or by rebroadcasting of sounds and visual images, wholly or in part, or arranging for dissemination of sound or picture in public with commercial purposes

C. Exceptions

Under the Act, any act that might ordinarily be deemed copyright infringement may not be so deemed if done for the following purposes:

- Research or education, without any commercial purposes
- For one's own benefit or for the benefit of a member of one's own family, or close relatives
- Comment, criticism or recommendation of the work, with recognition of the copyright ownership of such work
- Presenting news or otherwise reporting through the mass media, with recognition of the copyright ownership of the work
- Reproduction, adaptation, performance or presentation for a court hearing or consideration by competent and authorized officers or for the purpose of reporting on the outcome of such hearing or consideration
- Copying, duplicating, or adapting parts of the work, or making extracts or summaries, by teachers or by educational institutions for the purpose of distributing or selling to students in school classes or in educational institutions, provided that such activities are not for commercial purposes; and
- Using the work as parts of questions and answers in examinations.

In addition, citing, copying or imitating certain parts of the copyrighted works under the Act, with recognition of the copyright ownership of the work, shall not be deemed to be copyright infringement.

The Act also entitles librarians to reproduce works copyrighted under the Act, provided that complete reproduction is not done for commercial purposes.

D. Works Not Subject to Copyright under the Copyright Act

The Act specifically provides that the following are not deemed eligible for copyright protection:

- Daily news and facts that are, by nature, merely news items
- The Constitution and laws
- Announcements, orders and regulations of ministries, bureaus, departments or any other agency of the state or local jurisdiction
- Court judgments, orders, rulings and official reports
- Translations and collections of those items specified as above which are prepared by government agencies or local administrations.

E. International Copyrights ©

The Copyright Act of 1994 protects copyright works of a creator and the rights of a performer of a country party to conventions on copyright protection or conventions on performance rights protection to which Thailand is a party, or for works copyrighted under international organizations of which Thailand is a member.

F. Licensing and Assignment of Copyrights

The 1994 Act provides that a copyright owner is entitled to grant licenses to another person to use or exercise rights with respect to his copyrighted work. The Act requires that an assignment of copyright by means other than inheritance must be made in

writing and signed by the copyright owner and the assignee. In the event the assignment is made without specifying the assignment period, the assignment shall be valid for 10 years. In the event of an assignment of a copyright, the creator of the copyrighted work retains the right to forbid the assignee to distort, delete from, adapt, or act otherwise in any manner against the work if such act would cause damage or injury to the reputation or prestige of the creator.

G. Copyright Protection Period

A copyright in literature, drama, artistry or music is valid throughout the lifetime of the creator, and for an additional 50 years thereafter. In the event the creator is a juristic person, the copyright will be valid for a period of 50 years following the creation of the work. The copyright for applied artistic work is valid for a period of 25 years following the creation of the work.

H. Penal Provisions

Persons who commit copyright infringement by means of reproduction without permission from the copyright owner may be fined 20,000 to 200,000 baht. If the copyright infringement was committed for business purposes, the offender may face punishment of imprisonment for a term from six months to four years, or a fine from 100,000 to 400,000 baht, or both.

4.1.9.3. Trademarks™

The Trademark Act of Thailand of 1991 governs registration of and provides protection for trademarks. The Act defines a trademark as a symbol used in connection with goods for the purpose of indicating that they are the goods of the owner of the trademark. The trademark must be “distinctive” and not identical or similar to those registered by others, and must not be prohibited by section 8 of the Trademark Act of 1991.

A. Registration Procedure

A trademark application must be completed by the proprietor or his agent, in Thai, and filed with the Trademark Office on official forms. The proprietor or his agent must have a place of business or address in Thailand at which he can be contacted by the Trademark Office.

If the Trademark Office deems the trademark registrable, and provided that no opposition to the trademark arises within 90 days of its publication in the official journal, the Trademark Registrar will grant a trademark registration.

B. Trademark Registration Period

Trademark registration is effective for a period of 10 years. Owners of trademarks must file an application for renewal at least 90 days prior to the expiration of their current trademark registration. A renewed trademark will be effective for an additional 10 years.

A trademark may be registered even if it is not being actively used. However, failure to utilize the trademark entitles third parties to challenge the rights of the trademark owner.

C. Penal Provisions for Trademark Infringement

The owner of a registered trademark has the exclusive right to use the trademark, and may initiate legal action against violators. It is a criminal offense to represent a trademark as registered when it has not been legally registered, or to sell, possess for sale, or bring into the Kingdom objects under such a pretense. This offense is punishable by imprisonment of up to one year or a fine of up to 20,000 baht, or both. Presenting false evidence while registering a trademark is liable to a term of imprisonment not exceeding six months or a fine not exceeding 10,000 baht, or both.

Anyone who forges another person's trademark, registered in the Kingdom, or who sells, possesses for sale, or brings into the Kingdom objects with a forged trademark, shall be punishable by imprisonment not exceeding four years or a fine not exceeding 400,000 baht, or both.

Anyone who imitates another person's registered trademark in order to mislead the public into believing the imitation mark is that of the registered owner, or who sells, possesses for sale, or brings into the Kingdom objects with an imitated trademark, will be punishable by imprisonment not exceeding two years or a fine not exceeding 200,000 baht, or both. Whoever repeats these offenses within a five-year period is liable to double punishment.

D. The Board of Trademark Committee

In 1991, the Board of Trademarks was established to have the power and duties specified hereunder:

- To decide an appeal, order, or decisions of the Registrar under Trademark Act
- To order a withdrawal of the registration of a Trademark, service mark or certification mark
- To give advice to the Minister in the issuance of the Ministerial Regulations on Notifications
- To consider other matters assigned by the Minister.

E. Service Marks, Certification Marks and Collective Marks

As of February 1992, these variations on trademarks are covered under all the provisions the Act and, hence, receive the same protection as trademarks under the law. In the case of service marks, all the words "goods" mentioned in the Act's provisions shall mean "services".

Certification Marks.

Applicants for certification marks must forward a copy of the regulations concerning the use of the certification mark together with the application for registration and demonstrate that they are well qualified to certify the merits of the goods or services. The owner of a registered certification mark shall not use it for his own goods or services and shall not license any third person to grant certifications to use the mark, although they

may license a third person to use the certification mark themselves. If they violate this rule, they are subject to a fine not exceeding 20,000 baht.

The regulations concerning the use of the certification marks must:

- Specify the origin, composition, manufacturing process, quality and other characteristics of the goods and services to be certified
- Include the rules, procedures and conditions in the granting of a license to use the certification mark.

4.1.10. Industrial Estate

An Industrial Estate in Thailand resembles an industrial town or industrial city providing complete infrastructure necessary for industrial operations such as ample electricity, water supply, flood protection, waste water treatment, solid waste disposal etc. It is accessible to seaports, airports and other transportation centers. Besides providing communication facilities and security systems, an industrial estate also contains commercial banks, and a post office. Some have customs offices, schools, hospitals, shopping centers and other facilities needed for investors and workers. In fact, it is a self-contained community.

The Industrial Estate Authority of Thailand (IEAT) is a state enterprise attached to the Ministry of Industry. It is chartered to implement the government's industrial development policy. Its objective is not only development but to ensure orderly planned industrialization of the industries concerned and the country as a whole. To manage all this and the broad planning needed to cope with problems related to various locations, for example, the control and monitoring of industrial pollution, a national authority with muscle was called for, and so the IEAT was formed.

Industrial Estates in Thailand are classified into three categories:

1. Those owned and managed by the IEAT.
2. Those that are joint-ventures between the IEAT and private developers.
3. Those developed, managed and owned wholly by private developers.

Industrial estates are mainly divided into two zones. Area in General Industrial Zones (GIZ) is reserved for the location of industries manufacturing for domestic and/or export consumption.

Area in Export Processing Zones (EPZ) is reserved for the location of industries manufacturing for export only. Most industrial estates with EPZs have government customs houses for fast clearing.

4.2 Law relating with Mergers and Acquisitions

4.2.1. International Regulatory

4.2.1.1. An Overview of Regulatory Considerations

According to Andrew J. Sherman (1998), there are a wide variety of regulatory considerations in a merger or acquisition, usually falling into one of two categories: (1) *general* regulatory issues, which affect all types of transactions ; and (2) *industry-specific* regulatory issues , which affect only certain types of transactions in certain industries. The general regulatory considerations include issues such as antitrust, environmental, securities, and employee benefits matters, which are discussed below. Some industry-specific regulatory issues involve federal and state regulators, who may exercise rights of approval over those transactions that involve a change in ownership or control or that may have an anticompetitive effect on given industry. Any transaction in the broadcasting, health care, insurance, public utilities, transportation, telecommunications, financial services. And even the defense contracting industries should be analyzed carefully by legal counsel to determine what level of governmental approval may be necessary to close the transaction. Regulatory agencies such as the Federal Communication Commission (FCC) and the Pension Benefit Guaranty corporation (PBGC) have broad powers to determine whether the proposed franchiser will be in the best interest of the consuming general public or, in the case of the PBGC, of the employees and retirees of a given seller.

In addition to the federal laws described above, there are a wide variety of state laws that should be carefully considered by the parties. These involve state “anti-takeover” statutes, which may be launched and the laws affecting bulk transfer that appear in Article 6 of the Uniform Commercial Code of each state. These bulk transfer laws are designed to protect the seller’s creditors by ensuring that they receive proper notice in advance of any proposed transfer of a significant portion of the seller’s assets (e.g., outside the ordinary course of business)

In certain regulated industries, government approvals are needed to effectuate the transfer of government-granted licenses, permits, or franchises. These may range from the local liquor board’s approving the transfer of a liquor license in a small restaurant acquisition to FCC approval for the transfer of a multibillion dollar communication license, such as in one recently approved transaction between Bell Atlantic and NYNEX. Bell Atlantic had agreed to purchase NYNEX for \$25.6 billion, subject to, among other things, the Department of Justice’s approval from an antitrust perspective and the FCC’s approval of the transfer of NYNEX’s communications license to Bell Atlantic. In the Bell Atlantic NYNEX deal, the Justice Department approved the deal as *not* having an anticompetitive effect from a consumer perspective *well before* the FCC finished its analysis of the proposed deal on the industry and subsequently gave its approval to the transfer of the licenses. Let’s take a look at one critical area of regulatory consideration _ the federal and state environmental laws.

4.2.1.2 Environmental laws

Prior to the 1970s, sellers normally had little or no obligation to disclose information concerning the presence or use of potentially dangerous substances on their premises, nor to report the release of such substances into the environment to the potential

buyers of their businesses. What obligations did exist were imposed by state or local governments regulating public nuisances or engaging in emergency planning.

In the 1970s and early 1980s, however, as the federal government passed new laws concerning health and the environment, it created new obligation to report on the presence, use, and release of dangerous substances under circumstances. The Clean Water Act, the Toxic substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), and the Comprehensive Environment Response, Compensation, and Liability Act (CERCLA or Superfund) all contain provisions requiring notification of government authorities in the event of chemical spills and other emergencies. In addition, TSCA and regulations promulgated pursuant to the Occupational Safety and Health Act (OSHA) require chemical manufacturers and others to compile and report information on the presence and use of hazardous chemicals on their premises. Each of these laws has a unique, limited scope__for example, covering some substances but not others __ and the result is a patchwork of different but sometimes overlapping reporting requirements.

In 1986, Congress enacted the Emergency Planning and Community Right-To-Know Act (EPCRA), found in Title III of the Superfund Amendments and Reauthorization Act of 1986 (SARA). Subchapter I of EPCRA creates a framework for state and local emergency response planning, and in that setting impose on companies two types of reporting obligations: (1) to provide information about the presence of extremely hazardous substances so as to facilitate emergency planning; and (2) to immediately notify authorities in the event of a release. Subchapter II of EPCRA requires companies to file additional report on the presence of hazardous substances at their facilities, and also to report on the periodic release of toxic chemicals. Unlike the federal laws, much of the information that is reported under EPCRA is available to the public.

Not only did EPCRA not completely supersede other federal reporting provisions, it also did not preempt state law. Several state have passed “right-to-know” or other reporting laws, the most aggressive being California’s Proposition 65. However, because EPCRA’s reporting requirements are fairly extensive, and because they are implemented largely by the states themselves, in general the importance of state reporting laws has been diminished.

Any company that makes, uses, or otherwise is involved with potentially dangerous substances may be required under federal law to notify authorities of a release of a dangerous substance into the environment. In many cases, a company’s obligations will be satisfied by reporting under EPCRA and CERCLA, but in some case the Clean Water Act, TSCA, or RCRA might be applicable.

This complex web of federal and state environmental laws creates legal issues for both buyer and seller in a proposed merger or acquisition, usually surrounding the problem of allocating liability for environmental problems under federal laws such as RCRA and CERCLA and state laws that address hazardous waste discharge and disposal. The seller should obtain an environmental audit from a qualified consulting firm prior to the active recruitment of potential buyers in order to assess its own liability under the federal and state laws, even though it is very likely that the buyer will want to do its own independent review and assessment of the seller’s sites, insurance policies, and possible areas of exposure.

The potential liability under federal and state environmental laws is typically one of the broadest areas requested by buyers in the areas of representations and warranties, such as described below.

Assume for the balance of this chapter that Growth Co. Corp (GCC) has identified target Co., Inc. (TCI), a closely held manufacturer, as an acquisition candidate.

Hazardous Material. Other than as set forth on Schedule 11, (1) no amount of substance that has been designated under any law, rule, regulation, treaty, or statute promulgated by any governmental entity to be radioactive, toxic, hazardous, or otherwise a danger to health or the environment, including, without limitation, PSB, asbestos, petroleum, urea-formaldehyde, and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as hazardous waste pursuant to the United States Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant to said laws (a “hazardous material”); and (2) no underground or above-ground storage tanks containing hazardous material, are present in, on, or under any property, including the land and the improvements, ground water and thereof, that either seller has at any time owned, operated, occupied, or leased. Schedule 00 identifies all underground and above-ground storage tanks, and the capacity, age, and contents of such tanks, located on property owned, operated, occupied, or leased by TCI.

Hazardous Material Activities. TCI has not transported, stored, used, manufactured, disposed of, released or sold, or exposed its employees or others to hazardous materials or any product containing a hazardous material (collectively, “seller’s hazardous materials activities”) in violation of any rule, regulation, treaty, or statute promulgated by any government entity.

Environment Permits and Compliance. TCI currently holds all environmental approvals, permits, licenses, clearances, and consents (the “environmental permits”) necessary for the conduct of seller’s hazardous material activities and the business of TCI as such activities and business are currently being conducted. All environmental permits are in full force and effect. TCI is in compliance in all material respects with all terms and conditions of the environmental permits and is in compliance in all material respects with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables contained in the laws, rules, regulations, treaties, or statutes of all governmental entities relating to pollution or protection of the environment or contained in any regulation, code, plan, order, decree, judgment, notice, or demand letter issued, entered, promulgated, or approved thereunder. To the best of TCI’s knowledge after due inquiry, There are no circumstances that may prevent or interfere with such compliance in the future. Schedule 11 includes a listing and description of all environmental permits currently held by TCI. For purposes of this agreement, knowledge of TCI includes the knowledge of the persons who, as of the closing date, were its officers, directors, and stockholders (including the trustees. Officers, partners, and directors of stockholders that are not natural persons).

Environmental liabilities. No action, proceeding, revocation proceeding, amendment proceeding, amendment procedure, writ, injunction, or claim is pending, or to the best knowledge of TCI concerning any environmental permit, hazardous material or the seller’s hazardous materials activity or

pursuant to the laws, rules, regulations, treaties, or statutes of any governmental entity relating to pollution or protection of the environment. There are no past or present actions, activities, circumstances, conditions, events, or incidents that could involve either TCI (or any person or entity whose liability TCI has retained or assumed, either by contract or operation of law) in any environmental litigation, or impose upon TCI (or any person or entity whose liability either seller has retained or assumed, either by contract or operation of law) any material environmental liability including, without limitation, common law tort liability.

4.2.1.3 Federal Securities laws

Mergers and acquisitions among small and growing privately held companies do not generally raise many issues or trigger filing requirements under the federal securities laws. Where one or both of the companies is publicly traded, and hence has registered its securities under the Securities Act of 1933, However, a host of reporting obligations are triggered, as follows:

☐ *10-Q and 10-K reports.* A discussion of the proposed transaction may need to be included in either or both of the acquiring company's and the target's quarterly and annual filing with the SEC. The acquiring company will usually be obligated to include the information in its scheduled SEC reports if the acquisition is deemed to be significant. A *significant* acquisition is typically defined as one where the target's assets or pre-tax income exceeds 10 percent of the acquiring company's assets or pre-tax income.

☐ *Registration statements.* If the acquiring company plans to issue new securities as part of the consideration to be given to shareholders of the target, then a registration statement should be filed with the SEC.

☐ *PROXY information.* If the proposed transaction must be approved by the shareholders of either the acquiring company or the target, then the SEC's special proxy rules and regulations must be carefully followed.

☐ *Tender offers.* When a buyer of a publicly held company elects to make a tender offer directly to the shareholders of the target, rather than negotiating through management, then filing requirement in the Williams Act apply. This includes the filing of the SEC's Schedule 13D whenever the purchaser become the beneficial owner of more than 5 percent of the target's equity securities, which gives notice to the SEC, as the target company's officers and directors, of the buyer's intentions.

4.2.1.4 Federal Antitrust Laws

The central concern of government policy is with those acquisitions that increase the danger that companies in a particular market will have *market power* — the power to raise price or limit production free from the constraints of competition. This danger increases when a market is dominated by a few large companies with substantial market shares. Federal antitrust laws prohibit any acquisition of stock or assets that tends to substantially lessen competition. Acquisition of the stock or assets of a competitor (horizontal acquisition) is most likely to raise antitrust concern, especially if it occurs in a market that is already dominated a few companies. An acquisition involving companies in a supplier-purchaser relationship (vertical acquisition), or companies that may be potential competitors, also could raise antitrust concern, but in general vertical transactions are of less concern from an antitrust perspective.

The Department of Justice (DOJ) and the Federal Trade Commission (FTC) may seek to stop acquisitions they consider likely to significantly lessen competition. Furthermore, the Hart – Scott – Rodino Act requires that the FTC and DOJ be given advance notification of all mergers and acquisition involving companies. And transactions above a specified minimum size, the details of which are discussed below.

Horizontal Acquisitions

The principal responsibility for enforcing antitrust laws with respect to business combinations continues to be exercised by the DOJ and the FTC. Both have issued merger guidelines to help businesses assess the likelihood that a particular business transaction may be challenged under the federal antitrust laws. These federal agencies consider a number of factors in assessing the legality of an acquisition involving companies competing in the same market, or horizontal acquisition. However, the respective market shares of the combining companies, as well as the degree of market concentration (i.e., the number of companies competing in the market), continue to be the starting point for every analysis. Combinations of market shares not considered significant in less concentrated markets may raise serious problems when market concentration is high.

Because of the importance of market share and market concentration, the definition of market is critical. Among other things, the guidelines take into account reasonable product substitutes, production facilities that may be easily converted to making a particular product, and foreign imports. Once the market is defined, the federal agencies seek to measure the significance of particular combinations in terms of the extent to which they increase market concentration. While various tests are available, the agencies use a measure known as the Herfindahl-Hirschmann Index (HHI). The competitive significance of particular acquisitions is then examined in terms of both the level of the market's HHI following the acquisition and the extent to which the acquisition increases the HHI.

In addition to market shares and market concentration, federal enforcement agencies consider ease of entry into the market. Where barriers to entry—such as patents, proprietary technology, know-how, and high “sunk” capital investments—do not exist and other companies could enter the market with relative ease and within a relatively short time if prices rose to noncompetitive levels, an acquisition may not be considered anticompetitive, even though it produces a high postacquisition HHI. Other factors given varying degrees of weight under the guidelines are changing market conditions that might undermine the significance of market shares, such as rapidly changing technology; the financial condition of a product, which make price collusion difficult or unlikely; and efficiencies resulting from the combination.

Vertical Acquisitions

Acquisitions involving suppliers and their customers could raise questions under the antitrust laws. Courts, as well as earlier federal enforcement policies, have expressed concerns that such acquisitions could foreclose access by competitors to necessary suppliers or distribution outlets. The foreclosure effect has been measured by reference to the share of the market held by the supplier company and share of purchases of the product made by the customer company. Current federal enforcement policy is somewhat skeptical about claims that vertical acquisitions produce anticompetitive effects. It limits the inquiry primarily to the question of whether such an acquisition is

likely to create an unacceptable barrier to entry. This would make it necessary for any new entrant to enter at both the supplier and purchaser levels in circumstances where it is difficult to do so, and thus insulates concentrated markets at either level from new competition.

4.2.1.5 Hart-Scott-Rodino Act

The premerger notification requirements of the Hart-Scott-Rodino Act (H-S-R) can have an important impact on an acquisition timetable. Under H-S-R, and the regulations issued under it by the FTC, acquisitions involving companies and transactions of a certain size cannot be consummated until certain information is supplied to the federal enforcement agencies and until specified waiting periods elapse.

The premerger notification program was established to avoid some of the difficulties that antitrust enforcement agencies encounter when they challenge anticompetitive acquisitions after they occur. The enforcement agencies have found that it is often impossible to restore competition fully because circumstances have changed once a merger has taken place; furthermore, any attempt to reestablish competition is usually costly for the parties and the public. But prior review under the premerger notification program has created an opportunity to avoid these problems by enabling the enforcement agencies to challenge anticompetitive acquisitions before they are consummated.

The Hart-Scott-Rodino Antitrust Improvements Act requires that persons contemplating proposed business transactions of a certain size report their intentions to the antitrust enforcement agencies before consummating the transactions. If a proposed transaction is reportable, then both the acquiring business and the business being acquired must submit information about their respective business operations. They report to the Federal Trade Commission and to the Department of Justice, and wait a specified period of time before consummating the proposed transaction. During that waiting period, the enforcement agencies review the antitrust implications of the proposed transaction. Whether a particular transaction is reportable is determined by application of the act and the premerger notification rules.

As a general matter, the act and the rules require both parties to file notifications under the premerger notification program if all of the following conditions are met:

1. One person has sales or assets of at least \$100 million.
2. The other person has sales or assets of at least \$10 million.
3. As result of the transaction, the acquiring person will hold a total amount of stock or assets of the acquired person valued at more than \$15 million, or, in some stock transactions, even if the stock held is valued at \$15 million or less, if it represents 50 percent or more of the outstanding stock of the issuer being acquired and the issuer is of a certain size.

The first step in determining reportability is to determine who the “acquiring person” is and who the “acquired person” is. These technical terms are defined in the rules and must be applied carefully. In an assets acquisition, the acquiring person is the buyer and the acquired person is the seller. In an acquisition of the seller’s voting stock, the acquiring person is the voting securities to be acquired. Thus, in many acquisitions of voting stock, the sellers are shareholders of the seller, yet the applicable regulations impose a reporting obligation on that acquired person despite the fact that, in such voting securities transactions, the acquire person may have no direct dealings with

the acquiring person. The rules require that a person proposing to acquire voting securities directly from shareholders, rather than from the issuer itself, serve notice on the issuer of those shares to make sure that the acquired person knows about its reporting obligation.

Once you have determined who the acquiring and acquired persons are, you must determine whether the size of each person meets the act's minimum size based on the company's last regularly prepared balance sheet. The size of a person includes not only the business entity that is making the acquisition or the business entity whose assets are being acquired or which issued the voting securities being acquired but also the parent of that business entity and any other entities that the parent controls.

The next step is to determine what voting securities, assets, or combination of voting securities and assets are being transferred in the proposed transaction. Then you must determine the value of the voting securities and/or assets or the percentage of voting securities that will be held as a result of the transaction. Calculating what will be held as a result of a transaction is complicated and requires application of several complex rules. The securities held as a result of the transaction include those that will be transferred in the proposed transaction and certain assets of the acquired person that the acquiring person has purchased within certain time limits.

In some instances, a transaction may not be reportable, even if the size of person and the size of transaction tests have been satisfied. The act and rules set forth a number of exemptions, describing particular transactions or classes of transactions that need not be reported despite the fact that the threshold criteria have been satisfied. For example, the acquisition of voting securities of an issuer is exempt if the acquiring person owns 50 percent or more of that issuer prior to the proposed acquisition. The acquisition of voting securities of a foreign issuer may be exempt if the foreign company did no business in the United States and holds no assets in the United States.

Once it has been determined that a particular transaction is reportable, each party must submit its notification to the premerger Notification Office of the Federal Trade Commission and to the director of operations of the Antitrust Division of the Department of Justice. In addition, each acquiring person must pay a \$ 20,000 filing fee to the Premerger Notification Office for each transaction that it reports.

4.2.1.6 Labor and Employment Law

There are a wide variety of federal and state labor and employment law issues that must be addressed by the buyer as part of its overall due diligence on the seller's business. This includes a comprehensive review of the seller's employment practices and manuals to ensure historical compliance with the laws governing such areas as employment discrimination, immigration law compliance (e.g., that all I-9 forms have been properly completed), sexual harassment, age discrimination (e.g., compliance with the Older Workers Benefit Protection Act, which should also be carefully examined before any older workers are dismissed on a postclosing basis, and the Age Discrimination in Employment Act), drug testing, and wage and hour laws, as well as its compliance with the Family and Medical Leave Act (FMLA), the Americans with Disabilities Act (ADA), and the Worker Adjustment and Retraining Notification Act (WARN), which governs plant closings and retraining requirements.

Where applicable, it will be necessary to review collective bargaining agreements, with a particular focus on the buyer's duty to bargain with the union as a successor employer.

The buyer must also be aware of the wide range of potential Employee Retirement Income Security Act (ERISA) liability issues that it may confront if the employee benefit plans established by the seller are not properly structured or funded. The buyer must also develop a strategy for the integration of the seller's plans into its own, which may involve transferring plan assets in whole or in part, or the utilization of surplus plan assets. There are many different types of employee benefit plans, including qualified or *defined contribution plans*, which include profit-sharing plans, thrift plans, many purchase pension plans, stock bonus plans, and employee stock-ownership plans, as well as defined benefit plans and executive compensation plans.

Employee benefit plans can represent one of the largest potential liabilities of a business enterprise. The employee benefit plans involving the greatest potential liabilities are defined benefit pension plans, postretirement medical and life insurance benefits, and life insurance benefits, and deferred compensation programs for executives. In many cases, the liability for an employee benefit plan shown on the financial statements may not adequately portray the true liability. A buyer is well advised to have an actuary compute the value of the employee benefits—both retirement plans and retiree medical plans—in order to be sure that the balance sheet provision is adequate.

The treatment of employee benefit plans in corporate acquisition, merger, and disposition situations has taken on greater and greater importance since the passage of ERISA in 1974. The importance of employee benefits plans grows with each new development in the benefits arena, including the Multiemployer Pension Plan Amendments Act of 1980 (MEPPAA), Retirement Equity Act of 1984 (REA), the Single Employer Pension Plan Amendments Act of 1986 (SEPPAA), the Tax Reform Acts of 1986 (TRA 86), the Omnibus Budget Reconciliation Act (OBRA) of 1987, 1989, 1990, and 1993, the Unemployment Compensation Act of 1992 (UCA), the Retirement Protection Act of 1994 (RPA), and Sections 87, 88, and 103 of the Financial Accounting Board (F.A.S. 87, 88, and 106). Employee benefit plans can be the source of major off-balance sheet liabilities that have to be dealt with by the parties to the transactions. In some cases, employee benefit plans will dictate whether the transaction is structured as a sale of stock or a sale of assets. In a few cases, employee benefit plans may result in the deal's falling through. In still other situations, employee benefit plans can be utilized to accomplish the transaction.

Generally, employee benefit plan considerations do not dictate the structure of a corporate acquisition. There are, however, a few exceptions. A seller that faces a potentially large withdrawal liability with respect to a multiemployer pension plan may insist on a sale of stock rather than a sale of assets. On the other hand, a buyer that does not want to inherit a burdensome plan from the seller may insist on a sale of assets. In the case of a sale of assets, the buyer is not generally obligated to assume the plans of the seller. This decision depends on the nature of the plans, their funding status, their past history of compliance with the laws, and the nature of the adjustment in the purchase price with respect to the plans.

The biggest difficulty related to employee benefit liabilities in a merger or acquisition is in determining the appropriate adjustment of the purchase price. Since the liabilities involve actuarial calculations, they are totally dependent upon assumptions as to interest rates, life expectancies, and other factors that will impact on the ultimate liability under the plan. The parties have to agree to these assumptions or to a method of arriving at these assumptions in order to calculate whether the plan is overfunded or underfunded. One such method for a pension plan would be to value the plan's liabilities using the PBGC's assumptions for terminated pension plans. While the PBGC rates are not the most favorable rates in the marketplace, they do represent the rates that will be utilized to

determine whether the plan is underfunded in the event the plan should terminate. Another approach is to value the liability on an ongoing basis rather than on a termination basis.

The most important aspect of the acquisition process for the buyer is to start its investigation of the employee benefit plans early and to do as thorough a job as possible. The buyer should be especially concerned with identifying items that are hidden liabilities. Obviously, a buyer should review the plans and their summary plan descriptions. To the extent that there are actuarial reports for the plans, the buyer should examine copies of them, and make sure they call for benefit increases that were not contemplated in the most recent actuarial report. If a union negotiated plan bases benefits on the compensation of the employees, the buyer should check to see if large wage increases have been negotiated. Finally, the buyer should review any postretirement medical or life insurance benefits provided by the seller.

The purchase agreement should contain detailed and explicit provisions with respect to handling employee benefits. If responsibility for a benefit program has to be divided between the buyer and the seller, it is easier to have a fair division of the responsibility if it is negotiated in advance. Buyers rarely get significant concessions from sellers after the deal has closed. A set of sample representations and warranties to cover these issues is set forth below.

Definitions.

1. “Benefit arrangement” means any benefit arrangement, obligation, custom, or practice, whether or not legally enforceable, to provide benefits, other than salary, as compensation for services rendered, to present or former directors, employees, agents, or independent contractors, other than any obligation, arrangement, custom, or practice that is an employee benefit plan, including, without limitation, employment agreements, severance agreements, executive compensation arrangements, incentive programs or arrangements, sick leave, vacation pay, severance pay policies, plant closing benefits, salary continuation for disability, consulting, or other compensation arrangements, workers’ compensation, retirement, deferred compensation, bonus, stock option or purchase, hospitalization, medical insurance, life insurance, tuition reimbursement or scholarship programs, employee discount arrangements, employee advances or loans, any plans subject to Section 125 of the Code, and any plans providing benefits or payments in the event of a change of control, change in ownership, or sale of a substantial portion (including all or substantially all) of the assets of any business or portion thereof, in each case with respect to any present or former employees, directors, or agents.

2. “Seller benefit arrangement” means any benefit arrangement sponsored or maintained by TCI or with respect to which TCI has or may have any liability (whether actual, contingent, with respect to any of its assets or otherwise), in each case with respect to any present or former directors, employees, or agents of TCI as of the closing date.

3. “Seller plan” means any employee benefit plan for which TCI is the “plan sponsor” (as defined in Section 3(16)(B) of ERISA) or any employee benefit plan maintained by TCI or to which TCI is obligated to make payments, in each case with respect to any present or former employees of TCI as of the closing date.

4. “Employee benefit plan” has the meaning given in Section 3(3) of ERISA.

5. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and all regulations and rules issued thereunder, or any successor law.

6. “ERISA affiliate” means any person that, together with TCI, would be or was at any time treated as a single employer under Section 414 of the Code or Section 4001 of ERISA and any general partnership of which either seller is or has been a general partner.

7. “Multiemployer plan” means any employee benefit plan described in Section 3(37) of ERISA.

8. “Qualified plan” means any employee benefit plan that meets, purports to meet, or is intended to meet the requirements of Section 401 (a) of the code.

9. “Welfare plan” means any employee benefit plan described in Section 3(1) of ERISA.

Schedule 11. This schedule contains a complete and accurate list of all seller plans and seller benefit arrangements, true, correct, and complete copies of all the following documents have been delivered to GCC and its counsel:

1. All documents constituting the seller plans and seller benefit arrangements, including but not limited to, insurance policies, service agreements, and formal and informal amendments thereto, employment agreements, consulting arrangements, and commission arrangements.

2. The most recent Forms 5500 or 5500 C/R and any financial statements attached thereto and those for the prior three years.

3. The most recent summary plan description for the seller plans.

Contributions to a Qualified or Multiemployer Plan. Neither TCI nor any ERISA affiliate ever maintained, contributed to, or been obligated to contribute to, any qualified plan or multiemployer plan. Neither TCI nor any ERISA affiliate has any liability (whether actual or conditional, with respect to its assets or otherwise) to or resulting from any employee benefit plan sponsored or maintained by a person that is not a seller or any ERISA affiliate. Neither seller nor any ERISA affiliate has or has ever had any obligations under audit or examination (nor has notice been received of a potential audit or examination) by the IRS, the Department of Labor, or any other governmental agency or entity. All group health plans of each seller and their ERISA affiliates have been operated in compliance with the requirements of Sections 4980B (and its predecessors) and 5000 of the code, and each seller has provided, or will have provided before the closing date, to individuals entitled thereto all required notices and coverage under Section 4980B with respect to any qualifying event (as defined therein) occurring before or on the closing date.

It is critical to understand how certain regulatory considerations affect the structure and even the viability of a given merger or acquisition. The growth and consideration in a variety of regulated industries such as telecommunications, financial

services, and electrical/gas utilities have made an understanding of these regulations a precursor to getting a deal to the closing table. Work with your transactional counsel to make sure that attorneys well-versed in obtaining these necessary regulatory approvals are part of the acquisition team.

4.2.2. Thailand Legal Issues for Foreign Investors

According to the Board of Investment of Thailand (2002), the issues of Thailand legal for foreign investors are

4.2.2.1. Foreign Business Act

A. Introduction

Foreigners in Thailand derive their legal rights primarily from the domestic laws of Thailand. In general, foreigners enjoy the same basic rights as Thai nationals.

Restrictions on foreign ownership in commercial banks, insurance companies, commercial fishing, aviation businesses, commercial transportation, commodity export, mining and other enterprises exist under various laws. In addition, Thai participation will frequently be required in those activities seeking permission from the BOI.

B. The Foreign Business Act

The Foreign Business Act of 1999, which became effective on March 4, 2000, repeals and replaces the 1972 National Executive Council Announcement 281, better known as the Alien Business Law. The Act serves to define an "alien," and identifies the scope of foreign participation in business in Thailand.

An "alien" is defined as:

- A natural person who is not of Thai nationality;
- A juristic entity that is not registered in Thailand;
- A juristic entity incorporated in Thailand with foreign shareholding accounting for one-half or more of the total number or value of shares;
- A limited partnership or ordinary registered partnership whose managing partner or manager is a foreigner

C. Businesses Subject to Regulation

Businesses that initiate activities that fall under Lists 1, 2, or 3 of the Foreign Business Act (listed below) are subject to the limitations imposed by the Act.

Activities that fall under List 1 are strictly prohibited to aliens.

Businesses that are covered by List 2 are prohibited to aliens unless specific permission is granted by the Commerce Ministry, by and with an appropriate Cabinet resolution. Alien juristic entities allowed to engage in List 2 activities must meet the following two conditions:

- At least 40 percent of all shares are held by Thai persons or non-alien juristic entities (This may be reduced to 25 percent on a case-by-case basis)
- Two-fifths of the members of the Board of Directors are Thai

Activities in List 3 are prohibited to aliens unless permission is granted by the Director General of the Department of Commercial Registration, Ministry of Commerce, by and with the approval of the Foreign Business Board.

An alien can engage in businesses in Lists 2 or 3 if he is a promoted investor in accordance with either the Investment Promotion Act, the Industrial Estate Authority of Thailand Act, or other laws.

List 1 - Businesses in which alien participation is not permitted

- Newspaper undertakings and radio and television station undertakings.
- Lowland farming, upland farming, or horticulture
- Raising animals
- Forestry and timber conversions from natural forests
- Fishing for aquatic animals in Thai waters and Thailand's Exclusive Economic Zone
- Extraction of Thai medical herbs
- Trade in and auctioning of Thai ancient objects or ancient objects of national historical value
- Making or casting Buddha images and making monk's bowls
- Dealing in land

List 2 - Businesses concerning national security or safety with an adverse effect on art and culture, customs, or native manufacture/handicrafts, or with an impact on natural resources and the environment.

- Production, disposal, sale, and overhead of:
 - Firearms, ammunition, gunpowder, and explosives
 - Components of firearms, gunpowder, and explosives
 - Armaments and military vessels, aircraft, or conveyances
 - All kinds of war equipment or their components
- Domestic transport by land, water, or air, inclusive of the undertaking of domestic aviation
- Dealing in antiques or objects of art and works of art, and Thai handicrafts
- Production of wood carvings
- Raising silkworms, producing Thai silk thread and weaving, or printing patterns on Thai silk textiles
- Production of Thai musical instruments
- Production of articles of gold or silver, nielloware, nickel-bronze ware, or lacquerware
- Production of crockery and terra cotta ware that is Thai art or culture
- Production of sugar from sugarcane
- Salt farming inclusive of making salt from salty earth
- Making rock salt
- Mining, inclusive of stone blasting or crushing
- Timber conversions to make furniture and articles of wood

List 3 - Businesses in which Thais are not ready to compete in undertakings with aliens

- Rice milling and production of flour from rice and farm crops
- Fishery, limited to propagation of aquatic animals
- Forestry from replanted forests

- Production of plywood, wood veneer, chipboard, or hardboard
- Production of natural lime
- Accounting service undertakings
- Legal service undertakings
- Architectural service undertakings
- Engineering service undertakings
- Construction, except construction of things that provide basic services, both to the public with respect to public utilities or communications and which require the use of special instruments, machinery, technology or expertise in construction and a minimum capital of the alien of at least 500 million baht
- Brokerage or agency undertakings, except:
 - Trading in securities or services concerning futures trading in agricultural commodities, financial instruments, or securities
 - Trading in or the procurement of goods or services needed for production by, or providing the services of, an enterprise in the same group
 - Trading, purchasing (for others) or distributing or finding domestic or overseas markets for selling goods made domestically or imports as an international trading business, with a minimum capital of the alien of at least 100 million baht.
 - Other lines of business stipulated in Ministerial Regulations
- Auctioning, except:
 - International bidding that is not bidding in antiques, ancient objects or objects of art that are Thai works of art, handicraft or ancient objects, or of national historical value
 - Other types of auction, as stipulated in Ministerial Regulations
- Domestic trade concerning indigenous agricultural produce or products not prohibited by any present law
- Retail trade in all kinds of goods with an aggregated minimum capital of less than 100 million baht or a minimum capital for each store of less than 20 million baht
- Wholesale trade in all kinds of goods with a minimum capital for each store of less than 100 million baht
- Advertising undertakings
- Hotel undertakings, except for hotel management services
- Tourism
- Sale of food or beverages
- Plant breeding and propagation, or plant improvement undertakings
- Doing other service businesses except for service businesses prescribed in Ministerial Regulations.

Many American-owned enterprises have invoked the provisions of the Treaty of Amity and Economic Relations between Thailand and the United States to claim exemption from the Law. The treaty requires national treatment be granted to persons of each country by the other country. To receive protection, Americans must register under the Treaty. Although on paper the Treaty appears self-executing, the Thai Government will not recognize the American applicant until such applicant proves its American nationality.

D. Miscellaneous Issues

An alien must invest at least two or three million baht in his business, depending on the kind of business, however the minimum capital requirement will not be enforced for re-investment.

Minimum capital is defined as the capital of the alien entity in case of an alien being a juristic person incorporated in Thailand, and in case of an alien being a juristic person not incorporated in Thailand or being a natural person, in foreign currency that the alien remitted into Thailand at the time of starting to do business in Thailand. The amount of minimum capital and time frame for bringing into Thailand shall be prescribed by Ministerial Regulation.

The business attached to the Act still has three categories, i.e. List 1, List 2, and List 3, but the business categories have been substantially changed from those of the Foreign Business Act. Under this Act, the Foreign Business Board will review the business listed at least once a year, and present it to the Commerce Minister. The Commerce Minister, by the recommendation of the Foreign Business Board, is empowered to issue Ministerial Regulations. Significantly, the Ministerial Regulations of service businesses must absolutely be considered by the Foreign Business Board. Aliens also can do business with respect to the businesses described in List 2 or List 3, in accordance with other laws, such as Investment Promotion Act, Industrial Estate Authority of Thailand Act, etc., and then notify and procure a Certificate from the Director-General.

Under the new penalty provision, the range of the fine has increased from baht 30,000 to 500,000 to baht 100,000 to 1,000,000, and increased imprisonment of no more than three years. The imprisonment measure serves to settle or decrease any contravention. If any alien who obtains an Alien Business License under the act (a) jointly does a business which belongs to another alien not permitted to do a business under this Act, or (b) does a business of which such other alien is a co-owner by expressing that such business solely belongs to itself, so as to allow such other alien to evade or violate the provisions of this Act, shall be liable to imprisonment for a term not exceeding three years or to a fine from baht 100,000 to baht 1,000,000, or both, and the cessation of such business or such joint business upon court order.

Aliens that engage in regulated businesses by permission of the Thai Government for a definite duration, or under protection of a treaty to which Thailand is a signatory or abides by the obligations thereof, are exempt from certain requirements under the Act, including permission to engage in the prohibited or restricted businesses and Thai shareholding and directorship requirements. Such aliens must first notify and procure a Certificate from the Director-General.

The Act has provided a transition provision. Aliens that have already been permitted to engage in the business under the Foreign Business Act are entitled to continue the business operation in accordance with the conditions and duration of that permission. Aliens that have been engaging in businesses that are specified in the business categories of the Act, but were not previously specified in the business categories of the Foreign Business Act and which intend to continue such businesses, must notify and procure a Certificate from the Director-General within one year.

Licenses

A foreigner wishing to engage in any business in Lists Two and Three must submit an application to the Minister of Commerce for the operation of the business in

List Two and the Director General of the Commercial Registration Department for List Three.

The Cabinet in the case of List Two businesses and the Director General in the case of List Three businesses review and make a decision within 60 days of the application filing date.

The Cabinet may postpone making a decision for another 60 days at most. Once the Cabinet or the Director General approve the application, the Ministry of Commerce or the Director General shall issue a license to the applicant within 15 days of the approval date. If the Cabinet or the Director General do not approve the List Two license application, the Minister must give a written notification to the applicant within 30 days clearly specifying the reason for the disapproval. Likewise, the Director General in the case of List Three license applications must do the same, but within 15 days. In the latter case, the applicant may file an appeal with the Minister, who is required to respond within 30 days. His decision is final.

Although the licenses have a perpetual life, they will be automatically invalid when the licensees stop doing the licensed business. The licenses must be displayed in a prominent place on the business premises.

The Minister by a recommendation of the Committee may revoke the licenses or certificates if the licensees or certificate holders:

- Do not comply with the conditions the Thai Government, treaties or the Minister impose on them.
- Do not meet the Thai participation ratio requirements.
- Fail to maintain the licensee qualification.
- Engage in other businesses or assist other foreigners in doing business with a view to violating the Foreign Business Act.

The Director General will give a warning letter to the violators ordering them to comply with the conditions within a reasonable time. If the violation persists, the Director General has the power to suspend the licenses for a reasonable period, but not exceeding 60 days. The licenses can be revoked if the violation persists after the initial suspension period ends.

The violators may file an appeal against the suspension or revocation with the Minister within 30 days of the date on which they receive the order. The appeal will not stay the enforcement of the order unless the Minister relaxes the suspension or revocation. The Minister is required to review the appeal and make a decision within 30 days. His decision is final.

4.2.2.2. Work Permits

The Alien Occupation Law, adopted in 1973, requires all aliens working in Thailand to obtain a Work Permit prior to starting work in the Kingdom. An updated version of the Act, adopted in 1978, describes the procedures for issuance and maintenance of Work Permits and lists certain occupations from which aliens may be excluded.

A. Exemptions

The Act grants exemptions from the Work Permit requirement to persons occupying the following professions:

- Members of the diplomatic corps

- Members of consular missions
- Representatives of member countries and officials of the United Nations and its specialized agencies
- Personal servants coming from abroad to work exclusively for persons listed under the above items
- Persons who perform duties on missions in the Kingdom under an agreement between the government of Thailand and a foreign government or international organization
- Persons who enter the Kingdom for the performance of any duty or mission for the benefit of education, culture, arts, or sports
- Persons who are specially permitted by the Government of Thailand to enter and perform any duty or mission in the Kingdom.

B. Special Cases

While most aliens must apply for a Work Permit, and may not begin work until the Permit is issued, the Alien Employment Act does provide special treatment in the following circumstances:

Urgent and Essential Work:

Exemption from Work Permit requirements is granted to aliens who enter the Kingdom temporarily, but in accordance with the immigration law, to perform any work of any "urgent and essential nature" for a period not exceeding 15 days. However, such aliens may engage in work only after a written notification on a prescribed form, signed by the alien and endorsed by his employer, has been submitted to and accepted by the Director-General or his designee.

Aliens entitled to this treatment may enter Thailand with any kind of visa, including a transit visa. The term "urgent and essential work" is not explicitly defined and consequently, the issuance of this sort of exemption is a matter of administrative discretion.

Investment Promotion

An alien seeking permission to work in the Kingdom under the Investment Promotion Law must submit his application for a Work Permit within 30 days of notification by the Board of Investment that his position has been approved. An alien in this category may engage in authorized work while the application is being processed.

C. Procedures

The Act requires that any alien working in Thailand must obtain a Work Permit before beginning work. Section 8 of the Act stipulates that while a prospective employer may file an application on the alien's behalf in advance of his commencing work, the actual Work Permit will not be issued until the alien has entered Thailand in accordance with the immigration laws and has presented himself to receive his Work Permit.

The Permit initially will be valid only for the period of the alien's Non-Immigrant visa permits him to remain in Thailand under the Immigration law. The Work Permit will be subject to renewal in accordance with the renewed or extended visa. For aliens who are holders of a Thai Certificate of Residence, the Work Permit can be renewed annually. The Labor Department, subject to subsequent renewal, will in principle

grant an initial duration of one year for the Work Permit. A Work Permit must be renewed before its expiry date or it will automatically lapse.

Applicants for Work Permits may not enter the Kingdom as tourists or transients.

D. Required Documentation

The following documents must be attached to a Work Permit application:

- For non-permanent residents: A valid passport containing a Non-Immigrant visa (except for WP 3 applications)
- For permanent residents: A valid passport, residence permit and alien book (except for WP 3 applications)
- Evidence of applicant's educational qualifications and letter(s) of recommendation from the former employer, describing in detail the applicant's past position, duties, performance, and place and length of employment. If the documents are in a language other than English, a Thai translation certified as correct by a Thai Embassy (if abroad) or Ministry of Foreign Affairs (if in Thailand) must be attached
- A recent medical certificate from a first-class licensed physician in Thailand stating that the applicant is not of unsound mind and not suffering from leprosy, acute tuberculosis, elephantiasis, narcotic addiction or habitual alcoholism (except for WP 7 applications).
- Three 5x6 cm. full-faced, bareheaded, black and white or color photographs, taken no more than six months prior to the filing of the application
- If the application is to be filed by another person, a valid power of attorney in the prescribed form must be attached with a 10 baht duty stamp
- On the application form, the "job description" entry must be completed with a detailed statement as to what job is expected to be performed, how it is related to other people, and what materials will be used in the work (additional paper to be used if necessary)
- If the job applied for is subject to a license under a particular law, in addition to the Alien Occupation Law, a photocopy of such license, (e.g. teacher's license, physician's license, press card from the Public Relations Department, certificate of missionary status from the Office of Religious Affairs, etc.) shall be attached
- If the applicant is married to a Thai national, the original and photocopies of the following must be presented:
 - Marriage certificate, spouse's identity card, birth certificates of children, household registration, as well as a photocopy of every page of the applicant's passport
 - If the job being applied for is not in Bangkok, the application should be filed at the relevant province's Department of Employment, or in the absence of such an office, at the province's city hall
- Additional evidence as requested. It may be necessary to translate any or all documents into Thai.

E. Permitted Activities

Thai law prohibits employers from allowing aliens to perform any function other than that described in the alien's Work Permit. Employers must report changes in employment, transfers and termination of all aliens in their organization within 15 days of any such action. In cases of dismissal, aliens must return their Work Permit to labor authorities in Bangkok at the Alien Occupation division or, if they are in a provincial area, to the province's Department of Employment. Failure to do so will result in a fine of up to 1,000 baht.

Any alien who engages in work without a Work Permit, or in violation of the conditions of his work as stipulated in his Permit, may be punished by a term of imprisonment not exceeding three months or a fine of up to 5,000 baht, or both. Aliens engaged in work prohibited to them by Royal Decree (see below) shall be liable to imprisonment for a term not exceeding five years or to a fine ranging from 2,000 to 100,000 baht, or both.

An employer who permits an alien to work in his organization without a Work Permit or to act in violation of the nature of the work specified in the Permit may be punished with imprisonment not exceeding three years or fined up to 60,000 baht or both. Permit holders must obtain prior permission to change their occupation and/or place of work. Change of employer location or the residential address of the permit holder must be properly endorsed in the Work Permit by the labor authorities. The Alien Employment Act does not prevent an alien from engaging in work in more than one field or for more than one employer.

F. Restricted Occupations

A Royal Decree in 1973 listed 39 occupations and professions that were then prohibited to aliens. This list has been amended on several occasions by subsequent Royal Decrees, the latest one in 1979.

- Labor
- Work in agriculture, animal breeding, forestry, fishery or general farm supervision
- Masonry, carpentry, or other construction work
- Wood carving
- Driving motor vehicles or non-motorized carriers, except for piloting international aircraft
- Shop attendant
- Auctioneering
- Supervising, auditing or giving services in accounting, except occasional international auditing
- Gem cutting and polishing
- Hair cutting, hair dressing and beautician work
- Hand weaving
- Mat weaving or making of wares from reed, rattan, kenaf, straw or bamboo pulp
- Manufacture of manual fibrous paper
- Manufacture of lacquerware
- Thai musical instrument production
- Manufacture of nielloware
- Goldsmith, silversmith and other precious metal work

- Manufacture of bronzeware
- Thai doll making
- Manufacture of mattresses and padded blankets
- Alms bowl making
- Manual silk product making
- Buddha image making
- Manufacture of knives
- Paper and cloth umbrella fabrication
- Shoemaking
- Hat making
- Brokerage or agency work, except in international business
- Dressmaking
- Pottery or ceramics
- Manual cigarette rolling
- Legal or litigation service
- Clerical or secretarial work
- Manual silk reeling and weaving
- Thai character type-setting
- Hawking business
- Tourist guide or tour organizing agency
- Architectural work
- Civil engineering work

4.2.2.3. Visas and Immigration Law

All persons, other than those in transit and citizens of certain countries, are required to obtain a visa in order to enter Thailand. Foreign nationals who intend to remain in Thailand to work or conduct business must comply with visa requirements in addition to obtaining a work permit.

A. Visa Categories

The Immigration Act of 1979 as amended in 1980 establishes the following visa categories:

- Tourist
- Visitor transit
- Immigrant
- Non-quota immigrant
- Non-immigrant

Nationals of most countries will, without applying for a visa from a Thai embassy or consulate in advance, be given a 30 day-visa, except for those who are eligible for 90 day-visas. Nationals of some countries who are entitled to the 30 day-visa may be requested by the immigration officials to produce an onward ticket to establish that they will leave the Kingdom within 30 days.

Tourist:

Tourist visas are initially valid for 60 days and are renewable at the discretion of the Immigration Department. Renewals are normally granted for periods of up to 30 days at a time.

Visitor Transit:

Aliens who have obtained a transit visa from a Thai embassy or consulate will be granted a 30-day stay in the Kingdom. Extensions of stay are normally granted for periods of 7-10 days.

Note: Transit, visitor transit and tourist visa holders are not authorized to work in Thailand.

Non-quota immigrant:

This category includes, inter alia, former residents who have lost their resident status but who have reapplied to resume their residency and who have been able to demonstrate a convincing reason to support the granting of this type of visa.

Members of the diplomatic or consular corps, aliens coming to perform their duties in Thailand with the approval of the Thai government, aliens performing their duties in Thailand under an agreement between the Thai government and a foreign government, heads of international organizations or agencies operating in Thailand, and dependents of all the aforementioned persons, including private servants of members of the diplomatic corps, are exempted by the Act from the normal visa requirements.

B. Non-Immigrant Visa

Aliens seeking a prolonged stay, or those coming to work in Thailand, should obtain non-immigrant visas for all family members prior to entering the Kingdom. There are several categories of Non-Immigrant visas which include, among others, business visa category (B); dependent visa category (O); investment subject to the provision of the laws on investment promotion (BOI IB); diplomatic and consular visa category (D); performance of duties with the mass media (M); performance of skilled or expert work (EX); investment (with concurrence of ministries and departments concerned)-(capital investment IM); study or observation (ED).

Advantages of a Non-Immigrant visa include:

- Entitlement of the holder to apply for a multiple re-entry visa to Thailand from the Immigration Division in Bangkok
- Subject to the regulations of the Immigration Authorities, entitlement of the holder to apply for permanent residence in Thailand
- Eligibility for issuance of a Work Permit to the holder
- Eligibility for temporary visa renewal while processing issuance of a long-term annual visa.

Aliens are advised to strictly adhere to the rules governing each visa category. They should report any changes of address or status to local police within 24 hours.

In addition, foreigners residing in Thailand for more than 90 consecutive days are required to register their address with the Immigration Bureau every 90 days. This requirement applies to all foreigners, including holders of work permits and long-term visas. Failure to do so can result in substantial penalties.

Transit, Visitor Transit, Tourist and Non-Immigrant Visas are issued only for the following purposes and duration:

- Diplomats or consular missions (duration as necessary)
- Official missions (duration as necessary)
- Tourism (90 days)
- Sports (30 days)

- Business purposes (one year)
- An investment which has received authorization from the appropriate government authorities (two years)
- Investment or other business in connection with investment under the Investment Promotion Act (as determined by the Board of Investment)
- Transit (30 days)
- The controller or crew of a conveyance entering a port or other locality in the Kingdom (30 days)
- Work as a skilled laborer or specialist (one year).

In response to feedback from investors, the Board of Investment coordinated the establishment of a One-Stop Service center for Visas and Work Permits. Through joint cooperation with the Immigration Bureau and the Ministry of labor, the center can process applications or renewals of visas and work permits within three hours, upon receipt of proper and complete documentation.

In addition, the center handles other transactions, including the issuance of multiple reentry stamps, changes in class of visa (to non-immigrant from tourist or transit), and payment of fines.

The One-Stop Service Center is located at 207 Rachadapisek Road, 3rd Floor, Bangkok, and they may be reached by phone at (66) (2) 693-9333-9. Work permits, which are valid for the period of the visa, have to be renewed every year. When an individual applies for a renewal of visa, he or she has to show that taxes for the previous year have been paid.

Foreigners may also apply for permanent residence permits for Thailand under certain conditions, such as investment in a business, or a condominium. Application can either be made to the Board of Investment or the Immigration Department.

4.2.2.4. International Banking Facilities

A. Bangkok International Banking Facility

On September 16, 1992 the Ministry of Finance and the Bank of Thailand established rules and conditions for commercial banks to establish international banking facilities in Thailand. The annual fee for participants is 500,000 baht.

A commercial bank that receives a license will be able to undertake international banking facilities (IBF) business for:

Offshore Lending

- Accepting deposits or borrowing from abroad in foreign currencies from foreign natural or juristic persons who have no establishment in or business with Thailand. An exception is made for receiving money from foreign banks that have a branch or representative office in Thailand, from foreign branches of Thai commercial banks, and from the Ministry of Finance, the Bank of Thailand, or the Exchange Equalization Funds. These foreign currencies may be lent abroad, to other IBF businesses, and to the Ministry of Finance, the Bank of Thailand and the Exchange Equalization Funds.

- Acceptance of deposits or borrowing of offshore baht funds from offshore banks, foreign branches of Thai commercial banks and other IBF. These funds may be lent to foreign banks, foreign branches of Thai commercial banks, or other IBF businesses.

❑ **Local Lending**

- Acceptance of deposits, or borrowing from abroad in foreign currencies from foreign natural or juristic persons who have no establishment in or business with Thailand, foreign branches of Thai commercial banks, and other IBFs to lend foreign currencies in Thailand. However, each withdrawal and disbursement must be of an amount not less than US\$2,000,000 except in one of the following two cases, where the minimum disbursement is US\$500,000:

- An exporter who has income from export in excess of 50 percent of all income during the last accounting period
- An exporter who has goods and services that are sold to an exporter who meets the above-specified condition

❑ **Other Related Business**

- Cross-currency transactions with overseas customers, other IBF businesses, the Bank of Thailand, the Ministry of Finance, the Foreign Equalization Funds, banks licensed under the foreign exchange control laws, or local customers to whom such IBF businesses have lent foreign currencies

- Giving acceptance or guarantee against any debts in foreign currencies when either:

- The bank is licensed under the foreign exchange control laws; or
- The parties involved reside outside of Thailand.

- All matters dealing with letters of credit in cases where the buyer and the seller of goods involved with the letter of credit purchasing agreement both reside abroad and the goods involved in the agreement have not been either exported out of or imported into Thailand.

- Procuring, or managing the loan syndication procurement of, foreign currency loans from foreign sources to those requiring loans in foreign currencies.

❑ **Other Unrelated Business**

Commercial banks licensed to undertake IBF businesses may also:

- Provide news, financial and general economic information
- Prepare or analyze investment projects
- Advise in the purchase, merger or amalgamation of businesses
- Give financial advice; and
- Arrange or underwrite debt instruments issued for sale abroad. If the debt instruments are issued from Thailand, this must be undertaken in conjunction with the IBF business of a commercial bank registered in Thailand.

However, these activities must be separated from the accounts of the IBF business - as if the commercial bank were a separate juristic person.

B. Conditions for Participating in BIBF

The Bank of Thailand stipulates that the IBF must be separate from other banking business - as if it were a separate juristic person. In addition, the IBF business in offshore lending must be separate from the IBF business in local lending, and the IBF

business in local lending cannot transfer or raise funds to the IBF for offshore accounts. Customers of IBF are required to provide their actual names, addresses, and information for correspondence, and the names on the accounts must be the actual names of customers.

	Corporate Tax (% of net income)	Business Tax (% of revenue)	Withholding Tax	Profit Remittance Tax	Stamp Duties
BIBF					
Out-Out	10%		10%*	10%	No
Out-In	10%				No
Other IBF	10%**		N/A	10%	No
Others	30%	3.3% or 10% VAT	N/A	10%	No
Commercial Banks	30%	3.3% or 10% VAT	10% or 15%	10%	Yes

* Withholding tax paid on interest for O-I lent to State Enterprises is exempted

** Tax on fee of O-O loan syndication exempted if:

- At least three BIBF's participate in the same syndication
- Most of the operations are carried out in Thailand
- If there is only one arranger, a BIBF is the arranger, or if there is more than one arranger, at least half the arrangers are BIBF's

Source: Revenue Department

Table 4.2.1: Tax Privileges for participating in BIBF

4.2.2.5. Exchange Controls

The Exchange Control Act, B.E. 2485 (A.D. 1942), as amended, governs all matters involving foreign exchange. As a general rule, all matters involving foreign currency are regulated by, and require the permission of, the Bank of Thailand. Since May 22, 1990, however, foreign exchange control has been considerably relaxed by the Bank of Thailand. At present, certain transactions in Thai baht or foreign currency can be performed virtually without restriction, and only a few require approval from the Bank of Thailand.

A. Importation of Funds

Non-residents

Individuals in transit may normally bring foreign currency and negotiable instruments into Thailand without limit. They may also freely take out of the country all foreign currency they had brought in, without limit. Individuals in transit, however, may not take out Thai currency exceeding 50,000 baht per person, except for trips to countries bordering Thailand (Myanmar, Laos, Cambodia, Malaysia and Vietnam), where an amount of up to 500,000 baht is allowed. There is no restriction on the amount of Thai currency that may be brought into the country.

Residents

There are usually no restrictions on the amount of foreign currency or negotiable instruments that a resident may bring into Thailand. However, all such currency and instruments must be sold to, or deposited into, a foreign currency account with a commercial bank within seven days from the date of receipt or entry into the country

Investors

There is no restriction on the import of foreign currency such as investment funds, offshore loans, etc. Such foreign currency, however, must be sold or exchanged into Thai baht, or deposited in a foreign currency account with an authorized bank, within seven days from the date of receipt or entry into the country. An application form F.T. 3 or F.T. 4 must be submitted to an authorized bank for each transaction involving the sale, exchange or deposit of such foreign currency in an amount exceeding US\$5,000 or its equivalent.

B. Repatriation of Funds

Repatriation of investment funds, dividends and profits as well as loan repayments and interest payments thereon, after settlements of all applicable taxes, may be made freely. Similarly, promissory notes and bills of exchange may be sent abroad without restriction.

C. Foreign Exchange in Business Transactions***Foreign Currency Accounts of Thai Residents***

Thai individuals and juristic persons in Thailand are allowed to maintain foreign foreign currency accounts under the following conditions:

1. The accounts are opened with authorized banks in Thailand and deposited with funds that originate from abroad or from foreign currency borrowing from the Bangkok International Banking Facilities.
2. The depositor must submit evidence showing the obligations to pay in foreign currency to persons abroad, authorized banks, the Export and Import Bank of Thailand, or the Industrial Finance Corporation of Thailand within three months from the date of deposit. The depositor can deposit no more than the amount of the above obligations.
3. The deposit of foreign currency notes and coins must not exceed US\$2,000 per day
4. Debits to the accounts are permitted for payment of any external obligations upon submission of supporting evidence or for conversion into baht at authorized banks.
5. The total daily outstanding balances in all accounts must not exceed US\$5,000,000 for a juristic person and US\$500,000 for an individual.

Foreign Currency Accounts for Non-Thai Residents

Non-residents can open and maintain foreign currency accounts with authorized banks in Thailand. The deposits must come from funds originating abroad. Balances on such accounts may be transferred without restriction.

Non-Resident Bank Account

Non-residents may open an account with any authorized bank in Thailand. They may freely credit the account with:

1. Proceeds from the sale of foreign currency that originate from abroad or foreign currencies from non-residents' foreign currency accounts.
2. Amounts transferred from other non-resident baht accounts.
3. Obligations between residents and non-residents.

Imports

Importers may freely purchase or draw foreign exchange from their own foreign currency accounts for import payments. Importers need not seek approval from the Bank of Thailand, but must submit form F.T. 2 to customs, together with the Bill of Lading when importing goods valued at more than 500,000 baht or its equivalent per transaction.

Exports

Exports are free from any foreign exchange restrictions. However, proceeds of exports valued at more than 500,000 baht or its equivalent per transaction must be received within 120 days from the date of export and must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized local bank within seven days from the date of receipt.

Transactions of Invisibles

The remittance of amounts properly due to non-residents is permitted for items of a non-capital nature, such as service fees, interest, dividends, profits and royalties, provided supporting documents are presented to an authorized bank. Travelling expenses or educational expenses of residents are also freely permitted upon submission of supporting evidence. Proceeds from invisibles must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized bank in Thailand within seven days of receipt.

Gold

Residents may hold and trade domestically in gold jewelry, gold coins and gold bullion. The import and export of gold other than jewelry was in August 1999 freed from licensing controls previously imposed by the Ministry of Finance.

4.2.2.6. Stock Exchange of Thailand

The Stock Exchange of Thailand (SET) is Thailand's primary stock exchange in Thailand. It was established in 1974, and is supervised by a Board of Governors. The Board consists of 11 Governors, with five appointed by the Securities and Exchange Commission (SEC), five elected by the SET members companies, and a full time president, who is appointed by the Board and serves as an ex-officio Board member.

The SET considers applications from companies requesting listing on the Exchange, including ensuring applicants meet requirements as well as submit the correct documentation. It has also established information disclosure requirements for listed companies and monitors all trading activities involving listed securities. The Exchange's regulations strictly prohibit insider trading and price manipulation of listed securities.

Net Clearing and book entry settlement are services handled by the Thailand Securities Depository Co., Ltd. (TSD), a subsidiary of the SET.

The SET lists a wide range of equity and debt instruments. Listed securities include ordinary shares, preferred shares, bonds and debentures, warrants and covered warrants, and unit trusts.

A. SET Members

Currently, the SET has 50 broker seats. At present, there are 27 active members at the Exchange. Member companies must be securities companies permitted by the Ministry of Finance to conduct securities business in the category of securities brokerage.

B. SET Listed Companies

All listed companies are publicly limited firms. Becoming a listed company not only allows a firm to gain access to development capital, but also allows shareholders to benefit from investment liquidity and enjoy dividend income as a result of revenue or profit growth at the companies they invest in.

C. Foreign Shareholding Limits

The Thai Cabinet recently approved a new draft law that relaxes foreign ownership limits in certain industries. Its aim is to allow foreign investors to hold more majority stakes without limit in Thai companies, depending on certain criteria, that may apply to some sectors or industries.

Under earlier legal changes, the limits on the foreign ownership of securities companies have been relaxed, depending on a number of conditions. These included any new foreign owner investing at least 500 million baht in the securities company. Such amount of that money will include funds brought into the securities company within the period of one year prior to the date of applying for permission from the Ministry of Commerce. It must also be maintained for a minimum period of three years. Any foreign managing director must also reside in Thailand at least 60 days a year.

Guidelines for Equity Holding in Financial Institutions

The Ministry of Finance and the Bank of Thailand have recently announced measures to restore confidence in the financial sector by requiring commercial banks and finance companies currently in operation to increase their capital as a cushion against any potential loss from asset deterioration.

All financial institutions are encouraged to take early action so as to prevent any problem in the future.

To facilitate and expedite financial institutions' capital increase, the Bank of Thailand, with the approval of the Minister of Finance, has set the following guidelines for the financial institution's capital increase:

1.Guidelines for foreign equity participation in Thai financial institutions

1.1 Foreign investors that have sound financial status and high potential to help increase the efficiency in the management of the financial institution shall be allowed to hold more than 49 percent of the share in the 15 commercial banks, 33 finance companies, and 12 credit foncier companies for a period of 10 years. After 10 years, foreign investors will not be forced to sell their shares but they may not purchase any additional shares, unless the amount of foreign shareholdings is less than 49 percent of total shares. Additional shares may be acquired to bring foreign shareholdings to 49 percent of total shares.

For the holding of shares of the 58 suspended finance companies, the Financial Sector Restructuring Agency (FRA) shall follow the guidelines of the Committee to Supervise the Merger and Acquisition of Financial Institutions announced on 13 October 1997. The guideline allows unlimited amount of shareholding by foreign shareholders up to a period of 10 years. After 10 years, foreign investors may not purchase any more shares unless the amount held is less than 49 percent of total shares in which case additional shares maybe acquired until the 49 percent mark is reached.

1.2 The guideline shall be the same for foreign investors that are banks. The foreign bank that already has a full branch or a Bangkok International Banking Facility will be allowed to continue their existing operation. However, the authorities reserve the right not to allow a foreign bank that has more than 49 percent stake in a Thai bank to have an additional full branch in Thailand.

D. The Securities and Exchange Commission

In March 1992, the Securities and Exchange Act established a Securities and Exchange Commission (SEC) in Thailand. The SEC plays a supervisory and policy formulation role in the Thai capital market. However, it does not directly regulate the SET's operations, other than to give approval to the SET's major regulations not concerned with day-to-day operations.

E. Market for Alternative Investment (MAI)

In line with the Thai Government policy to support the development of small and medium-sized enterprises, in June 1999, the SET established a new secondary market for trading SME shares, or the Market for Alternative Investment.

4.3 Thailand's Key Economic Indicators

Thailand began the 21st century on a firm economic footing. In 1999, the Thai economy began to rebound from the crisis that affected most of Asia, and full-year GDP growth reached 4.2 percent, quite a turnaround from the 10% contraction the previous year. This steady growth continued through 2000, with full-year growth of 4.3 percent, according to Bank of Thailand (2002).

□ Gross Domestic Product (GDP)

However, Thailand is not immune to changes in the world. Weaknesses in the global economy, caused GDP growth to slow to 1.8 percent in 2001. However, solid domestic consumption -- spurred by aggressive fiscal stimulus from the government -- and rising private investment in late 2001 and early 2002 helped raise GDP by 3.9 percent

for first quarter 2002, and the NESDB projected that this level of growth would continue throughout the rest of the year.

Many analysts believe that this could be the beginning of the sustained recovery Thailand has been seeking since the economic crisis of 1997.

From 1985-1994, Thailand's economy expanded by leaps and bounds, with GDP per capita averaging 8.2 percent growth per year. In fact, between 1990 and 1996, GDP per capita more than doubled. However, with the de facto devaluation of the baht in June of 1997, and the slowdown in economic growth, 1998 per capita dropped to US\$1,820. It rebounded to US\$1,977 for 1999, US\$1,970 in 2000 and US\$1,910 in 2001.

In 1996, after more than a decade of high, sustained growth, the Thai economy entered a period of adjustment, when GDP growth slowed to 5.5 percent. The situation deteriorated in 1997 until in August of that year, Thailand committed to a US\$17.2 billion rescue package arranged under the umbrella of the International Monetary Fund (IMF). The Kingdom completed the IMF program in mid-2000 and began to repay the loans.

Under its economic recovery program, Thailand increased revenue streams and substantially reduced spending, instituted a wide range of finance sector reforms, and initiated a program to privatize its more than 60 state-owned enterprises.

□ Unemployment

The Kingdom kept the unemployment rate among its 32.9 million person labor force low from 1999 through 2001, and it was dropping as of June 2002.

□ Inflation

Prudent macro economic policy has kept inflation in check since 1999. The Bank of Thailand (BOT) estimates inflation for 2002 will come in around 1.5 percent.

□ Official Reserves

Official reserves remain strong, at US\$36.8 billion at the end of June 2002, a figure equal to more than 6 months of imports. The Bank of Thailand (BOT) Governor has pledged to keep building reserves throughout 2002.

□ Banking Industry

By mid-2002, the banking industry was seen overall improvement with commercial bank lending growing 2% year-on-year as of May, led by credit card spending and housing loans. Growth of home buying contributed to a 30% gain in construction materials in first-half 2002. Also in May 2002, the non-performing loans on the banks' books were at 10.72% of all loans, down from the crisis peak of 47% in 1998.

□ Trade Environment

On the external front, export growth has traditionally been the major driver of the Thai economy and has contributed to the diversification of the country's industrial structure.

Manufactured exports, in particular, have gained importance -- accounting for 80 percent of total exports in the past few years. Thailand is now a major exporter of computers and parts, textiles, gems and jewelry, electronic and automotive products, in addition to agricultural products.

Between 1991 and 1997, exports doubled in value from US\$28.2 billion to US\$56.7 billion. While exports declined to US\$52.9 billion in 1998, they grew 7.2 percent in 1999, and in 2000 exports were up 19.6 percent year on year. In 2001, under

the influence of the slowing global economy, the growth of Thailand's export value also slowed. Although exports were value reached a respectable US\$63.2 billion for 2001, this represented a small decrease in growth terms from 2000 levels. This trend continued in first-half 2002 in line with continued sluggishness in the world economy.

Over the last decade, imports have also shown strong increases, although they decreased in the wake of the Asian financial crisis, which began in mid-1997. In 1998, imports fell 32.8 percent in US dollar terms, to US\$47.4 billion. Growth returned in 1999 and continued through 2000 ending the year at US\$62.4 billion. This rate slowed through 2001 matching the slowing global economy, another trend that continued through first-half 2002.

□ Current Account

As a result, Thailand's current account, which was in deficit throughout most of the 1990s, showed a US\$12.9 billion surplus for 1998, a US\$9 billion surplus for 1999, a US\$7.5 billion surplus for all of 2000 and US\$6.2 billion surplus for 2001.

□ Balance of Payments

The Balance of Payments for 1998 showed a US\$1.7 billion surplus, and 1999 continued that trend with a surplus of US\$4.6 billion. Since the economic crisis of 1997, Thailand's balance of payments have generally stayed in surplus. Although the balance slipped back to a deficit of US\$1.6 billion by yearend 2000, a small surplus returned in 2001, and the surplus was growing through early 2002.

Table 4.3.1 illustrates Thailand's key economic indicators during 1992-2002.

TABLE 4.3.1: THAILAND'S KEY ECONOMIC INDICATORS DURING 1992-2002/1 (CONTINUED)

	1992	1993	1994	1995	1996	1997	1998	1999	2000 p	2001 p	2002 1/
1. Population (millions) (Average)	57.62	58.44	59.24	59.28	59.90	60.50	61.20	61.80	61.88	62.31	62.88
2. GDP											
2.1 GDP at constant 1988 price	8.10	8.30	9.00	9.20	5.90	-1.40	-10.50	4.40	4.60	1.80
(% change)											
Agriculture	4.80	-2.40	5.00	3.50	4.10	-0.90	-1.50	2.00	4.90	1.60
Non-agriculture	8.60	9.80	9.50	10.00	6.10	-1.40	-11.60	4.70	4.60	1.80
2.2 GDP at current price(billion baht)	2,830.90	3,165.20	3,629.30	4,186.20	4,611.00	4,732.60	4,626.40	4,632.10	4,904.70	5,100.70
(% change)	-12.90	-11.80	-14.70	-15.30	-10.10	-2.60	(-2.2)	-0.10	-5.90	-4.00
2.3 GNP per capita (baht)	48,311.00	53,772.00	60,865.00	69,326.00	75,146.00	76,057.00	72,979.00	72,901.00	77,362.00	80,101.00
3. Inflation											
3.1 Headline Inflation (% change)	4.10	3.30	5.00	5.80	5.90	5.60	8.10	0.30	1.60	1.60	0.40
3.2 Core Inflation 2/ (% change)	4.10	4.80	5.30	5.30	5.20	4.70	7.20	1.80	0.70	1.30	0.60

TABLE 4.3.1: THAILAND'S KEY ECONOMIC INDICATORS DURING 1992-2002/1 (CONTINUED)

	1992	1993	1994	1995	1996	1997	1998	1999	2000 p	2001 p	2002 1/
4. External Account (billions of US\$)											
4.1 Export	32.20	36.60	44.70	55.70	54.70	56.70	52.90	56.80	67.90	63.20	36.70
(% change)	-13.80	-13.40	-22.10	-24.80	(-1.9)	-3.80	(-6.8)	-7.40	-19.50	(-6.9)	(-0.2)
4.2 Import	40.10	45.10	53.40	70.40	70.80	61.30	40.70	47.50	62.40	60.70	35.60
(% change)	-6.10	-12.30	-18.40	-31.90	-0.60	(-13.4)	(-33.8)	-16.90	-31.30	(-2.8)	(-2.1)
4.3 Trade balance	-7.90	-8.50	-8.70	-14.70	-16.10	-4.60	12.20	9.30	5.50	2.50	1.10
4.4 Current account balance	-6.10	-6.10	-7.80	-13.20	-14.30	-3.10	14.30	12.50	9.30	6.20	3.00
(% of GDP)	(-5.5)	(-4.9)	(-5.4)	(-7.9)	(-7.9)	(-2.0)	-12.70	-10.20	-7.60	-5.40
4.5 Net capital movement	8.10	10.50	12.20	21.90	19.50	-4.30	-9.80	-7.90	-10.30	-5.10	-1.00
- Private 3/	8.00	10.30	12.00	20.80	18.20	-7.60	-15.50	-13.50	-9.80	-4.10	-3.70
- Public	0.10	0.20	0.20	1.10	1.30	1.60	1.80	1.60	-0.30	-0.60	-0.60
- BOT	-	-	-	-	-	1.70	3.90	4.00	-0.20	-0.40	3.30
4.6 Balance of payments	3.00	3.90	4.20	7.20	2.20	-10.60	1.70	4.60	-1.60	1.30	3.50
4.7 International reserves (billions of US\$)	21.20	25.40	30.30	37.00	38.70	27.00	29.50	34.80	32.70	33.00	37.80

TABLE 4.3.1: THAILAND'S KEY ECONOMIC INDICATORS DURING 1992-2002/1 (CONTINUED)

	1992	1993	1994	1995	1996	1997	1998	1999	2000 p	2001 p	2002 1/
4.8 Swap Obligation (billions of US\$)						18.00	6.60	4.80	2.10	2.10	0.40
4.9 Total debt outstanding (billions of US\$)	43.60	52.10	64.90	100.80	108.70	109.30	105.00	95.00	79.70	67.50	65.10
(of which : public debt 4/)	-13.10	-14.20	-15.70	-16.40	-16.80	-24.10	-31.60	-36.20	-33.90	-28.30	-27.30
4.10 Total debt service ratio (%)	11.30	11.20	11.70	11.40	12.30	15.70	21.40	19.40	15.40	20.70	17.90
of which : public (included BOT since 1997)	-3.70	-3.70	-3.40	-2.80	-2.50	-2.70	-3.30	-4.00	-4.00	-8.00	-8.80
5. Government Finance (fiscal year) (billions of baht)											
5.1 Cash balance	85.90	68.90	65.80	112.50	104.30	-87.10	-115.30	-134.40	-116.60	-107.90	-116.30
(as % of GDP)	(-3.0)	-2.20	-1.90	-2.80	-2.30	(-1.9)	(-2.5)	(-2.9)	(-2.4)	(-2.1)
5.2 Total public debt outstanding 5/					735.10	936.20	1,242.30	1,956.70	2,180.80	2,316.00	2,316.00
- domestic debt					-310.30	-316.60	-524.90	-1,012.60	-1,200.00	-1,337.20	-1,435.80

TABLE 4.3.1: THAILAND'S KEY ECONOMIC INDICATORS DURING 1992-2002/1 (CONTINUED)

	1992	1993	1994	1995	1996	1997	1998	1999	2000 p	2001 p	2002 1/
6. Monetary Statistics											
6.1 M2 (billions of baht)	2,117.80	2,507.10	2,829.40	3,310.60	3,726.60	4,339.30	4,753.40	4,854.70	5,032.70	5,243.60	5,411.30
(% change)	-15.60	-18.40	-12.90	-17.00	-12.60	-16.40	-9.50	-2.10	-3.70	-4.20	-5.50
6.2 M2a (billions of baht) 10/	n.a.	3,024.60	3,551.10	4,193.40	4,725.20	4,821.80	5,118.10	5,182.50	5,297.00	5,538.40	5,566.60
(% change)		0.00	-17.40	-18.10	-12.70	-2.00	-6.10	-1.30	-2.20	-4.60	-5.80
6.3 Domestic credit (% change)	18.00	22.70	28.90	22.90	13.90	34.50	-1.20	-4.20	-7.40	-6.10	-3.20
Private 6/ (% change)	20.50	23.30	30.00	24.10	14.40	30.50	-7.90	-5.70	-8.50	-7.50	-3.10
6.4 Deposit 7/ (% change)	16.20	19.20	13.10	18.20	13.70	16.00	8.80	-0.50	5.30	4.00	6.10
6.5 Interest rate (year end) 8/											
Prime rate	11.50	10.50	11.75	13.75	13.00-13.25	15.25	11.50-12.00	8.25-8.5	7.50-8.25	7.00-7.50	7.00-7.25
Fixed deposits (1 yr.)	8.50	7.00	8.25-10.25	10.25-11.00	8.50-9.25	10.00-13.00	6.00	4.00-4.25	3.50	2.75-3.00	2.50-3.00
7. Exchange rate											
Baht : US\$ (Reference rate) average 9/	25.40	25.32	25.15	24.92	25.34	31.37	41.37	37.84	40.16	44.48	42.97

TABLE 4.3.1: THAILAND'S KEY ECONOMIC INDICATORS DURING 1992-2002/1 (CONTINUED)

Remark : 1/ Not Yet Available

Item 1 is preliminary figures at end- July 2002.

Item 3 through 7 are preliminary figures of January - June 2002.

Item 4.5 is preliminary figures of January- May 2002.

Item 4.7,4.8 are the outstanding amount as at end- June 2002.

Item 4.9 and 5.2 are the outstanding amount as at end- May 2002.

Item 4.10 is debt service ratio of January- March 2002.

Item 6 is the outstanding amount as at end- June 2002.

2/ Exclude raw food and energy items from the consumer price index basket

3/ Include commercial bank and BIBF's.

4/ Include Bank of Thailand's debt

5/ Exclude Bank of Thailand and Financial Institutions Development Fund's Debt

6/ Exclude public state enterprise.

7/ Exclude foreign and interbank deposits

8/ As quoted by the 5 largest banks.

9/ Since July 1997, the figures are represented by average interbank exchange rate.

10/ Since January 2002, excluding data on the 56 suspended finance companies

Source: Bank of Thailand

4.4 Financial Ratio of Companies in Stock Exchange of Thailand

In order to consider the performance of business in Thailand, the companies in Stock Exchange of Thailand (SET) are chosen as representatives.

According to Stock Exchange of Thailand [2002], there are 33 classified groups of 407 companies in SET now. The financial ratios of each group of companies in SET are shown in Table 4.4.1 and the financial ratios of each company are shown in Appendix B.



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TABLE 4.4.1: AVERAGE FINANCIAL RATIOS OF EACH GROUP
(As of 31/12/01)

GROUP	AVERAGE (As of 31/12/01)			
	EPS (Baht)	ROA (%)	ROE (%)	P/E
Agri	4.54	7.91	-14.23	11.22
Bank	2.32	2.66	-980.17	32.85
Build	5.31	4.39	37.88	20.42
Chem	1.37	0.58	-12.40	30.88
Comm	5.45	5.30	-185.45	9.45
Comun	1.09	3.34	10.96	11.23
Elec	7.88	6.07	11.65	7.88
Energ	7.08	5.66	6.30	11.61
Enter	0.34	-5.62	-18.77	25.71
Etron	1.89	4.33	8.63	121.60
Fin	1.26	0.89	39.34	55.80
Food	5.04	5.40	2.09	7.62
Helth	3.93	6.78	71.89	7.50
Hhold	8.15	11.67	19.40	7.97
Hi-grow	2.17	2.50	-914.54	38.75
Hotel	3.59	6.26	10.76	14.75
Insur	5.50	3.36	5.70	9.83
Jewel	11.23	9.36	24.64	5.73
Mach	0.17	-3.02	-12.91	36.12
Med-size	4.36	7.81	-16.10	10.99
Mine	1.48	6.86	12.45	9.37
Other	1.41	4.71	5.86	9.23
Pharm	2.53	1.75	3.78	12.49
Pkg	4.53	6.11	10.90	7.11
Print	3.01	6.60	10.69	18.86
Prof	16.40	7.97	12.63	6.53
Prop	1.59	1.77	-3.58	45.41
Pulp	7.99	7.13	14.22	17.83
Rehabco	-2.65	5.30	79.75	1.39
Silo	3.43	9.31	11.34	10.25
Text	6.62	3.89	5.10	10.68
Trans	3.23	4.75	52.73	6.22
Vehic	9.22	8.52	12.71	12.84

CHAPTER 5

ANALYSIS OF TREND AND FACTORS

5.1 Analysis of Internal Factors driving M&A Activities

Internal factors driving M&A activities are motive power activating management to decide M&A deals.

5.1.1 Cases of Mergers and Acquisitions of general business around the world

From the conclusion of motives for Mergers and Acquisitions of general business cases around the world shown in Table 5.1.1, it can be seen that the most two popular motives for Mergers and Acquisitions are “*To make business growth*” and “*To gain synergy*”, respectively. Key factor of M&A in this case is “*Operating synergy*” with 22.60 % (47 from 208 reasons). Figure 5.1.1 illustrates the amount of each key motive of general business cases around the world.

5.1.2 Cases of Mergers and Acquisitions of general business in Thailand

From the conclusion of motives for Mergers and Acquisitions of general business cases in Thailand shown in Table 5.1.2, it can be seen that the most two popular motives for Mergers and Acquisitions are “*To make business growth*” and “*To gain synergy*”, respectively. Key factor of M&A in this case is “*Operating synergy*” with 20.91 % (23 from 110 reasons). Figure 5.1.2 illustrates the amount of each key motive of general business cases in Thailand.

5.1.3 Cases of Mergers and Acquisitions of manufacturing business around the world

From the conclusion of motives for Mergers and Acquisitions of manufacturing business cases around the world shown in Table 5.1.3, it can be seen that the most two popular motives for Mergers and Acquisitions are “*To make business growth*” and “*To gain synergy*”, respectively. Key factor of M&A in this case is “*Operating synergy*” with 25.45 % (70 from 275 reasons). Figure 5.1.3 illustrates the amount of each key motive of manufacturing business cases around the world.

5.1.4 Cases of Mergers and Acquisitions of manufacturing business in Thailand

From the conclusion of motives for Mergers and Acquisitions of manufacturing business cases in Thailand shown in Table 5.1.4, it can be seen that the most two popular motives for Mergers and Acquisitions are “*To gain synergy*” and “*To make business growth*”, respectively. Key factor of M&A in this case is “*Operating synergy*” with 21.79 % (17 from 78 reasons). Figure 5.1.4 illustrates the amount of each key motive of manufacturing business cases in Thailand.

TABLE 5.1.1: Reasons for Mergers and Acquisitions of general business around the world

Reasons for M&A	1997	1998	1999	2000	2001	2002	TOTAL
Growth	8	11	19	16	13	2	69
- Expand business	6	5	8	6	4	1	30
- Gain profit	1	3	5	5	6	-	20
- Enlarge customer base	1	3	6	5	3	1	19
Synergy	8	6	14	18	9	1	56
- Operating Synergy	6	5	11	16	8	1	47
- Financial Synergy	2	1	3	2	1	-	9
Diversification	-	-	1	-	2	-	3
Economic Motives	3	1	1	4	-	1	10
- Horizontal Integration	3	1	1	4	-	1	10
- Vertical Integration	-	-	-	-	-	-	0
Improve Management	-	-	1	-	-	-	1
Improve Research and Development	-	-	-	-	-	-	0
Improve Distribution	1	1	-	-	-	-	2
Use of Surplus funds	1	-	-	-	-	-	1
TOTAL	32	26	51	60	33	6	208

TABLE 5.1.2: Reasons for Mergers and Acquisitions of general business in Thailand

Reasons for M&A	1997	1998	1999	2000	2001	2002	TOTAL
Growth	2	6	15	9	6	3	41
- Expand business	2	2	6	7	2	1	20
- Gain profit	-	3	6	1	1	1	12
- Enlarge customer base	-	1	3	1	3	1	9
Synergy	3	6	9	8	2	2	30
- Operating Synergy	2	5	7	6	2	1	23
- Financial Synergy	1	1	2	2	-	1	7
Diversification	-	1	1	1	1	-	4
Economic Motives	-	-	-	-	1	-	1
- Horizontal Integration	-	-	-	-	1	-	1
- Vertical Integration	-	-	-	-	-	-	0
Improve Management	-	-	1	-	-	-	1
Improve Research and Development	-	-	-	-	2	-	2
Improve Distribution	-	-	-	-	-	-	0
Use of Surplus funds	-	-	-	-	-	-	0
TOTAL	8	19	35	26	15	7	110

TABLE 5.1.3: Reasons for Mergers and Acquisitions of manufacturing business around the world

Reasons for M&A	1997	1998	1999	2000	2001	2002	TOTAL
Growth	9	13	26	23	6	-	77
- Expand business	7	9	16	15	4	-	51
- Gain profit	1	4	9	8	2	-	24
- Enlarge customer base	1	-	1	-	-	-	2
Synergy	9	9	30	17	8	1	74
- Operating Synergy	9	9	27	17	7	1	70
- Financial Synergy	-	-	3	-	1	-	4
Diversification	-	-	1	-	-	1	2
Economic Motives	2	1	12	2	3	-	20
- Horizontal Integration	2	1	9	2	3	-	17
- Vertical Integration	-	-	3	-	-	-	3
Improve Management	-	-	1	-	-	-	1
Improve Research and Development	-	1	-	-	-	-	1
Improve Distribution	-	2	4	-	-	-	6
Use of Surplus funds	-	-	-	-	-	-	0
TOTAL	31	36	116	61	28	3	275

TABLE 5.1.4: Reasons for Mergers and Acquisitions of manufacturing business in Thailand

Reasons for M&A	1997	1998	1999	2000	2001	2002	TOTAL
Growth	1	3	7	3	1	1	16
- Expand business	1	1	2	1	1	1	7
- Gain profit	-	1	2	2	-	-	5
- Enlarge customer base	-	1	3	-	-	-	4
Synergy	3	6	5	3	-	3	20
- Operating Synergy	3	5	3	3	-	3	17
- Financial Synergy	-	1	2	-	-	-	3
Diversification	-	-	-	-	-	-	0
Economic Motives	3	-	1	4	-	-	8
- Horizontal Integration	2	-	1	2	-	-	5
- Vertical Integration	1	-	-	2	-	-	3
Improve Management	-	-	-	-	-	-	0
Improve Research and Development	-	-	-	-	-	1	1
Improve Distribution	1	-	1	-	-	1	3
Use of Surplus funds	-	1	1	-	-	-	2
TOTAL	14	16	21	17	1	9	78

FIGURE 5.1.1: REASONS FOR MERGERS AND ACQUISITIONS OF GENERAL BUSINESS AROUND THE WORLD (1997-2002) 186

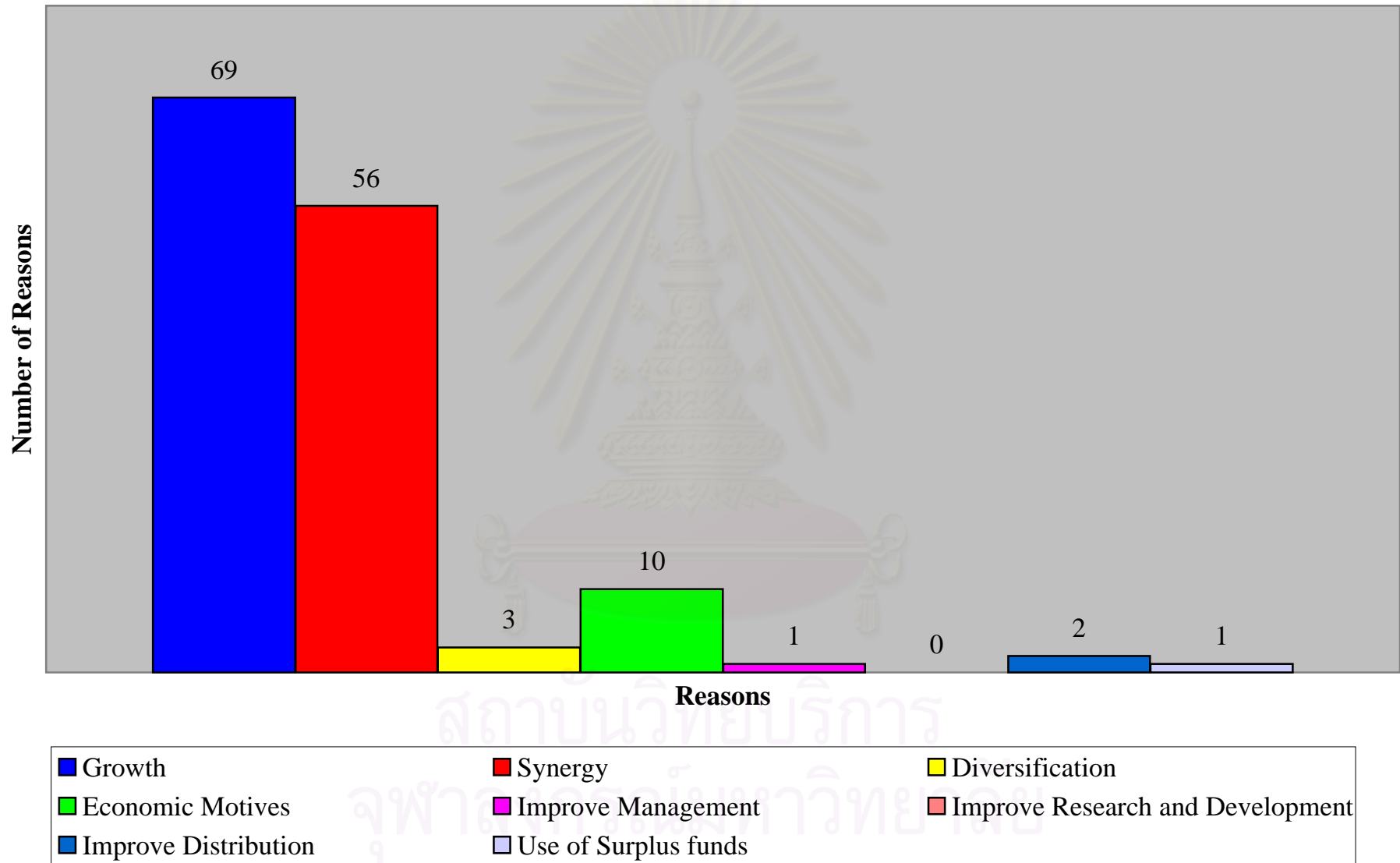


FIGURE 5.1.2: REASONS FOR MERGERS AND ACQUISITIONS OF GENERAL BUSINESS IN THAILAND (1997-2002)

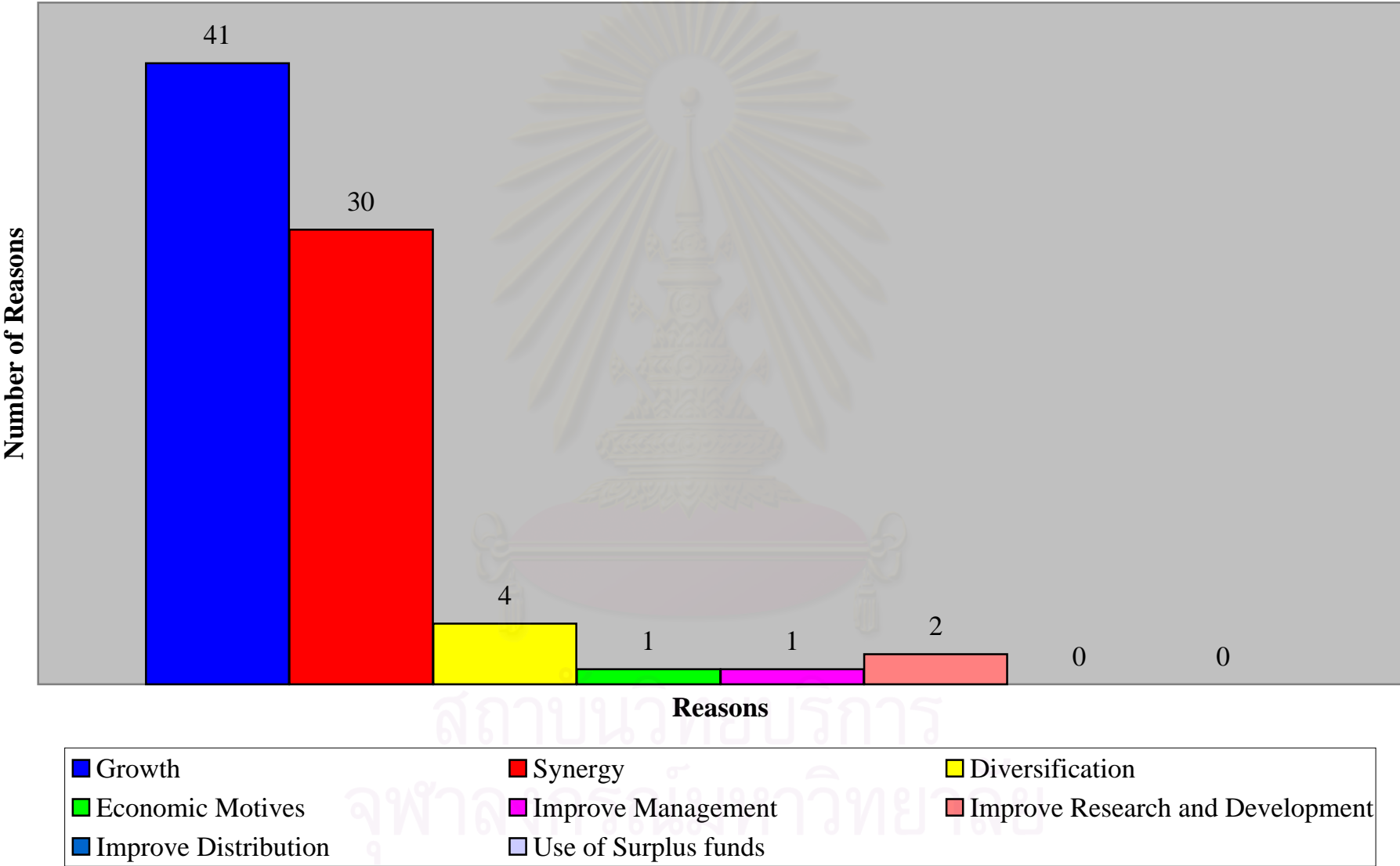


FIGURE 5.1.3: REASONS FOR MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS AROUND THE WORLD (1997-2002)

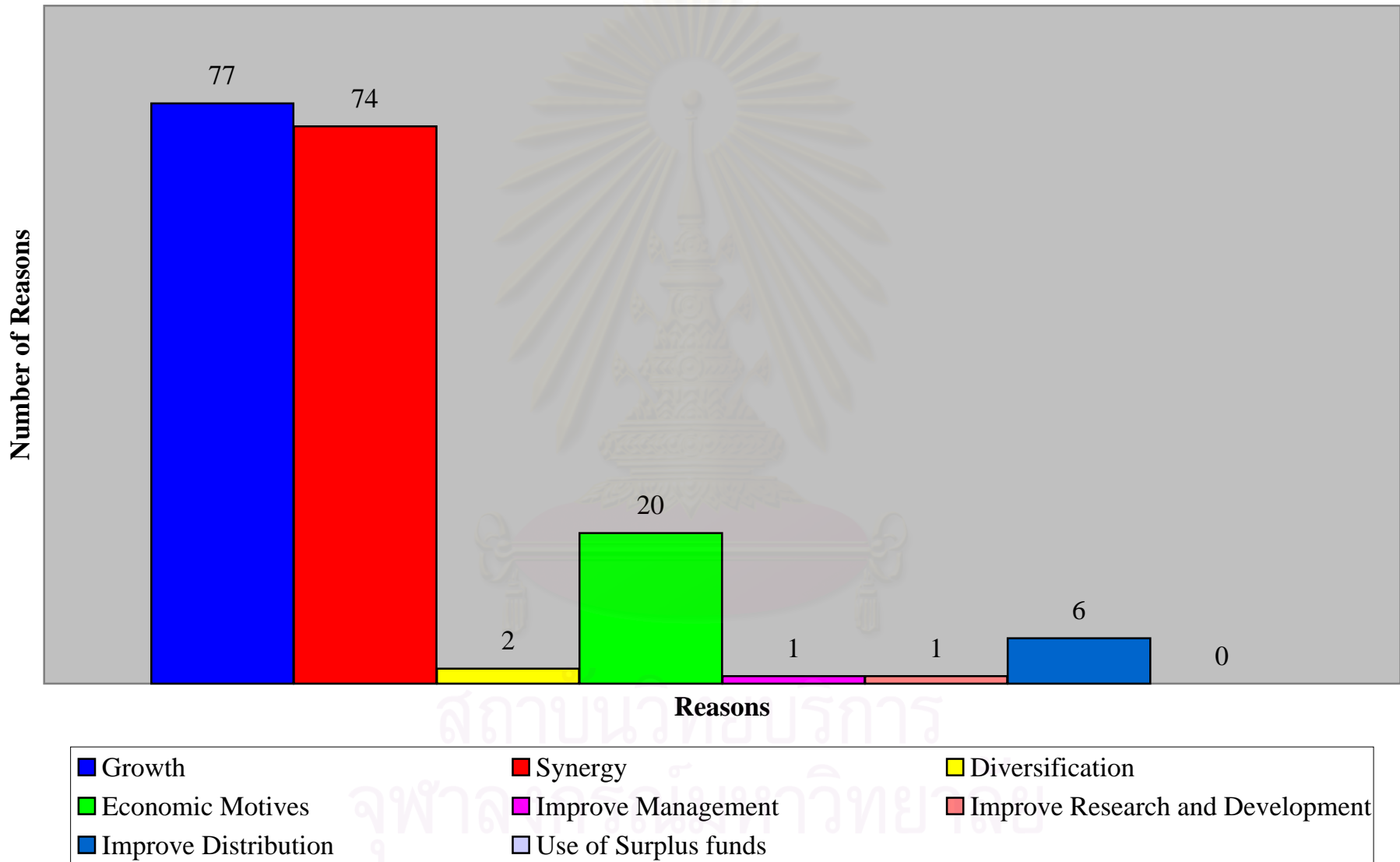
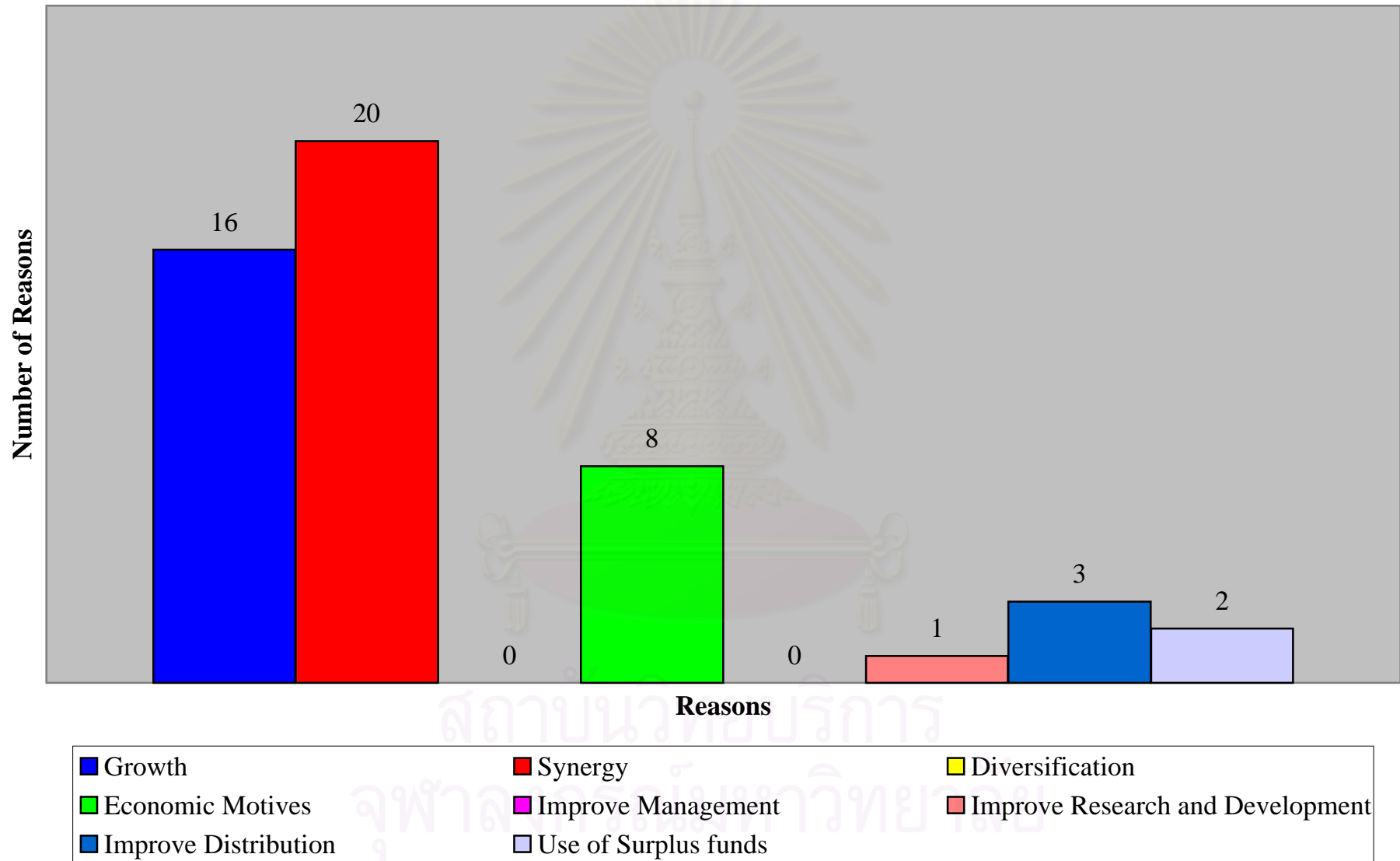


FIGURE 5.1.4: REASONS FOR MERGERS AND ACQUISITIONS OF MANUFACTURING BUSINESS IN THAILAND (1997-2002) 189



From the analysis of motives of four classified M&A cases above, we found that “Operating Synergy” was the most popular motive driving M&A activity whereas “Expanding Business” was also a popular motive driving M&A activity.

OPERATING SYNERGY FACTOR

When compare operating synergy factor for all cases in Figure 5.1.5 with for manufacturing business in Thailand cases in Figure 5.1.6, for manufacturing business around the world cases in Figure 5.1.7, for general business in Thailand cases in Figure 5.1.8, and for general business around the world cases in Figure 5.1.9, it is found that Operating synergy factor in all graphs has similar shape that was highest during 1999 and 2000 and moved downward till the first quarter of 2002, except the graph of manufacturing business in Thailand that was highest in 1998 and moved downward till 2001 and moved upward again.

When consider graph in Figure 5.1.5 that illustrates operating synergy factor in all cases, trend of operating synergy factor in the future should move downward but still has importance in driving M&A deal. However, for manufacturing business in Thailand, the graph doesn't similar to the other and tend to move upward in the future so it can be implied that operating synergy is a key factor driving M&A activity in manufacturing business in Thailand in the future.

EXPANDING BUSINESS FACTOR

When compare expanding business factor for all cases in Figure 5.1.10 with for manufacturing business in Thailand cases in Figure 5.1.11, for manufacturing business around the world cases in Figure 5.1.12, for general business in Thailand cases in Figure 5.1.13, and for general business around the world cases in Figure 5.1.14, it is found that expanding business factor in all graphs has similar shape that was highest during 1999 and 2000 and moved downward till the first quarter of 2002, except the graph of manufacturing business in Thailand that was highest in 1999 and moved downward till 2000 and moved upward again.

When consider graph in Figure 5.1.10 that illustrates expanding business factor in all cases, trend of expanding business factor in the future should move downward but still has importance in driving M&A deal. However, for manufacturing business in Thailand, the graph doesn't similar to the other and tend to move upward in the future so it can be implied that expanding business is a key factor driving M&A activity in manufacturing business in Thailand in the future too.

TREND OF OPERATING SYNERGY FACTOR AND EXPANDING BUSINESS FACTOR

Trend of operating synergy factor for all cases in the next three years is illustrated in Figure 5.1.15 and trend of operating synergy factor for manufacturing business in Thailand in the next three years is illustrated in Figure 5.1.16.

Trend of expanding business factor for all cases in the next three years is illustrated in Figure 5.1.17 and trend of expanding business factor for manufacturing business in Thailand in the next three years is illustrated in Figure 5.1.18.

FIGURE 5.1.5: OPERATING SYNERGY FACTOR FOR ALL CASES

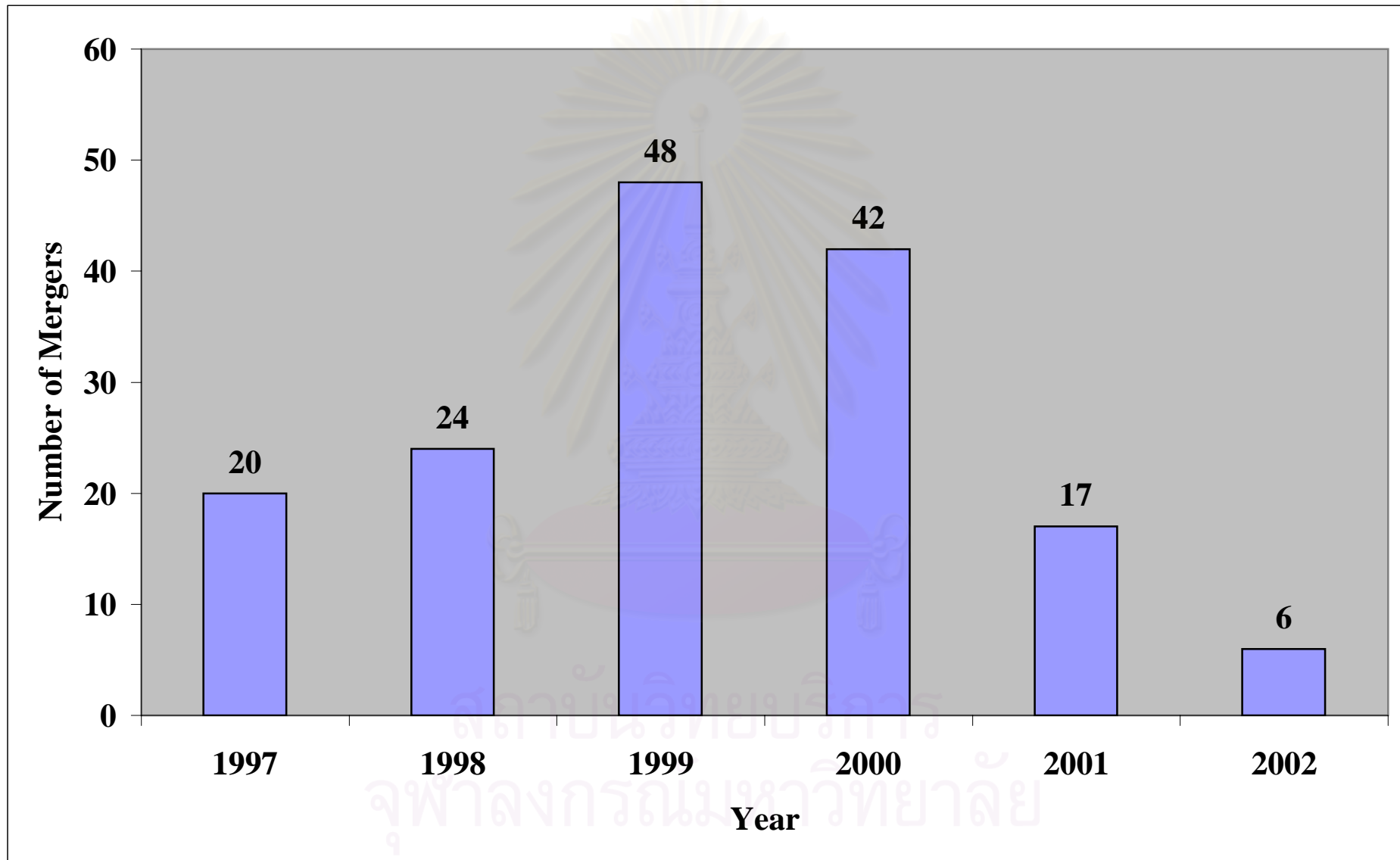


FIGURE 5.1.6: OPERATING SYNERGY FACTOR FOR MANUFACTURING BUSINESS IN THAILAND

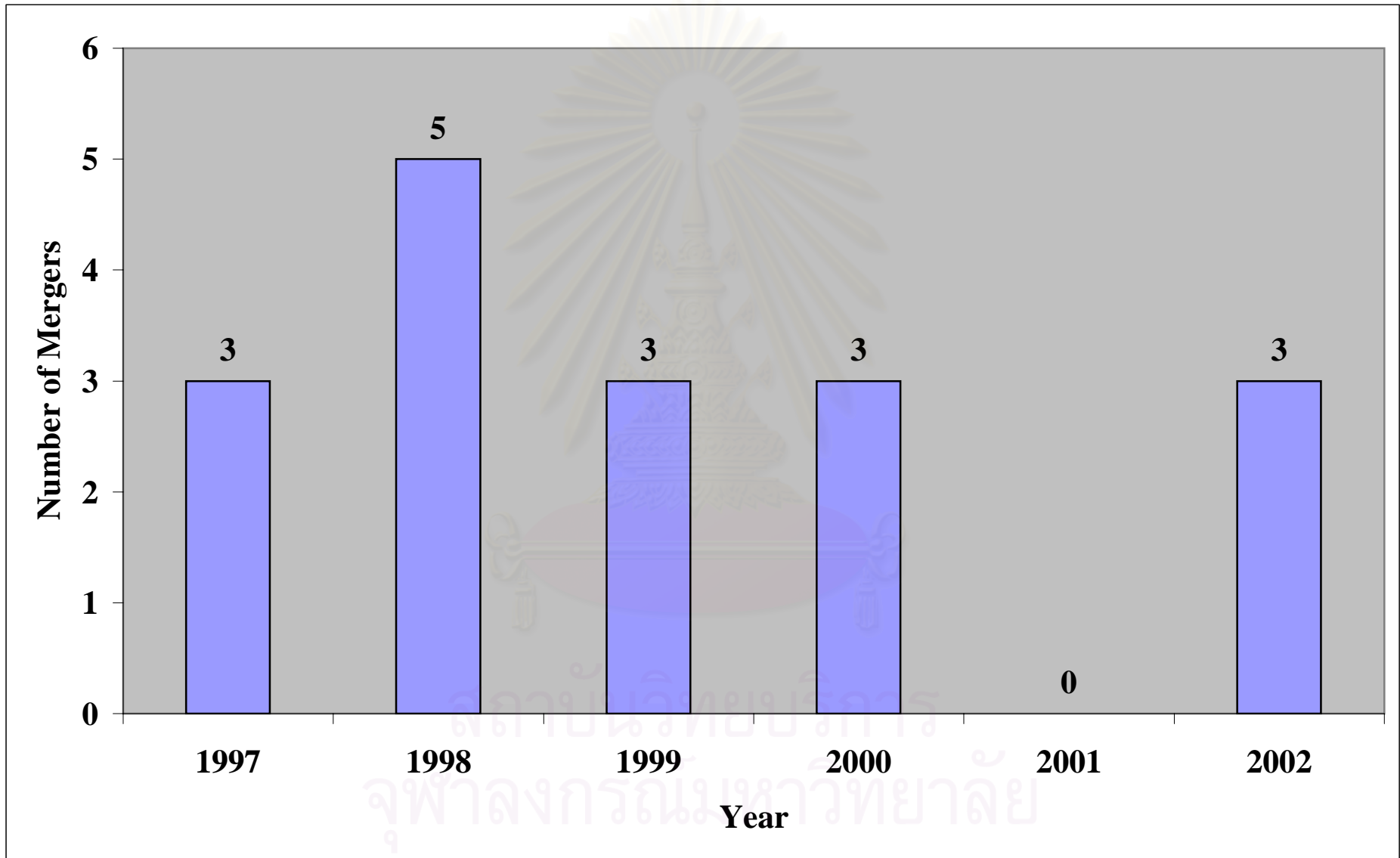


FIGURE 5.1.7: OPERATING SYNERGY FACTOR FOR MANUFACTURING BUSINESS AROUND THE WORLD

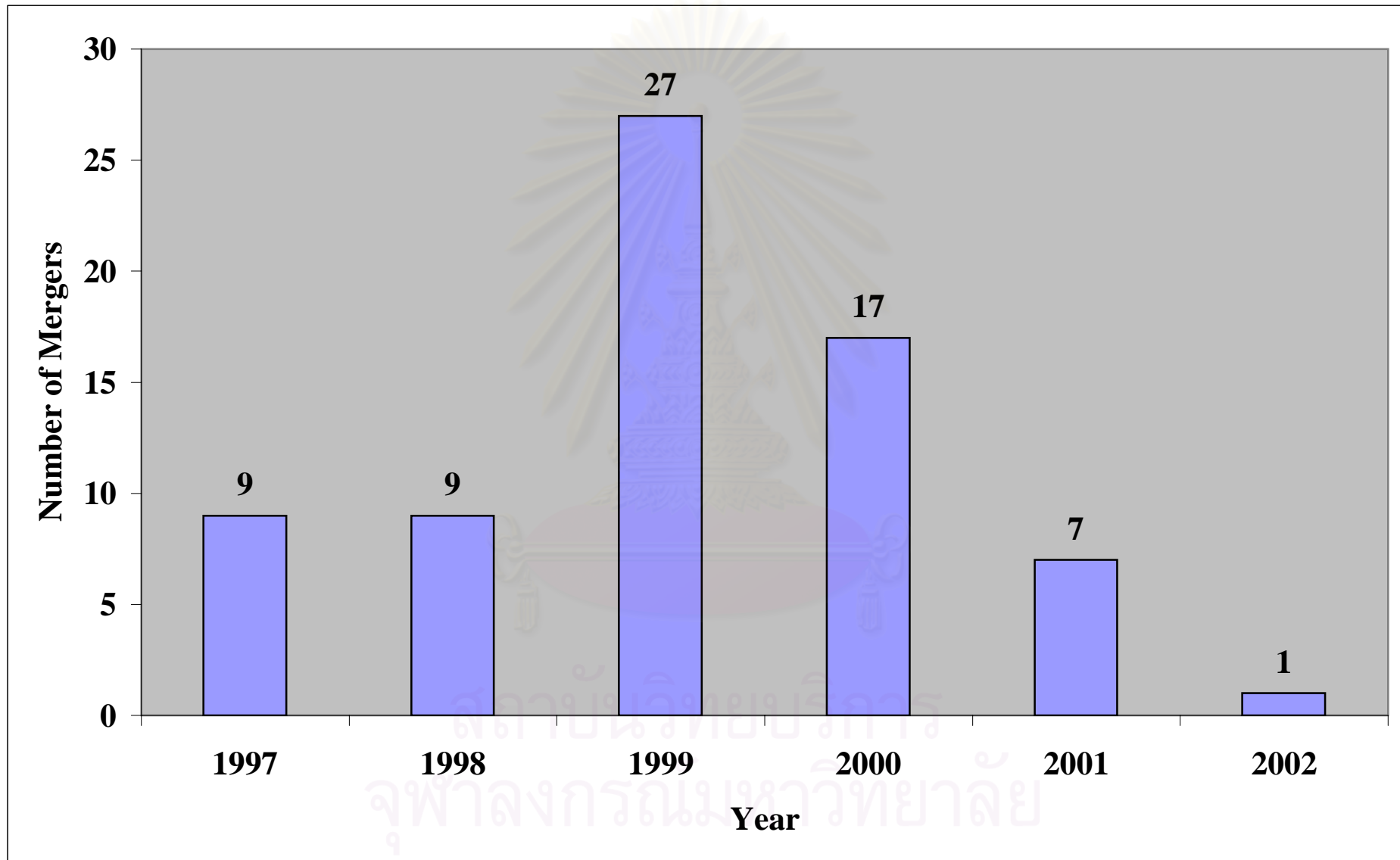


FIGURE 5.1.8: OPERATING SYNERGY FACTOR FOR GENERAL BUSINESS IN THAILAND

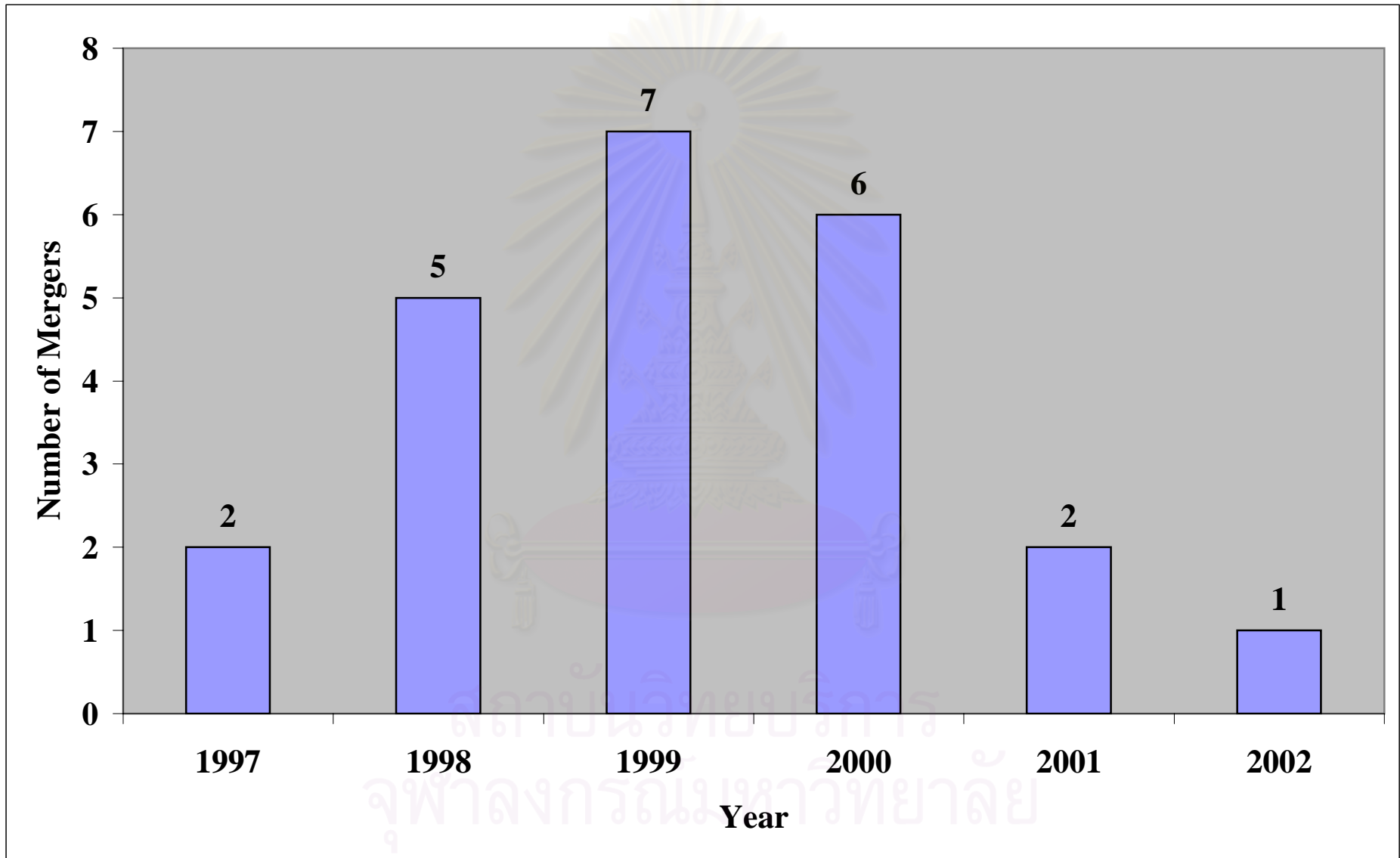


FIGURE 5.1.9: OPERATING SYNERGY FACTOR FOR GENERAL BUSINESS AROUND THE WORLD

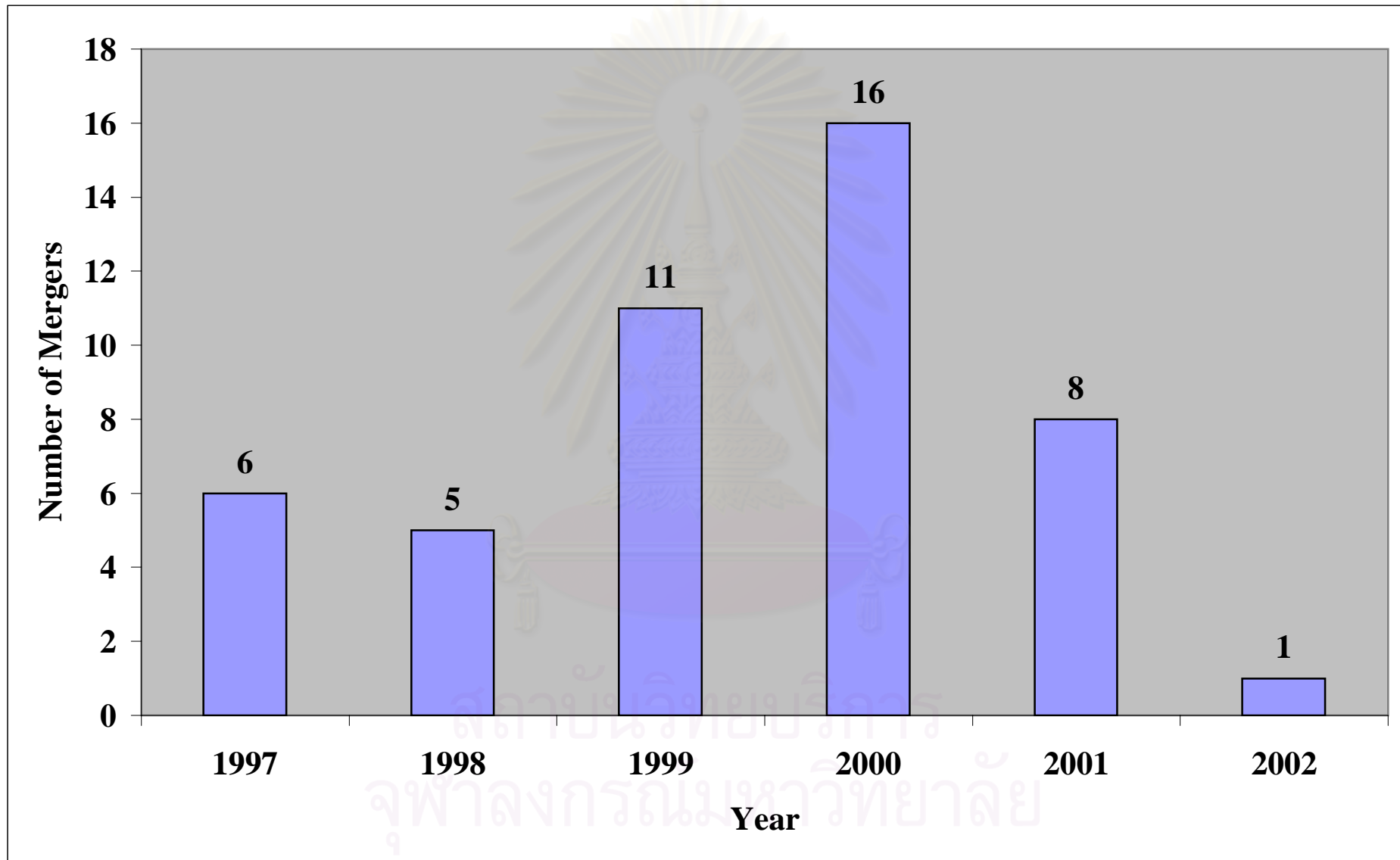


FIGURE 5.1.10: EXPANDING BUSINESS FACTOR FOR ALL CASES

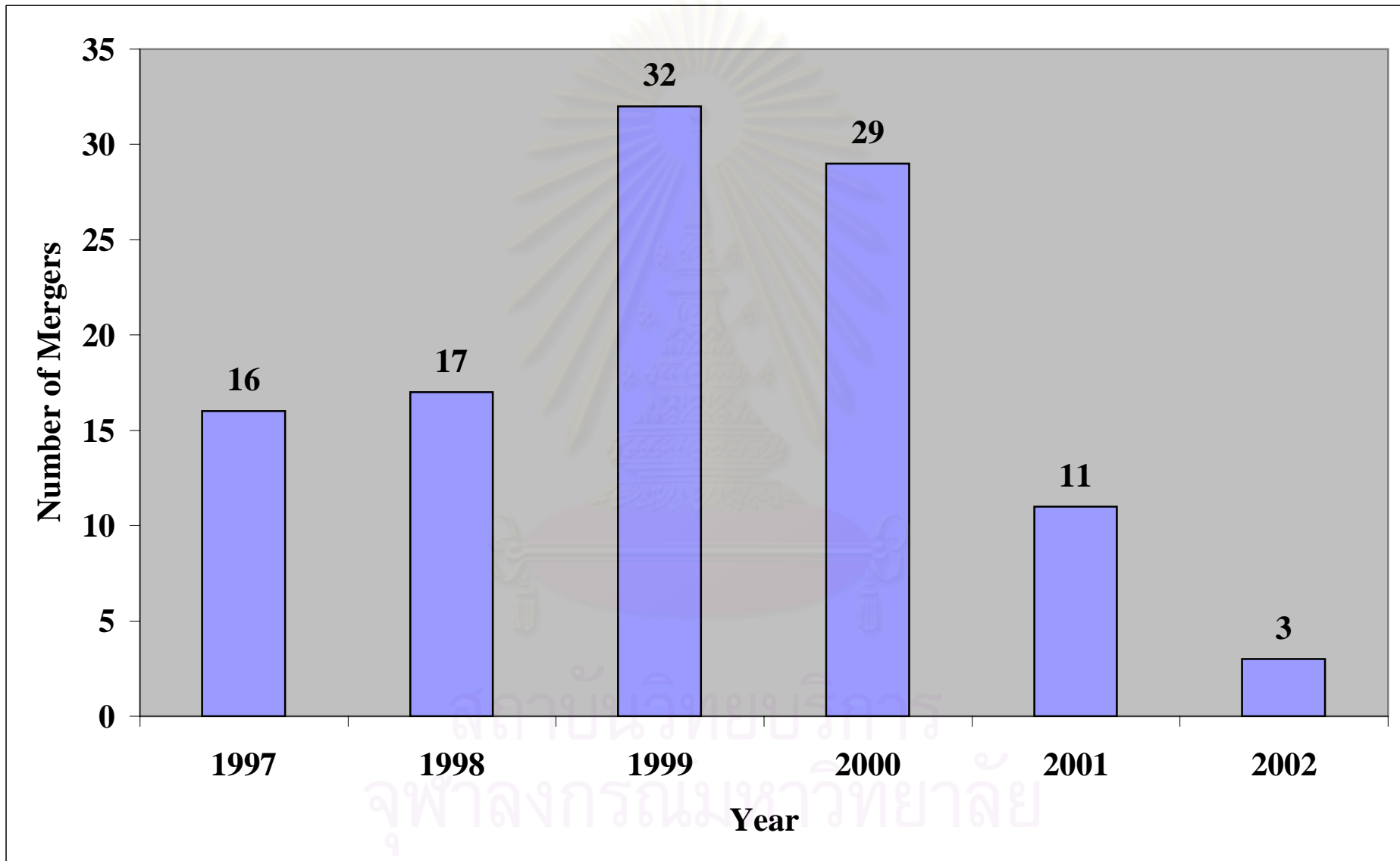


FIGURE 5.1.11: EXPANDING BUSINESS FACTOR FOR MANUFACTURING BUSINESS IN THAILAND

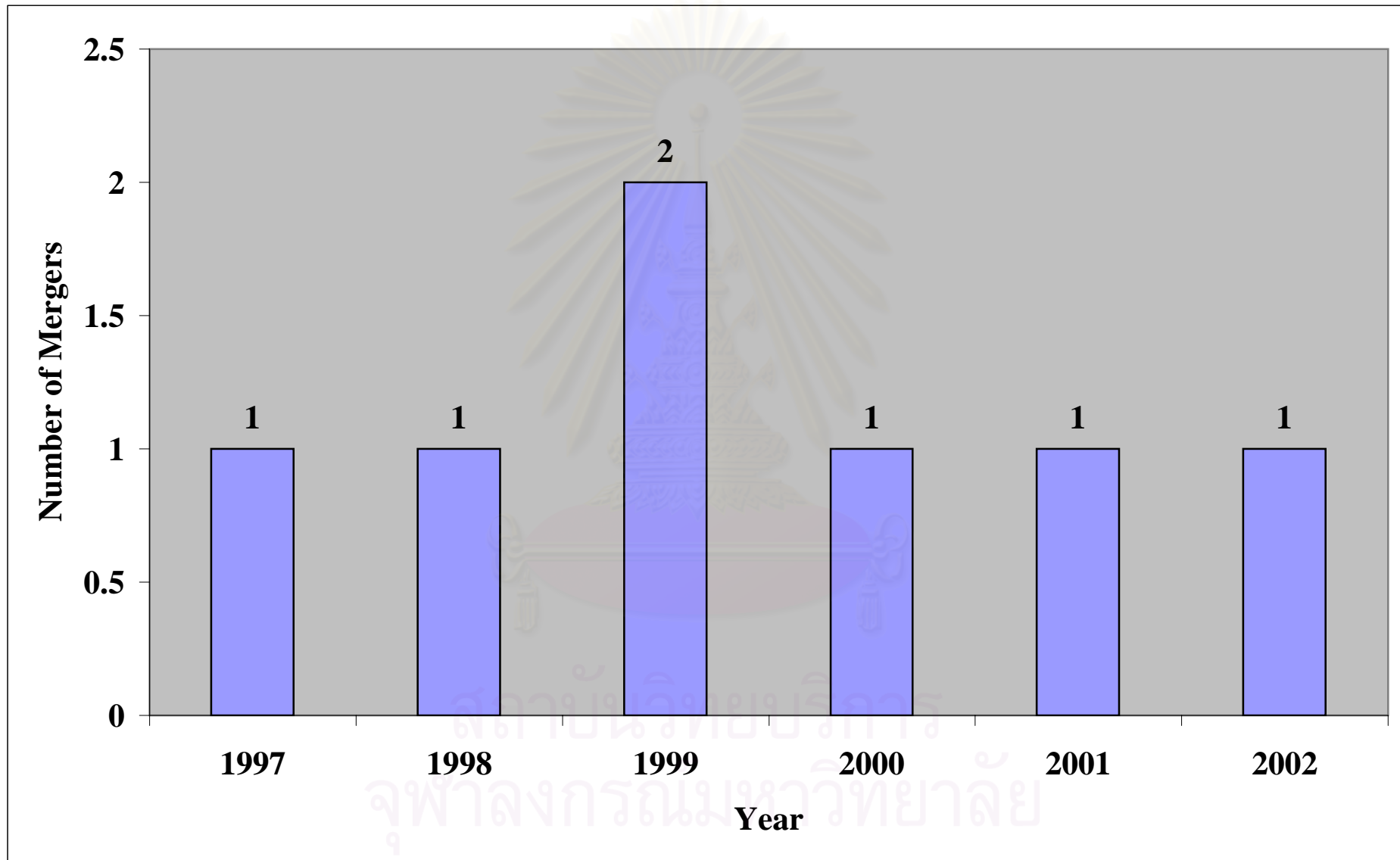


FIGURE 5.1.12: EXPANDING BUSINESS FACTOR FOR MANUFACTURING BUSINESS AROUND THE WORLD

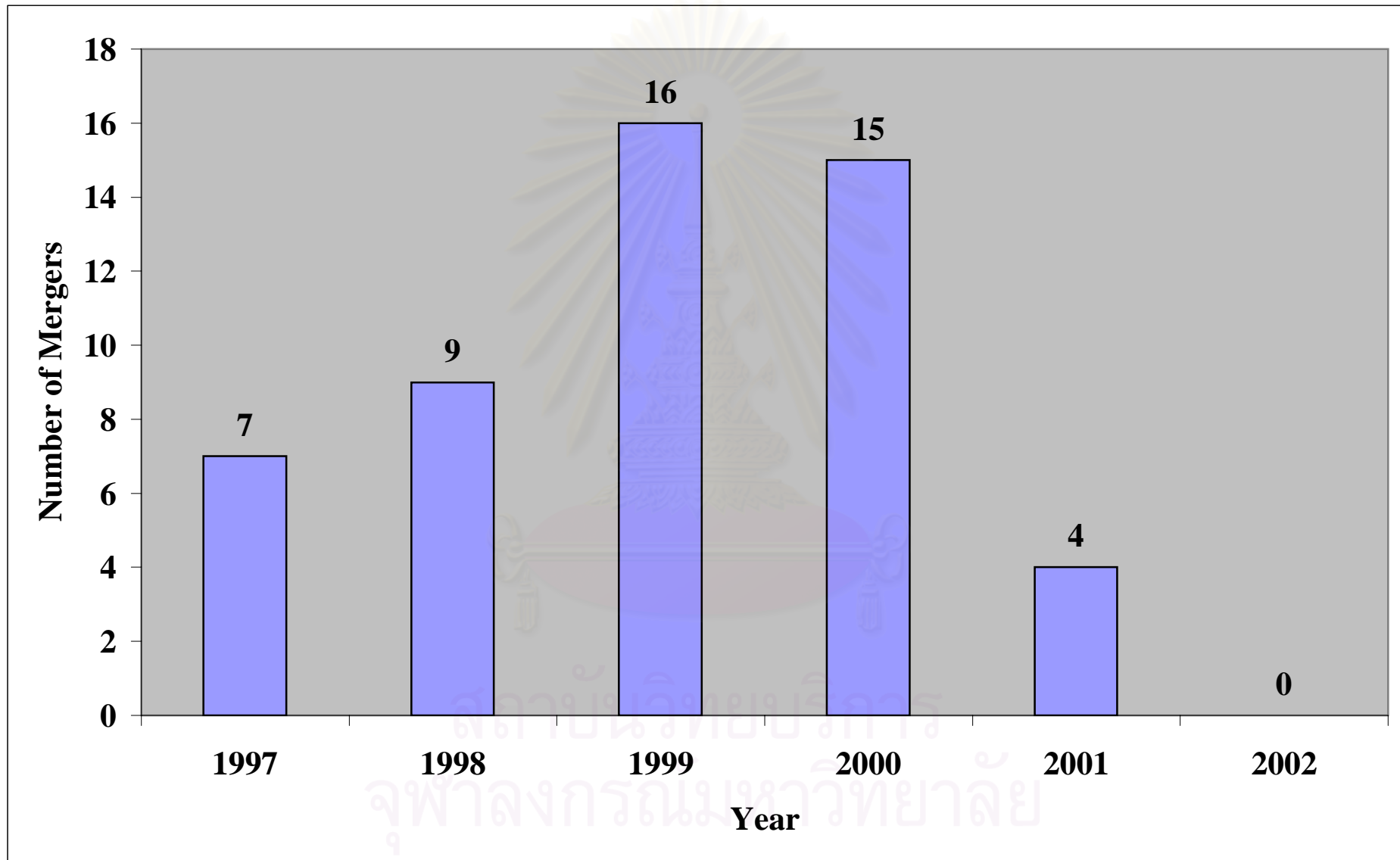


FIGURE 5.1.13: EXPANDING BUSINESS FACTOR FOR GENERAL BUSINESS IN THAILAND

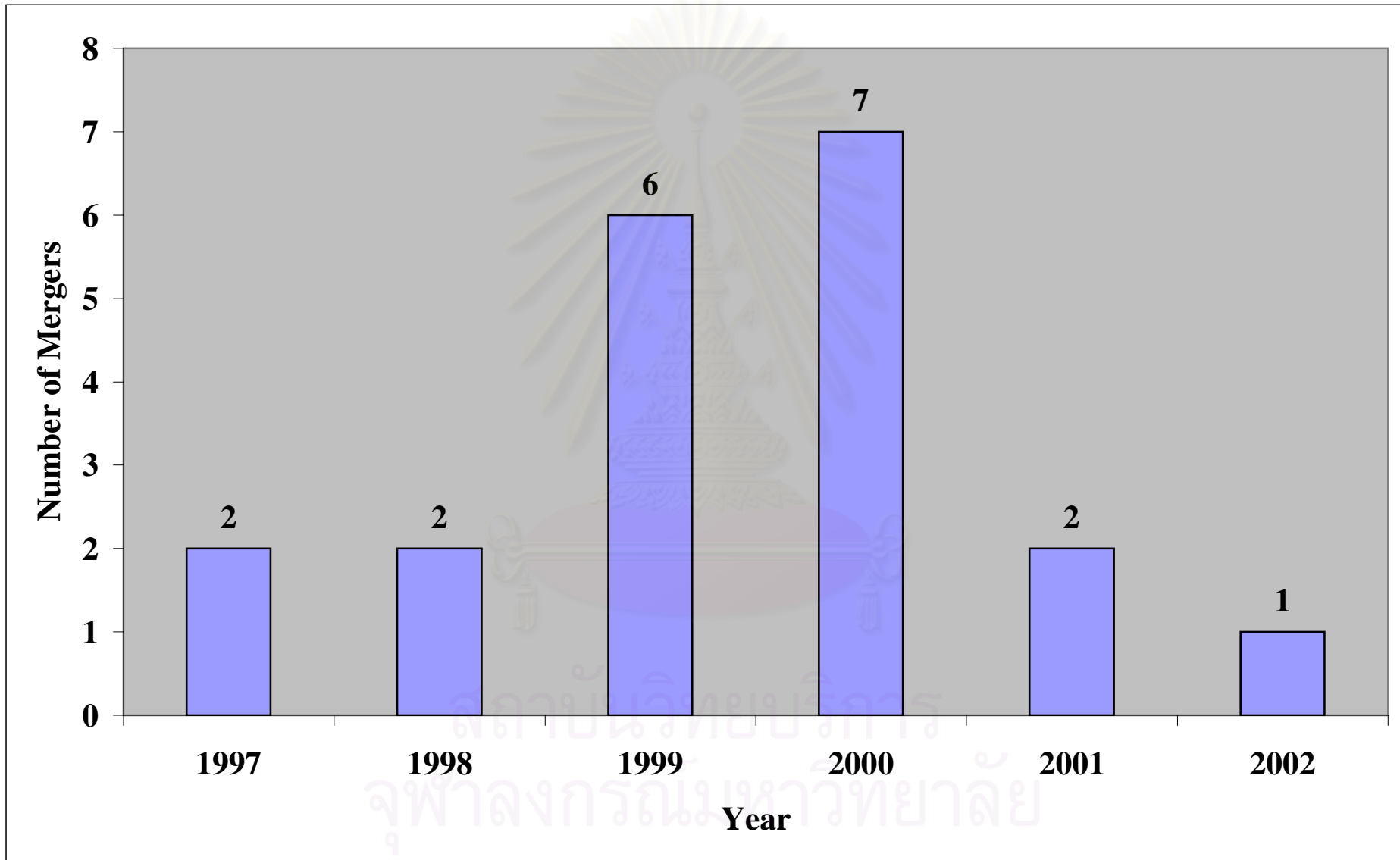


FIGURE 5.1.14: EXPANDING BUSINESS FACTOR FOR GENERAL BUSINESS AROUND THE WORLD

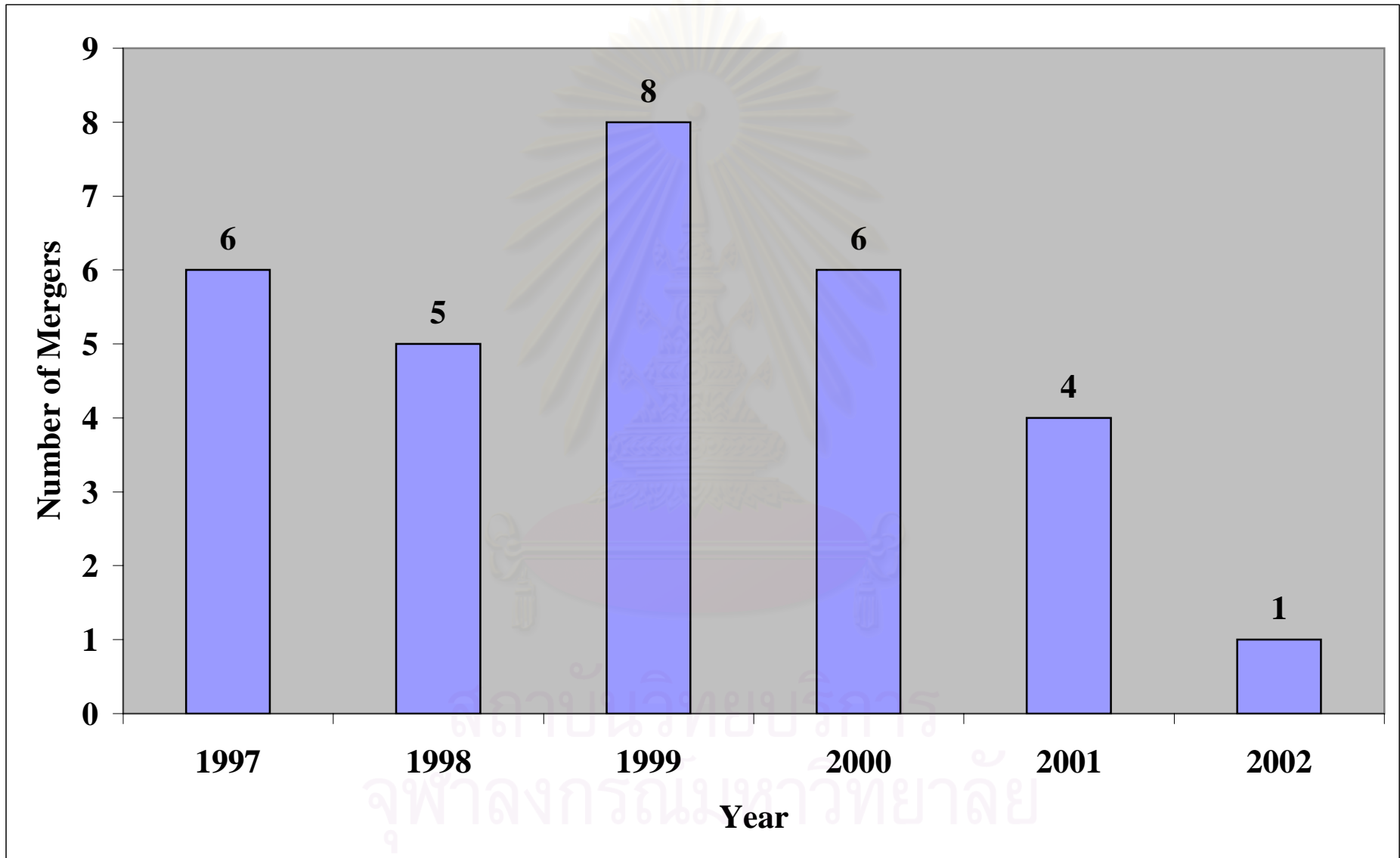


FIGURE 5.1.15: TREND OF OPERATING SYNERGY FACTOR FOR ALL CASES

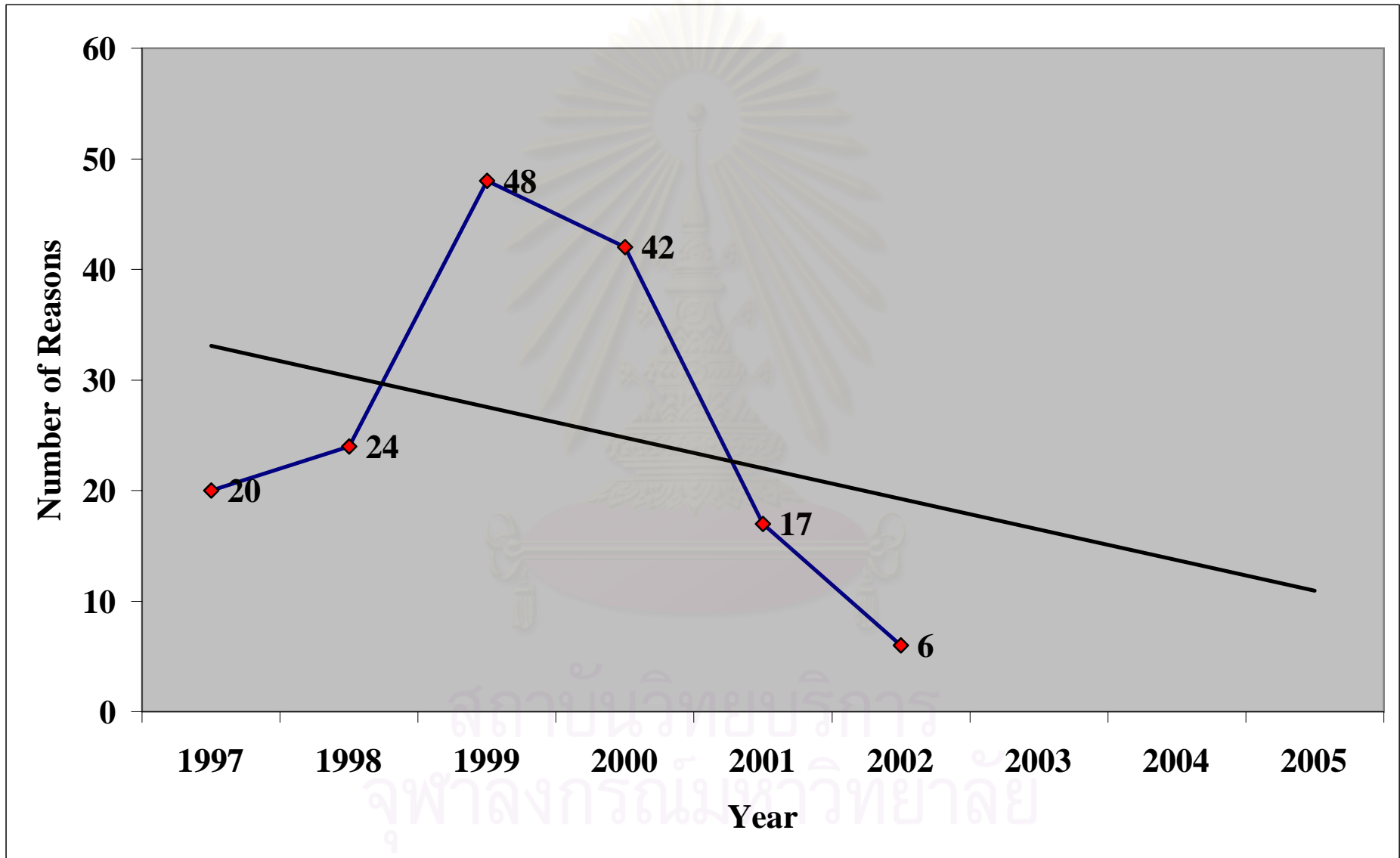


FIGURE 5.1.16: TREND OF OPERATING SYNERGY FACTOR FOR MANUFACTURING BUSINESS IN THAILAND

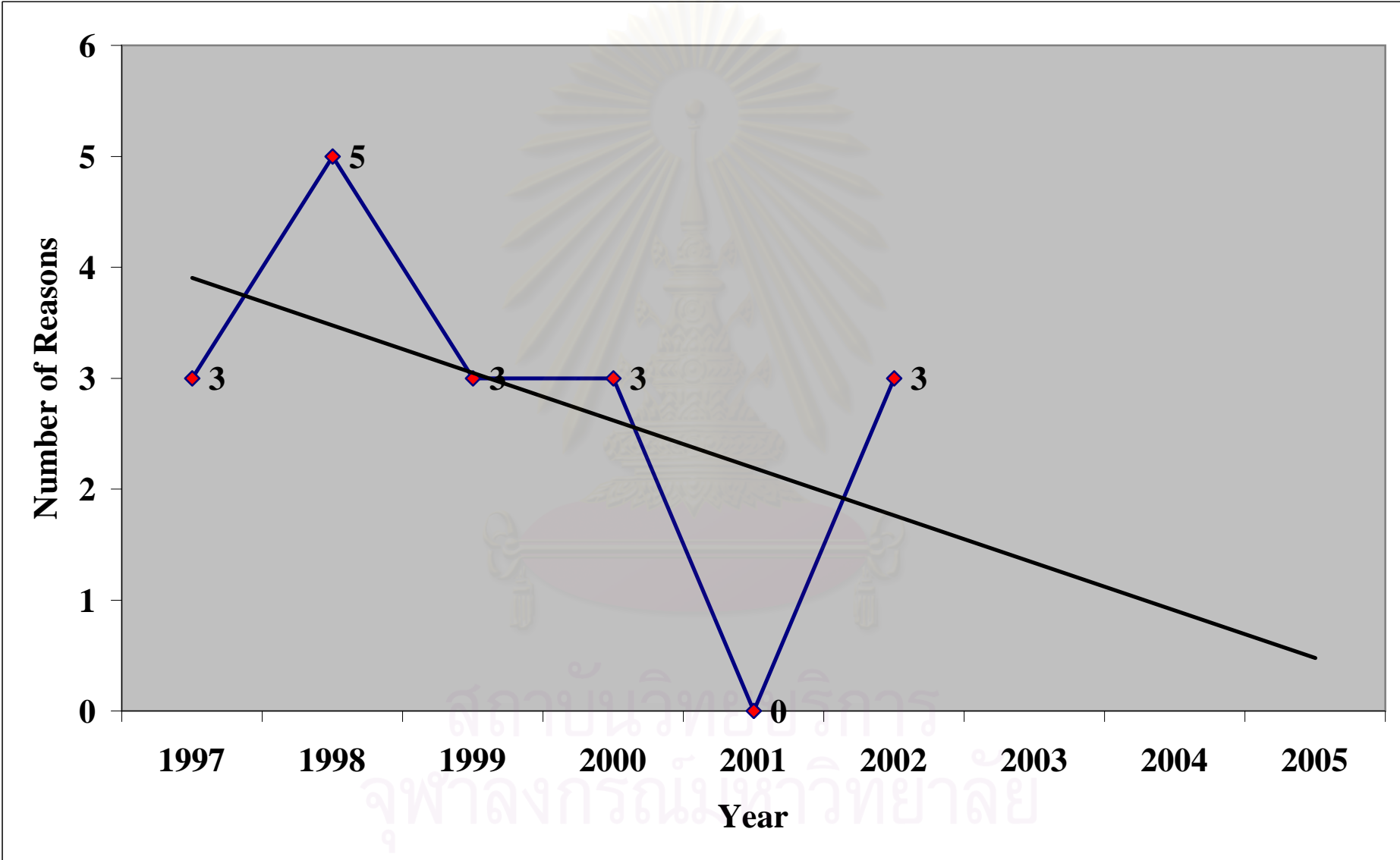


FIGURE 5.1.17: TREND OF EXPANDING BUSINESS FACTOR FOR ALL CASES

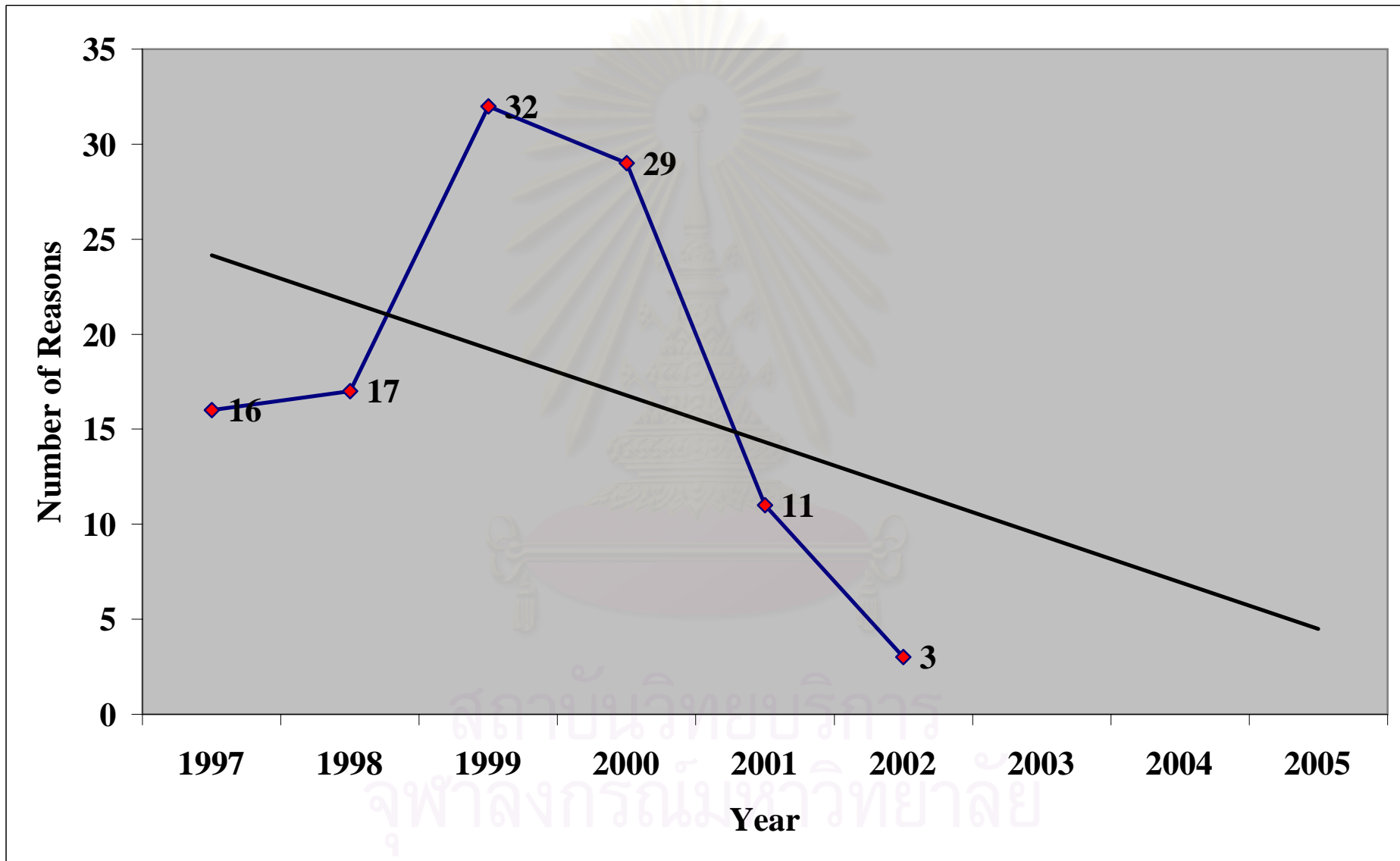
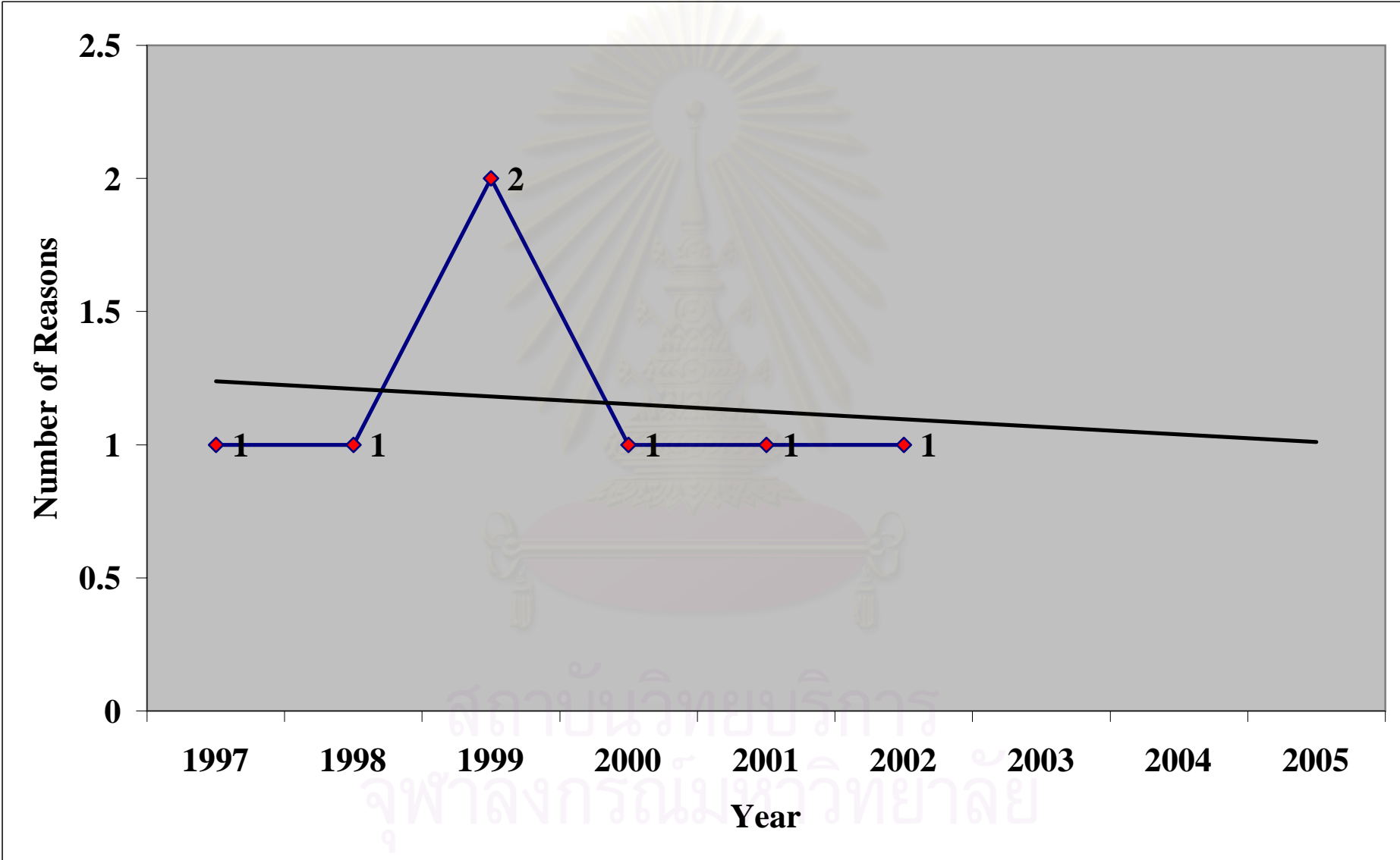


FIGURE 5.1.18: TREND OF EXPANDING BUSINESS FACTOR FOR MANUFACTURING BUSINESS IN THAILAND



5.2 Analysis of External Factors urging M&A Activities

External factors urging M&A activities are factors urging M&A deals from environment or outside the organization.

5.2.1 Information for doing business in Thailand

From the information described in previous chapter, Thailand is an attractive country to invest in because of many reasons;

- ❑ The population of Thailand is now about 63 million and projected to exceed 70 million by 2010. This implies that Thailand will have many of potential customers and work forces in the future.

- ❑ Work force of Thailand now exceeds 32.9 million and their literature rate increases in every year. Majors of Thai work forces have skills in working so they can be quality workers for most of business.

- ❑ Even though Thailand is not the lowest labor market in the region but Thailand's workforce is among the most cost-efficient in the world.

- ❑ Thai government has a continuous plan to increase emphasis on education so in the future Thai people can be developed to be a quality people.

- ❑ Thailand is located in suitable geography at the heart of the Southeast Asian mainland and covering an area of 513,115-sq. km. Thailand also has a coastline of approximately 1,840 kilometers on the Gulf of Thailand and 865 kilometers along the Indian Ocean so this brings Thailand with many ways to transport or connect in doing business.

- ❑ Climate in Thailand is a warm and rather humid tropical so this give most business can be done properly in Thailand.

- ❑ Although Buddhism is the national religion in Thailand and it doesn't as same as the religion of the potential foreign investors, but there is no problems to invest in Thailand cause there is no contradiction between religions in Thailand.

- ❑ Even Thailand's official national language is Thai but English is widely spoken and understood so the problem about communication in doing business is not the problem.

- ❑ The Alien Occupation Law requires all foreigners working in Thailand to obtain a Work Permit prior to starting work in the Kingdom, except when they are applying under the Investment Promotion Law. So it's not a complex procedure to work in Thailand.

- ❑ Although Thailand is not the lowest taxation country in this region but taxation in Thailand is reasonable and cheaper in many countries. There is also special option (such as in tariff form or released import/export regulations) for investor who invests in Thailand so this brings Thailand attractive to invest in.

- ❑ In general, the degree of government control required is dependent on the degree of environment protection deemed necessary. The more likely a factory, based on its output, is to cause pollution, the more that type of factory is regulated. Industrial Licensing in Thailand isn't complex and doesn't consume time. Its regulations are released limit and give some benefit for investor to invest in Thailand. Due to these reasons, Thailand is attractive country to invest in.

- ❑ Procedure of establishing company in Thailand isn't complicated and there are many related organizations to help investors to gain information and helps.

❑ Infrastructure in Thailand needed for general business has been already prepared and it is enough to do most kinds of business in Thailand.

❑ Even though in Thailand there are many labor issues to consider such as employment legislation in doing business in Thailand but, like other countries, they are not strict or limited too much for doing business.

❑ Cost of doing business in Thailand is low, although it doesn't the cheapest in this region, so investor can obtain more profit by paying less cost of doing business in Thailand.

❑ Thailand has patent law so inventions and product designs and pharmaceuticals can be protected. Investor can do his business without worry of imitator. This can make Thailand an attractive country to invest in too.

So, the investors gain many benefits from doing business in Thailand with low cost of doing business and Thailand have many attractive issues to draw the investor to invest in Thailand. This means that M&A activity in Thailand possibly increases in the future because the investor, particularly foreign investor, can acquire Thai business and do business in Thailand easier than the past.

5.2.2 Analysis of Law relating with Mergers and Acquisitions

Generally in consideration of regulatory, general regulatory issues and industry-specific regulatory issues are carefully considered, both in Thailand and other countries. General regulatory issues, which affect all types of transactions, of all countries are quite similarly but have some difference in some cases. The general regulatory considerations include issues such as antitrust, environmental, securities, and employee benefit matters. For industry-specific regulatory issues, which affect only certain types of transactions in certain industries, are different in each country. Some industry-specific regulatory issue transactions that involve a change in ownership or control or that may have an anticompetitive effect on given industry.

The regulatory relating Mergers and Acquisitions in Thailand aren't strict as in most countries such as in Europe, especially in USA and England, but in some business the industry-specific regulatory issues in Thailand are stricter. However, when thoroughly consider all kinds of business that are potentially to be acquiring or merging, such as Bank or financial institution, regulatory in Thailand is released limit and not strict as in many countries so Thailand is an attractive country to have merger and acquisition activity. This means that M&A activity in Thailand possibly increases in the future because the investor can do business easier than in the past and gain more benefit due to the released limit of related Law and restriction.

5.2.3 Analysis of Thailand's Key Economic Indicators

Thailand's key economic indicators previously illustrated in Table 4.3.1 are separately considered in 5.2.3.1-5.2.3.7 and shown in Figure 5.15-5.19, consecutively.

5.2.3.1 Population

Population is the amount of Thai people.

From Figure 5.15, The population of Thailand reached 62.56 million in the first quarter of 2002, of which approximately 30 percent are under the age of 15. With a

growth rate of 1.2 to 1.4 percent per year the population is projected to exceed 70 million by 2010.

This implies that the more the population of Thailand the more potential customers or labor forces in Thailand so M&A activity possibly increases in the future due to Thailand have more potential customers and labor forces for the investor to invest in business in Thailand, including doing business by acquire or merge with Thai business.

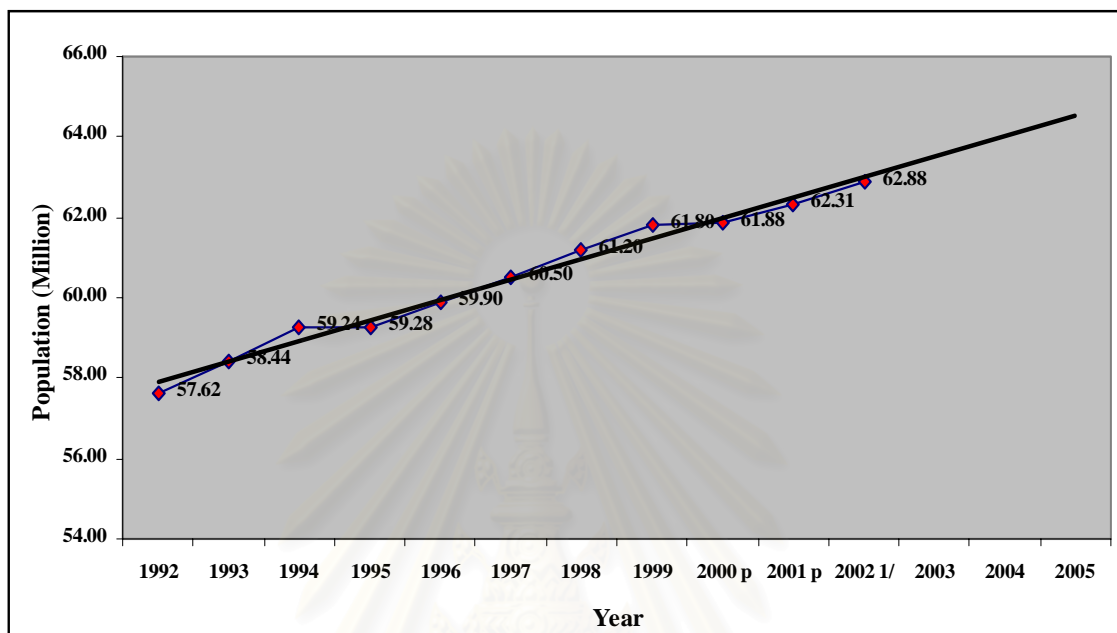


Figure 5.2.1: Population (millions) (Average)

5.2.3.2. Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is the value of all final goods and services produced within the territory of a country by using domestic factors of production within a given period. GDP includes the value of goods produced as well as the value of services.

GDP is measured both in current and constant prices. GDP at current prices or nominal GDP measures the value of output at the prices prevailing in the period during which the output is produced, while GDP at constant prices or real GDP measures the value of the output produced in any one period at the price of the base year.

From Figure 5.2.2, trend of GDP at constant 1988 price fluctuated and changed its direction from downward to upward at turning point in 1998. From 1998 to 2000 the GDP at constant 1988 price tended to increase its value but slightly decreased in 2001.

Trend of GDP in downward direction can affect the confidence of investor because it implies that the economy in Thailand will not recover in this near future so the investor may decide to not invest in Thailand. This means that the M&A activity in Thailand in the future may not increase. However, GDP can be effected by many factors such as consumption spending by households, investment by private sector, government purchases, and net export so the other factors can change the investor's decision if they imply a positive economically sign.

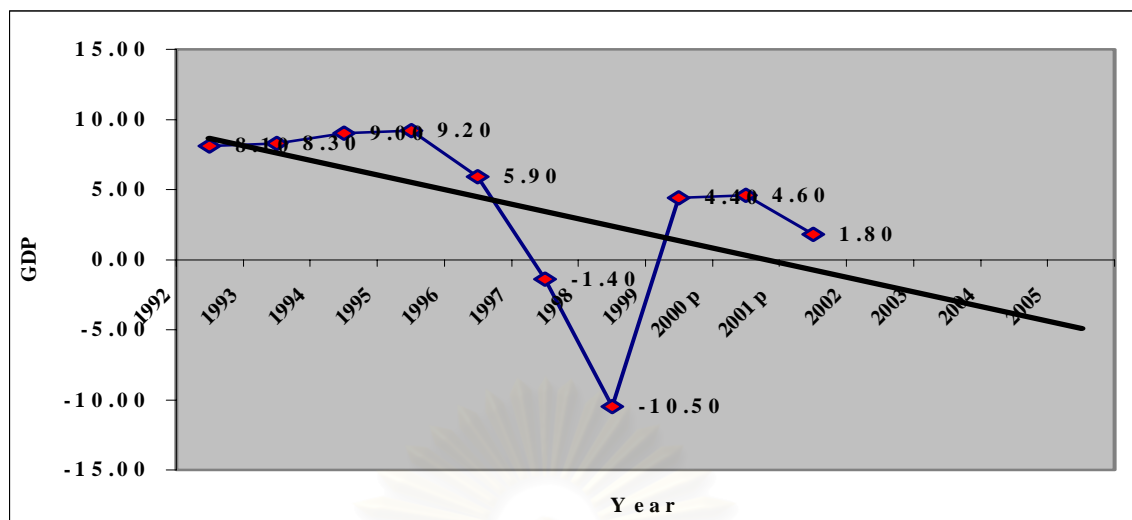


Figure 5.2.2: GDP at constant 1988 price

5.2.3.3 Inflation

Inflation is a general rise in the price levels of goods and services. If the rate of inflation rises slightly, it will give incentive to business operators. A sharp rise, on the other hand, will cause volatility and pose problems on the system, especially on the cost of living and economic stability which hinder development of the economy.

In Thailand, the inflation rate is measured from changes in the consumer price index that is a weighted average of prices of goods and services regularly consumed. Weights are determined from household spending patterns obtained by surveys. The consumer price index is calculated by Department of Internal Trade, Ministry of Commerce.

Theoretically, inflation arises from 2 major factors:

First factor: The force of demand. This happens when the demand for goods and services surpasses what is available in the economic system, thus causing the prices of goods and services to rise. Increase in demand for goods and services may arise from many reasons such as : an increase in money supply, fiscal deficit, increased external demand, and changes in consumption behavior of the public.

Second factor: Higher production cost. This incident forces the producers to raise the prices of goods. Higher production cost may stem from many factors such as : an increase in wages; natural disaster such as drought, flood, storm, fire and war; and changes in import prices which may increase depending on world market condition or exchange rate changes.

From Figure 5.2.3, trend of headline inflation fell from highest point about 8.10 in 1998 to 0.30 in 1999. During 1999 to the first quarter of 2002, inflation slightly moved between 0.00 and 2.00.

The lower and more stable inflation Thailand has, the more preferable the investor wants to invest in Thailand. This trend of inflation is quite good for investment in Thailand so M&A activity in Thailand in the future possibly increase due to this trend of inflation tend to move downward. However, the stability of inflation in Thailand now is not stable so investor may need to consider more other factors before making decision to invest in Thailand.

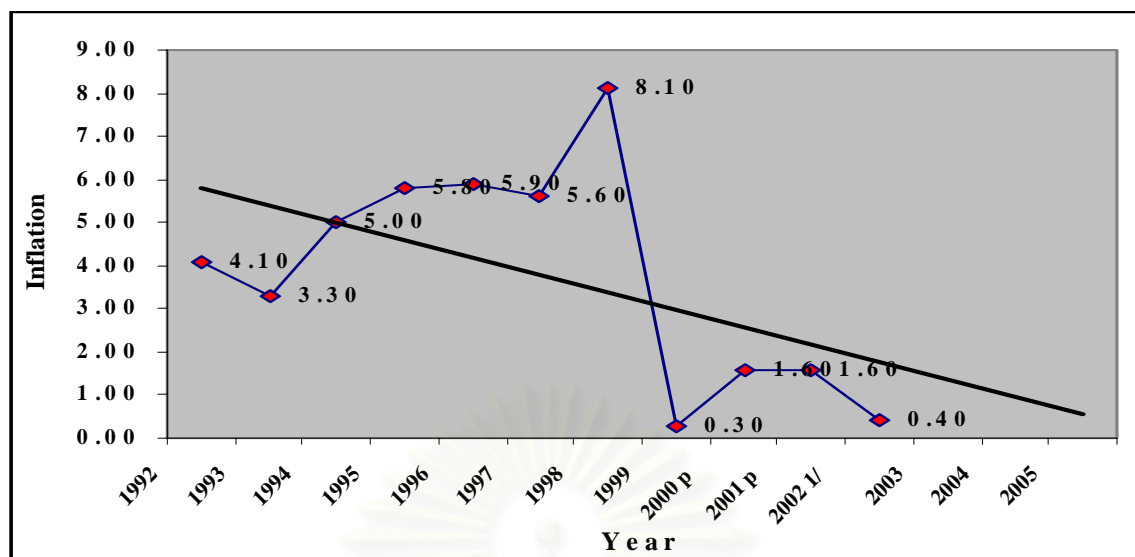


Figure 5.2.3: Headline Inflation

5.2.3.4 Trade balance

Trade balance is the net difference between exports and imports collected from the import/export entry forms of the Customs Department, which reveal both volume and value of imports and exports.

In order for the trade balance to be consistent with the definition of balance of payments, statistical modifications have been made to exclude some customs items for the transactions carried out among the residents. Such items include: goods granted embassy privilege; goods with no change of ownership, e.g., goods sent for repair, temporary imported goods, sample goods, leased goods.

Adjustments are as well made to include goods actually imported and exported but did not undergo customs declaration such as military goods, electrical appliances and commercial aircraft.

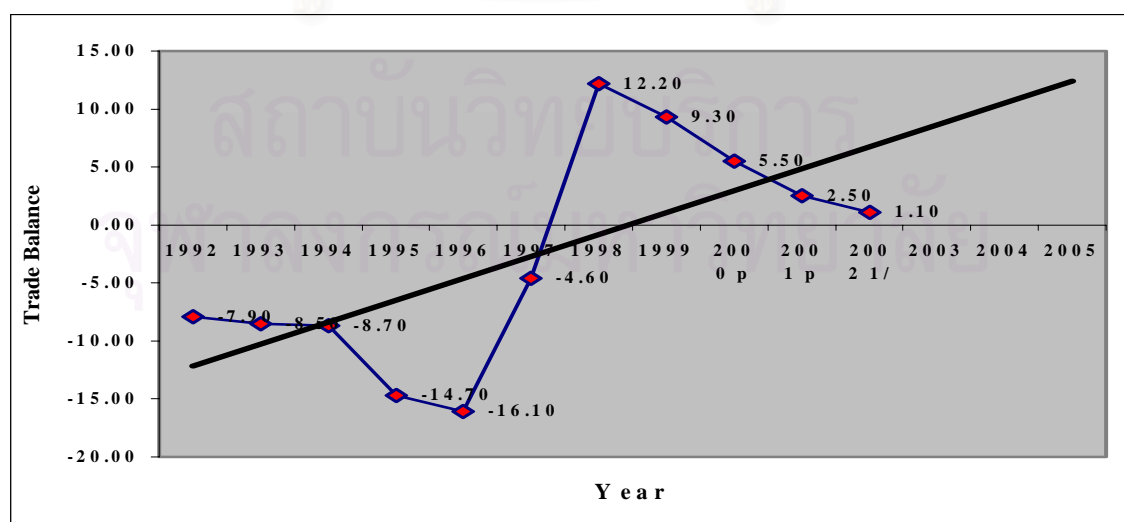


Figure 5.2.4: Trade Balance

From Figure 5.2.4, the trend of trade balance fallen from highest point about 12.20 billions US\$ in 1998 to 1.10 billions US\$ in 2002. This means that Thailand's trade balance tends to decrease. This can be due to either export value decreased or import value increased, or both of these value increased.

M&A activity of Thailand in the future can be both increase and decrease, depend upon which imported or exported product increases. For example, if the imported product, e.g. electronic parts, increases value so the electrical manufacturing business using this part may want to increase its production or want to expand business. And, thus, this company possibly acquires the supplier of this part, if there is, in Thailand in the future to reduce operating cost rather than import this part as in present. Whereas if the exported product increase its value, the company manufacturing this product may gain more profit and may want to expand business by using M&A both with Thai company and foreign company, e.g. in case of finding distribution channel or expand business into new market. However, trade balance can be effected by many factors such as exchange rate, government support (or policy), world economic. The key one is Exchange Rate. If Baht value is stable and deflation occurs, trade balance can increase value.

5.2.3.5 Cash Balance

Cash Balance is the net difference between government income and payment.

From Figure 5.2.5, trend of Cash Balance moved downward from 112.5 (as % of GDP) in 1995 to -120.0 in the first quarter of 2002. The government used negative cash balance to urge economic and pay debt. The cash balance moved during -100 to -150 (as % of GDP) from 1998 to the first quarter of 2002. The government possibly use negative cash balance in these coming three years.

M&A activity in Thailand in the future may increases due to the Government may spend money to urge economy so there will be more support program from Government or at least the people will have more money to use. However, this will imply the negative sign of the economy in Thailand. Fortunately, the investors may see the opportunity to invest in this time cause they can buy business in Thailand in cheap price.

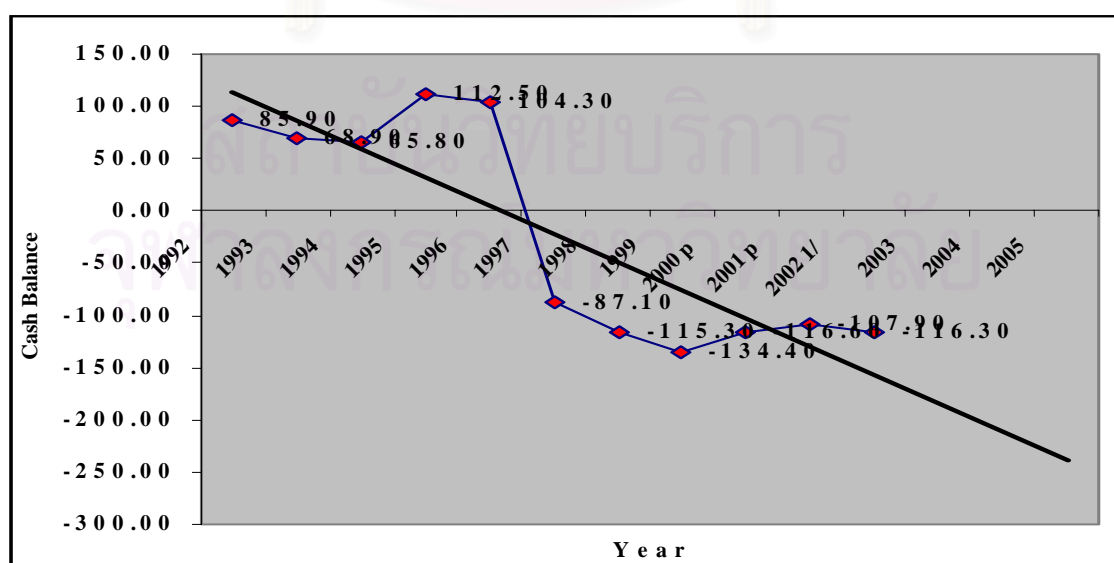


Figure 5.2.5: Cash Balance

5.2.3.6 Prime Rate

Prime rate is the rate interest that Bank charges on loans to good classified customer. The loan amount is usually proportionate to the deposit base of customer and/or feasibility to make profit of customer's project.

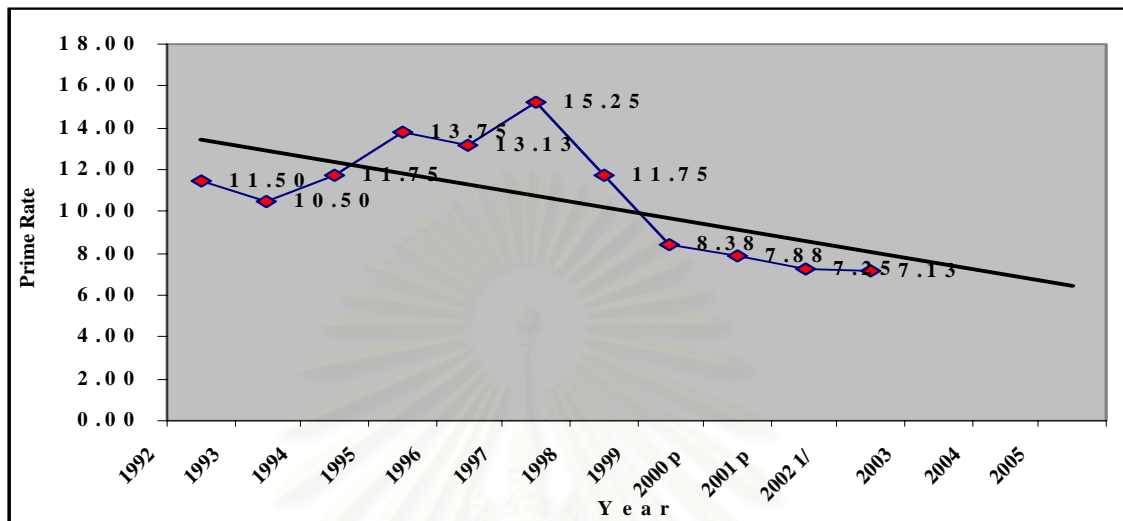


Figure 5.2.6: Prime Rate

From Figure 5.2.6, trend of prime rate moved downward from 15.25 in 1997 to about 7.125 in the first quarter of 2002. Prime rate should swing between 6.00 to 8.00 in this coming three years.

Prime rate now is quite stable and low so this can activate investor to invest in Thailand cause the cost of investment is lower than the past. M&A activity in Thailand in the future possibly increase due to this low cost of lending capital.

5.2.3.7 Exchange Rate

Exchange Rate is the price at which one country's currency can be converted into another; for example 1 US dollar is equal to 40 baht. A wide range of factors may influence the exchange rate, which generally changes slightly each trading day.

Exchange rate regimes. Generally, there are two regimes: fixed exchange rate and floating exchange rate. However, there are a large varieties of practices which can be characterized into 3 major systems as follows :

1. **the system that pegs a country's currency to other currencies.** The pegging may be to a single currency such as Hong Kong dollar and US. dollar or basket of currencies as adopted in the Thai exchange rate policy in the past.
2. **the system that has limited flexibility.** This system is somewhat similar to the pegged system, except that the size of adjustment may be wider. An example of this system is the Exchange Rate Mechanism (ERM), a system in which most of the countries in the European Union are members.
3. **the system that has high flexibility.** This type of exchange rate is subject to demand and supply of foreign currencies which are more volatile than those of the above two systems.

Under this system, exchange rate can be divided into 2 regimes:

- (1) *managed float or dirty float*, the regime most countries, including Thailand adopt;
- (2) *independent or free float*, the regime in which a country's currency floats the most with the market mechanism. The central bank, therefore, may intervene from time to time as an attempt to provide a guide, not as a process to disrupt the exchange rate fluctuation.

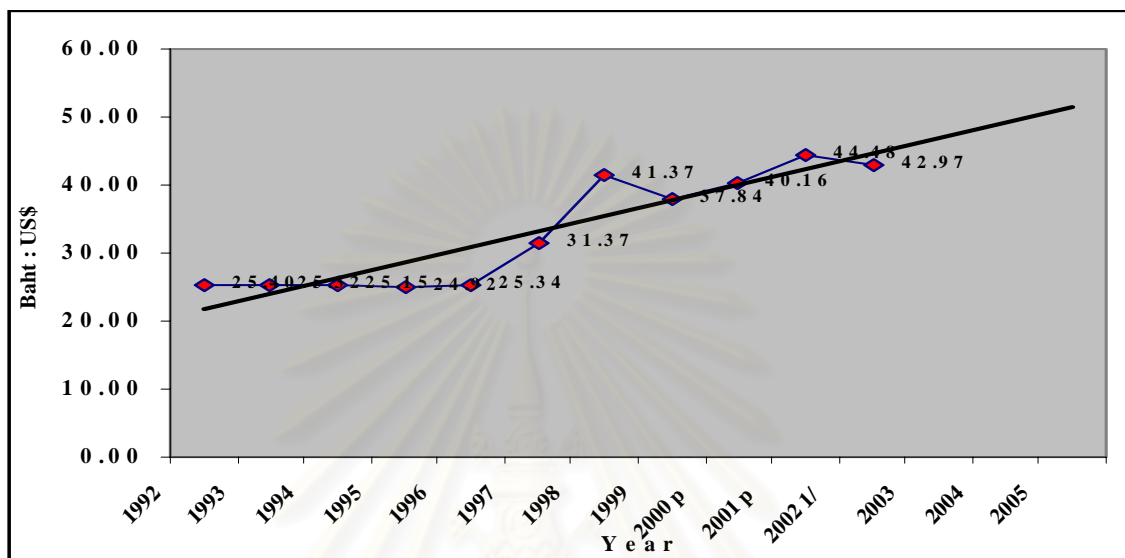


Figure 5.2.7: Exchange Rate (Baht : US\$) (Average)

From Figure 5.2.7, trend of exchange rate moved upward from 1996 to the first quarter of 2002. The exchange rate slightly moved between 35 to 45 Baht per 1 US\$ and should move between 40 to 45 Baht per 1 US\$ in the future.

Exchange rate now is quite stable so the investor can assure to plan his project to invest in Thailand. Moreover, for the foreign investors, they can buy Thai business cheaper than the past so M&A activity in Thailand in the future may increase from this reason.

5.3 Analysis of Financial Ratios of Companies in Stock Exchange of Thailand

It is unavoidable to consider profitability performance of companies in Thailand in order to find whether they are potential targets for acquiring or merging or not. A decline in profit margin may make a firm vulnerable to hostile takeover if it causes the stock price to fall. However, the company having good ability to make profit record and the company having ability to make profit but experienced problems such as lacking of effective management or having financial problem can be also a potential target.

A company's management strives to show high earnings on its financial reports in order to attract people to buy its stock and therefore to improve its price-earnings ratio. On the other hand, a closely held company's management may be a sole entrepreneur or a small group that wishes to minimize the earnings shown on its financial reports in order to minimize its tax burden. Both goals are legitimate, but clearly the difference in objectives can cause some confusion for an appraiser trying to compare the key financial ratio of a closely held target company to publicly held similar companies in the industry.

5.3.1 Profitability Ratios

These ratios allow the firm to measure profit in relation to sales volume. The purpose of an acquisition should be to generate profits. Profit-minded acquirers invest a given amount of capital to obtain the right to an expected future stream of profits. These profitability ratios allow the acquirer to determine the target's profitability relative to that of its competitors and other firms.

□ Return on Equity (ROE)

$$\text{Return on Equity} = \frac{\text{Earnings after taxes}}{\text{Stockholders' equity}}$$

This ratio is usually calculated by including both preferred stock and common stock in the denominator. It is a measure of the kind of return the company's owners are earning. The return on equity is an often-cited measure of performance used by both investors and management. Since equity is a balance sheet item, it may not accurately reflect the value of equity during the full year. An average of quarterly values can help offset this drawback. The return on equity also suffers from the fact that it is a book value, not a market value. Ironically, a high return on equity does not mean that shareholders will receive a high return on their investment. This problem is greater when there is a larger divergence between the market value of the equity and the book value. One solution to this problem is for the analyst to reconstruct the return on equity by substituting the market value for the book value of equity.

The return on equity is greatly influenced by the degree of financial leverage the firm employs. For example, if a firm is willing to increase its level of debt by borrowing to purchase income-generating assets, then it can increase after-tax earnings while stockholders' equity remains constant. A naïve analyst might interpret this as an up-and-coming company and a good takeover target. The higher return on equity, however, does not come without a price. The cost of this higher return on equity is the additional risk the firm assumes when it increases its financial leverage.

□ P/E Ratio

$$\text{P/E} = \frac{\text{Market price per share}}{\text{Current earning per share}} = \frac{\text{P}}{\text{EPS}}$$

The P/E ratio is useful in determining the appropriate capitalization rate to value the firm's projected income stream. Generally a higher P/E ratio indicates that investors have a greater degree of confidence in the firm's future prospects. The P/E ratio, however, is also affected by the performance of the market as a whole. For example, the P/E ratios of most firms fell dramatically following the stock market crash. Some believe that the very high percrash P/E ratios created a situation in which investors believed a correction was necessary that would bring the P/E ratios of many firms back in line with their intrinsic earning power.

To offset short-term market fluctuations, the P/E ratio can be adjusted. One such adjustment would be to convert the numerator to a moving average of the past 30 days' stock price. In case of high-growth firms, where analysts want to

measure the future prospects of the firm, the last quarter's earnings, as opposed to the past year's earnings, can be annualized by multiplying by four and inserting into the denominator of the ratio.

The P/E ratio will also be affected by whether the firm has been subject to rumors of its eventual takeover. The P/E ratio of potential takeover targets normally rises as the market anticipates the possibility of receiving a takeover premium. The more likely the takeover seems, the greater the increase in the stock prices and the P/E ratio. If news is released that reduces the probability of a takeover, such as a likely antitrust conflict, the P/E ratio should decline.

Therefore the P/E ratio is a multiple of earnings, and a high or low ratio can only be judged in relation to other companies in the same sector of the market.

□ EPS

$$\text{EPS} = \frac{\text{Total earnings available to common stockholders}}{\text{Number of common shares outstanding}}$$

EPS ratio helps to put profit into context. It is usually considered from the ordinary shareholder's viewpoint. It is customary, but not essential, to take net profit after taxation to calculate EPS. Preference dividends are deducted because they are usually paid out, before any ordinary dividend is paid. EPS enables a fair comparison to be made between one year's earnings and another, by relating earnings to something tangible. So, for example, if between one year and another a company issued some extra shares the EPS would remain comparable.

□ ROA

$$\text{ROA} = \frac{\text{Sales Revenue}}{\text{Assets}}$$

Return on asset ratio shows how well the company uses its assets to generate profit. Return on Assets can be improved by increasing the throughput of the business i.e. making more effective use of the assets.

5.3.2 Graphs of profitability ratios of each group

Profitability ratios graphs of each group of companies in Stock Exchange Market of Thailand are illustrated in Figure 5.3.1-5.3.33.

From the Figure 5.3.1-5.3.33, each group of companies in Stock Exchange Market of Thailand's past performance give some view point as;

Agri : has bad performance on EPS and ROE

Bank : has bad performance on ROE

Build: has quite good performance

Chem: has bad performance on ROE and slightly not good on ROA

Comm: has bad performance on ROE

Comun: has quite good performance

Elec: has not bad but not good performance

Energ: has quite good performance

Enter: has bad performance on EPS, ROA, and ROE but not too serious

AGRI GROUP

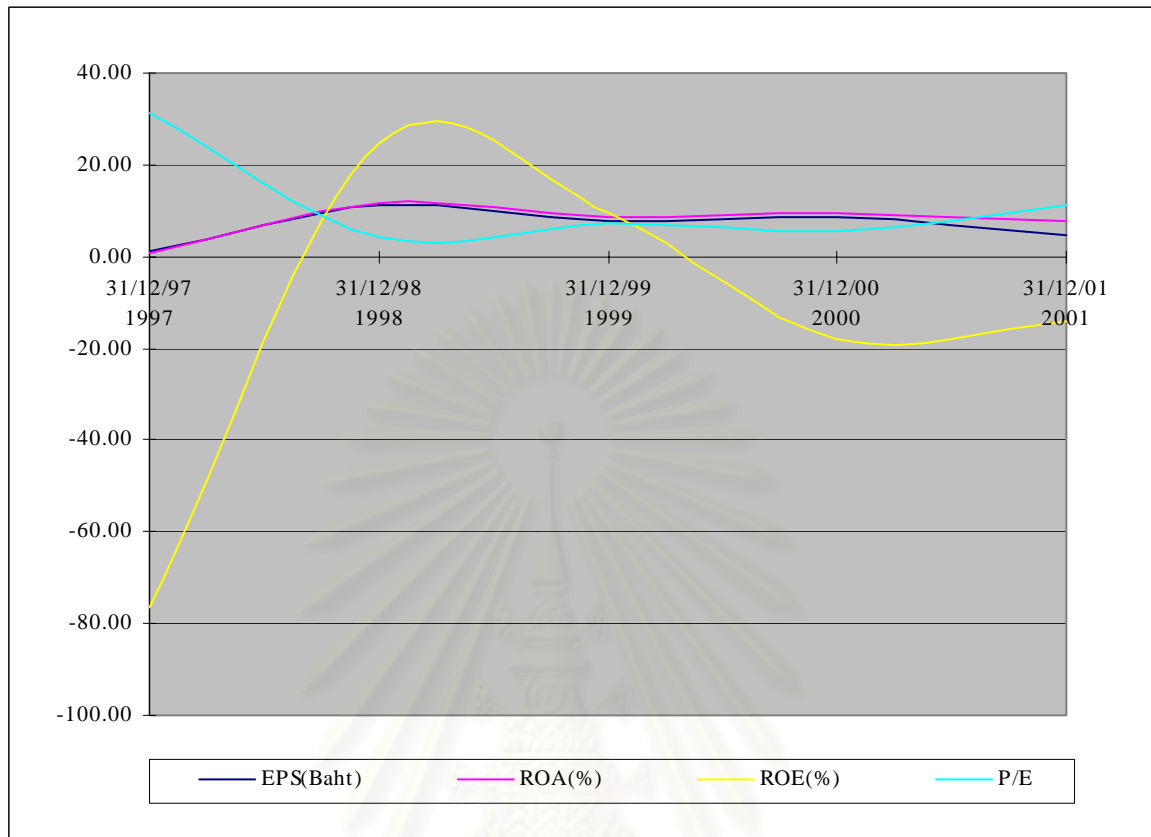


Figure 5.3.1: Profitability Ratios of AGRICULTURAL GROUP

EPS: Values swung between 0 and 12 and didn't stable. However, it tends to be lower than 4.54 Baht in the future.

ROA: Values swung between 0 and 12 and but quite stabled. It tends to be about between 7 and 9 % in future.

ROE: In last two years, the values were negative. It tends to be still negative in this coming years but will be lower than in last year.

P/E: Values swung between 4 and 32. Values didn't stable but tends to be higher than last year.

BANK GROUP

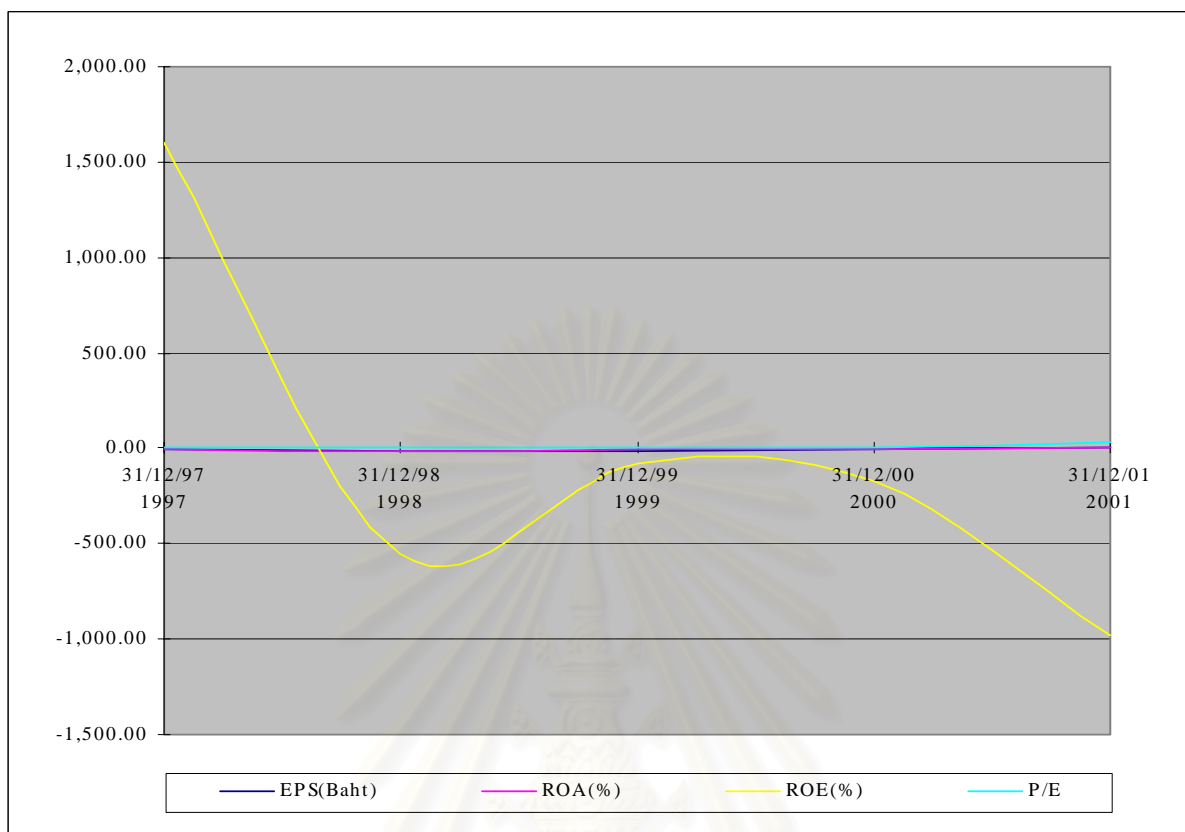


Figure 5.3.2: Profitability Ratios of BANKING GROUP

EPS: Values swung between -15 and 3 and didn't stable. However, it tends to be higher than in year 2001.

ROA: Values swung between -11 and 3 and didn't stable. It tends to be positive in future.

ROE: In last four years, the values were negative and didn't stable. It tends to be still negative in this coming years.

P/E: Values swung between 2 and 33. Values didn't stable but tends to be higher than last year and be positive.

BUILD GROUP

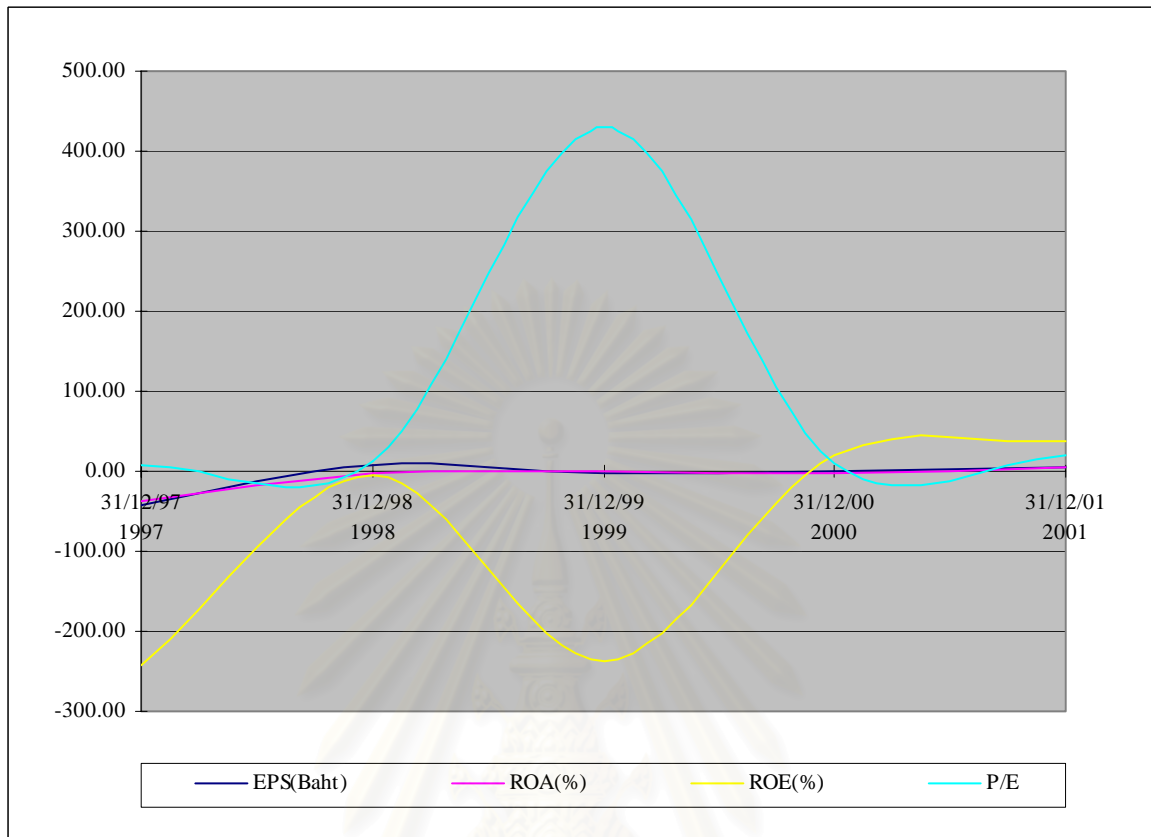


Figure 5.3.3: Profitability Ratios of BUILDING GROUP

EPS: Values swung between -43 and 9 and didn't stable. However, it tends to be positive and higher than 5.31 Baht in the future.

ROA: Values swung between -37 and 5 and didn't stable. It tends to be positive and higher than 4.39 % in future.

ROE: Values swung between -242 and 38 and didn't stable. It tends to be positive and higher than 37.88% in future.

P/E: Values swung between 7 and 430. Values didn't stable but tends to be higher than last year and be positive.

CHEM GROUP

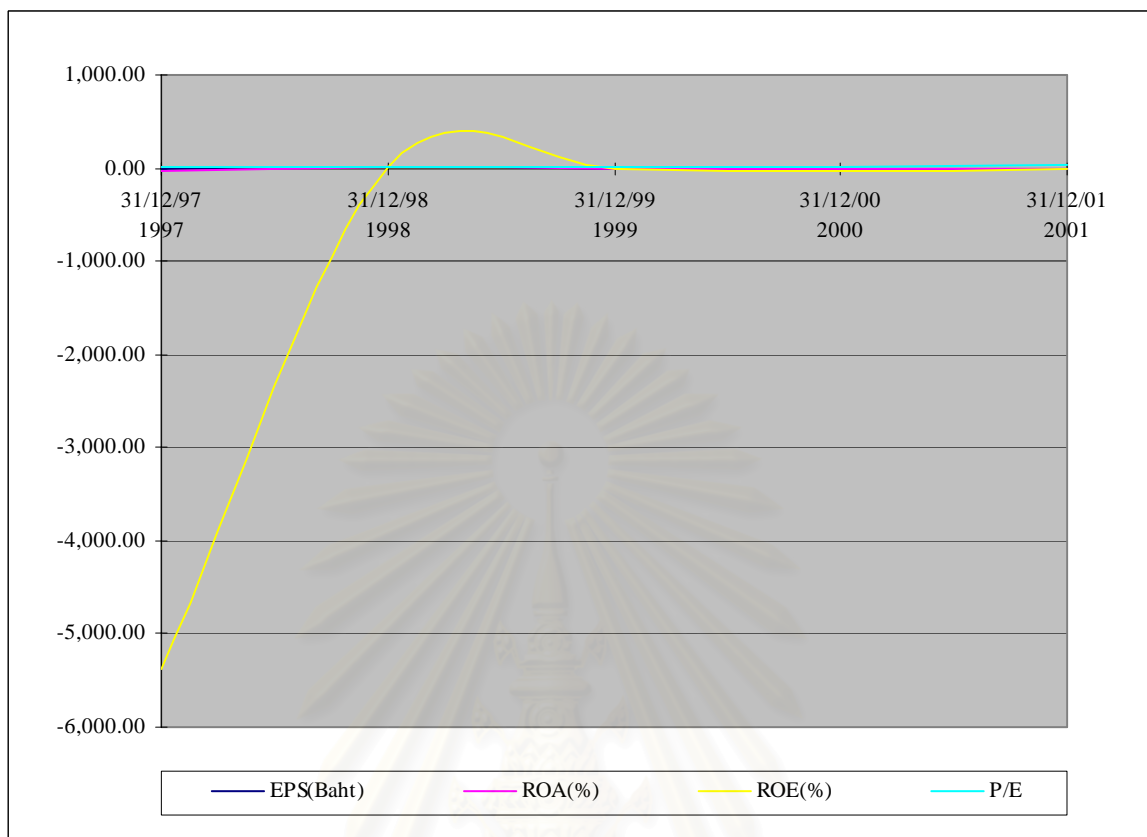


Figure 5.3.4: Profitability Ratios of CHEMICALS GROUP

EPS: Values swung between -14 and 9 and didn't stable. However, it tends to be positive and higher than 1.37 Baht in the future.

ROA: Values swung between -38 and 9 but quite stabled in last three years. It tends to be positive and higher than 0.58 % in future.

ROE: Values swung between -5383 and 17 and didn't stable. It tends to still be negative in future.

P/E: Values swung between 9 and 31. Values didn't stable but tends to be higher than 30.88 in last year and be positive.

COMM GROUP

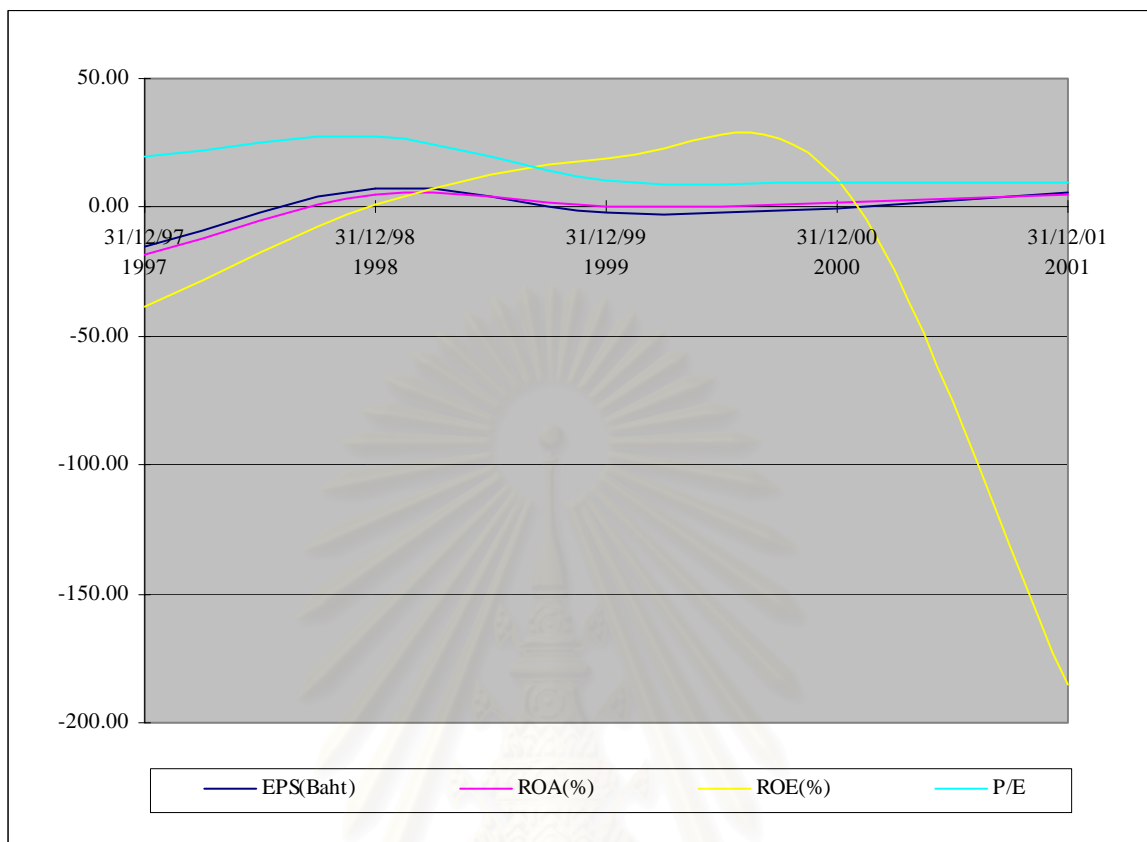


Figure 5.3.5: Profitability Ratios of COMMERCE GROUP

EPS: Values swung between -16 and 8 and didn't stable. However, it tends to be positive and higher than 5.45 Baht in the future.

ROA: Values swung between -18 and 5 but quite stable in last four years. It tends to be positive and higher than 5.30 % in future.

ROE: Values swung between -186 and 19 and didn't stable. It tends to still be negative and lower than 185.45 in future.

P/E: Values swung between 9 and 28. Values were quite stable and tends to be between 8 and 10.

COMUN GROUP

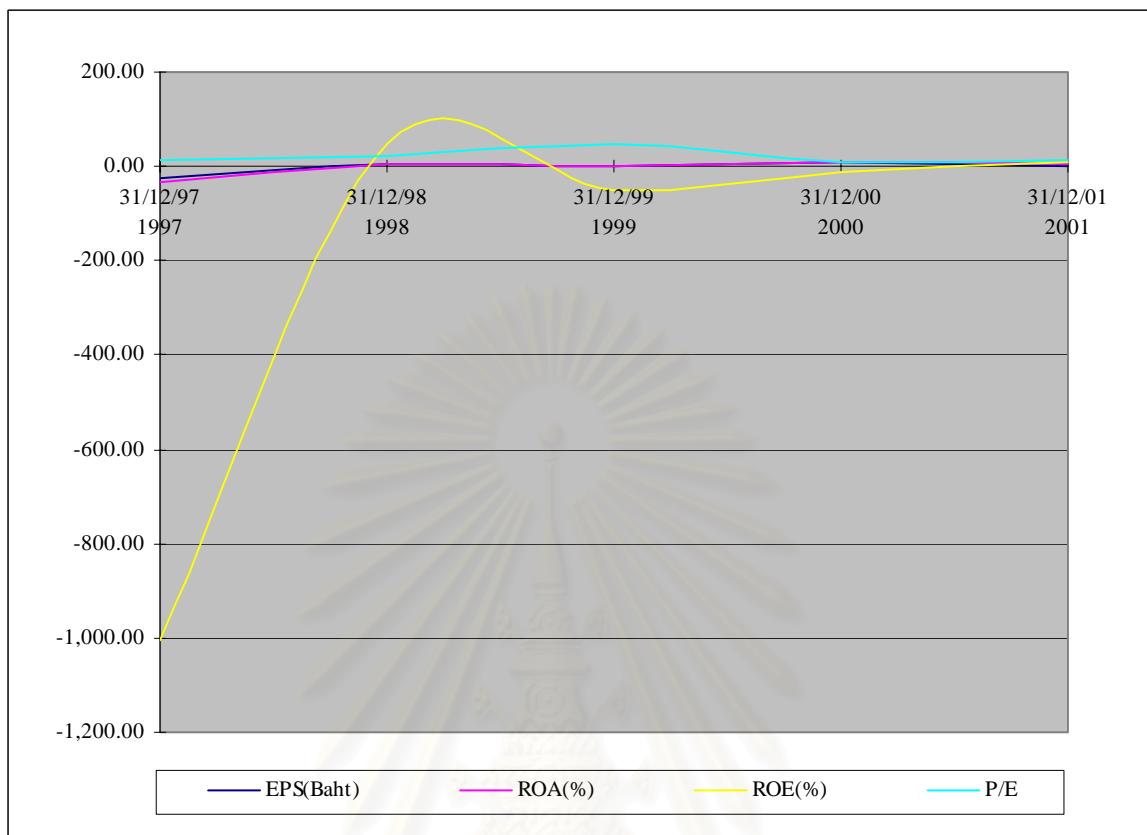


Figure 5.3.6: Profitability Ratios of COMMUNICATION GROUP

EPS: Values swung between -26 and 8 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -33 and 7 and didn't stable. It tends to be positive but lower than 3.34 in last year.

ROE: Values swung between -1005 and 46 and didn't stable. It tends to positive and higher than 10.96 in future.

P/E: Values swung between 10 and 46. Values didn't stable and tends to be positive.

ELEC GROUP

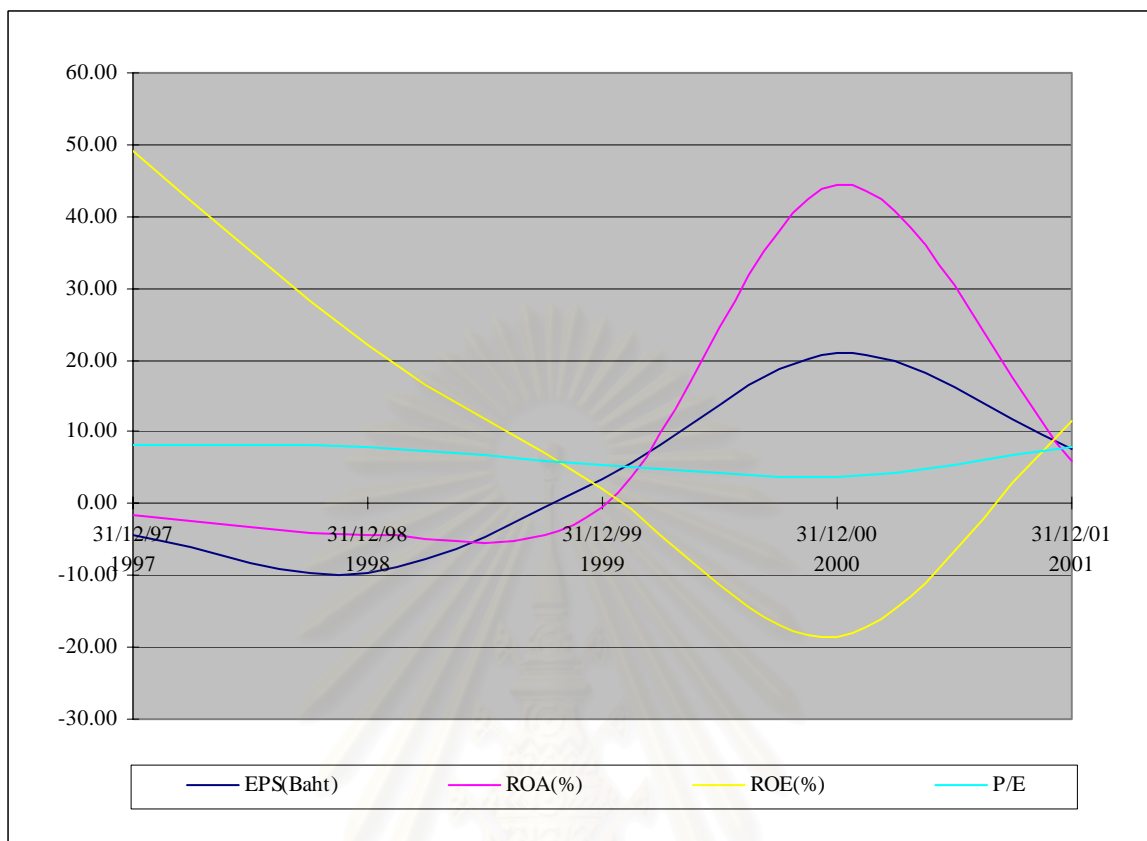


Figure 5.3.7: Profitability Ratios of ELECTRICAL PRODUCTS GROUP

EPS: Values swung between -10 and 21 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -5 and 45 and didn't stable. It tends to be positive.

ROE: Values swung between -19 and 50 and didn't stable. It tends to be positive.

P/E: Values swung between 3 and 9. Values didn't stable and tends to be positive.

ENERG GROUP

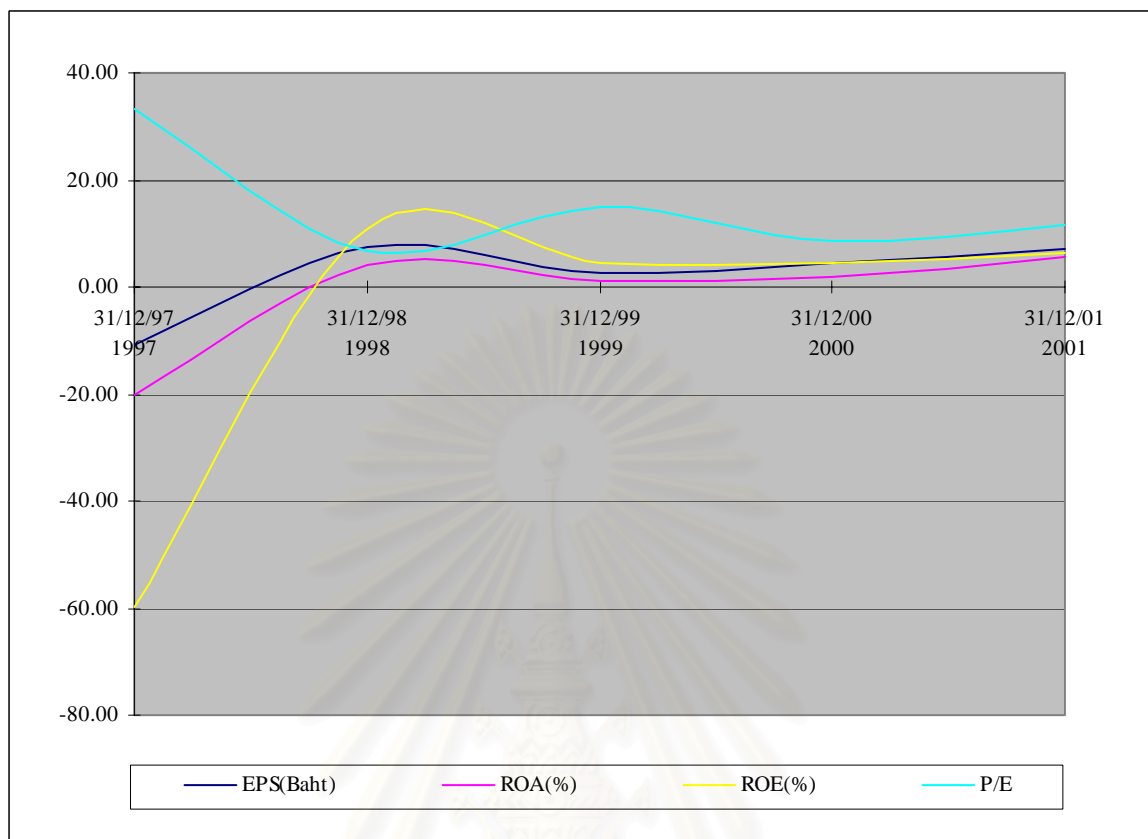


Figure 5.3.8: Profitability Ratios of ENERGY GROUP

EPS: Values swung between -11 and 8 and didn't stable. However, it tends to be positive, as in last four years, in the future.

ROA: Values swung between -21 and 6 and didn't stable. It tends to be positive, as in last four year, in the future.

ROE: Values swung between -60 and 11 and didn't stable. It tends to positive but should be between 4 and 7%.

P/E: Values swung between 6 and 34. Values didn't stable and tends to be positive.

ENTER GROUP

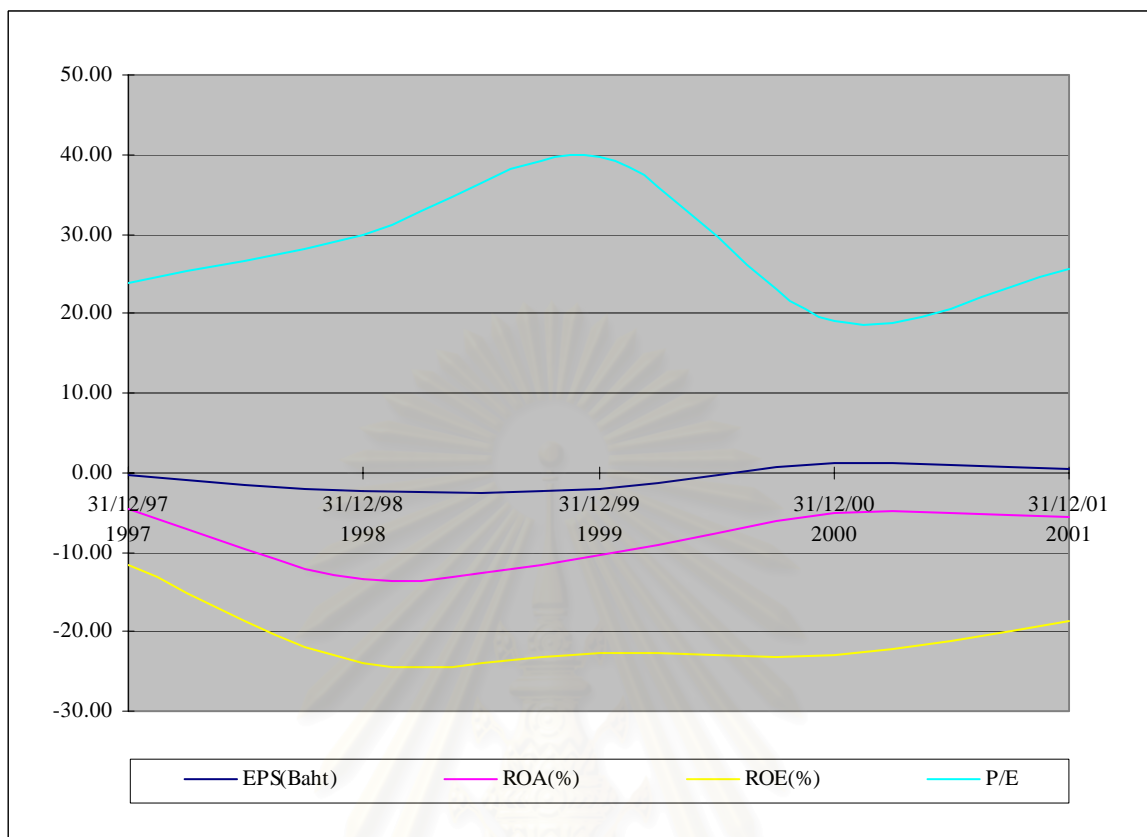


Figure 5.3.9: Profitability Ratios of ENTERTAINMENT GROUP

EPS: Values swung between -3 and 2 and quite stable. However, it tends to be negative in the future.

ROA: Values swung between -14 and -4 and didn't stable. It tends to be negative as in last five years.

ROE: Values swung between -11 and -24 but quite stable in last four years. It tends to be still negative but higher than -18%.

P/E: Values swung between 19 and 40. Values didn't stable and tends to be positive and higher than 25.71 in the future.

ETRON GROUP

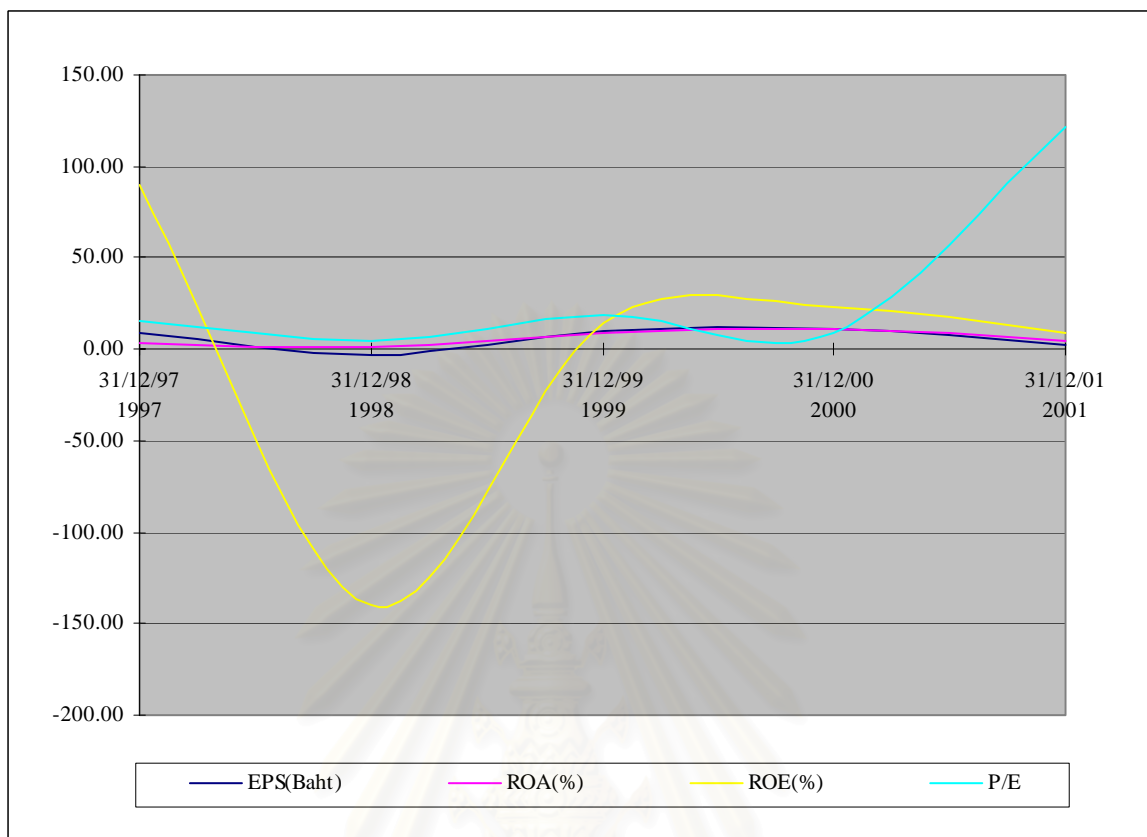


Figure 5.3.10: Profitability Ratios of ELECTRONIC GROUP

EPS: Values swung between -2 and 11 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between 1 and 11 and didn't stable. It tends to be positive as in past five years.

ROE: Values swung between -140 and 90 and didn't stable. It tends to be positive.

P/E: Values swung between 4 and 122. Values didn't stable and tends to be positive.

FIN GROUP

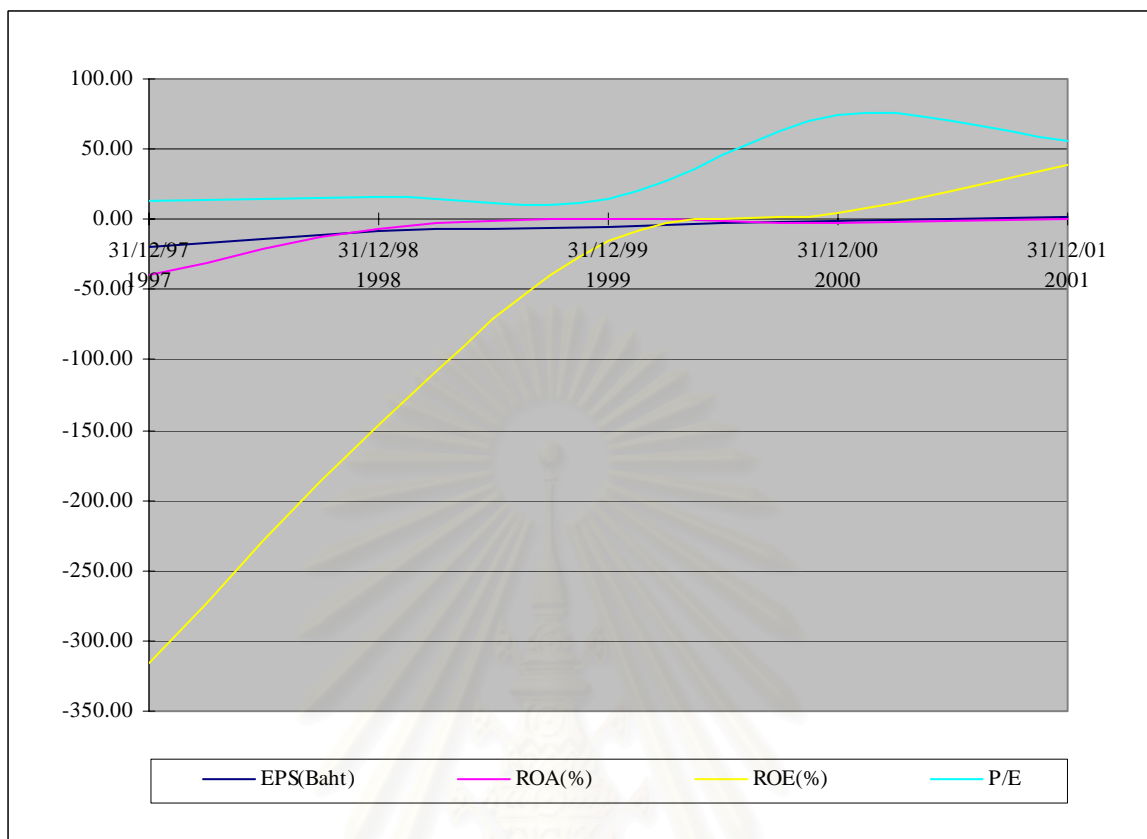


Figure 5.3.11: Profitability Ratios of FINANCE & SECURITIES GROUP

EPS: Values swung between -20 and 2 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -40 and 1 and didn't stable. It tends to be positive.

ROE: Values swung between -317 and 40 and didn't stable. It tends to positive and higher than 39.34 in last year.

P/E: Values swung between 13 and 74. Values didn't stable and tends to be positive.

FOOD GROUP

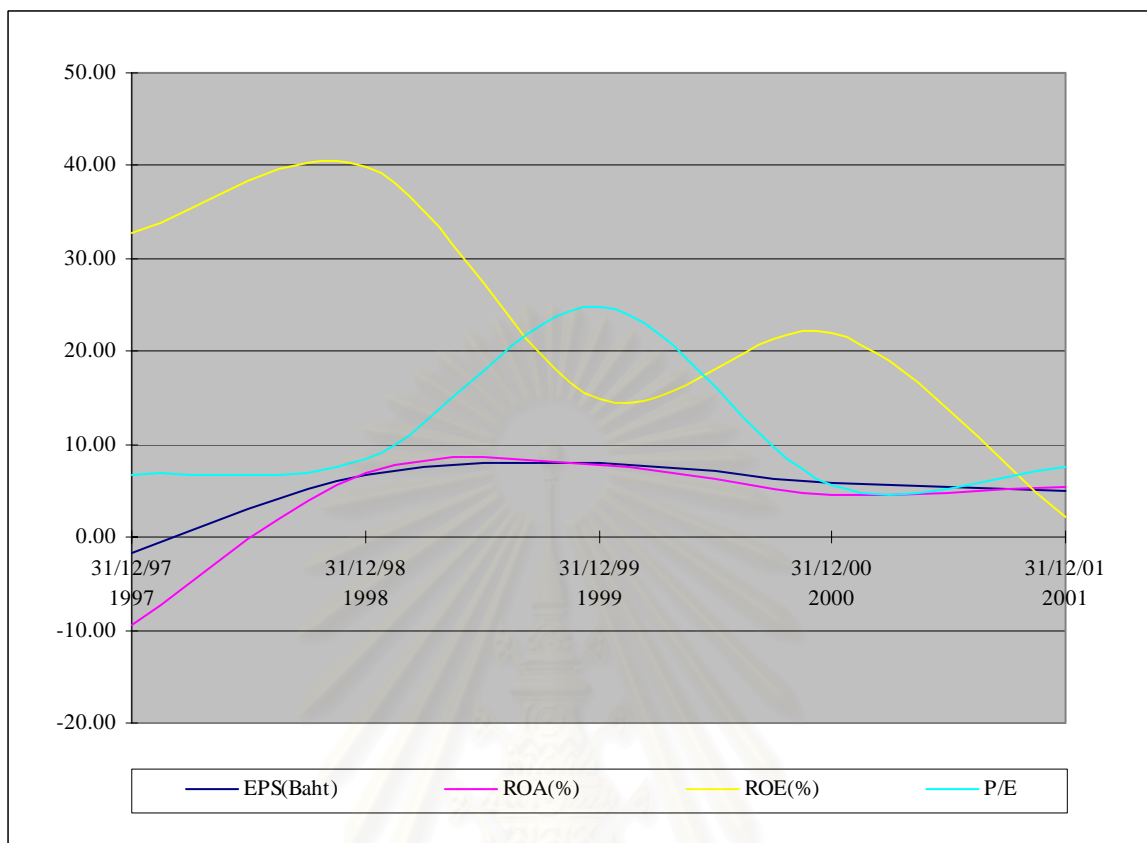


Figure 5.3.12: Profitability Ratios of FOODS & BEVERAGE GROUP

EPS: Values swung between -2 and 9 and quite stable. However, it tends to be positive in the future, as were in last four years.

ROA: Values swung between -10 and 8 and didn't stable. It tends to be positive.

ROE: Values swung between 2 and 40 and didn't stable. It tends to be positive but lower than 2.09 or negative.

P/E: Values swung between 5 and 25. Values didn't stable and tends to be positive.

HEALTH GROUP

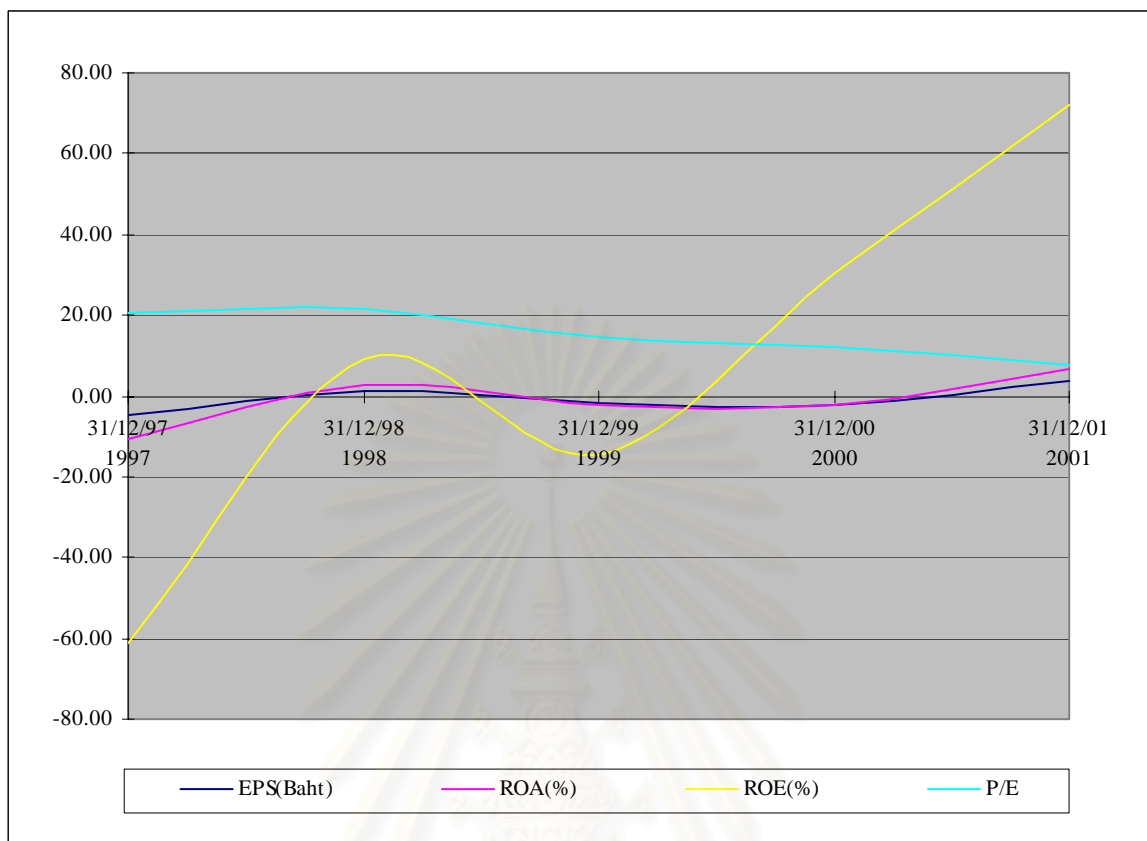


Figure 5.3.13: Profitability Ratios of HEALTH GROUP

EPS: Values swung between -5 and 4 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -11 and 7 and didn't stable. It tends to be positive.

ROE: Values swung between -62 and 72 and didn't stable. It tends to positive and higher than 71.89 %.

P/E: Values swung between 7 and 22. Values didn't stable and tends to be positive but lower than 7.50.

HHOLD GROUP

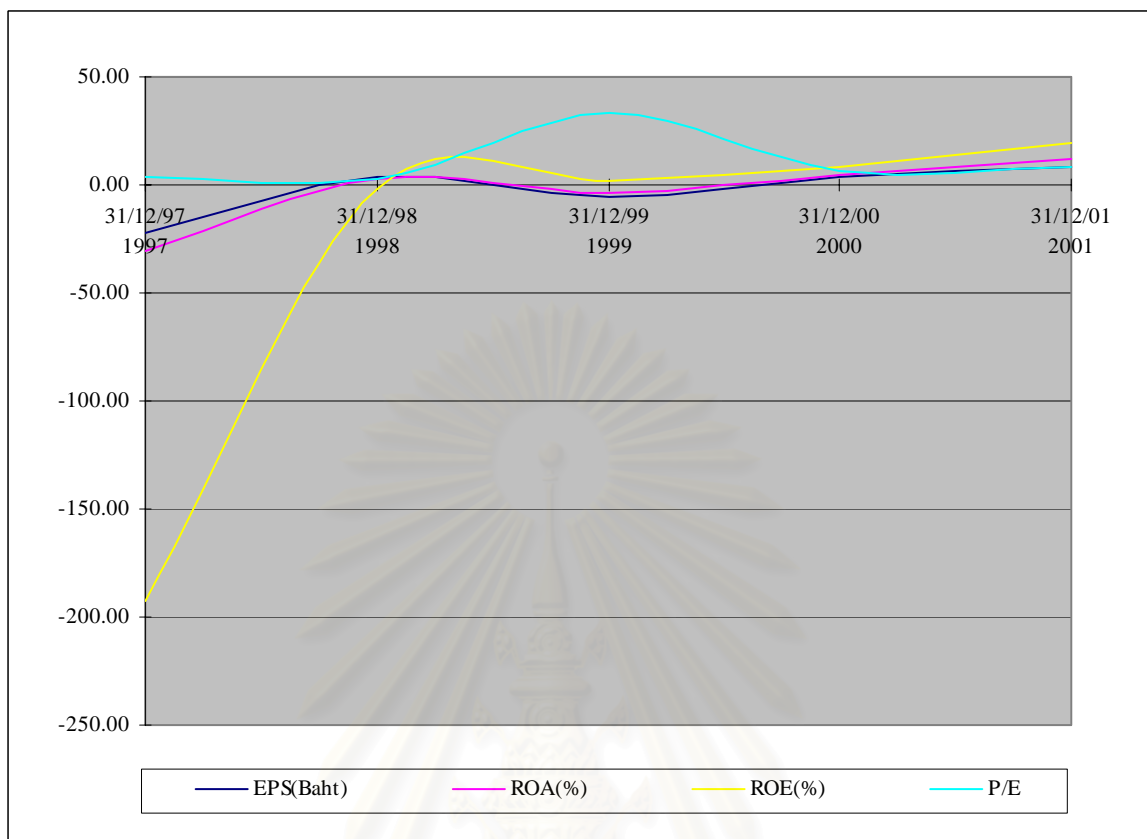


Figure 5.3.14: Profitability Ratios of HOUSEHOLD GROUP

EPS: Values swung between -23 and 9 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -30 and 12 and didn't stable. It tends to be positive.

ROE: Values swung between -193 and 20 and didn't stable. It tends to positive and higher than 19.40.

P/E: Values swung between 3 and 34. Values didn't stable and tends to be positive.

HI-GROW GROUP

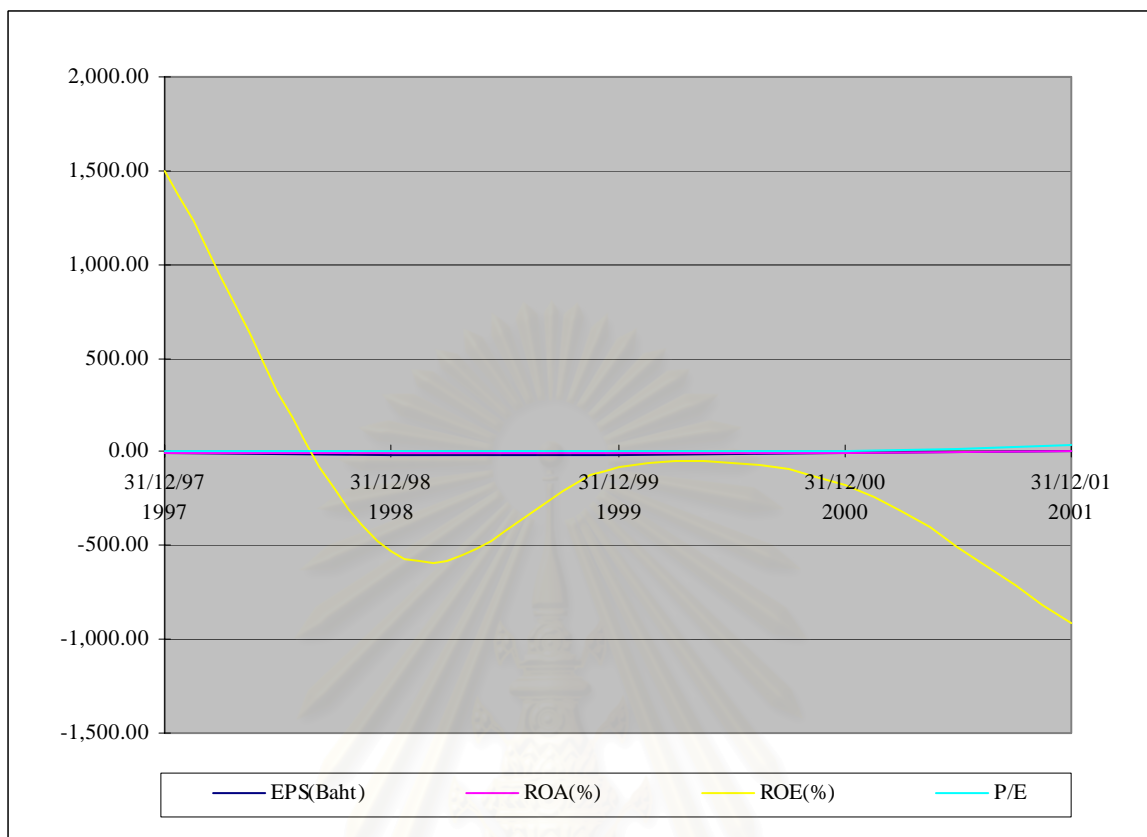


Figure 5.3.15: Profitability Ratios of HI-GROW GROUP

EPS: Values swung between -15 and 3 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -10 and 3 and didn't stable. It tends to be positive.

ROE: Values swung between -915 and 1496 and didn't stable. It tends to be negative and lower than -914.54.

P/E: Values swung between 2 and 39. Values didn't stable and tends to be positive.

HOTEL GROUP

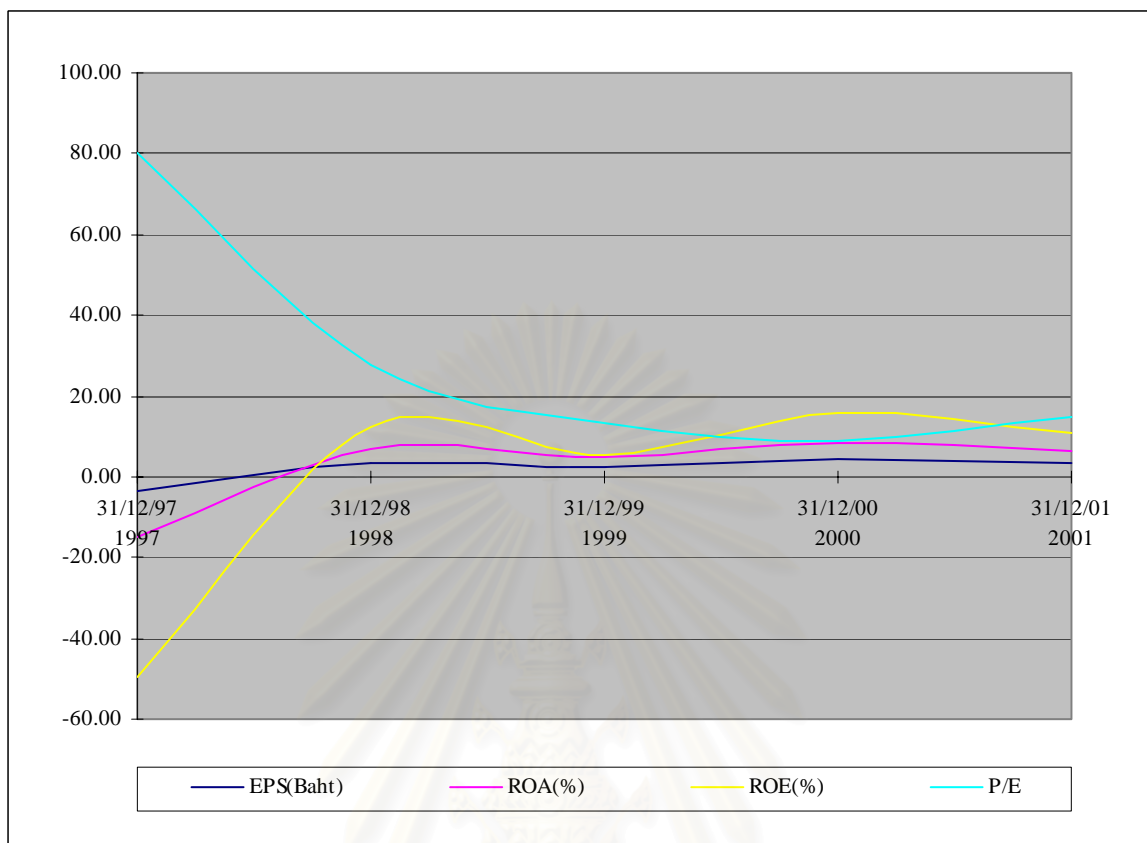


Figure 5.3.16: Profitability Ratios of HOTEL GROUP

EPS: Values swung between -4 and 5 and quite stabled. It tends to be positive in the future.

ROA: Values swung between -15 and 9 and quite stabled. It tends to be still positive.

ROE: Values swung between -50 and 16 and didn't stable. It tends to positive.

P/E: Values swung between 8 and 81. Values didn't stable and tends to be positive as in last five years.

INSUR GROUP

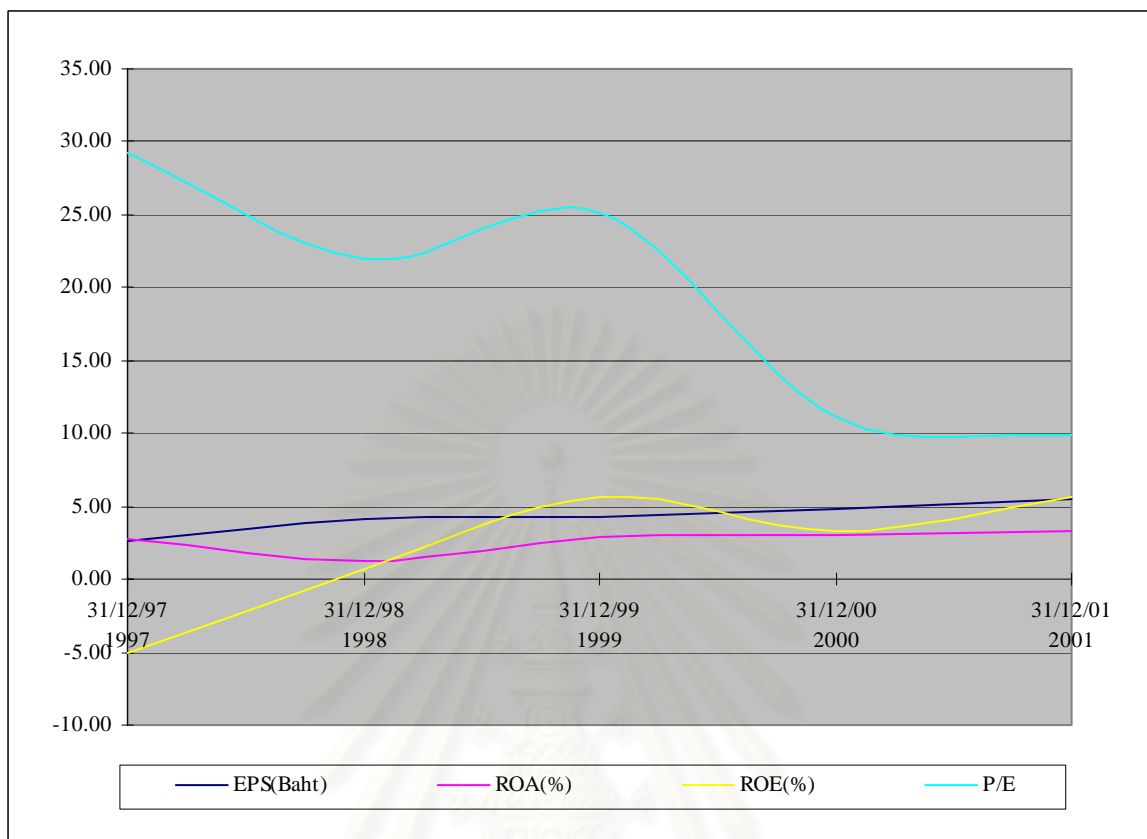


Figure 5.3.17: Profitability Ratios of INSURANCE GROUP

EPS: Values swung between 2 and 6 and quite stabled. It tends to be positive and higher than 5.50 in the future.

ROA: Values swung between 1 and 4 and quite stabled. It tends to be positive and higher than 3.36 in the future.

ROE: Values swung between -5 and 6 and quite stabled. It tends to be positive and higher than 5.70 in last year.

P/E: Values swung between 9 and 30. Values didn't stable and tends to be positive but lower than 9.

JEWEL GROUP

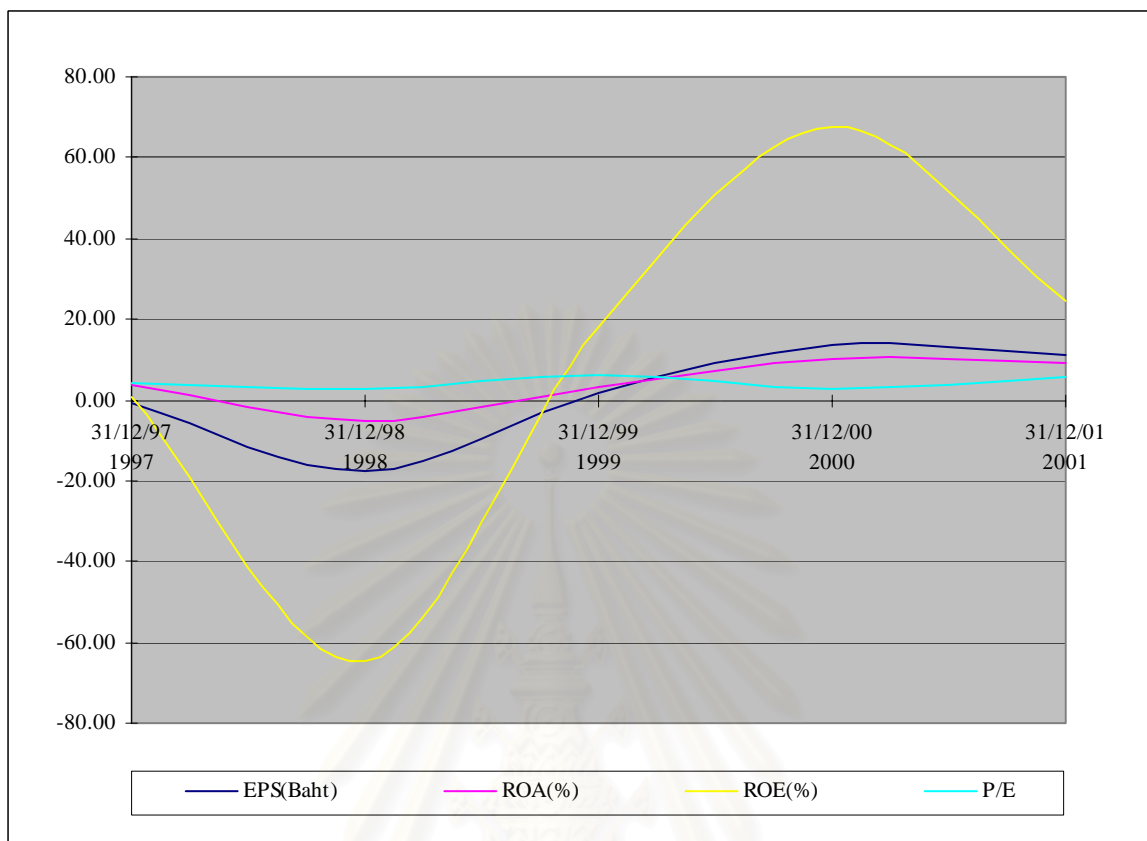


Figure 5.3.18: Profitability Ratios of JEWELRY GROUP

EPS: Values swung between -18 and 14 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -6 and 11 and didn't stable. It tends to be positive.

ROE: Values swung between -65 and 68 and didn't stable. It tends to be positive.

P/E: Values swung between 2 and 6. Values didn't stable and tends to be positive.

MACH GROUP

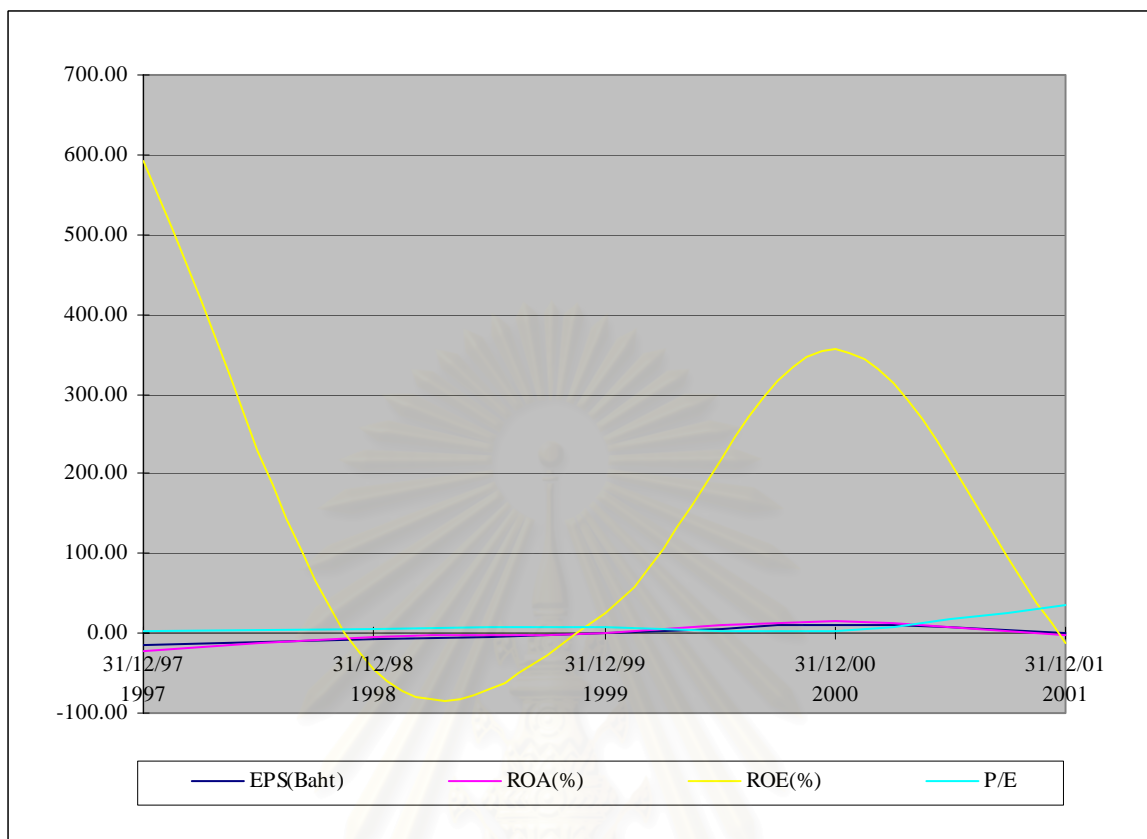


Figure 5.3.19: Profitability Ratios of MACHINERY GROUP

EPS: Values swung between -15 and 10 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -23 and 15 and didn't stable. It tends to be negative.

ROE: Values swung between -15 and 592 and didn't stable. It tends to negative.

P/E: Values swung between 2 and 37. Values didn't stable and tends to be positive.

MED-SIZE GROUP

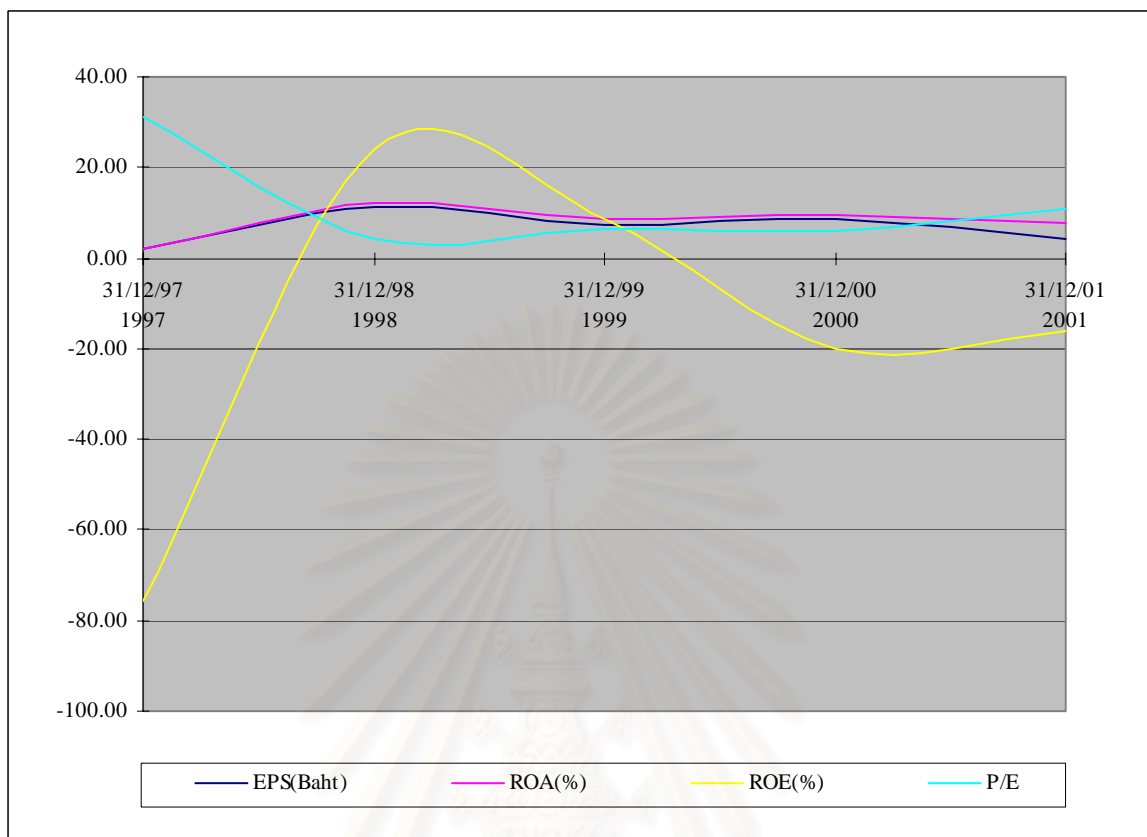


Figure 5.3.20: Profitability Ratios of MEDIUM-SIZE GROUP

EPS: Values swung between 2 and 12 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between 1 and 13 and didn't stable. It tends to be positive.

ROE: Values swung between -76 and 25 and didn't stable. It tends to be negative.

P/E: Values swung between 6 and 32. Values didn't stable and tends to be positive.

MINE GROUP

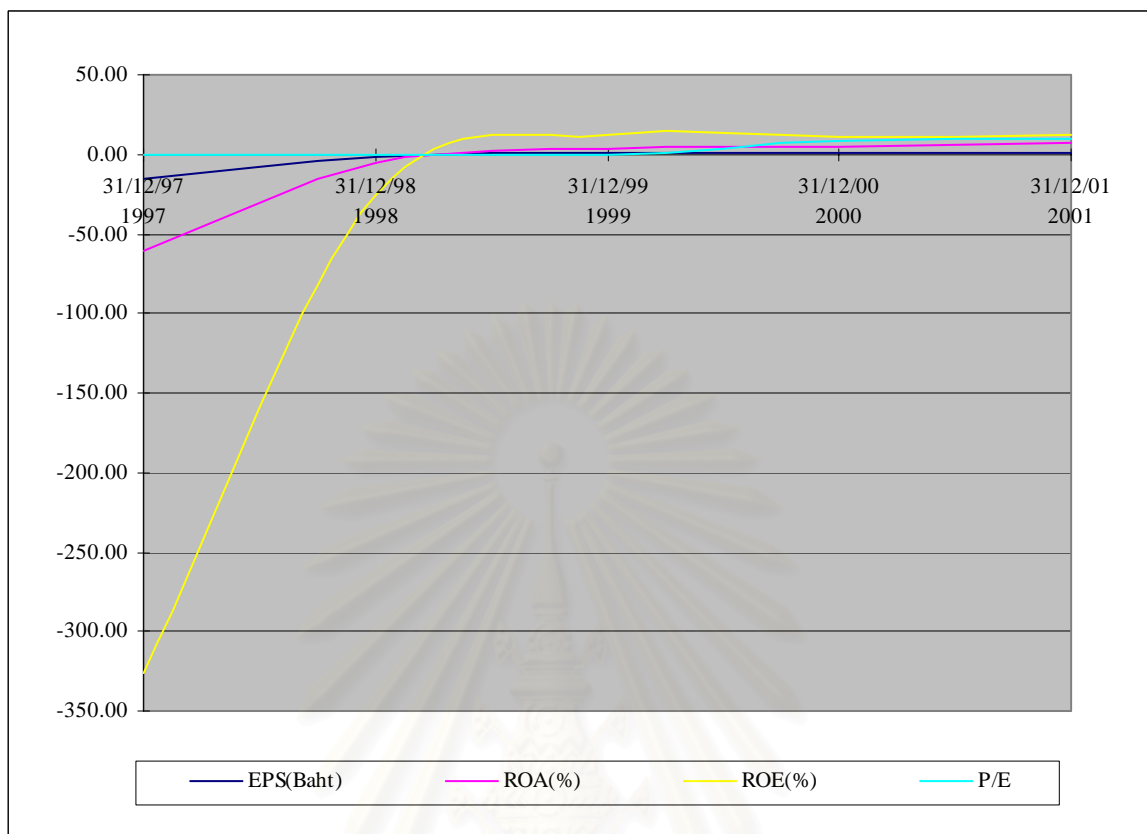


Figure 5.3.21: Profitability Ratios of MINING GROUP

EPS: Values swung between -16 and 2 and quite stabled. It tends to be positive and higher than 1.48 Baht in the future.

ROA: Values swung between -61 and 7 and quite stabled. It tends to be positive and higher than 6.86 %.

ROE: Values swung between -327 and 13 and quite stabled. It tends to be positive.

P/E: Values swung between 8 and 10. Values tends to be positive.

OTHERS GROUP

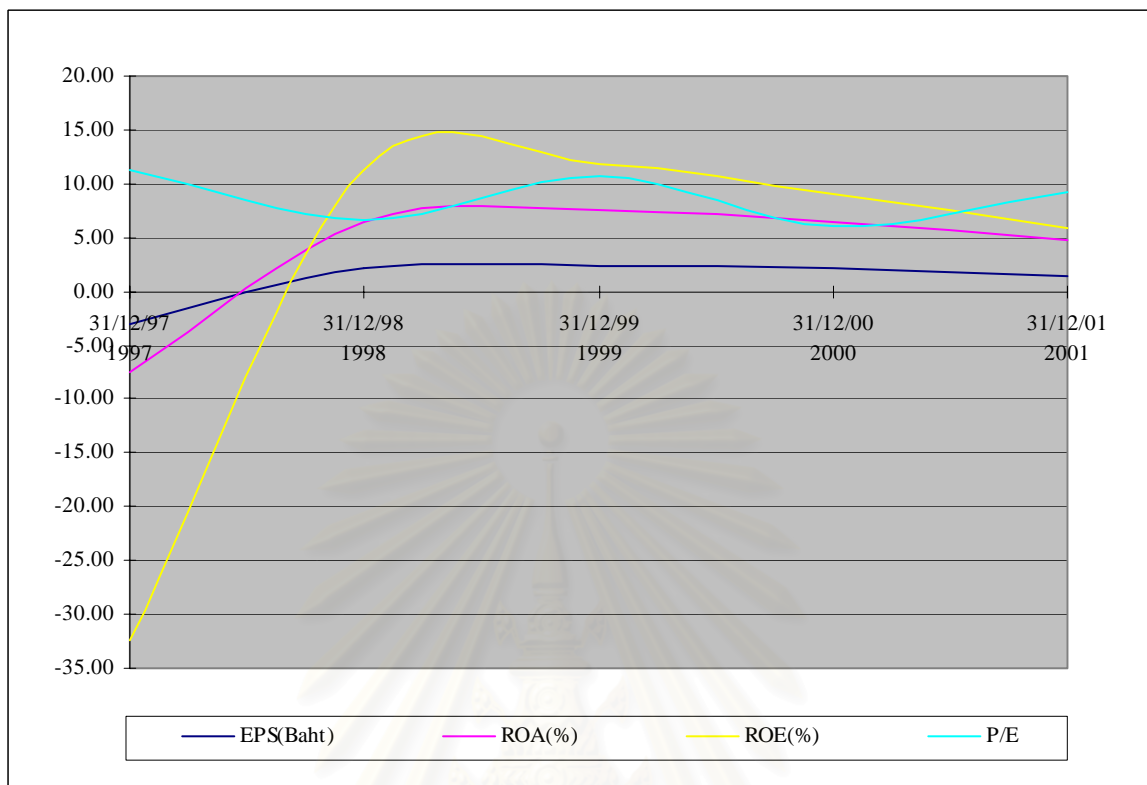


Figure 5.3.22: Profitability Ratios of OTHERS GROUP

EPS: Values swung between -3 and 3 and quite stabled. It tends to be negative or positive but lower than 1.41 Baht in the future.

ROA: Values swung between -8 and 8 and quite stabled. It tends to be positive but lower than 4.71%.

ROE: Values swung between -33 and 12 and quite stabled. It tends to be positive but lower than 5.86.

P/E: Values swung between 6 and 12. Values didn't stable and tends to be positive.

PHARM GROUP

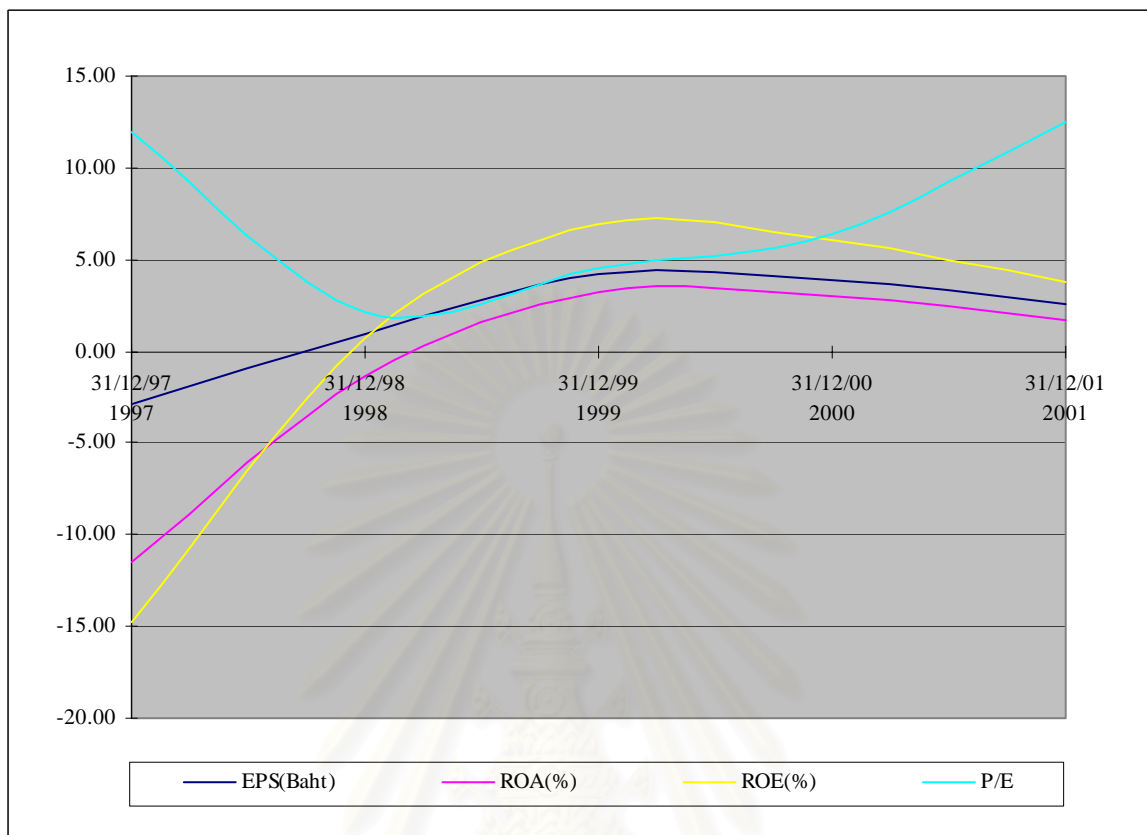


Figure 5.3.23: Profitability Ratios of PHARMACEUTICAL GROUP

EPS: Values swung between -3 and 5 and quite stabled. It tends to be positive but lower than 2.53 Baht in the future.

ROA: Values swung between -12 and 4 and quite stabled. It tends to be positive but lower than 1.75 % in the future.

ROE: Values swung between -15 and 7 and didn't stable. It tends to be positive but lower than 3.78 %.

P/E: Values swung between 2 and 13. Values didn't stable and tends to be positive and higher than 12.49.

PKG GROUP

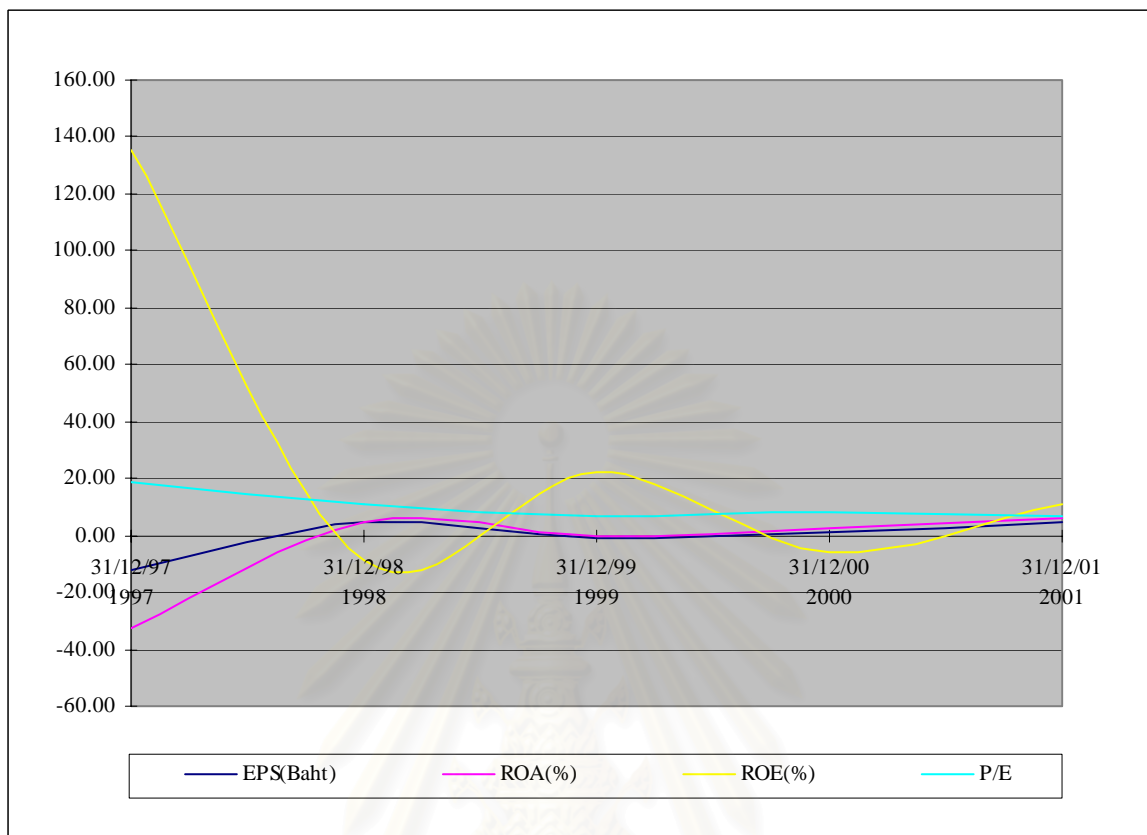


Figure 5.3.24: Profitability Ratios of PACKAGING GROUP

EPS: Values swung between -12 and 5 and didn't stable. However, it tends to be positive and higher than 4.53 Baht in the future.

ROA: Values swung between -33 and 7 and didn't stable. It tends to be positive and higher than 6.11 % in the future.

ROE: Values swung between -9 and 136 and didn't stable. It tends to be positive.

P/E: Values swung between 6 and 20 and quite stabled. It tends to be positive.

PRINT GROUP

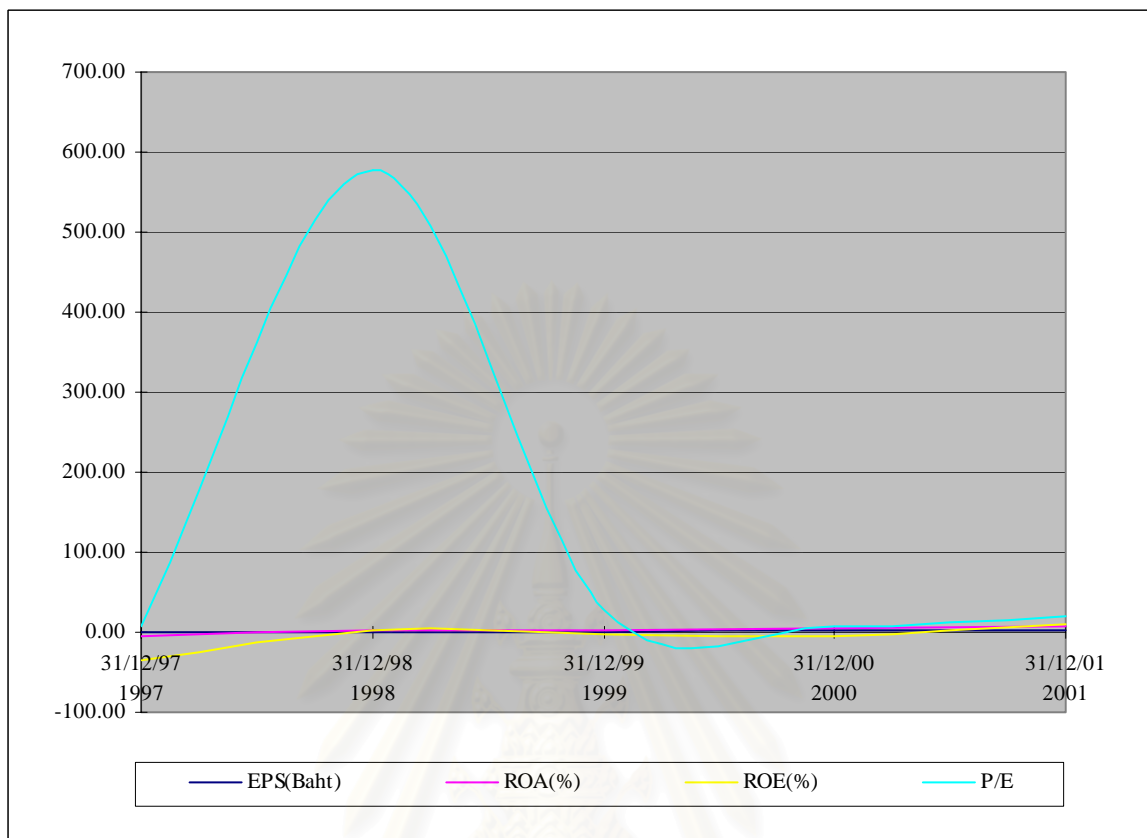


Figure 5.3.25: Profitability Ratios of PRINTING GROUP

EPS: Values swung between -1 and 3 and quite stabled. It tends to be positive and higher than 3.01 Baht in the future.

ROA: Values swung between -6 and 7 and didn't stable. It tends to be positive and higher than 6.60 % in the future.

ROE: Values swung between -36 and 11 and didn't stable. It tends to be positive.

P/E: Values swung between 8 and 578 and didn't stable. It tends to be positive.

PROF GROUP

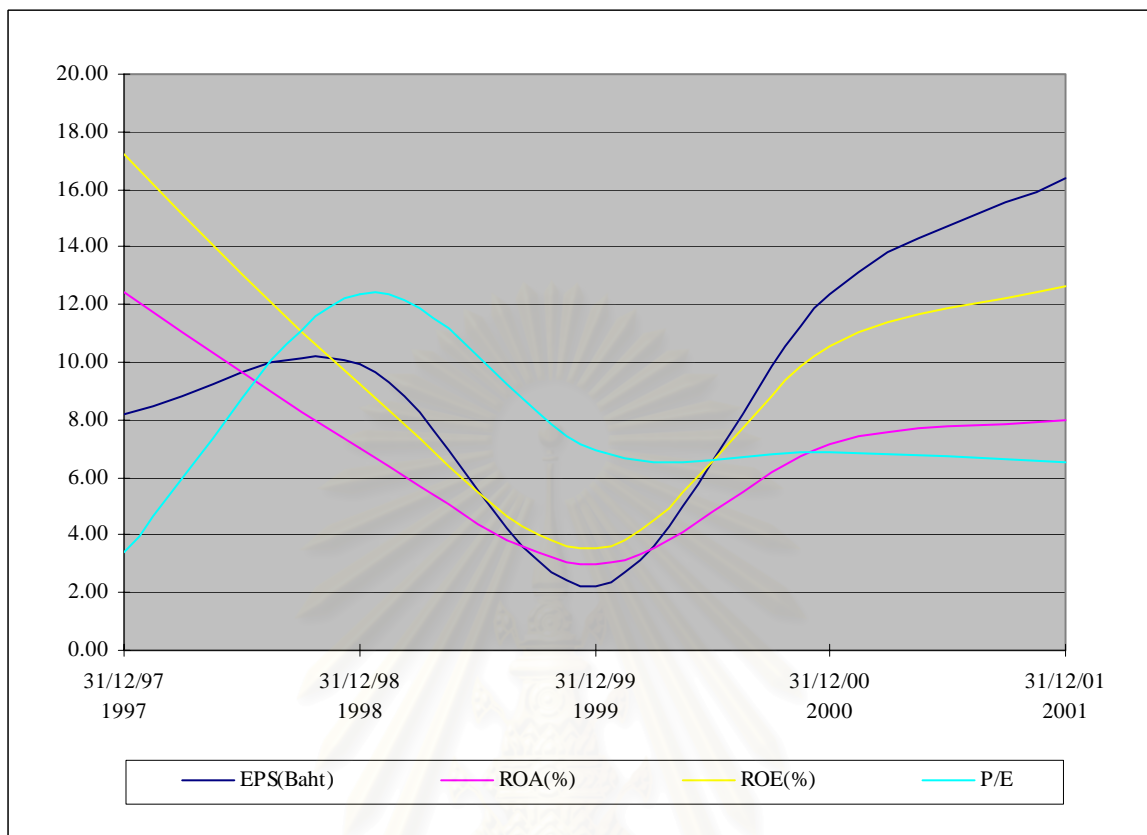


Figure 5.3.26: Profitability Ratios of PROF SERVICES GROUP

EPS: Values swung between 2 and 17 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between 3 and 13 and didn't stable. It tends to be positive and higher than 7.97 % in the future.

ROE: Values swung between 3 and 18 and didn't stable. It tends to be positive and higher than 12.63 % in the future.

P/E: Values swung between 3 and 13 and didn't stable. It tends to be positive.

PROP GROUP

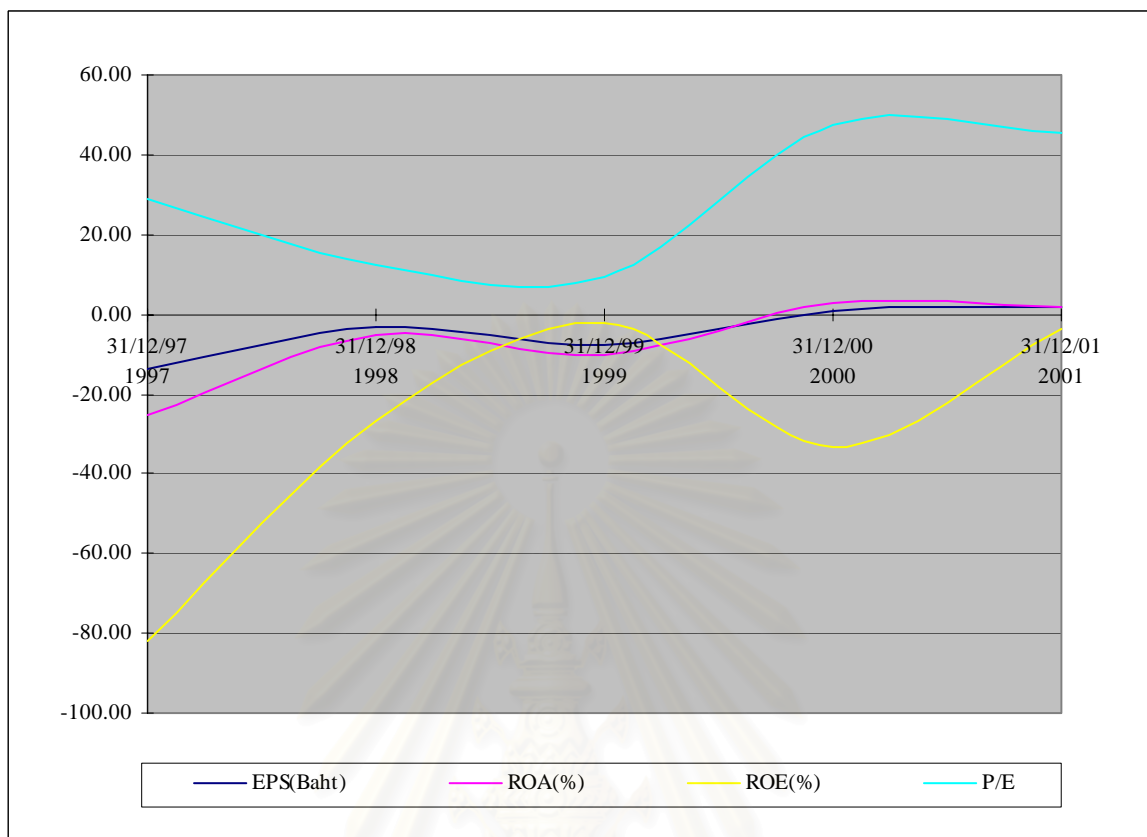


Figure 5.3.27: Profitability Ratios of PROPERTY GROUP

EPS: Values swung between -14 and 2 and didn't stable. However, it tends to be positive and higher than 1.59 Baht in the future.

ROA: Values swung between -26 and 3 and didn't stable. It tends to be negative in the future.

ROE: Values swung between -82 and -2 and didn't stable. It tends to be negative.

P/E: Values swung between 9 and 48 and quite stabled. It tends to be positive.

PULP GROUP

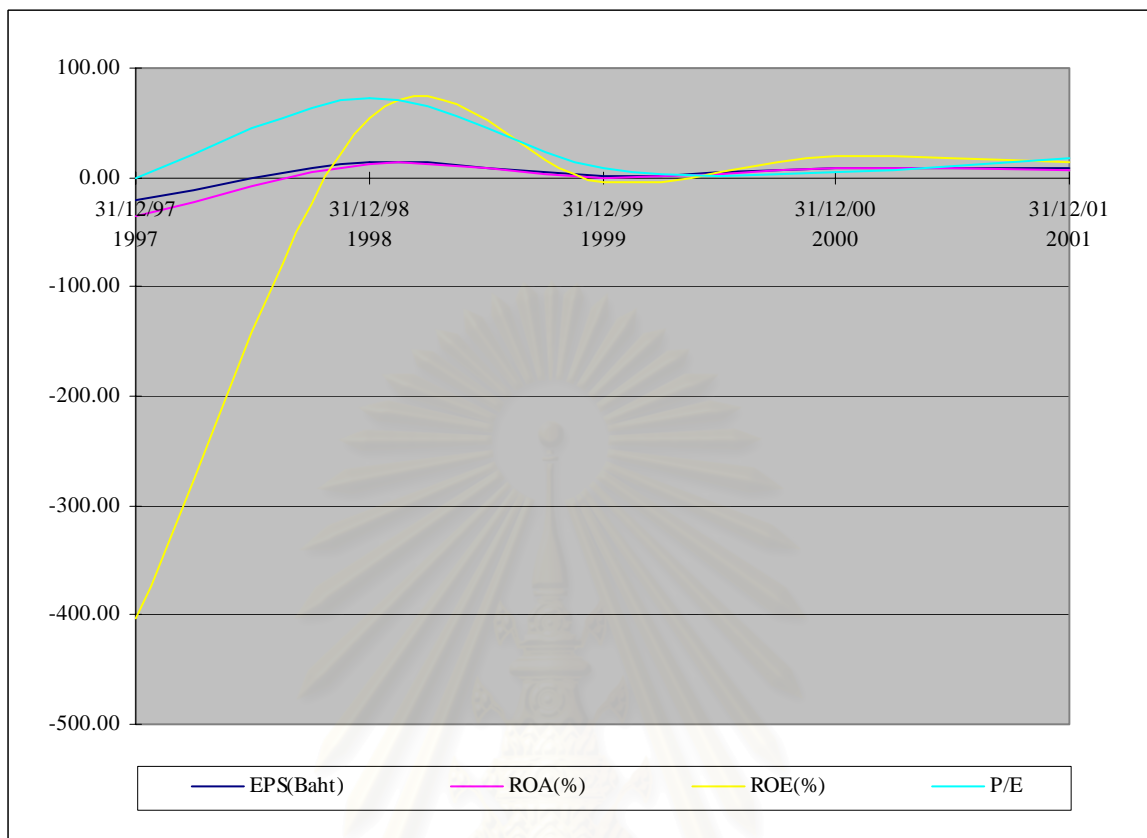


Figure 5.3.28: Profitability Ratios of PULP & PAPER GROUP

EPS: Values swung between -21 and 14 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -35 and 12 and didn't stable. It tends to be positive in the future.

ROE: Values swung between -403 and 19 and didn't stable. It tends to be positive in the future.

P/E: Values swung between 4 and 74 and didn't stable. It tends to be positive in the future.

REHABCO GROUP

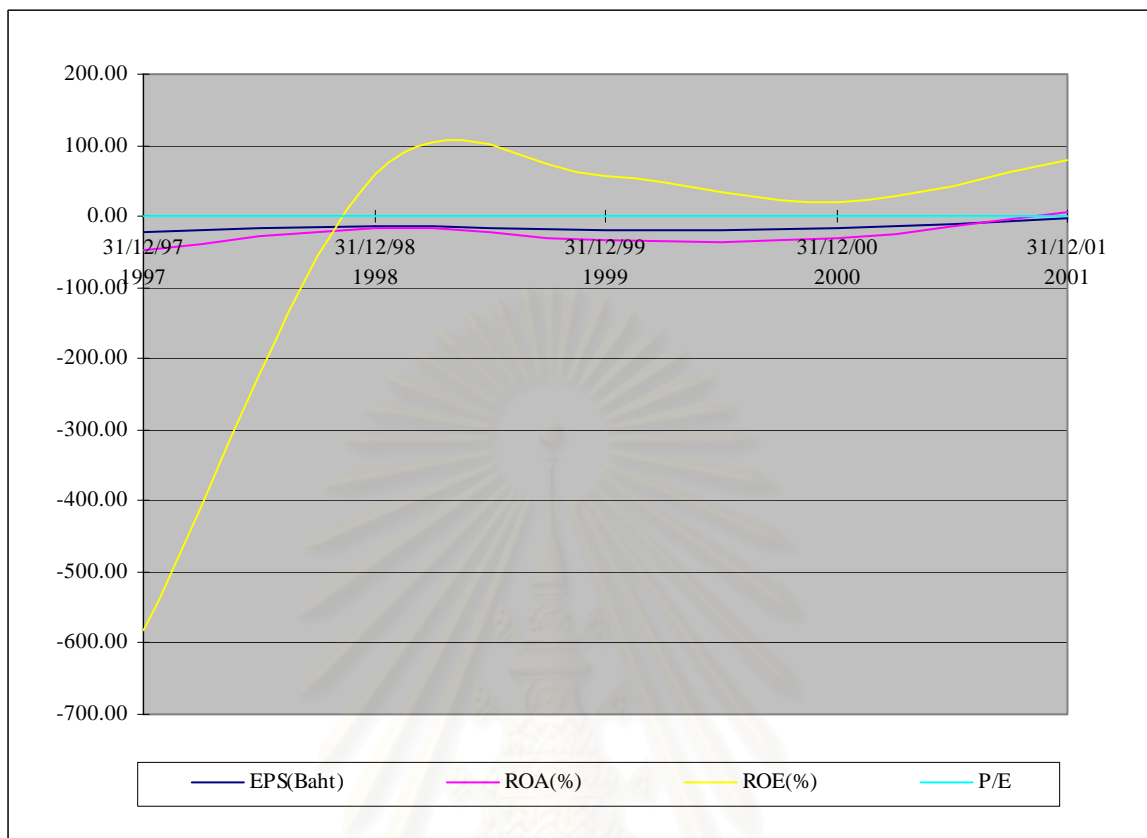


Figure 5.3.29: Profitability Ratios of REHABILITATION GROUP

EPS: Values swung between -22 and -2 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -47 and 6 and didn't stable. It tends to be positive in the future.

ROE: Values swung between -580 and 80 and didn't stable. It tends to be positive in the future.

P/E: Values swung between 0 and 2 and didn't stable. It tends to be positive and higher than 1.39 in the future.

SILO GROUP

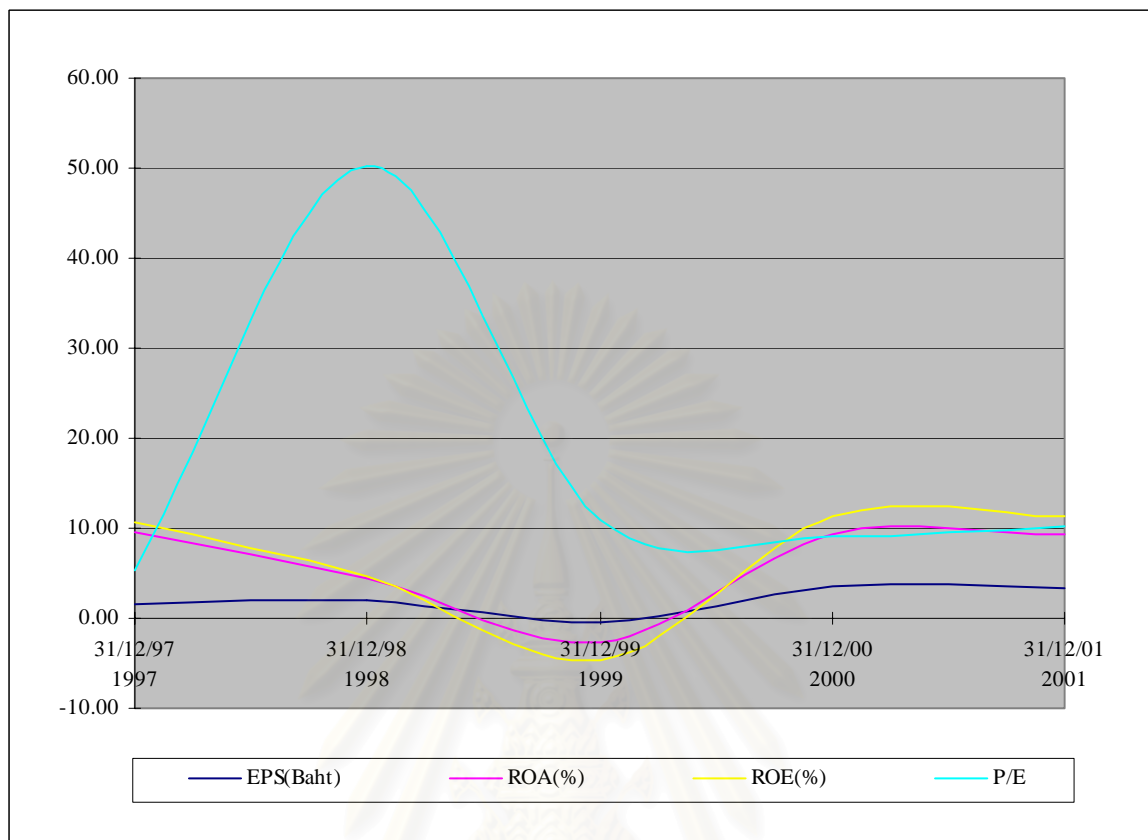


Figure 5.3.30: Profitability Ratios of SILO GROUP

EPS: Values swung between -1 and 4 and quite stable. It tends to be positive in the future.

ROA: Values swung between -3 and 10 and didn't stable. It tends to be positive in the future.

ROE: Values swung between -5 and 12 and didn't stable. It tends to be positive in the future.

P/E: Values swung between 5 and 50 and didn't stable. It tends to be positive in the future.

TEXT GROUP

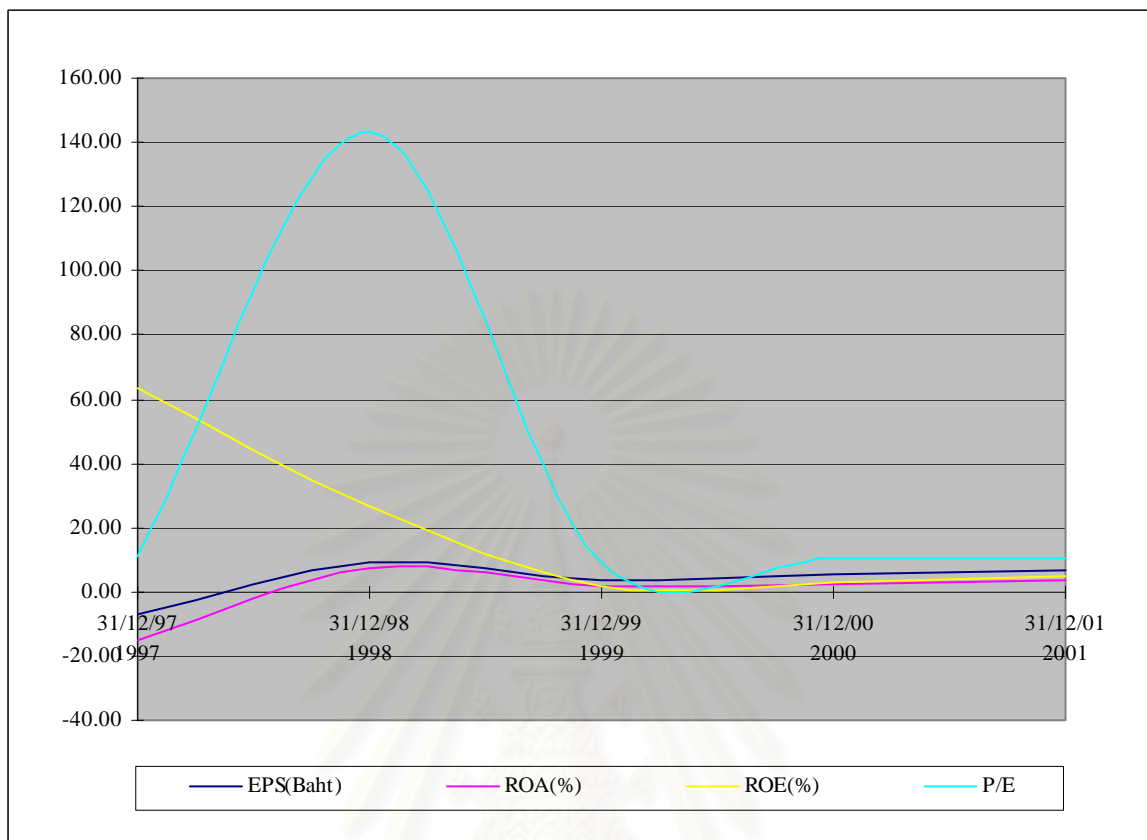


Figure 5.3.31: Profitability Ratios of TEXTILES GROUP

EPS: Values swung between -8 and 10 and didn't stable. However, it tends to be positive and higher than 6.62 Baht in the future.

ROA: Values swung between -15 and 8 and didn't stable. It tends to be positive in the future.

ROE: Values swung between 1 and 14 and didn't stable. It tends to be positive and higher than 5.10 % in the future.

P/E: Values swung between 9 and 143 and quite stabled in last three years. It tends to be positive in the future.

TRANS GROUP

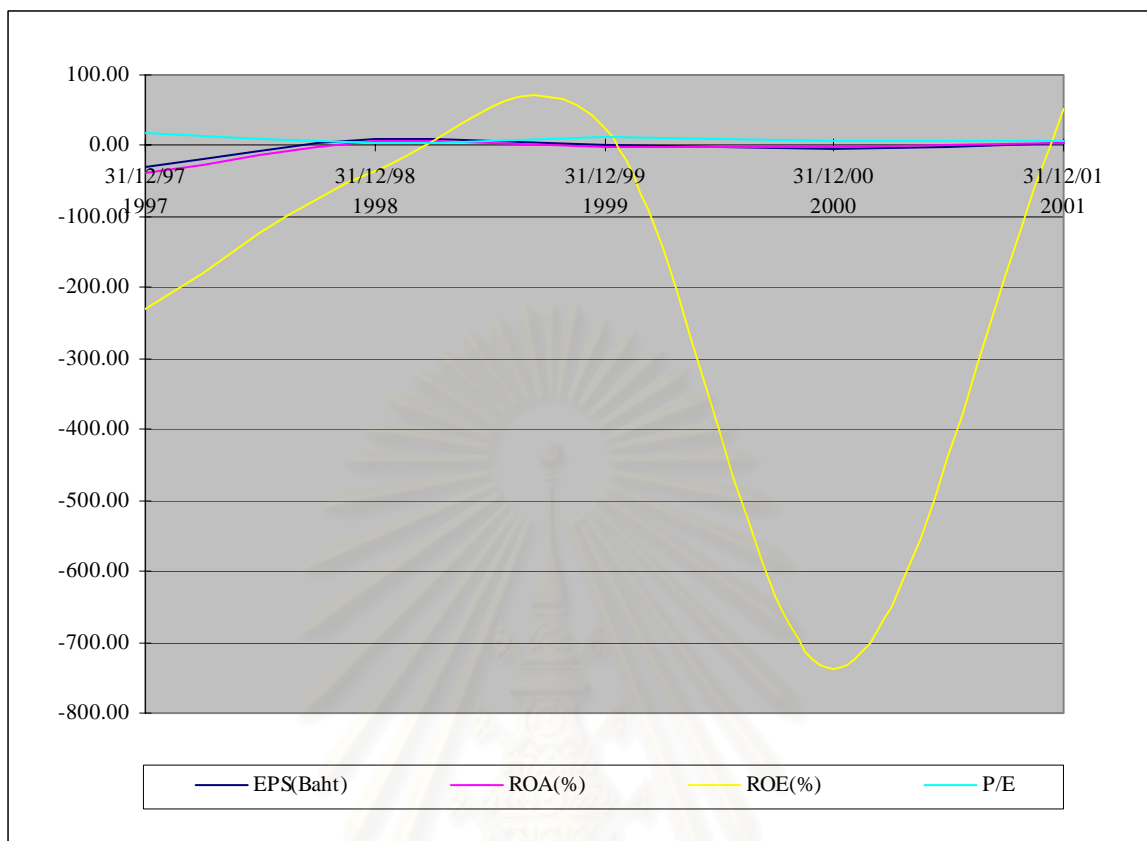


Figure 5.3.32: Profitability Ratios of TRANSPORTATION GROUP

EPS: Values swung between -29 and 9 and didn't stable. However, it tends to be positive in the future.

ROA: Values swung between -38 and 6 and didn't stable. It tends to be positive in the future.

ROE: Values swung between -737 and 53 and didn't stable. It tends to be positive in the future.

P/E: Values swung between 3 and 17 and didn't stable. It tends to be positive but lower than 6.22 in the future.

VEHIC GROUP

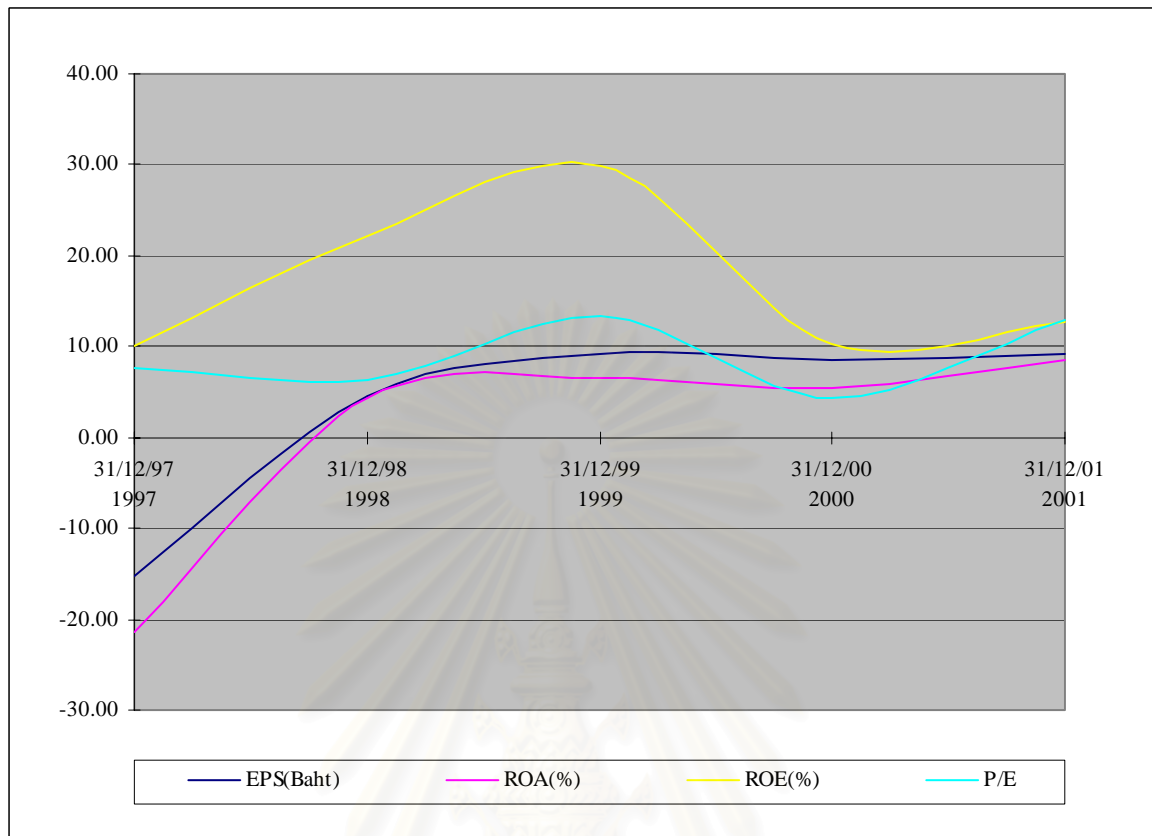


Figure 5.3.33: Profitability Ratios of VEHICLES GROUP

EPS: Values swung between -16 and 10 and didn't stable. However, it tends to be positive and higher than 9.22 Baht in the future.

ROA: Values swung between -22 and 8 and didn't stable. It tends to be positive in the future.

ROE: Values swung between 10 and 30 and didn't stable. It tends to be positive in the future.

P/E: Values swung between 4 and 14 and didn't stable. It tends to be positive in the future.

Etron: has quite good performance
Fin: has good performance
Food: has good performance but ROE is slightly bad
Helth: has good performance
Hhold: has good performance
Hi-Grow: has bad performance on ROE
Hotel: has good performance
Insur: has good performance
Jewel: has good performance
Mach: has bad performance on ROA and ROE
Med-Size: has bad performance on ROE
Mine: has good performance
Other: has good performance but EPS, ROA, and ROE tends to be lower
Pharm: has good performance but EPS, ROA, and ROE tends to be lower
Pkg: has good performance
Print: has good performance
Prof: has good performance
Prop: has bad performance on ROA and ROE
Pulp: has good performance
Rehabco: has good performance
Silo: has good performance
Text: has good performance
Trans: has good performance
Vehic: has good performance

From analyzing of average profitability ratios of companies in Stock Exchange Market of Thailand shown in Figure 5.3.34-5.3.37, it can be seen that;

1. **ROA** of most companies are high except in group of Agri, Bank, Comm, Comun, Enter, Hhold, Hi-grow, Hotel, Insur, Mine, Print, Prof, Prop, and Pulp are low, as in Figure 5.3.34.
2. **ROE** in most groups are high except in Agri, Bank, and Comm, as in Figure 5.3.35.
3. **P/E** of most companies are not over 5.00 but in some groups (Build, Chem, Hhold, and Mach) are above 15.00, as in Figure 5.3.36.
4. **EPS ratios** of most companies are high but in-group of Agri, Build, Comm, Elec, Food, Helth, Hotel, Insur, Med-size, Mine, and Rehabco are low, as in Figure 5.3.37.

This can be concluded that the companies in group of Agri, Bank, Chem, Comm, Enter, Hi-grow, Mach, Med-size, Prop had bad performance in doing business effectively to make profit and are potentially to be the target group for Mergers and Acquisitions. While the companies in group of Other and Pharm tend to have bad performance in doing business effectively to make profit.

M&A activity in Thailand in the future may increase due to many of companies in Stock Exchange Market of Thailand had bad performance in profitability so they can be potential targets for M&A deals.

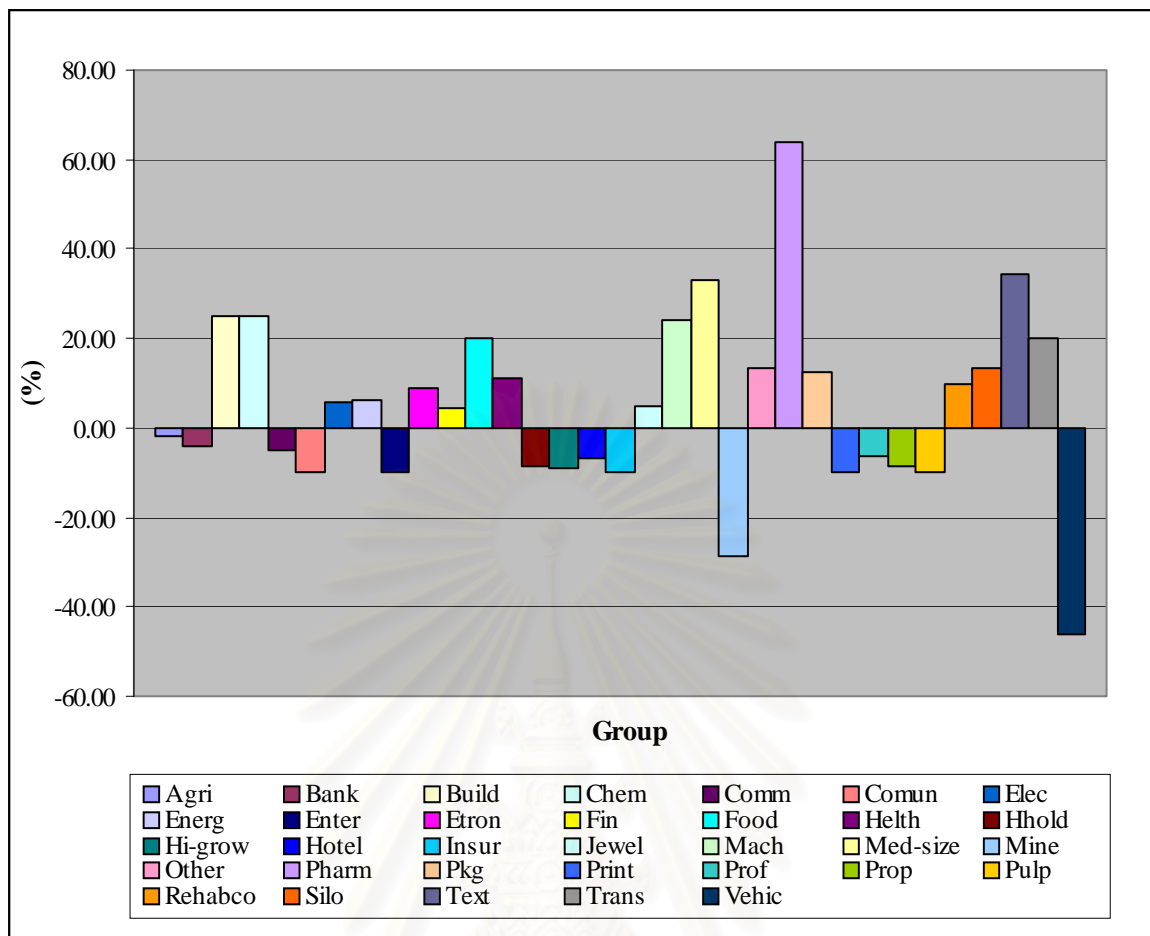


Figure 5.3.34: Average ROA of each group

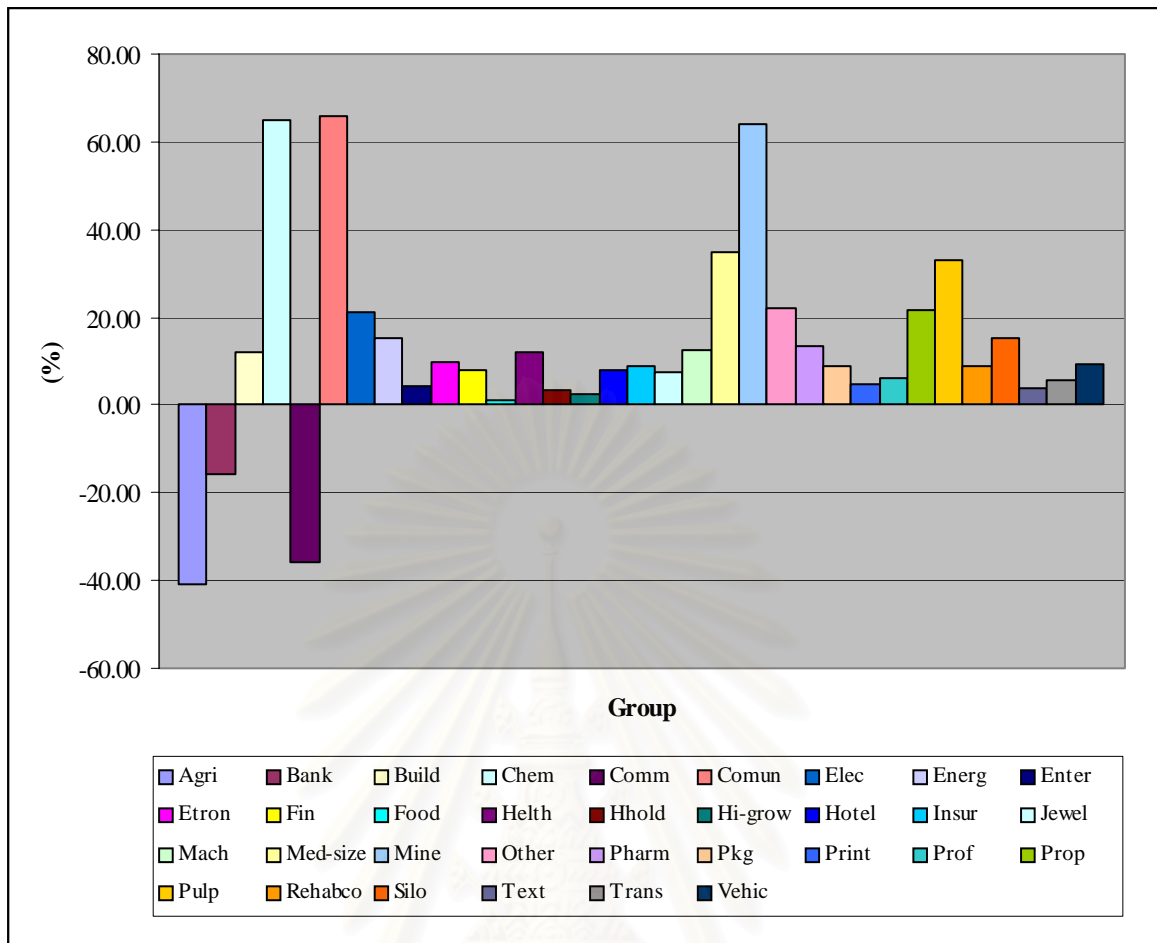


Figure 5.3.35: Average ROE of each group

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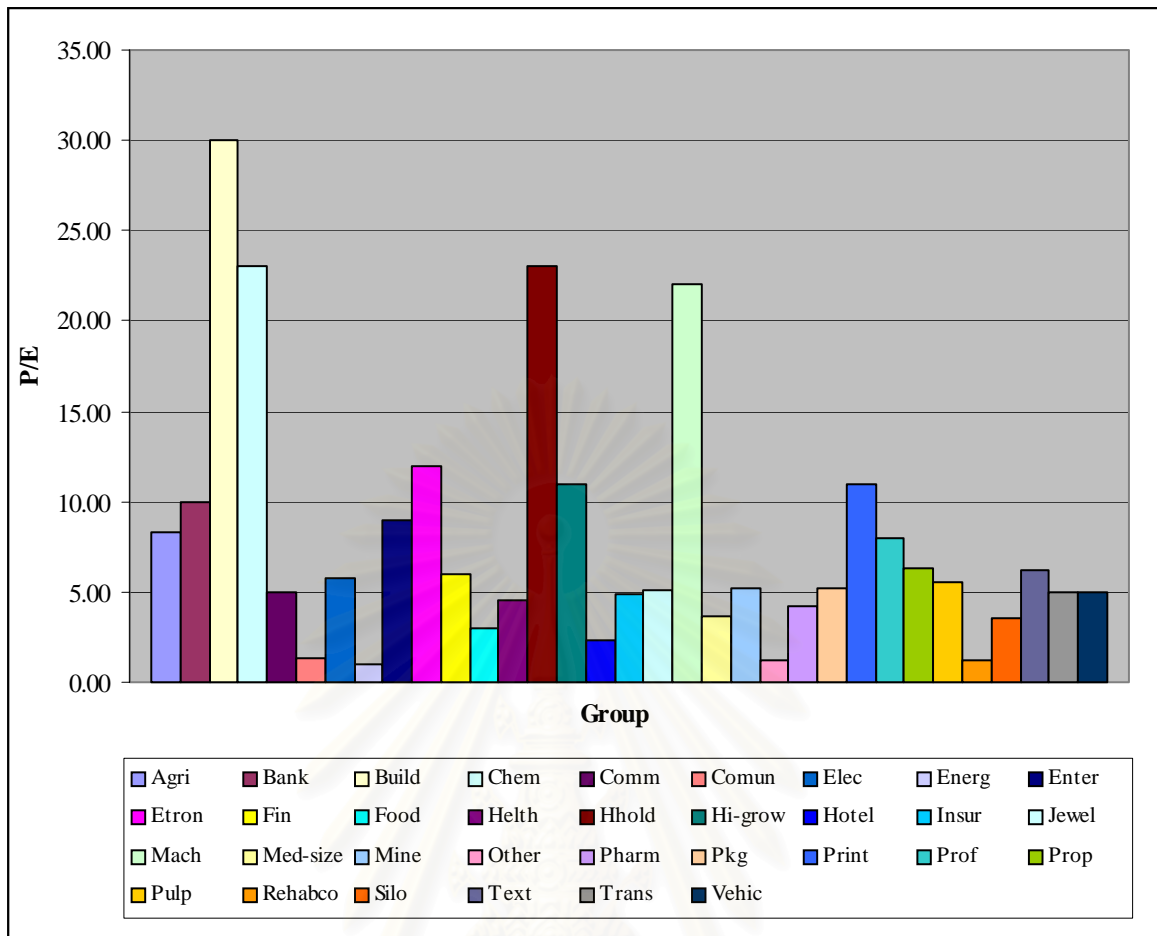


Figure 5.3.36: Average P/E of each group

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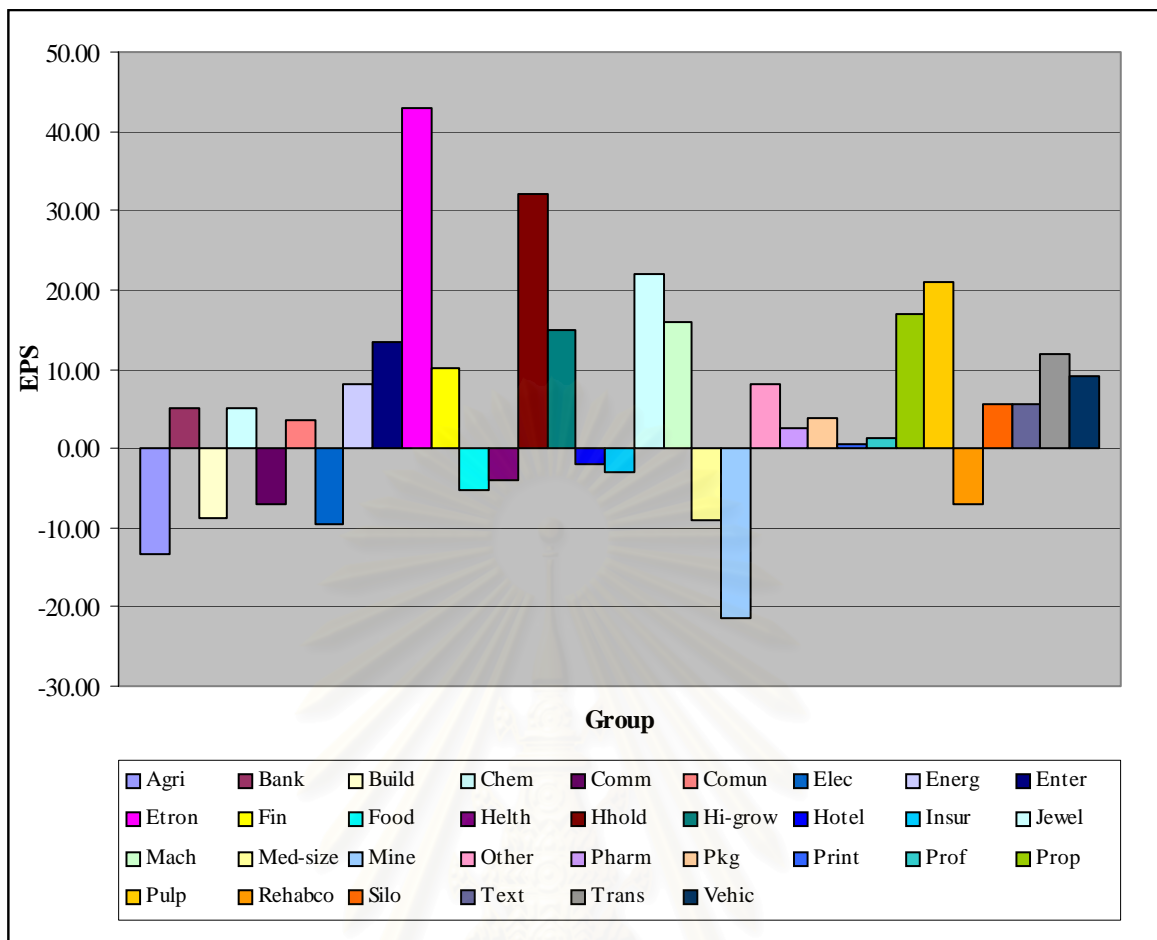


Figure 5.3.37: Average EPS of each group

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5.4 Analysis of International Transactions and Deal Making

In evaluating international business deals, foreign currency risks become an issue, but with the globalization of the financial markets, there is increasing ability for a strong company to borrow in local currency to do a deal in Japan, the United Kingdom, Germany, the United States, and Italy; even the former USSR and Eastern Europe are becoming real possibilities.

According to Jeffrey C. Hooke (1997), many multinationals have discovered it easier to raise capital (or debt) in foreign markets and have sought listings on the international exchanges. For example, there are currently around 520 foreign companies listed on the U.K. exchange including 43 of the top 100 U.S. industrial companies, and 9 of the 10 largest U.S. commercial banks.

Banking connections and relationships need to be developed globally, not just in one's corporate locale. By developing and nurturing these relationships, one obtains not only better access to potential merger partners, but also to the financing and financing skills necessary to fund the transaction.

5.4.1 Internal Transaction Climate Perspective

This section is intended to provide perspectives that can guide and direct preliminary evaluation of geographic areas that may hold interest for cross-border transactions.

United States

The U.S. deal process is finely honed and driven by financial players. Focus is on return on investment (ROI) or return on equity (ROE). Leveraged buy-outs, restructurings, or consolidation are normal business activities. Money tends to be plentiful, government and union involvement are very limited, and exposure risks of international currency and foreign cultures are minimum.

Asia

Asians are not a monolithic group. This is rather obvious, but what are the differences? In their language, customs, and religion, the Chinese and Koreans are as different as the Irish, Italians, or Eastern Europeans. Deal-making activity and the infrastructure to execute it are extremely limited today but will grow as the Asian firms become more attractive acquisition targets.

Japan

Japan's internal business culture is changing, not by leaps and bounds, but slowly and steadily as Japanese managers begin to see cross-border transactions as offering viable economic benefit. Most of the major Japanese banks have developed merger and acquisition (M&A) departments. They are designed primarily for cross-border transactions, as Japan recognizes the need for a global presence. The skills and analytical abilities that allow a Japanese company to make a friendly takeover bid in North America or Europe are going to be applied to the Japanese market in time. The head of Merrill Lynch Capital Markets in Japan, in a 1987 article in a Japanese merger and acquisition magazine, indicated that he thought a friendly takeover bid in Japan

would come within a year. Historically, Japanese acquisitions were done very privately and very quietly by one company taking over a financially distressed smaller company for the benefit of its employees. The Japanese Ministry of Finance has authorized a study by a university professor to determine the potential effects of mergers and acquisitions on the economy, on employment, and on cultural attitudes. An outcome may result in the government recognizing the potential benefits of acquisitions within Japanese business. The issue of limited acquisition potential in Japan exists today despite many well-publicized deals.

In Japan, 30 percent of the shares may effectively convey control. Culture and experience dictate that first you need to develop a relationship or an alliance with a company before you discuss acquisition, perhaps distribute products for them or work together on a joint venture or a coventure. Junzo Sawamura, Chief Manager, Capital Services Consulting Division, Mitsubishi Bank, has indicated that a U.S. company must be patient enough to spend at least six times as much time to acquire a business in Japan as it would in the United States or in Europe. Do most western multinationals have the patience to do this?

Notwithstanding considerable writing on the growth and flourishing of the mergers and acquisitions activity in Japan, and despite the optimism relating to its expansion, as of yet, little has happened. Kenji Suganoya, General Manager of Yamaichi's Corporate Planning Department, has indicated that, in the Japanese trading, "to sell a company in Japan is considered shameful in much the same way as (the failure that caused) an ancient war lord (to) kill himself for surrendering his castle or... a captain (to) choose to go down with his ship." In addition, the debt-equity ratio of Japanese companies averages about 80 percent despite considerable recent improvement, compared to only about 50 percent for American companies. Japanese companies, therefore, are more dependent on their banks. The banks become key investors and, in fact, are heavily involved in the company's decision-making process. Nevertheless, many Japanese bank merger and acquisition people believe the boom will hit Japan. Attitudes are changing and management is recognizing the desire for restructuring. But, for the time being, if one is going to acquire business in Japan, patience is the key operating world. The probability of acquiring control immediately is very low, especially as a foreign company.

Europe

After the United States, Europe has been the most active participant in cross-border transactions over the past few years. As U.S. companies recognized that a global perspective was critical for the expansion of their operations, Europe became a key target. The continued evolution of the European Economic Community (EEC) allowed U.S. cross-border transactions to participate in a Pan-European setting. The growth of multilanguage labeling and advertising through the sky-channel (satellite driven, multicountry, multilanguage TV) and other such multicultural devices allows companies to look at acquisitions in Europe on a broader base than country by country.

Though a cross-border transaction from the United States to Europe anticipates a more Pan-European business and marketing environment, it is very important to recognize that the United States of Europe does not exist. Countries and cultures in Europe are still very different from each other. Traditions and cultures will not change but will slowly evolve over time. Technical and legal barriers may be dropped between countries, but emotional, ethnic, and cultural barriers will remain for a considerable period of time.

The most important caveat in a cross-border transaction in Europe is to make sure that your company understands the cultures of the countries in which you are going to do business. Germany is not Italy. Italy is not France and neither relates directly to Spain or the United Kingdom in terms of business pace, business culture, and the modes of executing business transactions. For example, do not expect to do European business planning during the month of August when most of Southern Europe is closed. You will not change that culture.

Germany

Many German companies evolved postwar and are still run by entrepreneurs or their families. German banks are heavily involved and exercise a great deal of corporate direction and control. Acquisitions are both difficult and expensive.

Italy

Italy is probably the most entrepreneurial country in Europe. Companies grow and flourish despite the many changes in Italy governments. Business tends to be adventuresome, take risks, and explore new frontiers of fashion and creativity. Separating the entrepreneur from the company is very difficult.

France

France is evolving from a very insular country into one willing to tolerate foreign investment. Recent acquisitions by Henkel and others have set new patterns for the participation of significant foreign investment. The establishment of the right relationship and contacts in France through French intermediaries is absolutely critical to establishing a dialogue with a target company. It is important to understand potential government intervention in issue of redundancy and plant closings. Also, rights and privileges of the workers' council should be anticipated and accounted for.

Spain

With Spain's recent involvement in the EEC, acquisition activity has increased dramatically. In evaluating acquisitions in Spain, it is important to determine whether the Spanish entity to be acquired will remain competitive once the trade barriers have been dropped. Can one support the cost structure and the market share in a new business environment? Many Spanish companies may be available because the owners recognize a dramatic change in the business culture and climate. Study the market carefully and proceed cautiously in Spain.

United Kingdom

The United Kingdom has been most like the United States in terms of the process and structuring of deals. U.K. companies have been involved in significant restructurings over the past few years, which have also seen the privatization of major government corporations in automotive, aircraft, and similar industries. The financial infrastructure and the U.K. stock market support acquisition activity within the country. The government has supported major restructuring that results in viable economic business operations. The investment banking community is also more highly developed

in England than in other European countries. U.K. accounting practices related to goodwill (a charge against retained earnings rather than against net income as is the practice under U.S. GAAP (generally accepted accounting principles) have made U.K. companies very successful bidders in cross-border activities, especially in the U.S. market. At this writing, it is too soon to judge what change, if any, will result from policies of the new Labour government.

5.4.2 Benefits of International Transactions

Not only transaction were mentioned as alternative strategies by which to accomplish a corporate objective, they may be needed since most corporations, particularly global ones, cannot realize all of their growth by internal means. Most corporations do not have the experience, infrastructure, or resources to allow the simultaneous planting of a flag in a number of countries around the world. Hence, deals become a viable avenue for the execution of this strategy. It is critically important that companies recognize the increasing necessity of developing a global view of the world and global business strategies.

A cross-border transaction can bring the corporation a series of benefits:

- Identified ongoing business with *brand franchises*, *successful products*, and know *brand names*.
- New *distribution systems*, especially in parts of the world it is critical to have a complete infrastructure, including sales force.
- *Manufacturing facilities*, especially in transporting difficult or costly products where it is critical to have a facility near the customer.
- *New customers* in new markets.
- *New technology* by which to enter or serve an identified market.

5.4.3 Problems in International Transactions

Culture Shock

Be sure to understand the culture, the people, the country, and the business environment of the potential acquisition. The Japanese and the Chinese are very different, as are the Koreans and Taiwanese. The Germans and the French are as different as the Spaniards and the Norwegians. Differences in history, culture, business practices, and style will affect areas such as: approaching a target, the role of the intermediary, negotiating style, pricing practices, and willingness to allow significant precontract and preclosing due diligence. Understand the goals of the participant in the European Union, what has transpired to date, and how the history has and will affect the parties to the transaction. While the process of adaptation is ongoing, most European companies have made significant changes in how they go to market and manufacture products.

Management Distance

Des Moines, Iowa, is not Paris, France. They are apart, in distance and in culture. Thus, management must be comfortable handling an operation very far from its home base and understand that business practices in Paris are very different from those on Des Moines, in style, timing, and sophistication. Adds to these, the adverse impact of

time zone differences and one can readily understand why communications between the parties are more difficult than in a domestic transaction.

People Problems

Many countries have an additional player in people management: militant unions, workers' councils, and countrywide labor problems. Each of these may signify people-management issues different from those at home. It is important to understand these issues and to have a plan to manage their impact and account for their extra costs.

Lack of Local Business Knowledge

The more one knows, the more one knows how little one knows. Do not assume a knowledge of what appears to be a similar business in a foreign country. Having produced widgets for 50 years in Canberra does not assure the ability to understand widget production in Capetown or Cape Canaveral. Be sure, before closing a transaction, to truly understand the business in that country.

Poor Knowledge of Industry Geography

Many foreign transactions fail because one of the parties wrongly assumes that it knew the other party's country and industry. The average day's receivable in Industry X in Venezuela is 197 days, not 31 days as in the United States. Such circumstances have a major bearing on an investment cash flow and payback schedule.

5.5 Analysis of Manufacturing Business

The word *manufacturing* often conjures up the image of large factories with heavy machinery and hundreds of workers. In fact, though, manufacturing business run the gamut from a few employees making furniture in the owner's garage to huge automobile companies that produce cars and trucks in factories like the kind people generally imagine.

Manufacturers make products to sell to retailers or distributors. But many also "sell" the products they manufacture (like a restaurant that prepares ready-made meals for sale) or provide a service related to those products (like a jewelry maker who provides repair services).

According to Michell B. Stern (1998), three factors---that may or may not appeal to you--- are typical in a manufacturing business. For one thing, manufacturers usually have little contact with the consumers of their product. For another, productivity is easily measured. (The number of automobiles put out by a plant can be counted; in a service business, it is the skill and knowledge applied by the provider that is the "labor" itself.) And, finally, quality standards are easier to measure in manufacturing operations (in a service business, the level of quality is a matter of subjective judgement).

Small manufacturing business face many of the same problems that large firms face, such as inventory and quality control, personnel training, and equipment and site selection. If you plan to acquire a manufacturing business, you'll probably be dealing with issues more complex than those encountered in selling merchandise or providing a service.

Manufacturing businesses can be divided into three types:

□ **Job shops** involve short production runs where the job may be unique and production setups change constantly.

□ **Repetitive manufacturing**---what we typically think of as mass production---produces standardized products that are made over and over again.

□ **Batch manufacturing** is something of a hybrid of the first two types. Typically, the products produced will relate to each other and use similar production process, but there will be more variety than in repetitive manufacturing's assembly line operation.

Manufacturing's Advantages

1. **Profitability.** If the business has good logistic systems in place (for plant, labor, transportation, etc.), manufacturing can be more profitable and efficient these days than ever before.
2. **Technology.** Manufacturing businesses are taking steps (as are wholesalers and retailers) to keep inventory levels down. Commercial buying (for wholesale or retail distribution) as well as home shopping and consumer buying on the Internet are becoming increasingly popular. The need to warehouse inventory on a long-term basis is disappearing. This shrinking of the need to maintain large factories and warehousing centers has lowered dramatically the size of the investment needed to get into manufacturing.
3. **Lender friendliness.** Like wholesale and retail business, manufacturing typically provides greater financing options because there are hard assets that can be pledged as collateral for a business loan.

Manufacturing's Disadvantages

1. **Volatility.** Businesses are becoming more and more specialized. As products and markets shift, so, too, can the viability of manufacturing equipment, facilities, and processes. Also, as with retail businesses, products can become obsolete and markets for them can disappear.
2. **Reliance on labor.** Traditionally, manufacturing businesses have always relied heavily on the availability of cheap labor. In fact, we've already seen an increased shift to off-site production in remote areas where cheap labor exists. But this can be risky: Businesses using traditional sources of cheap labor---workers in less developed countries---may be castigated for sweatshop conditions in those factories; in addition, these days Americans are being urged to "buy American."
3. **Environmental concerns.** The public is showing a growing sensitivity to the effect of manufacturing on our environment. Increased regulation of manufacturing practices has been creating roadblocks for many established manufacturers.

Manufacturing Locations

The primary concerns for manufacturers are the amount of space; access to markets and raw materials; proximity to labor supply; zoning restrictions; adequacy and availability of utilities; and reasonableness of local property tax assessment policies, including the availability of property tax relief.

In evaluating a manufacturing site, look for ease of access to its markets and to the raw materials it needs. If the business deals in heavy merchandise or uses large materials (such as lumber), you'll want easy access to a railroad or road, and the plant facility should have a loading dock. If, on the other hand, the business engages in light manufacturing such as jewelry, sunglasses, or cups, all of which can be shipped by common carrier, the facility need not be quite so elaborate.

5.6 Analysis of Strategic Objectives and Potential Sources of Synergy

After the financial objectives underlying M&As have been examined, it is important to focus on strategy. Various strategies represent different potential sources of synergies and the opportunity to realize value.

Even if it may take 10 years to realize the benefits of a strategy, an attempt must be made to quantify and capture it. Although DCF models are as much art as they are science, they do force managers to articulate their assumptions about industry and organizational factors that drive cashflows and earnings.

According to David M. Schweiger (2002), a number of strategic objectives drive a deal as illustrated below. Each has the potential to deliver certain synergies. These are key to creating value---of course, depending upon the price paid.

SOURCES OF SYNERGY

There are basically four sources of synergy: cost, revenue, market power, and intangibles.

Cost of Synergies

Reducing costs is one clear way to increase earnings and cashflows. There are two types of cost synergies:

1. Fixed-cost reduction
2. Variable-cost reduction

Fixed-cost reduction is often associated with economies of scope and scale and productivity. It is also associated with reducing general, administrative, and sale expenses through headquarters and support function consolidation; gaining economies of scale in operations, sales force, and distribution optimization; and reducing transaction costs in the supply chain. **Variable-cost reduction** is associated with increased purchasing power and productivity. Both forms of cost reduction often come with the physical consolidation of activities between the combining companies. The synergies that can be accrued here depend very much on the nature of the cost structure of the business model being employed by an acquirer.

Cost synergies are present in almost every M&A. They have been central elements behind deals transacted in the banking, pharmaceutical, automobile, airline, and security monitoring industries.

Revenue Synergies

Typically, revenue synergies are associated with cross-selling products or services through complementary (i.e., nonoverlapping) sales organizations or distribution channels that serve different geographic regions, customer groups, or technologies. A key assumption underlying this source is that complementary markets desire the same products and services.

In addition, revenue synergies can be derived from broadening a company's products and services to provide needed bundling or a more complete offering. Critical to this synergy is to leverage complementarity without adding additional costs. This includes:

1. Increased sales productivity by selling more volume with the same number of or fewer salespeople (this may also create cost synergies)
2. Cross-selling products through complementary sales organizations and distribution channels.
3. Reducing fixed new-product development costs by utilizing complementary products (i.e., reducing the per unit cost of each product or service through increased volume)

Of course, revenue synergies assume that sales and distribution channels are capable and motivated to sell complementary products. This, however, is not always the case.

Market Power Synergies

This type of synergy results from the elimination of competitors and capacity from a market. This synergy has been a critical element in many mature market consolidations where there is overcapacity. It allows an acquirer to maintain or increase prices in the market, thereby improving margins.

Intangible Synergies

Intangibles include brand name extensions and the sharing of knowledge and know-how. Rarely do they accrue through the physical consolidation of activities. They rely on the ability to transfer the intangible capacities of one firm to the other.

ASPECTS OF INTEGRATION

All too often integration is viewed as a simple concept that implies two organizations are either integrated or left autonomous. In practice the term *integration* is not that simple. In practice the term "*integration*" is not that simple. It has different meanings, and therefore different implications for how two firms might be combined. There are four primary dimensions of integration. These are:

1. **Consolidation.** The extent to which the separate functions and activities of both the acquirer and the target firms are physically consolidated into one.
2. **Standardization.** The extent to which the separate functions and activities of both firms are standardized and formalized, but not physically consolidated (e.g., separate operations may be maintained, but the operations are made identical). This is typical when acquirers formally transfer best practices across firms.
3. **Coordination.** The extent to which the functions and activities of both firms are coordinated (e.g., one firm's products are sold through the other firm's distribution channels).
4. **Intervention.** The extent to which interventions are made in the acquired firm to turn around poor operating profits and cashflow, regardless of any inherent sources of synergy value (e.g., change management, drop unprofitable products).

STRATEGIC OBJECTIVES, SYNERGIES, AND INTEGRATION: PUTTING IT TOGETHER

Based on discussion above, it is important to understand how the strategic objectives driving a merger or an acquisition are related to the achievement of synergies and thus the different dimensions of integration. Simply put, different strategies result in different sets of potential synergies and require different dimensions of integration. Presented below are a series of strategic objectives and the synergies underlying them. Also discussed are some of the integration implications associated with achieving these synergies. It is important to note that an acquirer may be seeking multiple strategies and synergies in a particular merger or acquisition.

Consolidate Market within a Geographic Area

When this objective is employed, the basic goal is to acquire competitors in the same geographic market. Depending upon the nature of the market, it may include a region within a country, a country itself, a continent, or the globe.

The potential sources of synergy in this strategic objective thus include:

- Lower variable costs of raw materials through increased purchasing power
- Lower fixed costs through the elimination of redundant functions. e.g., corporate staff, information technology, sales staff
- Lower fixed costs through better utilization of fixed assets, i.e., economies of scale
- Higher prices through elimination of capacity from the marketplace
- Economies of scope in the sales organization through sharing of products and services developed by each organization

Market consolidation requires high levels of organizational consolidation, standardization, and coordination.

This means that:

- Most, if not all, organizational functions and activities will be consolidated and standardized.
- High levels of redundancy of management and employees exist, and reduction in force will likely take place at all organizational levels. Retention of key people in nonconsolidated areas, or highly competent people in general, may be important.
- Differences in organizational culture, identity, and management practices between the acquirer and the target will have to be resolved.
- Differences in strategy, policies, operations, brand names, etc., will have to be resolved.

Extend or Add Products, Services, and Technologies

Typically, opportunities exist to increase competitive capabilities in the marketplace by acquiring new products and services, skills and technology, and access to complementary distribution (if products or services utilize different distribution channels).

This strategy has been a primary driver of many companies in telecommunications equipment manufacturing. In industries where numerous start-up firms are developing new technologies, acquisition is often a relied-upon vehicle utilized

by larger players in the market. Where companies are seeking bundling (i.e., providing a full range of products and services to customers), acquisition remains an important tool.

This strategy has also been employed by many consumer goods companies that have sought to round out their product offerings and by pharmaceutical companies that have attempted to improve their pipeline of new products.

The potential sources of synergy in this strategic objective thus include:

- Lower variable costs through increased purchasing power, where acquired products and services utilize the same basic raw materials
- Lower fixed costs through elimination of redundant functions, e.g., corporate staff, human resources, and information technology
- Lower fixed costs through better utilization of fixed assets (i.e., economies of scale) where products share basic platforms
- Lower fixed costs through better utilization of fixed investments such as advertising and brand development, i.e., economies of scope
- Increased revenue through sharing of products and services developed by each organization
- Increased market share (i.e., volume and revenue) by providing a more competitive lineup of products and services

Extension requires moderate levels of organizational consolidation and standardization and high levels of coordination.

This means that:

- Some functions and activities, especially with respect to general and administrative overhead (e.g., MIS, accounting, human resources, and sales), may be consolidated and standardized. Operations may be consolidated and standardized depending upon the extent to which new products and services can be provided within the existing operating infrastructure.
- Redundancy of management and employees and reduction in force will likely take place in those areas being consolidated. Retention of key people in nonconsolidated areas, or highly competent people in general, is important. This may especially be the case where the value of the target is largely tied up in intangible assets such as people.
- High levels of coordination may be required across organizations and sales forces if cross-selling is required.
- Differences in organizational culture, identity, and management practices between the acquirer and the target will have to be resolved.
- Differences in strategy, policies, operations, brand names, etc., will have to be resolved.

Enter a New Geographic Market

In this case, the objective is to extend the business into geographic areas where the firm has had no presence. Typically, this objective is employed by firms that are rolling up a fragmented industry and by firms that are taking advantage of market deregulation and liberalization.

In roll-up the market is highly fragmented and characterized by numerous small firms with very small market shares. Usually, one or several firms see an opportunity to grow revenues and profitability. Often roll-ups begin by consolidation within a geographic area and then by geographic extension.

Market deregulation and liberalization have influenced numerous industries. Essentially the regulatory changes have opened previously closed market.

The potential sources of synergy in this strategic objective thus include:

Lower variable costs through increased purchasing power, where acquired products and services utilize the same basic raw materials. This will now be accomplished on a larger geographic scope than before.

Lower fixed costs through the elimination of redundant functions, e.g., corporate staff, human resources, and information technology.

Lower fixed costs through better utilization of fixed investments such as advertising and brand development over a broader geographic scope.

Increased revenue through sharing of products and services developed by each organization.

Increased sales volume through geographic expansion.

Increased competitiveness by being better able to serve customers with needs for broader geographic coverage.

Market entry requires low levels of organizational consolidation where there is little geographic overlap, but may require high levels of standardization and coordination. This, however, is dependent upon the extent to which the firms can take advantage of doing things the same way across geographic markets. If each market is relatively independent due to strong pressures for localization, there may be few if any opportunities for synergies. If markets are interconnected in some fashion, synergistic opportunities increase dramatically. Certainly standard products across markets would lead to significant efficiencies in new-product development and operations, as well as development of a standard for a best practice.

This means that:

Very few functions and activities will be consolidated. Some aspects of general and administrative overhead (e.g., MIS, accounting, human resources, sales) may be consolidated and standardized.

Operations will not be consolidated, depending upon the economics of the business. They may, however, be standardized to the extent that one basic approach (e.g., best practice) for providing the product or service across all markets makes sense.

High levels of consolidation and standardization within new markets (e.g., as in market consolidation) may take place if geographic entry is the first step in a regional market concentration strategy.

Redundancy of management and employees and reduction in force will likely take place in those areas being consolidated. Retention of key people in nonconsolidated areas, or highly competent people in general, may be important. In geographic expansion, retention of people is important in nonredundant areas since acquirers neither have the internal talents available to staff the new operation nor have “deep knowledge” of the local area.

High levels of coordination may be required across organizations and sales forces if cross-selling is required.

Differences in organizational culture, identity, and management practices between the acquirer and the target will have to be resolved unless each geographic area is different.

Differences in strategy, policies, operations, brand names, etc., will have to be resolved, depending upon the degree of standardization.

Vertically Integrate

In this case, the objective is to enter into either sources of supply or distribution. Such moves are made to increase value added into the business or gain control over more aspects of the business. Vertical integration requires very low levels of organizational consolidation and standardization but high levels of coordination.

The potential sources of synergy in this strategic objective thus include:

Lower variable costs of raw materials through control over raw materials and value added retained within the new company. Accounting for the costs will depend on the transfer pricing agreements established within the new company.

Lower overall costs through improved product development and manufacturing interfaces.

Lower fixed costs through the elimination of redundant functions, e.g., corporate staff, information technology, sales staff. Costs associated with managing the new vertical relationship internally will replace costs of managing the external relationship (e.g., purchasing function).

This means that:

No functions and activities will be consolidated, with the exception of cash management, treasury functions, and financial statements. Moreover, the senior management of the target will likely report into the acquirer's structure.

Operations will be neither consolidated nor standardized.

Key interrelationships will be established, as the new acquisition will support existing parts of the business.

Redundancy of management and employees and reduction in force are not likely although some key people in the target may leave or be replaced. Retention of key people is important.

Differences in organizational culture, identity, and management practices between the acquirer and the target will not be an issue unless there are certain aspects of the target firm the acquirer cannot live with.

Differences in strategy and brand names will have to be resolved.

Enter a New Line of Business

In this case, the objective is to enter businesses where the acquirer has little or no previous experience. Typically, opportunities exist to grow revenues, add distribution, add new products and services, acquire new technologies, and acquire new management talent with different perspectives.

The potential sources of synergy in this strategic objective thus include:

Lower fixed costs through the elimination of a few redundant functions, e.g., corporate staff, information technology, sales staff

Lower cost of capital for a combined firm by reducing firm risk through diversification

Intangibles such as a broader pool of available management talent and business know-how

This means that:

No functions or activities will be consolidated, with the exception of cash management, treasury functions, and financial statements. Typically, the acquired company will:

1. Either operate as a division of the acquirer, whereby the senior management of the target will report into the acquirer's structure
 2. Or be a wholly-owned subsidiary whereby the acquirer controls the target through board representation
- Operations will be neither consolidated nor standardized because there are no sources of operational synergy (e.g., operational cost reductions or cross-selling opportunities).
- High levels of consolidation and standardization may take place in subsequent acquisitions in the new line of business if the initial acquisition is a platform for further market concentration.
- Redundancy of management and employees are not likely, although some key people in the target may leave or be replaced. Retention of key people is important since the acquirer rarely has its own people to transfer to the target.
- Differences in organizational culture, identity, and management practices between the acquirer and the target will not be an issue unless there are certain aspects of the target firm the acquirer cannot live with. Difference between the senior management teams may be an issue.
- Differences in strategy and brand names will not likely be an issue.

Strategic Objective					
Type of Synergy	Consolidate within a Geographic Area	Extend or Add New Product or Service	Enter a new Geographic Market	Vertically Integrate	Enter a New Line of Business
Cost	High	Low	Low	Moderate	Low
Revenue	Low	High	High	Low	None
Market Power	High	Moderate	Low	High	None
Intangible	Moderate	Moderate	Moderate	Low	Low

Table 5.6.1: Linking Strategic Objectives and Synergies

Table 5.6.1 summarizes the five types of strategic objectives and the synergies possible within each type. Each box presents the level of synergistic benefits for each strategic objective. Table 5.6.2 shows the level and type of integration that each objective is likely to require. Each box in this table presents the level of integration required.

Level and Type of Integration			
Strategic Objective	Consolidation	Standardization	Coordination
Consolidate within a Geographic Area	High	High	High
Extend or Add New Product or Service	Moderate	Moderate	High
Enter a New Geographic Market	Low	Low to High	Low to High
Vertically Integrate	Low	Low	High
Enter a New Line of Business	Low	Low	Low

Table 5.6.2: Strategic Objectives and Impact on Integration

WHEN MULTIPLE STRATEGIC OBJECTIVES ARE PURSUED

The discussion of strategic objectives above is somewhat simplified in that more than one objective may be present in a particular merger or acquisition. Much of this will depend upon the scale and nature of the merger or acquisition. In the case of a small acquisition, a single objective and limited synergies may be all that are sought. In a mega-merger, multiple objectives and synergies are critical to the success of the deal.

For example, in the acquisition of Chrysler by Daimler-Benz, multiple objectives and sources of synergy were hoped for. Objectives included market consolidation, geographic expansion, and extension of new products and technologies. Synergies included fixed- and variable-cost reduction, cross-selling of products, increased market power, and intangibles. The synergies from the deal five years out were expected to be \$3 billion, with \$1.4 billion in cost saving in the first year. This would be derived from several sources. First, saving would include reductions in general and administrative overhead, lower raw material cost (both companies combined purchase roughly \$60 billion in materials from outside suppliers), lower advertising overhead, and more efficient utilization of R&D. Second, it was envisioned that economies of scale could be achieved in components such as engines, transmissions, and car platforms, all of which consumers do not directly associate with the brand of their cars. Third, some opportunities for cross-selling were also envisioned since over 90 percent of Chrysler's sales came from the United States and over 60 percent of Daimler's sales came from Europe. Moreover, neither company had product offerings in the same segments (i.e., price points and car types). Fourth, sharing of technological know-how could be achieved. Daimler would bring airbag technology, ABS braking systems, an electronic stabilization program, and

fuel cell development, among other technologies. It would also bring quality and durability know-how. Chrysler would contribute computer design technology that reduced development time and costs, and lean manufacturing that reduced development and manufacturing times and costs. From a financial perspective, the deal was viewed as a great deal for Daimler. It purchased an undervalued company in Chrysler (U.S. auto stocks were depressed) using its own stock, which was flying high prior to the merger.



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CHAPTER 6

CONCLUSION AND RECOMMENDATION

6.1 Conclusion

In today business, competition is intensive and competitors continuously improve themselves to compete in marketplace. Unfortunately, due to an occurring of economic recession throughout the world and the coming agreement of free trade, doing business nowadays can't avoid the effect of these changes. Management has to lead its organization in a survivable direction by adjustment its organization and inducement suitable strategies.

Mergers and Acquisitions (M&A) is now an attractive strategy and widely popular in Europe and United State of America. Although in Thailand nowadays M&A aren't widely popular but it is an interesting alternative in making decision to survive or gain advantages in Thailand's business.

The study of history of M&A deals from collected 671 cases of Mergers and Acquisitions during 1997 to the first quarter of 2002 in this thesis gives some interesting information. By classifying all cases into four groups of business---general business around the world, general business in Thailand, manufacturing business around the world, and manufacturing business in Thailand---and sorting by the time each case occurred, it is found that most of all acquirers/mergers tried to make their organization's growth and gain synergy, respectively.

After considering the history of M&A deals in the past and found the most popular reasons behind these deals, we then deeply identified the internal factor driving management to make those decisions. The most popular factor driving M&A deals was the benefit from operating synergy by acquiring or merging with target company. However, the want to expand their business was also the major factor driving M&A deals too, even it influenced management less than operating synergy factor did.

External factors urging M&A deals were also identified and assessed in the next step. Start with key factor relating doing business in Thailand, it is found that Thailand is one of the most attractive countries to invest in because many components support to do business in Thailand. The key components are the released limit of regulations for foreign investor to invest in Thailand, special option and help giving by Thai government, low cost of doing business in Thailand, good and enough support of infrastructure, low taxation, and high skilled labor with low wage. From these supports, M&A activity in Thailand in the future may increase cause the investor, particularly foreign investor, can do business in Thailand easier and more comfortable than in the past so acquiring or merging with Thai company should be the beneficial alternative. The second external key factor assessed is law relating with M&A. General regulatory issues, which affect all types of transactions, of all countries are quite similarly but have some difference in some cases. The general regulatory considerations include issues such as antitrust, environmental, securities, and employee benefit matters. For industry-specific regulatory issues, which affect only certain types of transactions in certain industries, are different in each country. The regulatory relating M&A in Thailand aren't strict as in most countries such as in Europe, especially in USA and England, but in some business the industry-specific regulatory issues in Thailand are stricter. However, when thoroughly consider all kinds of business that are potentially to be acquiring or merging, such as

Bank or financial institution, regulatory in Thailand is released limit and not strict as in many countries so Thailand is an attractive country to have M&A activity. This means that M&A activity in Thailand possibly increases in the future because the investor can do business easier than in the past and gain more benefit due to the released limit of related Law and restriction. The third external key factor is Thailand's economic. When consider Thailand's key economic indicators---population, GDP, inflation, trade balance, cash balance, prime rate, and exchange rate---, it is found that all of these indicators can support, or at least not obstruct, the occurring of M&A activity in the future, especially the exchange rate factor. Exchange rate now is quite stable so the investor can assure to plan his project to invest in Thailand. Moreover, for the foreign investors, they can buy Thai business cheaper than the past because of the devaluation of Thai Baht so M&A activity in Thailand in the future may increase from this reason.

After identification of factors, both internal and external, driving M&A deals in the past, it can be seen that although trend of operating synergy factor to drive M&A deals in the future may move downward but it still be a key factor for M&A activity. Expanding business factor, like operating synergy factor, tends to move downward but still also be a key factor for M&A deal in the future.

Most of external factors tend to move in the way of support M&A activity in the future. Population tends to increase so there is more potential customers and labor forces in Thailand. Inflation tends to decrease and stable so the investor can assure his decision to invest in Thailand. Prime rate tends to decrease and stable so cost of lending capital in Thailand is lower than the past. Exchange rate tends to increase and stable so investor can assure his plan to invest in Thailand and can buy Thai company with cheaper price. For the rest of external factors, there may be many other related factors influencing them, but from today viewpoint, all of them do not obstruct the M&A activity in Thailand in the future.

From the study of history of merger wave in U.S.A, it is found that the first wave (1897-1904) was driven by horizontal combination and consolidation of several industries, second wave (1916-1929) was driven by horizontal deals and vertical transaction, third wave (1965-1969) was driven by conglomeration---acquisitions of companies in different industries, fourth wave (1984-1989) was driven by corporate raider---using the junk bond market to finance highly leverage deals. The fifth wave (1990s) was driven by strategic mergers. In the fifth wave, the deals were a worldwide phenomenon, with a large volume of mergers taking place in Europe and Asia. Strategic merger deals involved companies seeking to expand into new markets or to take advantage of perceived synergies. Companies are attempting to improve their current and future strategic positions domestically, regionally, and globally, and are doing so by acquiring new technologies, products, and services; gaining access to new customers; expanding geographic presence; and consolidating within the market in which they compete or hope to compete.

After considering trend of internal factors, external factors, and merger wave in U.S.A., it can be concluded that they have consistency and support each other. The highest point of internal factor graph occurred before the economy recession but after the economy recession, the graph direction of internal factor moved downward. However, when compare with the fifth wave of mergers wave in U.S.A., it can not conclude that the M&A activity in Thailand will decrease, like the trend of internal factor, even though the merger wave is cyclical wave. Because of the fifth wave of mergers wave in U.S.A is not illustrating the direction of downward movement and Thailand economy tends to recover so the internal factors should be increase their role affecting M&A deal in Thailand in the future. And the M&A activity in Thailand will increase from now on until the day that the

fifth wave of mergers in U.S.A move downward, the economy in Thailand can not recover or further grow.

In consideration of companies registered in Stock Exchange of Thailand, the companies having bad profitability performance in past five years are the companies in-group of Agricultural Business, Banking, Chemicals, Commerce, Entertainment, Machinery, and Property. So these companies will be the potential targets. The companies in-group of Other and Pharmaceutical are also tending to be potential target due to their profitability performance tend to be bad. Although profitability is not the key motive driving M&A deals, like operating synergy or expanding business, but business needs profit so the company that can not make profit should be considered specially. It can be said that in new trend of doing business many companies will find the way to increase its profit by acquiring or merging with the company it sees the opportunity to make profit from. The company having good profitability performance but has problems from some reasons such as financial problem or lacking of good management will be the potential target for M&A activity. However, the company that having bad profitability performance but does business in field that can make profit from will be the potential target for M&A activity too.

The international transaction climate perspective tells us that M&A deals will increase both in domestic and cross-border. However, foreign currency risks become an issue, but with the globalization of the financial markets, there is increasing ability for a strong company to borrow in local currency to do a deal. Deal-making activity and the infrastructure to execute it are extremely limited today but will grow as the Asian firms become more attractive acquisition targets.

From this point of view, it can be concluded that the Mergers and Acquisitions activity of manufacturing business in Thailand tend to increase number by the driving force of achievement of operating synergy and business's growth. External factors also support the M&A activity in the future. And the company having bad profitability performance will be the potential target for M&A activity.

6.2 Recommendation

With the nature of manufacturing business that is volatile and relies on labor whereas having to make profit at the same time, the manufacturing businesses in Thailand have to adapt and improve themselves to compete in this coming intensive rivalry, both by domestic and cross-border competitors.

Due to operating synergy will be the key factor for future M&A activities of manufacturing business in Thailand so "cost synergy" should be the type of synergy company has to consider. The strategic objective highly relating with this kind of synergy is "Consolidate within a Geographic Area" so manufacturing businesses in Thailand should adapt and improve themselves by using this strategy. With this strategic objective, three types of integration, Consolidation, Standardization, and Coordination, will be done on high level. In addition, manufacturing businesses in Thailand may induce "Vertically Integrate" strategic objective also and, with this strategic objective, coordination type of integration will be done on high level.

However, expanding business factor will also play a key role in future M&A activity of manufacturing business in Thailand so two type of synergies, "Market Power" and "Revenue", should be considered. The strategic objectives such as "Extend or Add New Product or Service" must be suitable to use in this case. And with this strategic objective, coordination type of integration will be done on high level.

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APPENDICES

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

APPENDIX A

FINANCIAL RATIO ANALYSIS

1. Liquidity Ratios

Liquidity ratios measure the firm's ability to satisfy its current obligations as they come due. The two principal liquidity ratios are the current ratio and the quick ratio.

Current ratio = Current assets / Current liabilities

Quick ratio = (Current assets – Inventories) / Current liabilities

Current assets = Cash plus all assets that can be converted into cash within a year. These include short-term marketable securities, accounts receivable, and inventories.

Current liabilities = All the financial obligations that are expected to be paid within a year. These include accounts payable, notes payable, and the current part of the long-term debt.

Working capital = Current assets – Current liabilities

2. Activity Ratios

Activity ratios reflect the speed with which various accounts are converted into cash. Activity ratios are an important supplement to liquidity ratios because liquidity ratios do not provide information on the composition of the firm's various assets.

Average collection period = Accounts receivable / (Annual credit sales / 365)

Inventory turnover = Cost of goods sold / Average inventory

Fixed asset turnover = Sales / Net fixed assets

Total asset turnover = Sales / Total assets

3. Profitability Ratio

Profitability ratios allow the firm to measure profit in relation to sales volume. The purpose of an acquisition should be to generate profits. Profit-minded acquirers invest a given amount of capital to obtain the right to an expected future stream of profits. These profitability ratios allow the acquirer to determine the target's profitability relative to that of its competitors and other firms.

Gross profit margin = (Sales – Cost of goods sold) / Sales
= Gross profit / Sales

Operating profit margin = EBIT / Sales

Net profit margin = Earning after taxes / Sales

Return on investment = Earning after taxes / Total assets

Return on equity = Earnings after taxes / Stockholders' equity

4. Debt Ratio

The debt ratio is usually computed by adding together short-term debt and long-term debt. It is also sometimes computed by using total liabilities rather than only formal debt. The debt ratio indicates the firm's ability to service its debt. Obviously, creditors want this ratio to be low. An acquirer may consider a target firm with a relatively larger amount of marketable fixed assets and a low debt ratio to be an ideal takeover target. Such a firm may have much unused borrowing capacity and may be vulnerable to a takeover. Companies with low debt ratios relative to the industry, recognizing their own vulnerability, may load up on debt. This is ironic because doing so may adversely increase the risk level of the company.

Debt to equity = Long-term debt / Total equity

Debt to total capitalization = Long-term debt / (Long-term debt + Stockholders' equity)

Times interest earned = EBIT / Interest charges

Fixed charge coverage = EBIT / (Interest payments + Lease payments + Preferred stock dividends before tax + Before-tax sinking fund payments)

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APPENDIX B

FINANCIAL RATIOS OF EACH COMPANY IN STOCK EXCHANGE OF THAILAND

There are 33 classified groups of company registered in Stock Exchange of Thailand.

1. AGRI BUSINESS
2. BANKING
3. BUILDING
4. CHEMICALS
5. COMMERCE
6. COMMUNICATION
7. ELECTRICAL PRODUCTS
8. ENERGY
9. ENTERTAINMENT
10. ELECTRONIC
11. FINANCE & SECURITIES
12. FOODS & BEVERAGE
13. HEALTH
14. HOUSEHOLD
15. HI-GROW
16. HOTEL
17. INSURANCE
18. JEWELRY
19. MACHINERY
20. MEDIUM-SIZE
21. MINING
22. OTHERS
23. PHARMACEUTICAL
24. PACKAGING
25. PRINTING
26. PROF SERVICES
27. PROPERTY
28. PULP & PAPER
29. REHABILITATION
30. SILO
31. TEXTILES
32. TRANSPORTATION
33. VEHICLES

ASIAN**1. AGRICULTURAL BUSINESS**

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-15.69	13.14	15.30	10.68	7.61
ROA(%)	-17.91	7.46	8.82	6.31	9.64
ROE(%)	-85.77	30.44	26.66	15.73	19.44
P/E	N.A	5.52	16.92	2.18	8.87

CFRESH

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	9.10	22.66	14.57	34.16	20.14
ROA(%)	14.82	17.11	11.77	29.58	27.59
ROE(%)	30.32	34.39	19.42	38.31	38.19
P/E	11.39	4.26	4.11	4.51	7.41

CHOTI

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	57.74	48.67	32.62	34.80	9.47
ROA(%)	69.38	28.41	19.52	21.00	5.71
ROE(%)	92.39	36.78	23.06	23.09	6.43
P/E	3.33	1.81	4.33	4.40	16.05

CM

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-3.56	26.99	8.54	8.27	8.32
ROA(%)	-13.81	48.21	19.83	18.60	16.82
ROE(%)	-34.67	78.24	23.91	20.32	18.28
P/E	3.92	3.06	3.23	4.42	5.65

CPF

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-10.14	31.55	23.86	10.02	1.03
ROA(%)	-9.71	13.93	11.71	7.45	7.03
ROE(%)	-31.84	35.76	21.68	14.53	16.10
P/E	N.A.	2.77	5.08	4.37	7.40

CPI 1. AGRICULTURAL BUSINESS(CONTINUED)

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-3.68	9.13	8.19	0.91	2.53
ROA(%)	-12.85	16.63	14.85	1.53	4.50
ROE(%)	-35.19	35.87	26.03	2.85	8.03
P/E	251.25	5.61	4.38	8.37	16.38

D-MARK

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	8.13	3.46	2.10	2.31	-1.36
ROA(%)	22.55	4.63	3.16	3.81	-1.90
ROE(%)	51.25	11.17	7.31	9.58	-5.54
P/E	4.62	13.58	3.22	12.12	N.A.

GPFT

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-7.17	9.87	3.50	1.72	11.71
ROA(%)	-19.41	13.69	4.93	2.54	17.59
ROE(%)	-70.23	38.64	10.88	5.45	32.75
P/E	N.A.	2.38	2.05	9.51	5.08

LEE

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-20.20	12.15	13.43	13.48	8.94
ROA(%)	-55.65	17.58	20.52	20.68	14.25
ROE(%)	-183.94	43.97	34.95	27.98	16.87
P/E	N.A.	N.A.	2.53	3.43	8.72

PPC

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-15.05	3.96	3.92	7.51	4.84
ROA(%)	-74.61	9.93	9.62	15.88	8.36
ROE(%)	-1,291.09	83.24	42.45	49.97	23.36
P/E	N.A.	1.32	2.77	3.40	5.22

PRG**1. AGRICULTURAL BUSINESS(CONTINUED)**

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	2.91	2.76	1.29	2.33	0.22
ROA(%)	15.24	7.10	3.23	5.22	0.69
ROE(%)	20.93	9.35	4.68	8.86	1.19
P/E	7.22	8.81	13.03	9.00	20.59

SH

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	0.51	-6.37	-1.75	3.03	1.01
ROA(%)	2.24	-15.57	-5.23	10.10	3.65
ROE(%)	7.87	-64.25	-30.00	46.74	11.89
P/E	N.A.	N.A.	N.A.	8.05	16.31

SRI

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-1.90	-3.28	-6.73	-12.11	-7.57
ROA(%)	-5.64	-4.80	-10.08	-18.68	-12.27
ROE(%)	-28.75	-28.44	-102.65	-712.05	-532.15
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

SSF

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	-25.95	17.39	10.10	26.36	1.81
ROA(%)	-21.15	6.28	3.56	8.99	5.75
ROE(%)	-135.81	37.42	16.91	29.55	15.09
P/E	N.A.	3.72	3.80	1.55	6.20

STA

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	26.11	7.07	3.44	1.96	3.14
ROA(%)	33.02	7.36	3.91	2.35	3.32
ROE(%)	79.50	15.20	6.86	4.67	7.10
P/E	6.76	2.28	10.78	N.A.	8.20

TAF**1. AGRICULTURAL BUSINESS(CONTINUED)**

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	2.19	4.69	1.39	5.29	7.31
ROA(%)	17.43	17.68	4.98	16.90	20.95
ROE(%)	21.67	20.81	5.53	18.97	25.03
P/E	13.33	2.88	24.55	5.62	8.21

TRS

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	3.83	6.08	0.71	4.57	0.64
ROA(%)	7.84	6.70	0.84	5.73	0.93
ROE(%)	33.94	24.68	2.78	17.46	2.33
P/E	N.A.	2.59	N.A.	4.93	31.13

T-RUBB

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	8.86	0.47	-0.74	3.82	3.17
ROA(%)	26.38	0.82	-1.49	7.60	5.74
ROE(%)	69.76	2.01	-3.40	17.35	12.81
P/E	2.22	2.72	9.96	N.A.	5.40

UPOIC

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	6.05	6.55	12.79	4.56	3.21
ROA(%)	39.51	21.50	40.30	14.73	11.85
ROE(%)	40.91	22.39	43.16	15.86	12.43
P/E	7.06	5.41	4.08	6.28	14.00

AVERAGE

As of	1997	1998	1999	2000	2001
	31/12/1997	31/12/1998	31/12/1999	31/12/2000	31/12/2001
EPS(Baht)	1.16	11.42	7.71	8.61	4.54
ROA(%)	0.93	11.82	8.67	9.49	7.91
ROE(%)	-76.25	24.61	9.49	-18.15	-14.23
P/E	31.11	4.30	7.18	5.76	11.22

BAY**2.BANKING**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.92	-12.62	-15.06	-4.61	-1.44
ROA(%)	0.79	-1.96	-4.73	-1.93	-0.61
ROE(%)	14.97	-36.07	-88.24	-44.56	-17.48
P/E	2.50	N.A.	N.A.	N.A.	N.A.

BBL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.21	-37.92	-40.80	-12.74	4.42
ROA(%)	0.60	-3.71	-4.88	-1.54	0.52
ROE(%)	8.12	-48.66	-81.73	-47.18	16.81
P/E	5.07	N.A.	N.A.	N.A.	12.10

BMB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.65	-0.02	-1.53	-1.28	16.05
ROA(%)	-24.82	-30.41	-3.54	-3.08	28.07
ROE(%)	592.67	1,402.80	202.41	60.67	-14,128.23
P/E	5.17	N.A.	N.A.	N.A.	0.06

BOA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.00	-9.18	-5.59	-1.31	-1.00
ROA(%)	-0.54	-5.20	-7.32	-2.63	-2.42
ROE(%)	-9.27	-87.91	-108.33	-35.22	-37.41
P/E	2.88	N.A.	N.A.	N.A.	N.A.

BT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-28.24	-0.04	-15.58	-3.88	0.73
ROA(%)	-7.69	-23.10	-12.64	-2.03	0.42
ROE(%)	-465.67	-7,238.19	-237.00	-32.66	9.01
P/E	N.A.	N.A.	N.A.	N.A.	22.87

DTDB**2.BANKING (CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.11	-18.51	-14.60	-8.82	0.10
ROA(%)	0.04	-6.94	-10.79	-12.95	0.18
ROE(%)	0.62	-104.82	-215.02	-335.68	4.29
P/E	3.55	N.A.	N.A.	N.A.	68.87

IFCT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.12	-8.62	-8.36	-1.42	-0.40
ROA(%)	0.53	-2.26	-4.43	-0.94	-0.25
ROE(%)	7.79	-36.11	-69.41	-15.44	-5.66
P/E	1.52	N.A.	N.A.	N.A.	N.A.

KTB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.14	-17.37	-6.07	6.82	-0.39
ROA(%)	0.05	-6.63	-8.94	7.69	-0.45
ROE(%)	0.92	-95.30	-99.64	91.50	-6.84
P/E	2.58	N.A.	N.A.	3.90	N.A.

SCB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.37	-34.91	-16.02	5.13	0.50
ROA(%)	0.89	-2.80	-5.05	0.50	0.06
ROE(%)	15.31	-64.25	-95.41	6.25	0.66
P/E	3.01	N.A.	N.A.	3.47	52.17

SCIB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.69	-0.05	0.00	0.00	14.98
ROA(%)	-10.59	-15.65	-2.79	-2.76	13.71
ROE(%)	22,295.61	-899.71	-117.49	-1,747.08	476.43
P/E	0.82	N.A.	N.A.	N.A.	N.A.

SCNB**2.BANKING (CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.26	-20.84	-4.43	-3.35	-1.05
ROA(%)	-0.46	-5.40	-2.80	-3.46	-1.04
ROE(%)	-8.08	-148.50	-52.89	-47.05	-20.83
P/E	1.31	N.A.	N.A.	N.A.	N.A.

TFB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.00	-37.08	-25.09	0.54	0.43
ROA(%)	0.20	-5.17	-6.31	0.17	0.13
ROE(%)	2.82	-73.47	-111.87	4.42	3.83
P/E	4.76	N.A.	N.A.	N.A.	55.75

TMB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.67	-2.91	-11.45	-15.35	0.33
ROA(%)	0.70	-0.79	-3.37	-7.46	0.19
ROE(%)	12.31	-13.70	-77.98	-228.98	4.92
P/E	1.72	N.A.	N.A.	N.A.	18.10

UOBR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.79	-0.03	0.01	-1.16	-0.80
ROA(%)	-3.49	-34.16	18.48	-2.24	-1.23
ROE(%)	-38.18	-318.29	90.98	-13.16	-21.91
P/E	13.11	N.A.	N.A.	0.13	N.A.

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.22	-14.29	-11.76	-2.96	2.32
ROA(%)	-3.13	-10.30	-4.22	-2.33	2.66
ROE(%)	1,602.14	-554.44	-75.83	-170.30	-980.17
P/E	3.69	N.A.	N.A.	2.50	32.85

ASTL**3.BUILDING**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	38.32	6.03	0.80	12.40	18.68
ROA(%)	40.88	3.26	0.43	6.71	9.50
ROE(%)	63.06	4.84	0.62	9.21	12.45
P/E	5.61	15.89	N.A.	12.92	8.83

DCC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.71	-3.93	1.99	4.04	4.28
ROA(%)	-24.65	-14.26	6.27	6.84	7.45
ROE(%)	-33.50	-19.45	7.97	11.61	15.31
P/E	N.A.	N.A.	14.69	3.30	8.87

JCC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.37	-22.72	0.75	-0.66	0.40
ROA(%)	-18.41	-19.46	1.54	-1.33	0.79
ROE(%)	-59.59	-57.99	4.17	-3.69	2.23
P/E	N.A.	N.A.	N.A.	N.A.	37.67

KARAT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-39.01	0.06	-9.71	-4.41	3.90
ROA(%)	-77.63	0.07	-15.85	-7.40	6.74
ROE(%)	-2,297.03	1.32	-3,546.12	724.37	106.84
P/E	N.A.	N.A.	N.A.	N.A.	5.72

KWH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.17	5.82	8.00	6.10	0.46
ROA(%)	-5.73	13.06	17.00	12.62	9.56
ROE(%)	-10.85	23.78	26.54	18.21	13.38
P/E	14.43	12.45	3.96	5.05	9.57

SCC

3.BUILDING(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-437.93	161.22	-39.15	0.34	63.62
ROA(%)	-30.40	5.89	-1.61	0.02	3.08
ROE(%)	-184.06	32.15	-8.09	0.08	13.70
P/E	N.A.	N.A.	N.A.	11.69	13.24

SCCC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-103.04	30.10	-2.94	3.81	9.00
ROA(%)	-64.54	12.57	-1.62	2.97	9.36
ROE(%)	-1,703.54	131.36	-3.90	4.75	15.22
P/E	N.A.	N.A.	N.A.	13.19	19.89

SCP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.70	-8.29	-3.35	-2.69	-0.41
ROA(%)	-3.67	-25.11	-12.40	-10.00	-1.51
ROE(%)	-10.10	-87.51	-94.33	-175.50	-50.63
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

SSI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-20.88	-1.94	3.71	0.26	-0.74
ROA(%)	-80.76	-4.01	8.54	0.89	-2.69
ROE(%)	-2,210.49	-131.43	75.04	4.42	-13.59
P/E	N.A.	N.A.	N.A.	0.87	N.A.

SSSC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-39.94	-1.08	-15.97	-2.33	0.04
ROA(%)	-56.56	-0.87	-15.44	-2.23	0.04
ROE(%)	-339.40	-4.73	-115.21	-54.13	1.25
P/E	N.A.	N.A.	N.A.	N.A.	89.55

STPI**3.BUILDING(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.54	2.90	-5.59	-15.43	1.32
ROA(%)	-14.57	4.13	-9.86	-33.03	28.38
ROE(%)	-40.22	9.99	-20.44	-93.26	85.42
P/E	6.68	N.A.	N.A.	N.A.	3.13

TASCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.70	7.69	-2.23	-2.78	1.02
ROA(%)	-31.93	10.08	-2.99	-4.16	2.03
ROE(%)	-189.97	45.35	-11.31	-16.66	6.77
P/E	5.73	N.A.	N.A.	42.92	26.75

TCMC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-18.86	-4.08	0.61	0.39	0.08
ROA(%)	-96.78	-12.35	3.31	1.96	0.42
ROE(%)	1,842.16	112.20	14.37	3.58	0.73
P/E	N.A	N.A.	N.A	3.39	54.33

TGCI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.47	-3.97	-6.97	-5.74	1.40
ROA(%)	-2.81	-4.11	-8.82	-8.60	2.25
ROE(%)	-4.98	-6.99	-14.64	-15.37	3.99
P/E	N.A.	N.A.	N.A.	N.A.	16.00

TGP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-59.79	-23.22	27.51	0.05	0.20
ROA(%)	-81.94	-17.49	50.99	1.92	8.26
ROE(%)	436.75	56.72	-583.49	2.70	10.65
P/E	N.A.	N.A.	N.A.	N.A.	19.70

TIW**3.BUILDING(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.87	8.89	5.29	4.81	6.03
ROA(%)	1.07	6.43	4.70	4.18	5.24
ROE(%)	1.93	9.33	5.25	4.72	5.78
P/E	3.68	9.74	4.04	5.02	7.71

TPIPL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-69.59	15.22	3.01	-11.27	9.04
ROA(%)	-58.13	8.70	1.83	-7.44	6.38
ROE(%)	-231.33	30.28	5.78	-27.74	26.85
P/E	N.A.	N.A.	1,695.66	N.A.	1.43

TWP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-18.87	-10.62	-2.79	-4.86	-10.72
ROA(%)	-26.81	-7.72	-2.11	-3.77	-8.68
ROE(%)	-270.58	-119.03	-112.96	-82.17	-198.76
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

UMI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-16.44	-1.70	-9.30	-8.46	-9.93
ROA(%)	-36.56	-2.06	-12.96	-11.30	-12.53
ROE(%)	-120.38	-6.43	-46.52	-86.32	649.15
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

VNG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-35.95	9.42	7.10	9.64	8.45
ROA(%)	-65.67	8.92	7.15	14.35	13.82
ROE(%)	535.64	-108.11	-347.60	150.57	50.79
P/E	N.A.	N.A.	N.A.	0.71	4.32

AVERAGE

3.BUILDING(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-42.99	8.29	-1.96	-0.84	5.31
ROA(%)	-36.78	-1.72	0.91	-1.84	4.39
ROE(%)	-241.32	-4.22	-238.24	18.97	37.88
P/E	7.23	12.69	429.59	9.91	20.42



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ATC**4.CHEMICALS**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-27.96	3.55	-5.98	-11.90	-7.97
ROA(%)	-64.03	4.23	-7.50	-15.08	-11.71
ROE(%)	-184.79	11.41	-22.07	-73.00	-106.90
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

NFC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-14.47	2.12	-4.45	-1.28	-1.42
ROA(%)	-96.80	6.55	-15.07	-10.91	-12.66
ROE(%)	696.87	81.20	-55.17	-43.54	-96.17
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

NPC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.58	10.22	2.99	6.97	4.27
ROA(%)	-43.40	16.49	4.26	9.80	5.50
ROE(%)	-341.77	47.00	8.26	18.13	8.77
P/E	N.A.	6.71	53.58	2.67	10.08

PATO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.95	3.64	2.20	1.24	0.56
ROA(%)	-31.27	6.77	4.03	2.09	1.31
ROE(%)	-88.91	16.59	9.11	5.25	2.55
P/E	N.A.	N.A.	20.54	15.62	66.02

TCB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-52.09	52.29	14.10	11.52	14.45
ROA(%)	-52.86	29.75	9.50	7.97	9.97
ROE(%)	-352.22	94.28	16.79	12.32	13.96
P/E	N.A.	7.40	3.41	4.76	5.47

TCCC**4.CHEMICALS(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-43.03	10.67	-1.71	-3.10	0.25
ROA(%)	-99.55	14.23	-2.86	-5.66	1.59
ROE(%)	759.16	-274.41	-169.42	-178.41	10.95
P/E	N.A.	N.A.	N.A.	N.A.	20.53

TPA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.24	-1.02	3.11	3.35	4.25
ROA(%)	10.92	-1.96	6.51	6.37	7.79
ROE(%)	16.68	-2.73	8.35	8.49	10.30
P/E	7.42	N.A.	6.53	5.28	7.53

TPC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.64	12.47	5.39	2.80	1.54
ROA(%)	-3.32	7.59	3.04	1.45	0.78
ROE(%)	-12.39	25.29	9.02	4.35	2.36
P/E	18.13	9.54	N.A.	2.87	33.75

UP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.91	-1.73	0.13	0.13	0.33
ROA(%)	7.64	-7.93	0.61	0.60	1.53
ROE(%)	8.66	-8.85	0.69	0.69	1.77
P/E	6.19	N.A.	N.A.	15.88	27.45

UV

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.03	0.91	1.55	0.45	0.54
ROA(%)	0.15	2.64	5.05	2.67	3.11
ROE(%)	0.18	3.13	5.60	2.89	3.38
P/E	31.02	19.54	27.95	25.42	16.72

VNT**4.CHEMICALS(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.95	3.89	0.08	-0.17	0.10
ROA(%)	-76.49	17.40	0.39	-1.09	0.71
ROE(%)	-65,097.57	197.21	2.41	-4.40	1.94
P/E	N.A.	N.A.	N.A.	4.91	90.39

VCI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.99	2.77	-7.67	-0.75	-0.42
ROA(%)	3.24	4.69	-15.02	-1.68	-0.95
ROE(%)	5.96	7.98	-24.75	-2.92	-1.65
P/E	9.72	4.34	N.A.	N.A.	N.A.

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.71	8.32	0.81	0.77	1.37
ROA(%)	-37.15	8.37	-0.59	-0.29	0.58
ROE(%)	-5,382.51	16.51	-17.60	-20.85	-12.40
P/E	14.50	9.51	22.40	9.68	30.88

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BIGC**5.COMMERCE**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.93	-0.51	-0.71	0.99	1.27
ROA(%)	-21.68	-0.82	-2.95	4.96	5.06
ROE(%)	-143.51	-5.38	-8.70	9.94	11.40
P/E	N.A.	N.A.	N.A.	20.47	18.42

BJC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	6.66	3.83	4.36	3.37	1.89
ROA(%)	5.90	3.02	4.75	3.91	2.38
ROE(%)	21.55	7.49	8.94	7.65	4.94
P/E	7.70	35.33	10.81	7.07	21.27

DIANA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.13	2.95	-0.81	-4.04	-3.01
ROA(%)	-20.59	4.55	-1.26	-6.76	-5.42
ROE(%)	-178.69	33.31	-8.73	-64.92	-79.68
P/E	7.18	N.A.	N.A.	N.A.	N.A.

HMPRO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-	-	-	-	0.32
ROA(%)	-	-	-	-	1.00
ROE(%)	-	-	-	-	3.08
P/E	-	-	-	-	N.A.

ICC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.11	6.76	7.28	16.19	21.75
ROA(%)	2.63	2.31	2.55	5.28	6.65
ROE(%)	3.78	3.07	3.20	6.76	8.44
P/E	2.58	20.64	13.51	12.75	8.69

LOXLEY**5.COMMERCE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-101.42	31.60	-20.39	-42.15	15.11
ROA(%)	-51.31	8.88	-6.11	-12.55	21.83
ROE(%)	1,952.13	-261.15	232.31	138.35	-2,447.69
P/E	N.A.	N.A.	N.A.	N.A.	0.74

MAKRO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.11	2.09	2.38	4.28	4.11
ROA(%)	7.13	3.41	3.66	6.17	5.73
ROE(%)	13.70	6.65	7.35	12.50	11.11
P/E	18.11	49.20	28.10	12.94	9.68

MINOR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.81	5.17	7.34	1.91	2.03
ROA(%)	-13.66	9.24	14.09	4.33	4.91
ROE(%)	-71.67	37.80	40.79	11.99	15.15
P/E	N.A.	3.28	3.70	4.47	6.12

NC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.73	0.88	-8.63	-4.26	0.32
ROA(%)	-42.98	1.26	-13.78	-7.58	0.60
ROE(%)	-195.83	5.55	-62.79	-39.67	3.28
P/E	75.34	N.A.	N.A.	N.A.	N.A.

OCC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-27.86	11.65	6.03	4.45	8.51
ROA(%)	-40.67	9.60	6.38	5.47	10.56
ROE(%)	-1,721.13	145.74	38.24	22.06	32.94
P/E	12.57	N.A.	1.49	6.22	5.52

SPC**5.COMMERCE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.46	15.24	-19.11	5.78	7.02
ROA(%)	-16.92	8.32	-11.19	3.49	3.87
ROE(%)	-65.50	27.77	-34.49	10.84	10.53
P/E	N.A.	30.30	N.A.	N.A.	9.26

SPI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.98	10.37	-2.78	7.58	9.36
ROA(%)	-1.42	6.43	-1.88	5.28	6.32
ROE(%)	-26.46	11.25	-3.01	7.98	8.99
P/E	14.23	N.A.	N.A.	10.89	7.46

WG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.74	0.95	3.67	2.42	2.16
ROA(%)	-22.91	2.03	8.56	5.80	5.41
ROE(%)	-46.63	3.79	13.41	7.95	6.71
P/E	N.A.	N.A.	3.73	4.30	7.36

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.27	7.58	-1.78	-0.29	5.45
ROA(%)	-18.04	4.85	0.24	1.48	5.30
ROE(%)	-38.19	1.32	18.88	10.95	-185.45
P/E	19.67	27.75	10.22	9.89	9.45

ADVANC**6.COMMUNICATION**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	10.78	12.67	10.37	24.44	1.39
ROA(%)	14.28	7.72	6.76	13.33	4.46
ROE(%)	43.25	22.78	15.39	26.75	11.21
P/E	16.69	20.37	43.36	16.28	33.91

IEC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-41.56	2.71	-4.99	22.80	2.97
ROA(%)	-75.33	2.75	-6.77	39.87	7.83
ROE(%)	-726.13	21.20	-42.30	110.13	11.09
P/E	N.A.	N.A.	N.A.	0.18	3.85

JASMIN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-16.32	1.57	-7.71	-2.08	1.71
ROA(%)	-46.19	2.12	-10.12	-3.49	3.57
ROE(%)	-326.96	12.50	-63.62	-47.30	111.43
P/E	2.95	N.A.	N.A.	N.A.	3.86

SAMART

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-56.66	-8.95	-13.96	24.27	2.89
ROA(%)	-50.45	-3.62	-6.22	15.43	2.33
ROE(%)	-1,329.91	62.26	-335.77	-130.31	-22.07
P/E	N.A.	N.A.	N.A.	0.54	5.10

SAMTEL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.24	0.67	-0.83	1.48	-4.30
ROA(%)	0.58	0.79	-1.02	2.10	-7.19
ROE(%)	1.51	2.11	-2.70	4.92	-14.92
P/E	21.03	23.21	N.A.	14.21	N.A.

SATTEL**6.COMMUNICATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.84	5.24	0.75	1.62	3.57
ROA(%)	-66.53	14.90	2.51	6.19	11.93
ROE(%)	-1,566.16	123.03	8.40	16.78	31.29
P/E	N.A.	N.A.	76.17	12.83	7.28

SHIN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-40.72	-7.85	38.87	8.28	0.96
ROA(%)	18.84	-1.85	22.52	7.52	7.12
ROE(%)	-297.56	-33.46	125.93	15.80	14.54
P/E	N.A.	N.A.	17.06	17.90	18.54

TA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.98	4.72	-2.86	-1.73	-1.81
ROA(%)	-51.64	10.12	-6.26	-3.53	-3.92
ROE(%)	-655.22	78.73	-41.19	-32.34	-54.50
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

TT&T

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.98	0.61	-2.25	-3.93	-0.25
ROA(%)	-42.56	1.22	-4.72	-8.58	-0.88
ROE(%)	-258.58	6.98	-28.21	-80.77	-5.94
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

UCOM

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-75.29	17.50	-14.63	1.06	3.80
ROA(%)	-34.36	4.35	-7.33	0.96	8.17
ROE(%)	-4,931.92	156.24	-143.83	10.37	27.46
P/E	N.A.	N.A.	N.A.	8.16	6.06

AVERAGE

6.COMMUNICATION(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-25.63	2.89	0.28	7.62	1.09
ROA(%)	-33.34	3.85	-1.07	6.98	3.34
ROE(%)	-1,004.77	45.24	-50.79	-10.60	10.96
P/E	13.56	21.79	45.53	10.01	11.23



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CAPE**7.ELECTRICAL PRODUCTS**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.98	-0.37	-3.49	-1.40	-0.04
ROA(%)	27.52	-1.93	-20.73	-11.17	-0.83
ROE(%)	65.25	-4.74	-80.09	-77.37	-4.53
P/E	5.48	3.01	N.A.	N.A.	N.A.

CEI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	14.00	21.28	29.97	40.00	22.32
ROA(%)	38.01	25.92	28.31	33.14	18.11
ROE(%)	43.87	31.12	38.04	49.58	29.27
P/E	12.79	15.78	3.99	4.50	6.15

CTW

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.48	1.62	-1.06	-0.82	0.78
ROA(%)	-21.36	2.09	-2.82	-2.36	6.20
ROE(%)	-62.24	4.53	-4.21	-3.41	9.06
P/E	N.A.	12.70	N.A.	N.A.	8.59

FMT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.64	3.57	2.55	5.60	5.11
ROA(%)	-31.43	6.87	5.20	10.63	8.24
ROE(%)	-133.79	24.29	14.49	26.00	20.33
P/E	2.79	N.A.	N.A.	3.39	7.83

KYE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	6.39	6.40	14.45	4.35	9.39
ROA(%)	9.97	4.97	10.70	2.93	6.30
ROE(%)	17.99	8.93	19.45	5.84	12.43
P/E	5.11	5.37	8.43	5.01	5.06

METO**7.ELECTRICAL PRODUCTS(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	26.93	13.47	15.75	23.55	23.08
ROA(%)	26.94	6.72	7.12	9.30	8.72
ROE(%)	64.25	15.39	16.29	21.25	18.86
P/E	18.12	2.84	4.51	3.22	4.14

MSC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.73	-1.91	-0.78	0.67	1.28
ROA(%)	-8.08	-1.71	-0.76	0.64	1.17
ROE(%)	-34.90	-7.37	-3.23	2.75	4.99
P/E	N.A.	N.A.	N.A.	N.A.	10.41

SINGER

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	18.19	-1.85	1.91	4.94	6.21
ROA(%)	12.33	-0.77	1.08	3.07	4.10
ROE(%)	40.78	-2.29	2.62	6.57	7.84
P/E	4.64	N.A.	4.48	5.49	7.16

SVOA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-78.74	-129.36	-27.71	111.65	0.52
ROA(%)	-68.95	-80.23	-33.45	353.38	2.66
ROE(%)	440.27	128.56	15.45	-198.90	6.59
P/E	N.A.	N.A.	N.A.	0.07	13.66

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.34	-9.68	3.51	20.95	7.63
ROA(%)	-1.67	-4.23	-0.59	44.40	6.07
ROE(%)	49.05	22.05	2.09	-18.63	11.65
P/E	8.16	7.94	5.35	3.61	7.88

BANPU**8.ENERGY**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-52.80	22.18	-5.48	11.04	2.08
ROA(%)	-35.34	11.86	-5.75	14.98	2.65
ROE(%)	-122.83	31.95	-12.33	32.74	6.10
P/E	N.A.	N.A.	2.72	2.74	11.80

BCP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.25	0.11	-3.32	-3.00	-5.72
ROA(%)	-24.31	0.20	-6.15	-5.39	-10.79
ROE(%)	-72.31	0.58	-19.39	-22.87	-72.20
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

COCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.71	-7.55	2.57	-1.30	0.45
ROA(%)	8.90	-15.57	6.81	-4.50	1.47
ROE(%)	25.64	-47.20	20.77	-13.21	4.21
P/E	77.56	N.A.	22.49	N.A.	33.21

EGCOMP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.49	11.62	5.05	2.32	5.60
ROA(%)	-23.97	13.28	5.53	2.32	5.44
ROE(%)	-117.29	49.05	16.45	7.21	16.55
P/E	17.97	N.A.	6.80	5.87	7.51

LANNA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.39	16.77	2.33	-0.18	15.25
ROA(%)	-27.31	27.94	3.86	-0.34	26.45
ROE(%)	-48.10	43.15	5.09	-0.41	33.95
P/E	19.55	8.45	13.46	15.20	3.38

PTTEP**8.ENERGY(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-9.70	7.27	6.72	8.33	16.71
ROA(%)	-14.68	5.38	4.46	9.23	15.34
ROE(%)	-65.51	18.48	13.19	28.40	41.91
P/E	N.A.	N.A.	41.72	15.00	7.06

SUSCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.80	-2.27	-0.58	-1.08	-0.35
ROA(%)	-46.29	-15.66	-4.54	-9.07	-3.28
ROE(%)	-86.85	-29.73	-9.29	-20.08	-7.52
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

UGP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.11	11.73	13.58	18.51	22.62
ROA(%)	1.94	5.32	5.54	6.94	8.02
ROE(%)	8.49	21.14	20.75	25.28	27.42
P/E	18.03	5.01	3.32	4.39	6.72

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.83	7.48	2.61	4.33	7.08
ROA(%)	-20.13	4.09	1.22	1.77	5.66
ROE(%)	-59.85	10.93	4.41	4.63	6.30
P/E	33.28	6.73	15.09	8.64	11.61

BEC**9.ENTERTAINMENT**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	9.34	6.54	5.53	7.73	7.71
ROA(%)	46.10	15.82	13.40	18.84	18.77
ROE(%)	51.12	17.76	15.11	21.20	20.90
P/E	18.71	28.81	51.86	30.22	31.90

CSR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.74	0.82	0.80	0.98	1.48
ROA(%)	1.87	1.04	1.03	1.01	1.27
ROE(%)	1.88	1.05	1.03	1.02	1.28
P/E	74.19	19.38	27.05	15.48	16.27

CVD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.96	-6.22	-5.01	0.11	-5.99
ROA(%)	2.83	-11.42	-10.79	0.28	-19.80
ROE(%)	4.38	-17.94	-17.10	0.40	-25.03
P/E	11.59	N.A.	N.A.	N.A.	N.A.

DOI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.42	-12.07	-11.95	-1.99	-0.68
ROA(%)	-41.07	-26.91	-37.54	-33.82	-19.14
ROE(%)	-68.02	-50.99	-115.10	-120.84	-47.41
P/E	2.08	N.A.	N.A.	N.A.	N.A.

GRAMMY

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.56	4.49	4.83	6.34	4.01
ROA(%)	17.60	5.12	5.96	7.57	4.82
ROE(%)	32.08	7.95	40.00	9.35	6.35
P/E	17.76	41.48	40.17	11.64	28.96

SAFARI**9.ENTERTAINMENT(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.69	-1.43	-4.85	-2.33	-2.26
ROA(%)	3.06	-3.57	-14.84	-8.16	-8.37
ROE(%)	6.22	-6.78	-29.83	-20.20	-24.46
P/E	18.54	N.A.	N.A.	N.A.	N.A.

UBC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.66	-8.54	-3.66	-2.81	-1.92
ROA(%)	-63.06	-73.79	-30.29	-22.20	-16.91
ROE(%)	-109.52	-118.17	-53.08	-51.98	-62.99
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.26	-2.34	-2.04	1.15	0.34
ROA(%)	-4.67	-13.39	-10.44	-5.21	-5.62
ROE(%)	-11.69	-23.87	-22.71	-23.01	-18.77
P/E	23.81	29.89	39.69	19.11	25.71

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CCT**10.ELECTRONIC**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-	-	-	4.33	5.35
ROA(%)	-	-	-	14.98	11.10
ROE(%)	-	-	-	42.84	29.31
P/E	-	-	-	-	7.53

CIRKIT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	13.89	-8.49	5.27	11.41	0.68
ROA(%)	23.05	-7.77	5.08	9.86	0.59
ROE(%)	71.29	-24.46	15.98	27.66	1.44
P/E	3.25	N.A.	10.06	1.75	20.87

DELTA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	62.45	21.21	29.88	38.70	3.28
ROA(%)	72.21	15.64	20.36	21.49	16.69
ROE(%)	111.65	24.08	32.01	34.14	26.76
P/E	11.65	5.03	15.04	6.65	12.37

DRACO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.94	3.35	2.87	2.50	2.70
ROA(%)	-5.12	9.38	7.13	4.72	4.66
ROE(%)	-7.55	12.61	9.83	7.95	7.92
P/E	19.48	6.57	10.06	4.72	6.56

HANA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.63	12.68	14.96	12.99	2.93
ROA(%)	-6.13	13.00	19.20	26.56	5.33
ROE(%)	-16.20	25.70	24.20	31.28	6.11
P/E	N.A.	5.95	15.53	7.34	27.99

KCE**10.ELECTRONIC(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	9.95	-46.29	16.70	17.64	0.08
ROA(%)	9.43	-31.85	13.96	12.85	0.05
ROE(%)	24.98	-96.68	44.11	35.38	0.14
P/E	26.01	N.A.	43.12	3.99	763.54

KRP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.36	-5.61	-0.29	-2.71	-1.03
ROA(%)	-22.40	-7.14	-0.83	-15.11	-12.67
ROE(%)	-70.63	-20.17	-1.27	-17.01	-15.88
P/E	16.16	N.A.	N.A.	17.55	N.A.

SVI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.57	4.82	-0.40	1.22	1.13
ROA(%)	-49.55	18.38	-4.99	12.68	8.88
ROE(%)	514.28	-903.60	-22.41	21.49	13.26
P/E	N.A.	1.52	N.A.	20.91	12.34

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.54	-2.62	9.86	10.76	1.89
ROA(%)	3.07	1.38	8.56	11.00	4.33
ROE(%)	89.69	-140.36	14.64	22.97	8.63
P/E	15.31	4.77	18.76	8.99	121.60

ACL**11.FINANCE SECURITIES**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-68.41	-13.75	-17.03	11.95	4.50
ROA(%)	-21.09	-14.65	-24.99	2.37	1.22
ROE(%)	-1,145.19	-1,264.80	-237.68	9.45	3.87
P/E	29.17	N.A.	N.A.	N.A.	2.35

AIFT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-26.86	-9.34	-11.28	-31.78	1.18
ROA(%)	-15.84	-10.49	-11.24	-21.06	1.17
ROE(%)	-227.72	-124.39	-98.67	-155.93	8.99
P/E	7.62	N.A.	N.A.	N.A.	21.12

AITCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.39	-16.08	-26.85	-6.17	0.38
ROA(%)	-1.05	-4.15	-10.06	-19.64	1.51
ROE(%)	-17.72	-65.00	-128.52	-152.42	8.64
P/E	3.27	N.A.	N.A.	N.A.	18.82

ASL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.45	1.64	2.37	-0.53	0.35
ROA(%)	-106.76	16.75	13.57	-2.94	-2.11
ROE(%)	-129.57	21.66	17.21	-3.41	-2.37
P/E	N.A.	N.A.	14.50	N.A.	N.A.

AST

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.52	2.90	5.96	1.26	0.39
ROA(%)	-103.24	14.07	27.12	5.82	2.07
ROE(%)	-243.03	24.70	36.39	7.42	2.79
P/E	N.A.	N.A.	10.20	8.25	101.63

BC 11.FINANCE SECURITIES(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-32.21	-20.38	-14.11	-0.05	0.27
ROA(%)	-11.11	-11.35	-7.76	-0.11	0.89
ROE(%)	-357.21	-319.23	-113.88	-0.73	3.38
P/E	N.A.	N.A.	N.A.	N.A.	30.60

BFIT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-62.65	-11.68	0.14	0.77	0.67
ROA(%)	-23.62	-7.72	0.20	1.13	0.94
ROE(%)	-334.23	-90.02	1.72	8.12	6.48
P/E	4.46	N.A.	N.A.	552.17	20.07

CNS

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.52	6.13	1.25	-0.38	-0.04
ROA(%)	17.86	11.07	2.20	-0.66	-0.08
ROE(%)	20.33	13.35	2.63	-0.79	-0.09
P/E	17.36	16.64	5.14	N.A.	263.35

EFS

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.69	-15.58	-1.36	-2.00	0.45
ROA(%)	-5.16	-12.59	-1.30	-2.04	0.94
ROE(%)	-29.45	-86.18	-12.70	-19.30	5.61
P/E	5.88	N.A.	12.05	N.A.	58.84

KGI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-43.93	-8.72	0.62	0.04	0.02
ROA(%)	-102.21	-78.39	13.88	0.94	0.30
ROE(%)	-708.45	-411.73	21.61	1.18	0.40
P/E	N.A.	N.A.	10.88	10.14	343.23

KK 11.FINANCE SECURITIES(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-18.54	-3.37	4.86	10.98	4.59
ROA(%)	-14.73	-3.56	4.61	8.22	3.79
ROE(%)	-470.23	-55.96	40.86	51.81	18.48
P/E	N.A.	N.A.	14.15	1.45	8.73

MFC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.89	6.76	1.73	6.36	1.26
ROA(%)	-4.55	5.48	1.41	4.93	0.99
ROE(%)	-4.73	5.69	1.46	5.09	1.02
P/E	29.54	N.A.	9.90	4.91	44.47

NFS

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.40	-6.70	-0.23	-1.09	0.37
ROA(%)	-11.77	-9.02	-0.43	-1.94	0.54
ROE(%)	-101.56	-62.07	-2.04	-9.16	3.16
P/E	8.75	N.A.	35.07	N.A.	36.88

PL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.66	1.61	2.10	3.05	3.52
ROA(%)	-16.22	2.57	3.74	4.93	5.29
ROE(%)	-59.91	8.15	9.91	13.32	14.49
P/E	N.A.	N.A.	7.16	6.05	7.26

SCAN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-9.76	-5.50	2.41	0.95	0.96
ROA(%)	-17.23	-5.79	3.53	1.81	2.28
ROE(%)	-135.95	-47.38	23.91	8.10	7.57
P/E	N.A.	N.A.	N.A.	1.64	10.30

SGF**11.FINANCE SECURITIES(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-32.93	-8.63	-8.45	-12.28	1.62
ROA(%)	-70.05	-11.18	-14.25	-23.62	3.44
ROE(%)	-723.09	-182.05	224.20	289.55	685.42
P/E	N.A.	N.A.	N.A.	N.A.	4.74

SICCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-19.55	-11.85	-3.14	0.50	0.79
ROA(%)	-10.46	-5.35	-3.04	0.78	1.06
ROE(%)	-259.55	-109.22	-39.21	7.17	8.77
P/E	24.15	N.A.	24.15	N.A.	17.15

SPL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.09	-5.32	4.27	3.07	3.39
ROA(%)	-24.76	-6.74	6.89	5.90	4.90
ROE(%)	-287.36	-105.38	43.98	21.32	19.19
P/E	N.A.	N.A.	15.57	4.64	10.41

TISCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.82	-38.43	-42.72	6.11	4.61
ROA(%)	-3.34	-8.14	-10.48	2.09	1.91
ROE(%)	-32.67	-93.56	-123.97	18.61	14.76
P/E	2.70	N.A.	N.A.	N.A.	4.44

ZMICO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-21.64	2.84	4.49	-3.81	-4.00
ROA(%)	-236.73	10.32	13.89	-12.55	-13.17
ROE(%)	-1,082.92	29.34	22.79	-17.14	-23.79
P/E	N.A.	N.A.	8.15	N.A.	N.A.

AVERAGE 11.FINANCE SECURITIES(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-19.74	-7.67	-4.75	-0.65	1.26
ROA(%)	-39.10	-6.44	0.37	-2.28	0.89
ROE(%)	-316.51	-145.70	-15.50	4.11	39.34
P/E	13.29	16.64	13.91	73.66	55.80



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APURE**12.FOOD**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-9.45	-5.70	0.22	-0.19	-0.05
ROA(%)	-57.98	-19.69	0.83	-3.19	-2.35
ROE(%)	-302.13	-165.15	22.03	-11.71	-4.53
P/E	N.A.	N.A.	N.A.	4.22	N.A.

F&D

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-42.87	22.41	6.97	1.47	12.63
ROA(%)	-148.24	39.57	13.48	3.02	25.34
ROE(%)	966.81	959.39	52.80	9.46	51.66
P/E	N.A.	N.A.	1.88	2.66	2.22

HTC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.54	3.83	2.11	4.76	4.56
ROA(%)	13.47	7.37	4.23	8.54	6.77
ROE(%)	28.07	14.92	8.07	13.93	10.60
P/E	6.79	11.74	17.85	8.88	9.33

LST

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.75	2.66	5.76	1.68	1.61
ROA(%)	10.69	8.30	17.68	9.18	9.21
ROE(%)	18.80	13.41	29.60	13.22	10.96
P/E	6.08	5.86	6.91	7.32	10.04

MALEE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.40	0.52	-1.57	-6.16	-4.94
ROA(%)	20.93	1.26	-3.57	-12.94	-11.27
ROE(%)	88.76	3.99	-9.79	-45.85	-59.91
P/E	2.12	5.47	317.92	N.A.	N.A.

MFG**12.FOOD(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.73	5.68	6.39	3.31	-6.92
ROA(%)	6.46	6.97	7.84	3.64	-7.32
ROE(%)	16.56	14.67	14.32	7.73	-19.23
P/E	14.74	30.86	14.08	8.39	N.A.

POMPUI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.04	5.90	-8.89	-1.88	-10.00
ROA(%)	-32.81	6.47	-9.20	-2.18	-14.21
ROE(%)	-192.84	31.81	-52.57	-17.04	-197.76
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

PR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	9.66	12.57	14.10	16.48	17.36
ROA(%)	16.03	9.48	8.28	8.08	7.24
ROE(%)	46.42	27.03	24.91	24.27	21.98
P/E	3.79	4.23	3.75	3.08	4.97

S&P

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.23	0.62	4.04	5.12	2.87
ROA(%)	-1.08	1.59	11.40	13.83	13.96
ROE(%)	-2.61	3.54	21.13	22.91	22.77
P/E	5.99	N.A.	5.49	3.99	7.68

SAUCE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	5.62	5.11	6.79	3.25	7.46
ROA(%)	26.17	11.81	14.95	6.89	15.30
ROE(%)	29.28	13.02	16.16	7.49	16.84
P/E	8.82	9.01	5.12	11.07	7.71

SFP**12.FOOD(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	15.91	9.66	16.48	8.68	9.83
ROA(%)	41.59	11.97	18.86	9.15	9.73
ROE(%)	47.79	13.82	21.26	10.48	11.36
P/E	4.07	5.58	3.68	4.97	6.10

SORKON

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.92	5.93	0.64	-2.05	-3.25
ROA(%)	-13.40	6.73	0.74	-2.45	-4.00
ROE(%)	-55.17	21.81	2.04	-6.93	-11.90
P/E	10.86	N.A.	N.A.	N.A.	N.A.

SSC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	15.48	2.68	12.84	18.85	24.14
ROA(%)	12.78	1.08	4.93	6.81	8.15
ROE(%)	22.77	1.96	8.90	11.94	13.83
P/E	13.02	N.A.	11.67	4.99	9.94

TC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.66	6.17	2.85	3.72	2.48
ROA(%)	30.33	11.08	5.44	6.93	4.12
ROE(%)	42.89	15.06	6.79	8.45	5.34
P/E	3.84	1.98	4.48	9.57	7.31

TF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	23.80	24.76	40.24	36.25	36.44
ROA(%)	20.82	11.09	17.79	20.04	18.37
ROE(%)	33.94	16.60	23.81	25.98	23.01
P/E	5.54	9.72	6.87	6.89	5.46

TIPCO**12.FOOD(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-34.19	6.00	3.99	4.11	4.33
ROA(%)	-87.96	8.08	5.64	6.14	6.84
ROE(%)	642.69	-76.53	-101.00	389.29	62.65
P/E	N.A.	N.A.	N.A.	1.75	3.30

TUF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	16.02	21.42	24.56	10.08	2.01
ROA(%)	20.09	15.60	20.25	14.52	10.39
ROE(%)	76.18	38.38	33.98	22.91	20.30
P/E	7.20	6.91	5.66	5.79	13.18

TVO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.63	12.06	23.16	20.28	1.77
ROA(%)	0.70	6.71	12.96	10.47	8.75
ROE(%)	2.66	23.82	38.94	29.28	23.44
P/E	5.20	6.25	2.78	5.75	7.65

TWFP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.46	8.96	4.98	4.15	5.04
ROA(%)	-12.56	10.39	6.03	5.11	6.23
ROE(%)	-20.91	16.11	8.18	6.46	7.47
P/E	2.99	N.A.	4.38	2.43	5.65

UFC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.06	0.32	-0.88	-2.66	0.42
ROA(%)	0.54	1.49	-4.10	-11.82	1.90
ROE(%)	1.23	3.23	-9.50	-35.36	6.19
P/E	N.A.	2.85	N.A.	N.A.	11.03

UFM**12.FOOD(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-17.09	0.49	1.49	-1.10	1.86
ROA(%)	-40.83	0.62	2.08	-1.70	3.11
ROE(%)	-441.41	6.44	17.35	-12.53	21.03
P/E	N.A.	N.A.	8.59	N.A.	10.75

UNI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.29	-6.02	10.06	1.18	1.27
ROA(%)	-31.56	-7.61	15.39	2.12	2.48
ROE(%)	-328.11	-118.32	151.91	10.00	9.79
P/E	N.A.	N.A.	1.61	4.16	7.24

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.60	6.64	8.02	5.88	5.04
ROA(%)	-9.36	6.83	7.82	4.55	5.40
ROE(%)	32.80	39.96	14.97	22.02	2.09
P/E	6.74	8.37	24.87	5.64	7.62

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AHC**13.HEALTH**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.42	3.48	1.65	1.94	3.39
ROA(%)	-8.98	11.07	5.30	6.34	11.15
ROE(%)	-16.18	18.03	7.57	8.34	13.59
P/E	N.A.	2.48	4.76	5.23	5.02

BGH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.52	-7.29	0.27	5.42	5.47
ROA(%)	-1.71	-4.46	0.18	4.21	4.45
ROE(%)	-4.22	-10.64	0.44	10.13	9.56
P/E	4.84	N.A.	17.21	N.A.	7.24

KDH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.53	0.50	0.19	0.12	-0.71
ROA(%)	-3.62	1.80	0.76	0.50	-2.37
ROE(%)	-6.10	2.87	1.09	0.70	-4.17
P/E	N.A.	16.25	30.64	N.A.	N.A.

LNH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.44	-1.67	-3.97	-1.17	-1.92
ROA(%)	2.18	-4.42	-12.62	-4.38	-8.08
ROE(%)	3.85	-7.71	-21.65	-7.58	-13.77
P/E	59.40	62.80	N.A.	N.A.	N.A.

M-CHAI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.09	0.34	0.07	0.82	1.36
ROA(%)	0.43	0.84	0.18	2.51	3.77
ROE(%)	1.00	1.88	0.37	4.85	7.80
P/E	14.13	N.A.	20.82	11.72	6.77

NEW**13.HEALTH(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.75	-4.93	-4.80	-1.41	-1.45
ROA(%)	-3.98	-5.68	-5.66	-1.73	-1.85
ROE(%)	-11.93	-18.40	-21.72	-8.60	-12.16
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

NTV

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	5.52	2.50	1.78	2.38	2.81
ROA(%)	28.57	6.55	4.78	6.64	7.96
ROE(%)	35.60	8.06	5.70	7.76	8.98
P/E	3.36	4.33	8.62	7.33	7.82

RAM

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-21.55	9.04	-9.24	-17.74	7.94
ROA(%)	-27.14	5.60	-5.83	-11.56	5.11
ROE(%)	-87.40	16.79	-17.23	-33.17	12.79
P/E	N.A.	N.A.	13.79	N.A.	2.24

SVH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.76	5.69	-5.32	-12.83	21.81
ROA(%)	-73.21	10.04	-10.64	-27.06	46.02
ROE(%)	-487.55	66.45	-104.40	319.52	693.67
P/E	N.A.	N.A.	N.A.	N.A.	0.61

VIBHA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.67	2.88	0.50	0.17	0.57
ROA(%)	-20.06	7.90	1.40	0.48	1.64
ROE(%)	-39.42	14.32	2.30	0.77	2.60
P/E	N.A.	N.A.	5.40	24.09	22.78

AVERAGE

13.HEALTH(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.72	1.05	-1.89	-2.23	3.93
ROA(%)	-10.75	2.92	-2.22	-2.41	6.78
ROE(%)	-61.24	9.17	-14.75	30.27	71.89
P/E	20.43	21.47	14.46	12.09	7.50



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FANCY**14.HOUSEHOLD**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	5.66	10.51	8.37	16.20	30.09
ROA(%)	18.33	18.04	16.28	27.61	42.57
ROE(%)	38.92	37.10	28.84	42.20	56.87
P/E	4.62	4.67	6.80	5.07	8.57

MODERN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.15	2.97	0.50	1.42	1.98
ROA(%)	-24.85	6.27	1.43	4.36	6.32
ROE(%)	-60.41	12.76	2.33	6.31	8.41
P/E	N.A.	N.A.	59.65	4.91	9.84

OGC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-16.95	4.87	-0.27	6.45	13.22
ROA(%)	-41.15	6.39	-0.40	10.41	22.99
ROE(%)	-273.82	32.87	-1.56	31.95	45.52
P/E	N.A.	N.A.	N.A.	1.67	3.48

ROCK

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.14	-11.92	-6.79	-2.93	-1.34
ROA(%)	-23.80	-15.84	-11.04	-4.89	-2.14
ROE(%)	-92.40	-74.57	-102.91	-40.20	-13.13
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

SIAM

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-44.35	-13.97	-18.57	-5.59	-0.04
ROA(%)	-78.33	-13.81	-25.21	-10.21	-0.25
ROE(%)	-407.25	-106.09	135.99	16.14	0.45
P/E	N.A.	N.A.	N.A.	19.54	N.A.

SITHAI**14.HOUSEHOLD(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-90.34	27.24	-22.41	-3.00	0.44
ROA(%)	-74.95	11.80	-10.57	-7.80	1.64
ROE(%)	-604.83	67.06	-64.85	-32.02	3.87
P/E	N.A.	N.A.	N.A.	N.A.	14.90

SUN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	6.06	3.57	3.32	10.49	12.69
ROA(%)	11.32	3.63	3.56	10.55	10.58
ROE(%)	50.54	14.72	12.91	34.70	33.78
P/E	3.19	1.78	N.A.	3.01	3.04

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.32	3.32	-5.12	3.29	8.15
ROA(%)	-30.49	2.35	-3.71	4.29	11.67
ROE(%)	-192.75	-2.31	1.54	8.44	19.40
P/E	3.91	3.23	33.23	6.84	7.97

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BAY**15.HI-GROW**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.92	-12.62	-15.06	-4.61	-1.44
ROA(%)	0.79	-1.96	-4.73	-1.93	-0.61
ROE(%)	14.97	-36.07	-88.24	-44.56	-17.48
P/E	2.50	N.A.	N.A.	N.A.	N.A.

BBL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.21	-37.92	-40.80	-12.74	4.42
ROA(%)	0.60	-3.71	-4.88	-1.54	0.52
ROE(%)	8.12	-48.66	-81.73	-47.18	16.81
P/E	5.07	N.A.	N.A.	N.A.	12.21

BMB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.65	-0.02	-1.53	-1.28	16.05
ROA(%)	-24.82	-30.41	-3.54	-3.08	28.07
ROE(%)	592.67	1,402.80	202.41	60.67	-14,128.23
P/E	5.17	N.A.	N.A.	N.A.	0.06

BOA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.00	-9.18	-5.59	-1.31	-1.00
ROA(%)	-0.54	-5.20	-7.32	-2.63	-2.42
ROE(%)	-9.27	-87.91	-108.33	-35.22	-37.41
P/E	2.88	N.A.	N.A.	N.A.	N.A.

BT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-28.24	-0.04	-15.58	-3.88	0.73
ROA(%)	-7.69	-23.10	-12.64	-2.03	0.42
ROE(%)	-465.67	-7,238.19	-237.00	-32.66	9.01
P/E	N.A.	N.A.	N.A.	N.A.	24.54

DTDB**15.HI-GROW(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.11	-18.51	-14.60	-8.82	0.10
ROA(%)	0.04	-6.94	-10.79	-12.95	0.18
ROE(%)	0.62	-104.82	-215.02	-335.68	4.29
P/E	3.55	N.A.	N.A.	N.A.	70.87

DTDB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.11	-18.51	-14.60	-8.82	0.10
ROA(%)	0.04	-6.94	-10.79	-12.95	0.18
ROE(%)	0.62	-104.82	-215.02	-335.68	4.29
P/E	3.55	N.A.	N.A.	N.A.	70.87

IFCT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.12	-8.62	-8.36	-1.42	-0.40
ROA(%)	0.53	-2.26	-4.43	-0.94	-0.25
ROE(%)	7.79	-36.11	-69.41	-15.44	-5.66
P/E	1.52	N.A.	N.A.	N.A.	N.A.

KTB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.14	-17.37	-6.07	6.82	-0.39
ROA(%)	0.05	-6.63	-8.94	7.69	-0.45
ROE(%)	0.92	-95.30	-99.64	91.50	-6.84
P/E	2.58	N.A.	N.A.	3.90	N.A.

SCB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.37	-34.91	-16.02	5.13	0.50
ROA(%)	0.89	-2.80	-5.05	0.50	0.06
ROE(%)	15.31	-64.25	-95.41	6.25	0.66
P/E	3.01	N.A.	N.A.	3.47	54.89

SCIB**15.HI-GROW(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.69	-0.05	0.00	0.00	14.98
ROA(%)	-10.59	-15.65	-2.79	-2.76	13.71
ROE(%)	22,295.61	-899.71	-117.49	-1,747.08	476.43
P/E	0.82	N.A.	N.A.	N.A.	N.A.

SCNB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.26	-20.84	-4.43	-3.35	-1.05
ROA(%)	-0.46	-5.40	-2.80	-3.46	-1.04
ROE(%)	-8.08	-148.50	-52.89	-47.05	-20.83
P/E	1.31	N.A.	N.A.	N.A.	N.A.

TFB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.00	-37.08	-25.09	0.54	0.43
ROA(%)	0.20	-5.17	-6.31	0.17	0.13
ROE(%)	2.82	-73.47	-111.87	4.42	3.83
P/E	4.76	N.A.	N.A.	N.A.	57.85

TMB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.67	-2.91	-11.45	-15.35	0.33
ROA(%)	0.70	-0.79	-3.37	-7.46	0.19
ROE(%)	12.31	-13.70	-77.98	-228.98	4.92
P/E	1.72	N.A.	N.A.	N.A.	18.71

UOBR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.79	-0.03	0.01	-1.16	-0.80
ROA(%)	-3.49	-34.16	18.48	-2.24	-1.23
ROE(%)	-38.18	-318.29	90.98	-13.16	-21.91
P/E	13.11	N.A.	N.A.	0.13	N.A.

AVERAGE

15.HI-GROW(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.93	-14.57	-11.94	-3.35	2.17
ROA(%)	-2.92	-10.07	-4.66	-3.04	2.50
ROE(%)	1,495.37	-524.47	-85.11	-181.32	-914.54
P/E	3.79	N.A.	N.A.	2.50	38.75



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CENTEL**16.HOTEL**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.56	2.09	0.46	1.71	2.83
ROA(%)	-12.41	3.70	0.83	3.11	4.95
ROE(%)	-26.35	7.56	1.66	6.41	10.68
P/E	N.A.	N.A.	15.55	8.14	8.33

DTC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-17.95	6.64	1.96	4.98	4.02
ROA(%)	-44.18	11.77	4.11	10.61	8.31
ROE(%)	-129.33	28.63	7.53	16.91	12.07
P/E	N.A.	N.A.	13.83	5.90	8.59

IHG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.52	0.65	2.03	-0.48	-0.26
ROA(%)	-48.76	2.43	6.96	-1.54	-0.84
ROE(%)	-124.30	6.02	15.20	-3.15	-1.72
P/E	282.46	N.A.	N.A.	4.22	N.A.

LRH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.64	2.47	3.62	4.37	3.55
ROA(%)	-9.97	2.31	3.64	4.51	3.73
ROE(%)	-18.00	4.11	6.18	7.22	5.62
P/E	N.A.	N.A.	6.16	3.53	10.43

MANLIN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.96	4.82	-7.96	11.47	2.49
ROA(%)	-41.03	7.57	-12.93	18.98	5.66
ROE(%)	-135.14	22.33	-39.79	52.68	9.43
P/E	N.A.	3.70	N.A.	0.55	7.87

OHTL**16.HOTEL(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	15.13	21.14	22.42	21.16	19.79
ROA(%)	47.89	28.96	25.87	21.23	16.25
ROE(%)	74.33	49.41	46.20	38.29	33.11
P/E	9.75	8.57	9.56	8.82	10.41

PA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.57	-3.31	-1.30	0.46	0.20
ROA(%)	-24.17	-12.07	-6.81	3.36	1.52
ROE(%)	-72.15	-45.16	-22.03	7.21	2.98
P/E	N.A.	N.A.	N.A.	16.65	25.60

RGR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.20	1.81	1.25	1.52	1.93
ROA(%)	-17.04	7.94	4.52	4.59	4.60
ROE(%)	-51.54	19.01	10.69	12.15	13.98
P/E	N.A.	47.30	11.23	7.32	7.32

RHC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.95	4.02	1.64	2.35	2.47
ROA(%)	-27.43	19.40	8.48	12.42	11.35
ROE(%)	-77.59	41.86	13.80	18.14	17.21
P/E	N.A.	25.59	27.74	15.32	16.31

ROH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.03	1.90	1.61	1.75	1.53
ROA(%)	11.99	12.58	11.80	12.12	10.55
ROE(%)	13.28	14.21	13.51	13.73	11.94
P/E	13.47	8.47	8.89	14.72	18.32

SHANG**16.HOTEL(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.19	-4.50	2.62	0.91	0.99
ROA(%)	0.90	-11.35	6.83	2.31	2.78
ROE(%)	1.01	-12.87	7.82	2.58	3.02
P/E	14.56	72.32	N.A.	10.25	34.32

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.55	3.43	2.58	4.56	3.59
ROA(%)	-14.93	6.66	4.85	8.34	6.26
ROE(%)	-49.62	12.28	5.52	15.65	10.76
P/E	80.06	27.66	13.28	8.67	14.75

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AYUD**17.INSURANCE**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	18.07	21.30	14.30	11.50	10.60
ROA(%)	15.95	9.37	6.34	5.32	4.99
ROE(%)	18.14	10.69	7.18	6.03	5.76
P/E	12.04	5.44	5.69	13.06	9.43

BKI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	32.39	13.62	18.06	22.83	26.64
ROA(%)	13.47	2.86	3.59	4.43	5.14
ROE(%)	29.48	6.16	7.20	8.90	10.39
P/E	7.50	6.02	7.80	6.63	10.14

BUI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-35.18	22.15	4.65	3.90	2.00
ROA(%)	-35.14	10.98	2.22	2.00	1.09
ROE(%)	-220.05	52.77	7.29	7.11	6.16
P/E	N.A.	N.A.	5.20	1.42	3.99

CHARAN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	9.17	4.89	3.48	2.65	3.74
ROA(%)	15.22	4.19	3.16	2.51	3.55
ROE(%)	22.74	6.11	4.27	3.24	4.59
P/E	3.15	5.78	5.90	12.98	10.44

DVS

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	6.99	16.05	13.69	13.08	14.00
ROA(%)	8.46	8.90	6.94	6.42	6.39
ROE(%)	14.17	15.30	12.09	11.08	11.31
P/E	4.61	6.71	5.81	6.37	7.21

INLIFE 17.INSURANCE(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.04	-8.28	0.72	0.18	-0.77
ROA(%)	-3.33	-14.07	1.27	0.31	-1.23
ROE(%)	-13.18	-66.74	7.17	1.58	-6.40
P/E	N.A.	N.A.	N.A.	38.09	N.A.

INSURE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.15	-5.20	0.66	2.02	1.61
ROA(%)	4.69	-11.12	1.50	4.77	3.93
ROE(%)	9.29	-20.80	2.60	7.60	5.81
P/E	96.96	N.A.	N.A.	9.06	11.19

KKI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.90	0.47	-0.65	0.92	1.74
ROA(%)	-4.35	0.52	-0.67	0.93	1.67
ROE(%)	-19.26	2.33	-3.14	4.51	7.97
P/E	70.38	N.A.	14.51	N.A.	7.20

NKI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.31	1.80	1.66	2.75	3.62
ROA(%)	3.07	2.31	2.05	3.27	3.81
ROE(%)	4.84	3.57	3.20	5.33	6.82
P/E	9.51	36.71	8.20	3.88	6.91

NSI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.79	2.91	3.68	-0.77	-0.57
ROA(%)	-26.10	2.87	3.46	-0.71	-0.54
ROE(%)	-56.70	5.62	6.30	-1.33	-1.01
P/E	N.A.	N.A.	8.95	31.73	N.A.

PHA**17.INSURANCE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	20.64	13.24	10.20	11.02	14.43
ROA(%)	28.51	9.24	6.82	7.34	9.87
ROE(%)	40.43	13.12	9.44	9.67	12.32
P/E	4.90	5.21	7.53	6.28	8.24

SAVE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.66	-11.52	0.81	1.28	1.59
ROA(%)	2.07	-18.88	1.41	1.99	2.08
ROE(%)	3.78	-36.65	2.89	4.44	5.21
P/E	N.A.	N.A.	N.A.	11.48	7.81

SCNYL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.83	-2.06	0.21	-3.46	-1.41
ROA(%)	-6.72	-3.72	0.34	-5.15	-2.49
ROE(%)	-41.93	-26.67	2.93	-68.73	-22.48
P/E	N.A.	N.A.	28.24	N.A.	N.A.

SMG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.03	4.11	6.18	10.36	12.23
ROA(%)	3.37	3.51	5.24	8.34	9.15
ROE(%)	6.70	6.18	8.30	13.21	14.55
P/E	9.16	N.A.	8.86	4.28	9.65

SMK

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.01	-6.33	-10.11	3.95	6.13
ROA(%)	-0.68	-2.27	-3.89	1.52	2.24
ROE(%)	-2.96	-9.38	-15.00	5.87	8.65
P/E					

TCI**17.INSURANCE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.52	0.76	0.59	0.86	1.91
ROA(%)	6.61	0.98	0.73	1.13	2.66
ROE(%)	11.35	1.70	1.19	1.65	3.63
P/E	6.36	7.95	37.84	N.A.	11.00

THRE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.98	5.33	3.95	4.14	3.10
ROA(%)	20.93	10.79	10.37	10.69	9.47
ROE(%)	47.35	24.43	22.25	21.77	18.16
P/E	13.67	15.89	10.02	9.35	10.82

TIC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.25	2.76	4.45	1.72	1.54
ROA(%)	3.74	2.48	4.34	1.66	1.35
ROE(%)	14.74	8.27	10.72	4.12	4.12
P/E	33.85	24.84	4.67	N.A.	19.44

TIP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	6.17	8.01	9.91	9.99	10.25
ROA(%)	6.60	3.95	3.90	3.40	3.21
ROE(%)	19.31	11.77	13.27	12.73	12.61
P/E	3.93	4.64	4.58	7.52	7.88

TSI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.17	-0.01	0.97	1.37	1.67
ROA(%)	0.46	-0.02	1.57	2.20	2.69
ROE(%)	1.99	-0.08	5.33	7.29	8.43
P/E	98.23	127.87	257.23	8.44	9.89

TVI

17.INSURANCE(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.93	3.15	1.24	2.20	1.51
ROA(%)	1.58	2.73	1.21	2.39	1.63
ROE(%)	3.99	6.10	2.42	4.63	3.09
P/E	65.27	16.43	5.64	7.75	15.89

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.60	4.15	4.22	4.88	5.50
ROA(%)	2.78	1.22	2.95	3.08	3.36
ROE(%)	-5.04	0.66	5.61	3.37	5.70
P/E	29.30	21.96	25.10	11.15	9.83

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PRANDA**18.JEWELRY**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.81	-39.05	1.89	25.49	20.45
ROA(%)	-3.14	-19.06	1.19	15.69	13.30
ROE(%)	-15.54	-140.74	29.10	129.83	43.19
P/E	N.A.	N.A.	N.A.	0.42	3.78

SAWANG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.36	3.44	2.07	1.64	2.01
ROA(%)	11.00	8.44	5.60	4.51	5.42
ROE(%)	17.14	11.90	6.70	5.13	6.08
P/E	4.43	2.57	6.05	5.41	7.68

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.73	-17.81	1.98	13.57	11.23
ROA(%)	3.93	-5.31	3.40	10.10	9.36
ROE(%)	0.80	-64.42	17.90	67.48	24.64
P/E	4.43	2.57	6.05	2.92	5.73

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PATKOL**19.MACHINERY**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.08	-22.56	0.80	5.30	7.45
ROA(%)	-16.53	-18.22	0.78	5.14	6.84
ROE(%)	-94.25	-157.12	23.02	88.69	40.47
P/E	N.A.	N.A.	N.A.	3.94	2.51

TCJ

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-38.51	-0.62	-3.48	19.09	-7.50
ROA(%)	-60.62	-0.56	-4.30	32.57	-16.71
ROE(%)	1,853.19	13.09	48.09	973.41	-80.22
P/E	N.A.	N.A.	N.A.	0.14	N.A.

TLI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.23	4.89	2.97	4.15	0.56
ROA(%)	10.85	6.26	4.05	6.07	0.82
ROE(%)	16.50	9.33	5.50	7.56	1.03
P/E	3.08	4.62	7.77	4.55	69.73

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.45	-6.10	0.10	9.51	0.17
ROA(%)	-22.10	-4.17	0.18	14.59	-3.02
ROE(%)	591.81	-44.90	25.54	356.55	-12.91
P/E	3.08	4.62	7.77	2.88	36.12

CFRESH**20.MEDIUM-SIZE**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	9.10	22.66	14.57	34.16	20.14
ROA(%)	14.82	17.11	11.77	29.58	27.59
ROE(%)	30.32	34.39	19.42	38.31	38.19
P/E	11.39	4.26	4.11	4.51	7.22

CHOTI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	57.74	48.67	32.62	34.80	9.47
ROA(%)	69.38	28.41	19.52	21.00	5.71
ROE(%)	92.39	36.78	23.06	23.09	6.43
P/E	3.33	1.81	4.33	4.40	15.31

CM

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.56	26.99	8.54	8.27	8.32
ROA(%)	-13.81	48.21	19.83	18.60	16.82
ROE(%)	-34.67	78.24	23.91	20.32	18.28
P/E	3.92	3.06	3.23	4.42	5.62

CPF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.14	31.55	23.86	10.02	1.03
ROA(%)	-9.71	13.93	11.71	7.45	7.03
ROE(%)	-31.84	35.76	21.68	14.53	16.10
P/E	N.A.	2.77	5.08	4.37	6.92

CPI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.68	9.13	8.19	0.91	2.53
ROA(%)	-12.85	16.63	14.85	1.53	4.50
ROE(%)	-35.19	35.87	26.03	2.85	8.03
P/E	251.25	5.61	4.38	8.37	16.18

D-MARK**20.MEDIUM-SIZE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.13	3.46	2.10	2.31	-1.36
ROA(%)	22.55	4.63	3.16	3.81	-1.90
ROE(%)	51.25	11.17	7.31	9.58	-5.54
P/E	4.62	13.58	3.22	12.12	N.A.

GFPT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.17	9.87	3.50	1.72	11.71
ROA(%)	-19.41	13.69	4.93	2.54	17.59
ROE(%)	-70.23	38.64	10.88	5.45	32.75
P/E	N.A.	2.38	2.05	9.51	3.91

LEE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-20.20	12.15	13.43	13.48	8.94
ROA(%)	-55.65	17.58	20.52	20.68	14.25
ROE(%)	-183.94	43.97	34.95	27.98	16.87
P/E	N.A.	N.A.	2.53	3.43	8.72

PPC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.05	3.96	3.92	7.51	4.84
ROA(%)	-74.61	9.93	9.62	15.88	8.36
ROE(%)	-1,291.09	83.24	42.45	49.97	23.36
P/E	N.A.	1.32	2.77	3.40	5.38

PRG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.91	2.76	1.29	2.33	0.22
ROA(%)	15.24	7.10	3.23	5.22	0.69
ROE(%)	20.93	9.35	4.68	8.86	1.19
P/E	7.22	8.81	13.03	9.00	18.46

SH**20.MEDIUM-SIZE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.51	-6.37	-1.75	3.03	1.01
ROA(%)	2.24	-15.57	-5.23	10.10	3.65
ROE(%)	7.87	-64.25	-30.00	46.74	11.89
P/E	N.A.	N.A.	N.A.	8.05	16.41

SRI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.90	-3.28	-6.73	-12.11	-7.57
ROA(%)	-5.64	-4.80	-10.08	-18.68	-12.27
ROE(%)	-28.75	-28.44	-102.65	-712.05	-532.15
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

SSF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-25.95	17.39	10.10	26.36	1.81
ROA(%)	-21.15	6.28	3.56	8.99	5.75
ROE(%)	-135.81	37.42	16.91	29.55	15.09
P/E	N.A.	3.72	3.80	1.55	6.09

STA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	26.11	7.07	3.44	1.96	3.14
ROA(%)	33.02	7.36	3.91	2.35	3.32
ROE(%)	79.50	15.20	6.86	4.67	7.10
P/E	6.76	2.28	10.78	N.A.	9.08

TAF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.19	4.69	1.39	5.29	7.31
ROA(%)	17.43	17.68	4.98	16.90	20.95
ROE(%)	21.67	20.81	5.53	18.97	25.03
P/E	13.33	2.88	24.55	5.62	7.53

TRS**20.MEDIUM-SIZE(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.83	6.08	0.71	4.57	0.64
ROA(%)	7.84	6.70	0.84	5.73	0.93
ROE(%)	33.94	24.68	2.78	17.46	2.33
P/E	N.A.	2.59	N.A.	4.93	29.09

T-RUBB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.86	0.47	-0.74	3.82	3.17
ROA(%)	26.38	0.82	-1.49	7.60	5.74
ROE(%)	69.76	2.01	-3.40	17.35	12.81
P/E	2.22	2.72	9.96	N.A.	5.91

UPOIC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	6.05	6.55	12.79	4.56	3.21
ROA(%)	39.51	21.50	40.30	14.73	11.85
ROE(%)	40.91	22.39	43.16	15.86	12.43
P/E	7.06	5.41	4.08	6.28	14.08

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.10	11.32	7.29	8.50	4.36
ROA(%)	1.98	12.07	8.66	9.67	7.81
ROE(%)	-75.72	24.29	8.53	-20.03	-16.10
P/E	31.11	4.21	6.53	6.00	10.99

PDI**21.MINING**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.36	-2.17	1.01	1.27	1.48
ROA(%)	-60.82	-5.12	3.10	4.22	6.86
ROE(%)	-326.18	-25.21	12.18	10.82	12.45
P/E	N.A.	N.A.	N.A.	8.75	9.37

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.36	-2.17	1.01	1.27	1.48
ROA(%)	-60.82	-5.12	3.10	4.22	6.86
ROE(%)	-326.18	-25.21	12.18	10.82	12.45
P/E	N.A.	N.A.	N.A.	8.75	9.37

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CPL**22.OTHERS**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.87	5.58	5.16	4.12	4.58
ROA(%)	-4.79	16.85	16.42	12.38	12.93
ROE(%)	-8.44	24.18	19.04	14.15	15.01
P/E	N.A.	2.93	4.82	4.84	5.78

CWT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.97	-2.00	0.06	0.69	-0.64
ROA(%)	-18.30	-2.43	0.07	0.83	-0.74
ROE(%)	-55.03	-7.14	0.23	2.75	-2.51
P/E	N.A.	N.A.	8.95	5.62	N.A.

DTCI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.24	3.91	1.63	1.67	-0.29
ROA(%)	-26.13	6.65	3.04	3.11	-0.54
ROE(%)	-71.48	15.63	5.86	5.68	-0.98
P/E	N.A.	N.A.	16.41	1.97	N.A.

EASTW

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.99	2.83	2.30	2.79	3.28
ROA(%)	27.57	6.66	4.08	4.89	5.62
ROE(%)	30.10	10.42	8.13	9.50	10.77
P/E	11.34	10.41	12.76	9.72	9.59

GENCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-1.91	0.90	2.40	1.62	0.10
ROA(%)	-15.66	4.51	14.16	10.68	6.28
ROE(%)	-57.50	13.67	26.30	13.05	7.00
P/E	N.A.	N.A.	N.A.	7.92	12.31

AVERAGE

22.OTHERS(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.00	2.24	2.31	2.18	1.41
ROA(%)	-7.46	6.45	7.55	6.38	4.71
ROE(%)	-32.47	11.35	11.91	9.03	5.86
P/E	11.34	6.67	10.74	6.01	9.23



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JCT**23.PHARMACEUTICAL**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.20	-3.45	-0.86	-0.26	-0.15
ROA(%)	-23.65	-7.49	-2.15	-0.64	-0.38
ROE(%)	-31.11	-9.03	-2.41	-0.72	-0.41
P/E	9.35	N.A.	4.48	N.A.	N.A.

S&J

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.36	5.33	9.35	7.98	5.20
ROA(%)	0.63	4.80	8.51	6.68	3.88
ROE(%)	1.49	10.39	16.37	12.83	7.96
P/E	14.51	2.17	4.56	6.41	12.49

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.92	0.94	4.25	3.86	2.53
ROA(%)	-11.51	-1.35	3.18	3.02	1.75
ROE(%)	-14.81	0.68	6.98	6.06	3.78
P/E	11.93	2.17	4.52	6.41	12.49

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AJ**24.PACKAGING**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-20.56	4.04	-2.72	-1.71	5.08
ROA(%)	-78.72	8.02	-5.92	-3.50	9.77
ROE(%)	668.64	-97.35	75.65	-151.90	55.33
P/E	N.A.	N.A.	N.A.	N.A.	3.05

ALUCON

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.27	15.38	5.11	5.21	20.13
ROA(%)	-12.42	11.25	3.66	3.73	13.56
ROE(%)	-29.04	24.36	7.26	7.11	24.12
P/E	N.A.	4.43	N.A.	25.80	8.69

CSC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-63.36	8.51	-10.90	-7.65	0.84
ROA(%)	-76.52	4.29	-5.24	-8.03	1.36
ROE(%)	969.48	53.64	-34.53	-83.32	11.67
P/E	N.A.	N.A.	N.A.	N.A.	12.06

NIPPON

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.15	-1.56	-5.04	5.65	3.89
ROA(%)	-6.21	-2.38	-8.80	12.54	9.86
ROE(%)	-14.87	-5.52	-20.06	22.34	12.94
P/E	7.08	N.A.	N.A.	N.A.	4.26

SP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.04	2.44	5.77	2.93	1.43
ROA(%)	4.96	5.93	13.99	6.56	2.99
ROE(%)	8.86	10.04	21.20	10.09	5.06
P/E	49.95	33.49	10.27	8.55	21.15

TCOAT**24.PACKAGING(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.53	-0.80	1.54	3.44	1.61
ROA(%)	-22.98	-1.75	3.37	7.00	3.21
ROE(%)	-64.25	-4.78	8.97	17.46	7.23
P/E	N.A.	N.A.	N.A.	1.99	5.42

TFI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-33.91	10.37	-5.43	-5.81	1.57
ROA(%)	-77.05	11.48	-6.98	-10.62	2.87
ROE(%)	329.69	-111.63	202.08	68.31	-33.26
P/E	N.A.	N.A.	N.A.	8.89	5.25

THIP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.08	11.76	3.47	4.80	5.09
ROA(%)	14.83	20.60	5.73	7.52	7.75
ROE(%)	24.92	30.94	7.86	10.23	10.04
P/E	29.47	1.64	6.66	7.55	5.16

TMD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.05	0.40	-6.20	2.25	3.67
ROA(%)	-9.20	0.50	-8.66	3.29	5.52
ROE(%)	-20.88	1.09	-17.66	5.96	8.59
P/E	3.72	N.A.	N.A.	13.66	3.97

TOPP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.56	3.07	5.46	6.37	5.91
ROA(%)	14.51	4.83	7.96	8.32	6.91
ROE(%)	20.78	6.76	10.98	11.61	9.84
P/E	4.94	5.54	3.51	3.07	5.07

TPP**24.PACKAGING(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-9.97	0.20	0.21	-0.43	-0.35
ROA(%)	-114.55	1.23	1.34	-3.29	-3.33
ROE(%)	-202.63	2.01	2.03	-4.31	-3.64
P/E	N.A.	N.A.	N.A.	2.53	N.A.

VARO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.56	-1.90	0.02	2.44	5.49
ROA(%)	-29.15	-4.47	0.05	6.00	12.87
ROE(%)	-63.39	-9.64	0.10	12.20	22.89
P/E	N.A.	N.A.	N.A.	3.49	4.10

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.06	4.33	-0.73	1.46	4.53
ROA(%)	-32.71	4.96	0.04	2.46	6.11
ROE(%)	135.61	-8.34	21.99	-6.19	10.90
P/E	19.03	11.28	6.81	8.39	7.11

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APRINT**25.PRINTING**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.50	3.05	3.83	4.58	6.01
ROA(%)	18.01	7.46	8.49	9.31	10.94
ROE(%)	20.78	8.82	10.54	11.93	14.60
P/E	1.75	9.09	7.10	4.63	7.90

MATI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.04	5.65	7.44	7.73	5.75
ROA(%)	10.02	7.45	10.14	9.70	6.90
ROE(%)	14.30	9.74	11.80	11.01	7.73
P/E	3.23	11.91	10.04	4.74	10.96

NATION

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.33	2.43	-3.33	0.08	0.63
ROA(%)	-10.42	3.29	-7.63	0.24	1.72
ROE(%)	-56.15	13.61	-21.80	0.61	4.80
P/E	N.A.	2,233.65	85.10	N.A.	28.09

POST

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.54	0.23	2.07	3.01	1.94
ROA(%)	4.72	1.01	8.70	12.80	8.91
ROE(%)	5.29	1.13	10.30	15.34	10.26
P/E	15.84	N.A.	28.71	11.32	21.67

SE-ED

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.57	-1.36	0.11	3.21	5.86
ROA(%)	12.50	-3.94	0.32	9.55	15.31
ROE(%)	27.45	-8.07	0.65	18.69	27.76
P/E	6.63	N.A.	21.89	12.97	9.29

SSPORT**25.PRINTING(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.08	-12.89	-8.29	-10.36	0.51
ROA(%)	3.53	-10.80	-7.57	-11.14	0.61
ROE(%)	11.07	-41.39	-41.43	-102.07	9.67
P/E	17.07	N.A.	N.A.	N.A.	42.75

TBSP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.05	0.72	2.71	2.82	3.11
ROA(%)	4.78	1.73	6.50	6.44	6.67
ROE(%)	5.68	1.96	7.19	7.17	7.63
P/E	7.24	55.17	7.50	9.53	11.25

TONHUA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-11.56	2.12	0.39	-0.01	0.30
ROA(%)	-84.59	8.00	1.59	-0.04	1.76
ROE(%)	-314.89	25.15	4.00	-0.09	3.06
P/E	N.A.	N.A.	N.A.	5.22	18.95

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.51	-0.01	0.62	1.38	3.01
ROA(%)	-5.18	1.78	2.57	4.61	6.60
ROE(%)	-35.81	1.37	-2.34	-4.68	10.69
P/E	8.63	577.46	26.72	8.07	18.86

FE**26.PROF SERVICES**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	7.68	11.38	-1.63	15.74	23.68
ROA(%)	6.10	4.65	-0.67	6.48	9.37
ROE(%)	9.19	6.71	-0.97	9.70	14.22
P/E	3.64	20.73	N.A.	6.62	6.80

P-FCB

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.73	8.45	6.08	8.99	9.12
ROA(%)	18.79	9.38	6.69	7.79	6.57
ROE(%)	25.19	11.76	8.05	11.43	11.03
P/E	3.16	4.06	6.94	7.09	6.25

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	8.21	9.92	2.23	12.37	16.40
ROA(%)	12.45	7.02	3.01	7.14	7.97
ROE(%)	17.19	9.24	3.54	10.57	12.63
P/E	3.40	12.40	6.94	6.86	6.53

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AMARIN**27.PROPERTY**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.17	-0.64	-5.44	0.23	-1.17
ROA(%)	-22.25	-0.59	-5.39	0.28	-2.71
ROE(%)	-95.80	-2.60	-28.55	1.26	-9.70
P/E	N.A.	N.A.	N.A.	1.64	N.A.

AMATA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.31	-2.41	0.77	0.44	3.15
ROA(%)	10.13	-5.68	1.81	1.10	7.54
ROE(%)	34.16	-17.64	4.89	2.67	17.01
P/E	-	8.72	N.A.	N.A.	6.48

AP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.96	-10.86	-1.82	0.63	1.47
ROA(%)	-40.31	-32.77	-8.20	6.09	13.63
ROE(%)	-103.23	-108.74	-55.15	19.35	34.81
P/E	N.A.	N.A.	N.A.	N.A.	21.10

B-LAND

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-29.46	-11.75	12.59	-1.74	-3.47
ROA(%)	-59.35	-11.84	13.42	-2.04	-4.28
ROE(%)	-237.52	-66.49	99.71	-13.66	-36.75
P/E	N.A.	N.A.	1.10	0.71	N.A.

CK

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.47	1.98	-27.57	-4.22	24.94
ROA(%)	-4.29	1.17	-18.44	-3.61	19.79
ROE(%)	-17.40	4.85	-104.39	-165.30	293.59
P/E	167.30	N.A.	N.A.	N.A.	0.70

CPN**27.PROPERTY(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.93	3.58	3.72	3.08	6.29
ROA(%)	-6.07	2.88	3.07	2.58	4.78
ROE(%)	-27.23	11.66	11.07	8.68	16.21
P/E	14.30	N.A.	15.17	5.13	9.06

FSTAR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-25.00	-4.74	-7.60	0.82	0.01
ROA(%)	-118.22	-15.91	-45.85	22.90	0.21
ROE(%)	-259.31	-37.61	-174.09	42.72	0.21
P/E	N.A.	N.A.	N.A.	16.73	463.32

GOLD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-20.75	4.77	-0.36	-0.50	0.55
ROA(%)	-43.47	6.32	-2.16	-2.82	3.63
ROE(%)	-983.82	71.51	-5.75	-5.43	6.63
P/E	N.A.	N.A.	7.46	N.A.	33.30

HEMRAJ

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-14.41	12.33	-14.28	-12.04	-6.97
ROA(%)	-27.63	11.63	-13.97	-12.59	-7.70
ROE(%)	-99.29	35.73	-43.35	-57.48	-54.84
P/E	N.A.	6.04	N.A.	N.A.	N.A.

ITD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-19.41	9.82	-5.83	-15.87	-10.11
ROA(%)	-28.04	7.36	-4.80	-15.34	-11.10
ROE(%)	-178.19	36.77	-19.03	-83.05	-396.74
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

LH**27.PROPERTY(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-25.80	-7.18	-1.43	0.35	2.49
ROA(%)	-34.39	-7.30	-2.16	0.80	6.16
ROE(%)	-122.97	-27.50	-6.71	1.94	12.99
P/E	N.A.	N.A.	N.A.	292.06	21.51

LPN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.28	-13.53	-8.30	-1.19	6.55
ROA(%)	-9.77	-13.33	-10.69	-2.14	14.84
ROE(%)	-38.85	-66.45	-59.40	-8.83	51.66
P/E	2.49	N.A.	N.A.	N.A.	2.49

MBK-PD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.13	1.84	1.76	3.66	4.52
ROA(%)	6.37	3.31	3.06	5.64	6.49
ROE(%)	8.82	4.61	4.67	9.76	11.33
P/E	7.84	18.79	12.82	7.76	7.34

MK

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.66	-4.38	-5.48	-4.95	-2.33
ROA(%)	-7.55	-2.96	-3.77	-3.58	-1.92
ROE(%)	-28.51	-11.66	-14.22	-12.64	-6.89
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

NOBLE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.56	-10.55	-15.35	0.16	-0.57
ROA(%)	-20.98	-15.47	-40.91	1.56	-12.02
ROE(%)	-66.84	-57.93	-176.46	5.30	-47.95
P/E	0.66	N.A.	N.A.	N.A.	N.A.

NWR**27.PROPERTY(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-9.24	-19.03	-17.21	4.09	-3.28
ROA(%)	-15.62	-17.55	-18.82	8.42	-15.49
ROE(%)	-71.93	-117.53	894.98	88.03	-46.62
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

QH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-17.27	-7.59	-1.08	-2.40	0.29
ROA(%)	-31.96	-9.48	-3.12	-11.02	1.97
ROE(%)	-209.38	-75.03	-24.91	-81.97	12.92
P/E	N.A.	N.A.	N.A.	N.A.	35.32

ROJANA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.55	1.29	1.10	1.25	1.72
ROA(%)	0.79	1.24	2.20	2.48	3.39
ROE(%)	2.02	2.34	3.04	3.35	4.51
P/E	9.24	N.A.	N.A.	7.82	10.38

SAMCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.93	-0.06	-2.10	1.66	1.63
ROA(%)	9.83	-0.11	-4.14	4.13	4.11
ROE(%)	18.48	-0.20	-6.85	5.47	5.21
P/E	2.11	16.81	N.A.	N.A.	13.14

SIRI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.88	-24.00	-7.44	2.77	-0.32
ROA(%)	-5.11	-29.06	-38.25	30.70	-4.79
ROE(%)	-16.90	-113.71	-263.47	145.39	-13.92
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

STECON**27.PROPERTY(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-92.12	12.47	-46.98	54.30	4.54
ROA(%)	-76.86	5.67	-19.48	39.72	9.38
ROE(%)	829.99	-71.84	103.96	-573.23	23.67
P/E	N.A.	N.A.	N.A.	N.A.	9.19

SUPALI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-17.81	-8.85	-22.73	-8.00	6.83
ROA(%)	-18.92	-4.53	-13.56	-5.46	5.93
ROE(%)	-108.32	-30.42	-176.74	-93.58	42.27
P/E	N.A.	N.A.	N.A.	N.A.	2.40

TFD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.96	2.91	-1.64	-0.64	-0.30
ROA(%)	-33.43	6.10	-3.54	-1.61	-1.08
ROE(%)	-113.57	18.79	-9.43	-3.92	-2.04
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.92	-3.24	-7.51	0.95	1.59
ROA(%)	-25.09	-5.26	-10.16	2.88	1.77
ROE(%)	-81.98	-26.92	-2.01	-33.27	-3.58
P/E	29.13	12.59	9.14	47.41	45.41

AA**28.PULP PAPER**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-18.84	11.66	-7.02	1.18	0.37
ROA(%)	-34.02	11.49	-10.17	1.98	0.64
ROE(%)	-226.00	46.17	-40.07	14.04	4.08
P/E	N.A.	N.A.	N.A.	6.85	39.06

PPPC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-24.05	16.19	5.53	18.87	11.24
ROA(%)	-71.99	24.87	9.35	27.67	16.55
ROE(%)	-1,277.53	136.89	25.50	50.65	22.84
P/E	N.A.	N.A.	4.36	1.79	4.87

SPP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-36.69	26.61	7.57	17.90	20.93
ROA(%)	-22.95	9.17	3.07	9.00	12.66
ROE(%)	-65.79	24.65	7.30	22.53	34.80
P/E	N.A.	28.93	14.44	4.62	9.56

TCP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.75	0.72	-1.31	-1.58	-0.60
ROA(%)	-9.38	1.41	-2.94	-3.41	-1.32
ROE(%)	-40.26	6.41	-11.33	-11.75	-4.83
P/E	N.A.	117.44	N.A.	N.A.	N.A.

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-20.83	13.80	1.19	9.09	7.99
ROA(%)	-34.59	11.74	-0.17	8.81	7.13
ROE(%)	-402.40	53.53	-4.65	18.87	14.22
P/E	N.A.	73.19	9.40	4.42	17.83

ABICO**29.REHABILITATION**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.32	-4.55	-2.99	-4.19	2.57
ROA(%)	-14.15	-19.82	-17.21	-35.66	25.46
ROE(%)	-52.95	-101.69	-208.27	177.93	-63.86
P/E	N.A.	N.A.	N.A.	N.A.	0.39

APC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-8.11	-8.26	-32.89	-5.95	-12.33
ROA(%)	-24.82	-17.53	-111.03	-40.69	-132.07
ROE(%)	-102.41	-101.13	265.07	18.61	29.17
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

ASIA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-9.15	-6.73	-3.25	-16.56	-67.87
ROA(%)	-12.06	-4.32	-2.02	-8.52	-33.56
ROE(%)	-31.39	-12.36	-6.70	-45.85	1,168.16
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

BGES

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.70	-8.23	-1.48	-11.85	-7.92
ROA(%)	-22.56	-14.47	-2.65	-25.98	-25.12
ROE(%)	-145.50	-163.38	-1,366.18	178.73	54.79
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

BH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-57.13	-3.39	-24.10	9.70	2.25
ROA(%)	-103.24	-3.08	-22.75	14.97	5.78
ROE(%)	445.14	12.40	55.54	-50.25	69.66
P/E	N.A.	N.A.	N.A.	1.43	1.04

BSI**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.57	-32.27	-5.58	-20.82	-41.28
ROA(%)	1.19	-29.71	-4.80	-19.47	-44.90
ROE(%)	3.91	-262.78	72.06	105.94	106.00
P/E	-	N.A.	N.A.	N.A.	N.A.

CNT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.58	1.04	-0.84	-7.15	-1.05
ROA(%)	-33.81	6.35	-4.21	-22.90	-6.87
ROE(%)	-4,016.30	230.36	-90.10	298.71	15.06
P/E	N.A.	1.56	2.30	N.A.	N.A.

CNTRY

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-30.46	-12.37	-39.90	-7.17	-10.80
ROA(%)	-86.47	-17.98	-79.10	-20.18	-29.08
ROE(%)	379.84	55.67	82.39	9.90	13.63
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

CPICO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.58	-7.38	-7.38	-4.52	-18.06
ROA(%)	-59.09	-16.36	-16.03	-10.24	-49.21
ROE(%)	-314.84	-94.65	-191.36	221.63	114.79
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

DISTAR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-25.70	-1.67	-10.69	3.94	-16.60
ROA(%)	-52.95	-2.14	-15.75	5.13	-25.59
ROE(%)	-374.03	-12.96	-158.50	116.25	1,930.29
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

DTM**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.56	-16.04	-13.59	-5.58	6.69
ROA(%)	-76.84	-54.21	-69.98	-51.79	123.14
ROE(%)	-3,293.46	222.62	61.69	17.66	-38.59
P/E	N.A.	N.A.	N.A.	N.A.	4.28

EMC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-26.12	-19.80	-9.73	-12.43	2.74
ROA(%)	-48.21	-22.94	-21.92	-71.42	28.85
ROE(%)	-616.98	1,183.07	58.33	44.78	-9.88
P/E	N.A.	N.A.	N.A.	N.A.	0.15

EPCO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.92	-25.07	-8.94	-8.08	-7.67
ROA(%)	-18.12	-46.70	-22.95	-23.41	-24.22
ROE(%)	-75.23	-847.58	59.53	33.30	23.49
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

EWC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-26.57	-23.85	-23.38	-18.66	60.96
ROA(%)	-53.03	-26.07	-35.15	-41.26	210.15
ROE(%)	-15,302.38	206.00	59.57	29.00	-237.37
P/E	N.A.	N.A.	N.A.	N.A.	0.02

GEL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.74	-3.71	-9.29	-8.08	6.86
ROA(%)	-44.78	-6.85	-18.37	-16.51	22.07
ROE(%)	-259.09	-44.36	-86.14	-70.36	1,291.83
P/E	N.A.	N.A.	N.A.	N.A.	0.67

IFEC**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-14.19	-18.08	-26.33	-5.54	-4.14
ROA(%)	-24.25	-17.79	-36.31	-9.72	-7.38
ROE(%)	-196.76	-257.86	195.41	18.06	11.57
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

KKC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-85.00	2.00	1.25	2.24	12.73
ROA(%)	-100.13	1.37	1.08	3.37	20.24
ROE(%)	382.20	-4.97	-4.15	-14.59	-161.96
P/E	N.A.	N.A.	N.A.	0.34	0.82

KMC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-23.30	-11.72	-40.73	6.27	0.20
ROA(%)	-36.35	-10.10	-40.74	10.72	2.47
ROE(%)	-338.55	-174.45	208.80	-26.11	-9.45
P/E	N.A.	N.A.	N.A.	0.24	2.48

MDX

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.63	-6.88	-10.27	-17.75	-9.05
ROA(%)	-13.76	-9.64	-19.13	-45.86	-30.51
ROE(%)	-33.38	-29.51	-148.95	223.69	34.25
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

MEDIAS

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-21.96	-26.50	-3.53	-15.32	-5.35
ROA(%)	-69.20	-51.07	-9.92	-55.92	-25.12
ROE(%)	-162.56	-192.49	285.59	143.79	25.15
P/E	3.56	N.A.	N.A.	N.A.	N.A.

MGR**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-75.33	-42.98	-39.98	-4.79	-0.86
ROA(%)	-161.13	-58.08	-100.74	-48.48	-18.88
ROE(%)	424.13	74.99	40.69	8.07	2.27
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

M-HOME

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-18.02	-20.19	-40.48	-14.18	-11.16
ROA(%)	-22.58	-14.98	-43.19	-20.33	-17.24
ROE(%)	-185.88	-217.38	185.68	28.82	18.44
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

NEP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.36	-2.21	-1.80	-1.42	0.77
ROA(%)	-29.77	-7.88	-6.63	-5.35	3.45
ROE(%)	-172.88	-56.25	-55.96	-49.18	30.16
P/E	N.A.	N.A.	N.A.	N.A.	5.81

N-PARK

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.25	-18.30	-24.20	-3.26	4.63
ROA(%)	-25.10	-35.57	-93.11	-82.47	472.83
ROE(%)	-188.05	1,267.54	106.70	8.96	-12.95
P/E	N.A.	N.A.	N.A.	N.A.	0.04

NSM

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.31	-2.32	-14.07	-13.15	-16.49
ROA(%)	-9.83	-5.01	-31.43	-34.75	-49.24
ROE(%)	-53.77	-31.48	2,904.86	88.87	55.69
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

PAE**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-63.76	-41.67	-46.09	-34.07	-13.99
ROA(%)	-70.22	-30.66	-62.13	-76.45	-49.43
ROE(%)	-671.99	661.16	80.70	34.20	11.32
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

PE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-96.29	-40.67	-79.62	-21.83	-21.32
ROA(%)	-118.50	-26.82	-79.61	-38.97	-41.18
ROE(%)	335.84	53.98	57.92	11.37	10.01
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

PERFEC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-83.58	-57.05	-49.33	-31.03	55.91
ROA(%)	-76.40	-30.19	-40.55	-36.27	72.96
ROE(%)	2,991.99	165.01	57.40	25.33	-84.54
P/E	N.A.	N.A.	N.A.	N.A.	0.14

PP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-29.77	-53.42	-14.09	-21.67	-14.28
ROA(%)	-70.68	-85.32	-40.49	-89.13	-84.93
ROE(%)	-3,865.34	212.24	23.91	28.22	15.07
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

PRECHA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-2.67	-13.10	-12.43	-8.61	2.19
ROA(%)	-5.66	-14.38	-17.01	-15.97	6.73
ROE(%)	-18.77	-60.05	-138.94	521.27	-60.44
P/E	N.A.	N.A.	N.A.	0.33	0.26

PYT**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.59	-0.31	-10.58	-89.71	-15.38
ROA(%)	-22.50	-0.26	-8.64	-101.52	-30.86
ROE(%)	-175.69	-2.10	-133.68	206.35	16.60
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

RAIMON

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-30.63	-12.35	-56.00	-16.39	9.06
ROA(%)	-58.49	-12.51	-82.38	-40.66	24.64
ROE(%)	-5,750.98	241.67	140.76	21.39	-11.26
P/E	N.A.	N.A.	N.A.	N.A.	0.09

RANCH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-39.04	-7.04	-11.18	55.87	1.62
ROA(%)	-95.44	-8.86	-14.87	98.58	6.19
ROE(%)	387.76	29.74	31.62	-2,354.32	10.93
P/E	N.A.	N.A.	N.A.	N.A.	0.15

RCI

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.52	-12.23	-12.48	-5.10	-2.15
ROA(%)	-33.05	-13.98	-13.66	-6.12	-4.00
ROE(%)	-168.84	-58.62	-68.47	-83.39	323.17
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

ROBINS

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-51.43	7.62	-37.77	-46.77	-5.34
ROA(%)	-82.41	6.39	-38.71	-57.61	-6.78
ROE(%)	652.40	-61.91	122.28	61.25	5.19
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

RR**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.37	0.16	-5.28	-22.45	-3.00
ROA(%)	-8.63	0.27	-10.24	-55.29	-9.92
ROE(%)	-29.95	0.90	-38.89	1,748.03	20.20
P/E	-	N.A.	N.A.	N.A.	N.A.

SAICO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.32	-16.18	8.65	3.35	1.92
ROA(%)	-31.77	-17.39	20.38	15.72	9.16
ROE(%)	-550.39	570.10	-45.07	-13.76	-8.85
P/E	N.A.	N.A.	0.40	1.84	3.90

SIKRIN

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.94	-4.93	-5.92	2.66	1.03
ROA(%)	-60.40	-35.23	-63.70	35.91	13.73
ROE(%)	-124.71	-96.90	1,520.97	-139.29	-439.40
P/E	N.A.	N.A.	N.A.	1.70	2.54

SMPC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.86	-3.89	-2.71	1.82	0.74
ROA(%)	-5.32	-12.62	-8.90	5.35	1.98
ROE(%)	-31.99	-113.97	-2,329.84	-554.36	77.96
P/E	N.A.	N.A.	N.A.	44.54	4.31

STRD

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-12.91	-1.30	-7.50	0.02	0.13
ROA(%)	-92.95	-4.56	-25.82	0.09	0.44
ROE(%)	-206.60	-10.96	-70.41	0.24	1.24
P/E	N.A.	N.A.	N.A.	N.A.	39.80

SUNTEC**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.45	-5.69	-17.36	-19.16	-7.31
ROA(%)	-20.19	-19.95	-57.13	-68.14	-50.61
ROE(%)	-70.93	-96.90	313.51	83.60	23.86
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

S-VARA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.86	-9.11	-22.49	-24.34	92.07
ROA(%)	-15.68	-15.04	-44.63	-74.65	206.14
ROE(%)	-54.73	-69.05	862.79	93.53	-197.91
P/E	N.A.	N.A.	N.A.	N.A.	0.03

SYNTEC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.92	-93.98	-94.56	-47.95	-32.19
ROA(%)	1.56	-53.56	-87.67	-102.26	-130.32
ROE(%)	8.15	681.13	85.50	26.84	14.19
P/E	4.63	N.A.	N.A.	N.A.	N.A.

TDT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.48	-2.13	-3.22	-2.40	2.03
ROA(%)	-55.17	-14.43	-19.53	-15.56	20.95
ROE(%)	-312.12	-56.67	-90.74	-393.60	172.89
P/E	N.A.	N.A.	N.A.	N.A.	0.90

TEIC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.35	-8.53	-8.10	-5.79	2.19
ROA(%)	-88.08	-30.25	-36.08	-30.03	10.58
ROE(%)	-1,758.92	310.66	71.87	31.26	-10.71
P/E	N.A.	N.A.	N.A.	N.A.	0.73

TEM**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	7.61	-31.54	-54.47	-250.76	-6.20
ROA(%)	8.58	-18.72	-33.25	-280.90	-27.79
ROE(%)	19.11	-54.31	-358.59	182.64	2.34
P/E	7.43	N.A.	N.A.	N.A.	N.A.

TGPRO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-25.12	-28.42	-22.31	10.72	-30.47
ROA(%)	-56.97	-38.83	-35.63	13.54	-11.26
ROE(%)	633.67	131.85	50.13	-20.97	24.25
P/E	N.A.	N.A.	N.A.	0.15	N.A.

THECO

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-14.60	-1.33	-5.58	-10.10	-0.39
ROA(%)	-43.21	-2.50	-15.18	-33.64	-1.62
ROE(%)	-2,091.27	-158.29	774.53	405.23	13.70
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

THL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.75	-0.95	-1.17	-0.39	-0.84
ROA(%)	-5.27	-3.25	-4.07	-1.45	-3.35
ROE(%)	-6.45	-4.15	-5.58	-2.06	-4.78
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

TNPC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-14.65	-3.68	-0.83	9.34	2.59
ROA(%)	-71.22	-8.97	-1.98	18.24	5.34
ROE(%)	144.13	19.57	4.68	-60.83	-37.55
P/E	N.A.	N.A.	N.A.	0.26	3.56

TPI**29.REHABILITATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-38.08	11.39	-3.45	-20.15	1.52
ROA(%)	-78.93	12.61	-3.80	-24.95	6.62
ROE(%)	-465.40	57.82	-16.47	-717.78	-95.79
P/E	N.A.	N.A.	N.A.	N.A.	2.88

TWC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-75.96	21.10	-18.35	-37.56	-9.63
ROA(%)	-80.30	11.58	-10.73	-23.80	-6.82
ROE(%)	4,555.33	377.10	-348.13	142.82	18.05
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

TYONG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-17.66	-11.70	-8.43	-24.12	-5.08
ROA(%)	-23.60	-7.30	-4.56	-12.87	-2.89
ROE(%)	-157.06	-70.35	-154.51	183.53	20.35
P/E	N.A.	3.26	N.A.	N.A.	N.A.

WFC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-27.07	1.96	-80.79	-37.57	-18.56
ROA(%)	-25.98	1.08	-70.76	-57.80	-33.04
ROE(%)	-300.31	10.28	275.99	39.23	16.09
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-22.07	-13.67	-19.96	-16.27	-2.65
ROA(%)	-46.81	-17.75	-32.14	-31.73	5.30
ROE(%)	-580.84	60.30	55.57	18.93	79.75
P/E	0.29	0.09	0.05	0.94	1.39

KWC**30.SILO**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.12	5.52	0.32	2.59	1.77
ROA(%)	-11.96	11.25	0.68	5.21	3.48
ROE(%)	-13.86	12.79	0.77	6.23	4.14
P/E	N.A.	125.67	10.38	19.13	16.99

SST

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	4.15	0.67	5.44	5.45	3.88
ROA(%)	21.64	1.81	13.93	12.70	8.79
ROE(%)	22.80	1.88	14.96	13.87	9.31
P/E	3.74	17.62	5.48	3.30	7.79

TSTE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	5.43	2.25	-5.03	5.42	6.35
ROA(%)	28.59	6.11	-15.17	16.63	18.87
ROE(%)	33.31	7.15	-18.69	21.12	23.41
P/E	6.98	7.58	16.54	N.A.	9.13

UST

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.01	-0.48	-2.90	0.79	1.73
ROA(%)	0.04	-1.57	-9.89	2.73	6.09
ROE(%)	0.08	-3.03	-15.93	4.10	8.49
P/E	N.A.	N.A.	N.A.	5.12	7.10

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	1.62	1.99	-0.54	3.56	3.43
ROA(%)	9.58	4.40	-2.61	9.32	9.31
ROE(%)	10.58	4.70	-4.72	11.33	11.34
P/E	5.36	50.29	10.80	9.18	10.25

AFC**31.TEXTILES**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.34	-2.63	2.47	0.89	0.98
ROA(%)	-29.36	-5.99	6.76	2.63	3.28
ROE(%)	-81.97	-16.12	15.64	5.12	5.49
P/E	N.A.	N.A.	2.76	4.11	7.60

BATA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.80	-6.73	-4.90	-7.41	-10.59
ROA(%)	5.12	-6.77	-5.86	-9.01	-14.79
ROE(%)	12.26	-16.11	-13.87	-25.42	-51.91
P/E	5.23	N.A.	N.A.	N.A.	N.A.

BRC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.74	7.57	-6.00	0.49	3.42
ROA(%)	-16.03	8.46	-6.54	0.57	4.03
ROE(%)	-46.31	23.14	-18.13	1.67	10.89
P/E	N.A.	6.63	N.A.	1.68	3.10

BTNC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.52	4.78	-1.24	0.84	-0.88
ROA(%)	-21.02	6.86	-1.95	1.43	-0.32
ROE(%)	-42.64	12.67	-3.16	2.19	-0.48
P/E	4.77	N.A.	12.80	4.31	22.58

CPH

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.83	-3.82	-4.15	1.98	3.03
ROA(%)	-15.34	-7.07	-10.10	5.46	9.02
ROE(%)	-46.75	-20.45	-32.17	20.47	25.53
P/E				95.07	2.36

HT**31.TEXTILES(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-33.06	36.10	14.24	12.23	13.02
ROA(%)	-27.23	17.15	8.46	7.00	6.97
ROE(%)	-79.84	39.44	14.11	10.91	10.10
P/E	N.A.	2.24	48.32	3.03	3.69

HTX

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.31	-0.51	-0.86	-4.49	-2.44
ROA(%)	-37.05	-3.07	-5.41	-29.87	-20.75
ROE(%)	-64.06	-5.03	-9.20	-66.96	-75.12
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

LTX

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.02	-0.25	5.96	8.36	10.64
ROA(%)	-12.56	-0.24	6.41	9.44	11.92
ROE(%)	-44.48	-0.84	19.96	25.35	28.62
P/E	N.A.	7.96	4.65	3.50	3.95

NPK

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-10.49	-0.05	-5.61	-2.56	0.10
ROA(%)	-25.41	-0.06	-7.60	-3.74	0.15
ROE(%)	-92.74	-0.22	-30.96	-20.03	0.81
P/E	N.A.	N.A.	N.A.	N.A.	75.79

PAF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.52	7.37	-4.48	3.55	11.24
ROA(%)	-17.01	10.82	-6.20	5.23	15.88
ROE(%)	-32.02	22.27	-16.07	16.96	41.58
P/E	N.A.	1.34	N.A.	1.18	4.86

PG**31.TEXTILES(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.98	5.92	4.16	4.92	8.85
ROA(%)	-27.58	9.88	6.60	7.29	12.25
ROE(%)	-85.03	27.19	15.71	16.51	25.74
P/E	N.A.	1,818.95	7.89	3.66	5.71

SUC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.81	7.44	3.42	3.89	3.57
ROA(%)	-2.34	12.03	6.21	5.57	5.23
ROE(%)	-5.95	26.90	11.62	9.96	8.59
P/E	9.70	4.46	3.18	3.47	5.14

TNL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-4.71	12.70	9.23	20.06	20.61
ROA(%)	-9.05	12.30	8.25	15.23	13.71
ROE(%)	-16.74	20.42	12.77	23.26	19.43
P/E	23.37	2.39	4.05	4.24	5.68

TPCORP

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-56.42	36.66	10.94	17.51	19.40
ROA(%)	-77.64	25.14	7.51	10.91	11.08
ROE(%)	1,978.63	287.45	30.39	36.08	30.05
P/E	N.A.	3.95	1.75	3.65	4.07

TR

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	30.00	22.00	30.72	30.05	23.84
ROA(%)	22.96	8.84	12.19	11.11	8.53
ROE(%)	30.11	10.50	13.06	11.72	9.02
P/E	N.A.	2.01	2.77	3.53	4.23

TTI**31.TEXTILES(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.53	11.23	1.29	3.53	2.74
ROA(%)	-11.68	13.07	1.71	4.39	3.16
ROE(%)	-40.33	33.38	3.40	9.44	6.96
P/E	N.A.	2.27	12.33	10.39	9.14

TUNTEX

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-21.11	8.31	-4.60	-8.79	-1.64
ROA(%)	-23.67	7.79	-5.84	-11.70	-2.29
ROE(%)	-122.45	28.27	-16.09	-44.55	-11.82
P/E	N.A.	N.A.	N.A.	26.44	N.A.

UF

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.62	4.25	4.91	-0.76	2.39
ROA(%)	24.04	13.07	13.23	-1.76	5.19
ROE(%)	38.03	21.09	21.61	-3.35	11.04
P/E	3.46	2.76	4.18	5.73	6.66

UT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	0.12	3.13	0.42	2.15	-2.05
ROA(%)	0.69	8.89	1.98	5.96	-3.61
ROE(%)	1.17	14.49	3.05	9.13	-5.79
P/E	N.A.	2.18	11.48	4.47	N.A.

WACOAL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.02	29.04	20.90	27.93	26.21
ROA(%)	1.76	13.16	9.12	10.75	9.12
ROE(%)	3.65	23.64	14.45	16.54	13.24
P/E	19.60	1.75	4.01	4.45	6.26

AVERAGE

31.TEXTILES(CONTINUED)

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.14	9.13	3.84	5.72	6.62
ROA(%)	-14.92	7.21	1.95	2.34	3.89
ROE(%)	63.13	26.60	1.81	2.75	5.10
P/E	11.02	142.99	9.24	10.76	10.68



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

ASIMAR**32.TRANSPORTATION**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.47	1.85	-5.01	-10.23	-0.88
ROA(%)	-20.01	2.54	-7.08	-19.51	-2.38
ROE(%)	-43.83	6.07	-18.26	-60.74	-8.96
P/E	16.99	N.A.	7.23	N.A.	N.A.

BECL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-0.36	-0.72	-0.06	0.22	1.14
ROA(%)	-1.16	-1.11	-0.08	0.32	1.66
ROE(%)	-4.06	-4.12	-0.34	1.32	6.49
P/E	N.A.	N.A.	N.A.	24.29	14.00

JUTHA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-13.48	1.55	-5.82	-10.15	-0.73
ROA(%)	-47.68	2.94	-9.08	-12.86	-1.63
ROE(%)	-247.56	15.25	-81.47	1,041.23	25.46
P/E	N.A.	N.A.	N.A.	N.A.	N.A.

PSL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-111.57	62.98	-1.08	-7.05	12.95
ROA(%)	-120.12	35.83	-0.69	-5.13	10.78
ROE(%)	330.57	-175.06	21.46	-7,243.03	182.36
P/E	N.A.	N.A.	N.A.	1.38	1.31

RCL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-31.16	4.51	11.26	-7.21	-4.67
ROA(%)	-9.34	1.31	3.57	-2.24	-1.53
ROE(%)	-45.05	5.73	13.27	-8.24	-5.73
P/E	N.A.	N.A.	9.12	2.22	N.A.

THAI**32.TRANSPORTATION(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	2.64	3.79	3.37	1.38	3.00
ROA(%)	4.91	3.60	3.02	1.13	2.41
ROE(%)	167.64	73.94	48.36	17.47	31.84
P/E	N.A.	4.26	19.34	N.A.	9.00

TTA

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-3.26	-7.95	-1.84	7.79	13.40
ROA(%)	-7.86	-10.24	-2.74	11.20	18.34
ROE(%)	-101.94	-252.09	231.10	345.01	170.34
P/E	N.A.	3.29	N.A.	3.59	2.25

UTL

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-66.87	3.38	-0.95	0.90	1.61
ROA(%)	-99.61	12.23	-5.04	5.48	10.38
ROE(%)	-1,907.77	56.61	-13.23	13.34	20.07
P/E	N.A.	N.A.	N.A.	N.A.	4.53

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-28.82	8.67	-0.02	-3.04	3.23
ROA(%)	-37.61	5.89	-2.27	-2.70	4.75
ROE(%)	-231.50	-34.21	25.11	-736.71	52.73
P/E	16.99	3.78	11.90	7.87	6.22

BAT-3K**33.VEHICLES**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-18.55	20.14	5.88	5.08	5.07
ROA(%)	-35.56	20.62	6.75	6.01	5.65
ROE(%)	-222.29	75.04	14.68	11.32	10.47
P/E	N.A.	3.90	3.84	3.37	5.67

GYT

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	21.34	28.98	52.03	36.08	35.52
ROA(%)	16.80	10.18	15.58	10.01	9.38
ROE(%)	24.73	15.66	23.37	14.16	12.75
P/E	6.65	8.30	4.26	3.63	6.76

IRC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-7.98	1.21	3.50	2.00	2.52
ROA(%)	-22.51	1.77	5.14	2.78	3.41
ROE(%)	-82.43	6.05	15.69	8.00	9.57
P/E	N.A.	N.A.	4.14	5.91	7.35

SMC

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-120.87	-22.27	-3.67	-0.32	0.11
ROA(%)	-139.52	-17.99	-8.16	-22.27	1.10
ROE(%)	380.01	49.63	139.71	-12.02	4.26
P/E	N.A.	N.A.	N.A.	1.41	28.78

SPG

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	12.49	6.85	8.92	10.81	6.78
ROA(%)	39.82	15.83	19.59	21.43	12.77
ROE(%)	62.91	22.92	25.80	26.09	14.67
P/E	-	6.51	8.47	4.75	7.23

SPSU**33. VEHICLES(CONTINUED)**

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-6.83	2.89	0.69	1.23	0.44
ROA(%)	-28.85	6.96	1.88	3.23	1.16
ROE(%)	-70.75	13.94	3.08	5.23	1.80
P/E	N.A.	N.A.	41.85	7.05	27.17

STANLY

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-5.20	-1.59	2.94	6.16	9.20
ROA(%)	-16.31	-2.68	4.98	9.71	13.42
ROE(%)	-29.16	-4.58	8.28	15.60	20.68
P/E	14.42	N.A.	N.A.	3.96	10.42

TRU

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	3.70	-0.39	3.27	6.36	14.08
ROA(%)	15.30	-0.84	6.99	11.81	21.26
ROE(%)	17.54	-0.94	7.81	14.06	27.50
P/E	2.15	N.A.	18.25	5.15	9.30

AVERAGE

As of	1997 31/12/1997	1998 31/12/1998	1999 31/12/1999	2000 31/12/2000	2001 31/12/2001
EPS(Baht)	-15.24	4.48	9.20	8.43	9.22
ROA(%)	-21.35	4.23	6.59	5.34	8.52
ROE(%)	10.07	22.22	29.80	10.31	12.71
P/E	7.74	6.24	13.47	4.40	12.84

Biography

Mr. Songwut Wannaborworn was born on October 20th, 1976 in Yala, Thailand. He obtained his Bachelor degree in Civil Engineering from the Faculty of Engineering, Thammasart University in 1997. He started to study for Master of Engineering and Master of Science in Engineering Management jointly offered by Chulalongkorn University and Warwick at The Regional Centre for Manufacturing Systems Engineering. At that same time, he was also working in Construction Company.



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