

(Appendix)

Kenji Koike

CP GROUP

1996

1-06 Thai government is cool to take over an additional 41% of Don Muang Tollway which CP was involved.

1-17 After disagreement with WalMart on operation of the wholesale Value Club chain in China, CP invites Lotus Superstores management team to take over WalMart duties in running 6 store chain. Last December CP registered Hualien Chia Tai Co with Hualien retail group holding 51% in order to conduct retail business in Shanghai. Hualien retail group operates 10 shopping malls in Shanghai. CP is training Chinese staff in Thailand. Another separate joint venture project, CP and Friendship Store group are still negotiating details to build a high-end, upscale shopping mall in Shanghai.

1-18 CP Interfood Ltd seeks 40% of imported wine market through Makro, 7-Eleven, Lotus.

1-19 CP Trading Group looks to food and beverage sales after realizing that the business of feedmill, chicken exports and prawns is getting saturated. The group is negotiating with a Dutch snack manufacturer to invest in producing food made from chicken and port. With its US, EU and Australian partners, the group plans to produce concentrated fruit juice for the Thai market.

2-08 CP goes green with organic vegetables.

2-10 CP will set up export units in China cities, Beijing, Shanghai, Jilin, Harbin where CP has slaughter houses. More than 80% of frozen chicken products would be exported directly to Japan.

3-15 Thai Farmers Bank replaces CP as country's No. 1 firm.

3-18 Sunbird, a subsidiary of Australia-based National Foods, joins CP to manufacture juice. National Foods moves to Asian market with joining CP.

3-25 CP expects slower China output as it firms up base. CP has about 80 chicken processing factories in China, and only 4 are operated for export purposes.

3-29 Prime minister Banharn visited CP's Shanghai-Ek Chor Motorcycle established in January 1985 as 50-50 joint venture with Shanghai Automotive Industry Corp. This year target is 600,000 units. Expect to reach the one million next year and two million by the year 2000. When its new 3 billion Baht factory in Pudong special economic zone is completed, the capacity will be up. Production facilities are brought in from France, Germany, Italy and Japan. Cambodian government approves 15 million \$ investment in agro-industry. CP Cambodia Co has registered capital of 2.7 million \$.

4-02 CP has emerged as the 30% equity partner of Ford Motor in a 30 million \$ joint venture Automotive Components (Thailand) to produce plastic, electronic & electrical car components which support Ford Motor's new 11.8 billion Baht one-ton pickup truck project in Thailand. At the same time Ford Motor set up on more 23 million \$ joint venture, Halla Climate Control (Thailand) Co with South Korea's Mando Machinery Corp to supply climate control components for Auto Alliance (Thailand), joint venture between Ford Motor and Mazda for the pickup truck assembly project. Both locate near Auto Alliance (Thailand) in the Eastern Seaboard Industrial Estate. Auto Alliance (Thailand) will produce up to 135,000 pickup annually. Construction of two component joint venture will begin later this year.

4-03 CP InterFood (Thailand) has formed joint venture with Sunburst Foods, Australian fruit juice manufacturer & package, to market juices in Thailand. Initially it imports under the brand name Just Juice.

4-10 Success in Vietnam persuades CP to enter Burma and Cambodia. CP would sign an investment agreement with Cambodia late this month to set up an animal feed factory, and expected approval for its proposed Burma investment within the next two months. CP intends to put at least 1.5 billion Baht in Hanoi and Ho Chi Minh City in the near future. CP first set up in Vietnam in 1993, investing 15 million \$ to set up feedmill that produces 18,000 tonnes of feed a month. CP Vietnam Livestock plans to spend 500-625 million Baht to build a chicken slaughter-house and processing factory in Ho Chi Minh City. The operation will be the first of their kind in Vietnam and the company plans to begin exporting chicken products within two years. In Hanoi CP also plans to invest 400 million Baht on breeding farms for layers and broilers in the south of Vietnam and 500 million Baht on feedmills and chicken breeding farms this year. CP has received a 50-year license to set up bases in Hanoi and has been granted BOI privileges allowing the company to import certain quotas of feed raw materials for low tariff rates of 5-20%. Vietnam must import 70% of its feed raw materials from abroad. Last year CP generated net sales of 1.2 billion Baht in Vietnam and expected to reach two billion Baht this year. Advance Pharma Vietnam Co has hired 260 families in the south of Vietnam to raise chickens.

4-25 CP signed a 15 million \$ agreement with the Cambodian government to operate hatcheries and breeding farms as well as grow corn, rice and fast food operation.

4-29 Laos has good potential for soya bean and maize plantation. Burma has huge soya bean cultivation area and long coastline with abundant fishery resources. CP has already a feed mill in Burma and plans to expand soon.

5-07 Foreigners keen to invest in animal feed industry in Vietnam. CP's Advance Pharma is currently merged with CP Vietnam Livestock. Cargill Co, ADM, another

American company and Chinfon, the biggest Taiwanese investor in Vietnam plan to or are investing.

5-15 CP's Indonesian subsidiary, PT Central Proteinaprima (CP Prima), an investing arm of CP in Indonesia got 50 million \$ syndicated loan toward debt rescheduling.

5-20 CP issued a syndicated loan 5 billion Baht for the latest project, a shopping mall and entertainment center, Chia Tai Riverfest center, in Pudong. On May 11 foundation stone lay. The loan was issued by TM International Bank whose owners are M Tai group, CP and Thai Farmers Bank. Kinghill Ltd co-owned by CP 60%, Thai Farmers Bank 10% and other Thai businessmen including Sombat, Krisda, Sarasin family etc, 30%, is capitalized at 100 million \$. CP erecting China headquarters as a part of Pudong real estate development in Shanghai. It's one of three big cities along the eastern coast which CP is targeting for real estate development. In Shanghai, Shanghai Fortune World Development Co, 50-50 joint venture with Shanghai Lujianzui Finance and Trade Zone Development Stock Co, is capitalized at 30 million \$ or 750 million Baht. The joint venture has been awarded 88-year leasing contracts for 2 plots of lands along the Huang-Pu River. One of them, covering 260 rai, will be developed into residential, shopping, entertainment and office areas as well as a hotel under the Future World name. The other lot, 25 rai or 1.4 million square meter will be into a 3 billion Baht Future Garden which will house residential and commercial areas. Part of the 450,000 square meter 1st phase of Future World will house CP headquarters built by Interwell, a subsidiary of the Chia Tai Group of HK. Kinghill will develop a 8 billion Baht shopping mall and entertainment center. Coll of US and Friendship Department Store are committed to help market and manage Future World. Land & House will be a partner of the projects planned for Shenyang. Within these 20 years CP has built a strong presence in China with more than 130 projects worth over 100 billion Baht.

5-29 Sunny's Supermarket Co Ltd plans to open 100 supermarkets throughout the country over next 10 years and expand to China within 3 years. The company recently spent 12 million Baht on supermarket operating knowledge from Impact 10,000 Co Ltd, a US-based consultant with substantial experience in the supermarket business in Europe, US and Asia. CP has also imported grocery technology from Australian supermarket chain Woolworths. Sunny's Supermarket Co now operates three supermarkets in Bangkok.

6-01 Nomura Research Co advising CP on 7-Eleven growth plans. Nomura, which advised the 7-Eleven chain in Japan, will help CP achieve its target of 1,000 outlets by the end of 1998. Its advice includes redesign of convenience store concept, installation of computerized communications links and a Point of Sales (POS)

system. The Japanese firm's international management system will become the standard for 7-Eleven in Thailand.

6-12 CP Land acquires Univest projects.

6-20 Burma approaches CP for shrimp processing plant. CP is also waiting for Burmese authorities to approve its integrated poultry business initially worth about 175 million Baht in Yangon where it has already leased a plot of land. CP expects investment expansion in basic infra, transport and communication.

7-08 CP Training staff--Widening business and staff shortage. CP targets high tech field as next achievement. Dhanin was recently appointed one of the committee members of BOI on promotion of Thai companies overseas.

7-18 CP's Petrochemical group revenue amounts 125 billion Baht but losing for the past two year. PVC resin joint venture, Vinythai Plc, a listed joint venture with Belgium based Solvay, in Thailand alone covering 5 mills producing PVC-based plastic products such as artificial leather, PVC sheets, PVC pipes, toys and waterproof clothes. Most of CP's PVC-based products are exported. CNC International, a joint venture established in July 1994 by CP, Corovin of Germany and NEP Realty and Ind., will next month start commercial production of polypropylene, spun-bond non-woven materials under the Corovin trademark for Thailand and other Asian countries.

7-22 Satien Stainless Steel, Zebra-brand stainless-steel kitchenware maker controlling 70% share in Thai market, joined CP's Indonesian subsidiary, CP Indonesia Co to target the most populous Asean nation. Having established itself in Thailand over the last 30 years, Satien Stainless Steel is investing 250 million Baht in a new factory at Rayong due to open in October with a capacity of 100 tonnes per month. Its existing factory at Lad Krabang produces up to 250 tonnes a month.

8-02 CP has asked Thai government to set up a public-private joint sector trade inspection group to bolster Thai export competitiveness in the world market.

8-23 CP starts chicken raise business in Cambodia. CP Cambodia will finish constructing the country's 1st feed mill later this year with a capacity of 84,000 tonnes per year. CP's new motor cycle factory in Pudong will open on August 27. Princess attends opening ceremony. The firm now has two factories which this year have a capacity of 50,000 units. Xingfu brand in two models, namely the 250cc model which has captured an 80% market share and the 125cc model which has captured 17% market share. The company so far produced and distributed more than two million motorcycles. This new factory in Pudong has a total area of 111 rai with the buildings of over 5,000 square meter; a total of 3 billion Baht was invested in the construction. Initial production capacity is set at 600,000 engines per year and 400,000 motorcycles per year, producing 12 models from 50cc to 150 cc. Production capacity of motorcycles will be increased to one million units by the year of 2000.

8-29 CP is eyeing the HK property market after overlooking the island and concentrating on agricultural and industrial investment in China for many years. Dhanin said CP made a mistake by not investing in any HK real estate projects in the past 20 years. CP will increasingly invest in mainland China and at the same time decentralize the management of all businesses in HK, Shanghai and Beijing. Shanghai has emerged as the most significant investment of CP since it covers core businesses, including motorcycle production, car parts, car compressors, paint and beer. More importantly, CP has joined with M Thai Group and the Lamsam family to develop a large shopping center in China with 300 million \$ (7.5 billion Baht) investment. Located in Pudong special economic zone, it is expected to open in phases, with the 1st phase comprising a CP Supercenter, planned to be completed by the end of the year. CP's policy is to encourage Thai firms to invest in China under 60-40 shareholding structure. If CP is not familiar with a particular business, then CP will hold a minor stake. CP group has 10 projects under way. Some are in the investing process and others are targets of feasibility studies. The newly-opened head office of TM Bank, of the M Thai Group in Shanghai, will support investment plans of these groups. The head office was moved to Shanghai from another Chinese city. The bank will gain management skills from Thai Farmers Bank controlled by the Lamsam.

9-25 CP's pig farm becomes the focus of an alleged land scandal.

10-16 Villagers claim land sold to CP was stolen.

11-01 Deputy Secretary for Foreign Affairs, Mr. Sarasin aged 50 resigned to join CP in order to handle overseas business. CP is known to have recruited several officials of various ministries. But he was the first official who left before the mandatory retirement age of 60 to join the firm.

11-25 CP Group comfortable with New Aspiration Party.

11-30 CP Group's exports up 7.95% in year to September. Rising world prices boost returns on animal feed. CP set up joint venture with Chinese Ministry of Electronics and Shanghai municipal government to invest in a 1.2 billion \$ wafer fabrication facility in the Pudong New Area Development Zone. Chinese Prime Minister Li Peng and Dhanin attended the opening ceremony of so-called Project 909 plant on Thursday. This project is aimed at helping China raise its annual output of integrated circuits to between 1 billion and 1.5 billion chips by 2000 and increasing its sales to 10 billion Yuan (30 billion Baht), accounting 30% of home market. The Chinese ministry will hold 36%, Shanghai government 33%, CP 31% as CP's first entry into the chip industry. However, three partners are looking for 'technology partners' for the project. Thus the final shareholding structure will be changed. The factory has a monthly production capacity of 20,000, 8 inch-0.5 micron chips. Because of low productivity and inadequate design capabilities, China can only meet 20% of its annual demand. As a result, China has to import

more than 10 billion Yuan worth of chips annually. In the past, it only had the capability to produce 1-micron thick chips 4 to 5 inches in length.

12-04 CP has set up bill payment and entertainment ticket booths inside 50 shopping Bangkok.

12-07 CP reacts to EU discrimination. CP strikes back at EU.

12-09 CP considering setup of second wafer fabrication facility in Thailand or HK.

12-12 CP welcome shipping tycoon as HK chief executive.

12-21 CP again Top Thai Firm.

1997

1-03 Last month, the Indian Supreme Court ruled in favour of environmental and conservation groups, which were backed by Western countries, to ban semi-intensive and intensive shrimp farming along coastal areas from March of this year. The move dealt a serious blow to CP Aquaculture (India) PVT Ltd whose more than Bt500-million animal feed plant began operations in July last year.

1-04 CP is retaliating against EU tariff increases on Thai shrimps by importing wines from other sources.

1-09 Vice president for agri-business Adirek Sripratak said the plan to expand its integrated agri-business into south Asia will require a major investment after the company completes its investments in Burma and the Indochina region, Laos is the only nation where CP does not have a plant. However, it expects to sign an agreement with the government in the next two months. The investment budget will be Bt75-Bt80 million and plant will be located in Vientiane.

CP Group president Prasert Poongkumarn said on Tuesday the company had signed a US\$9.5 million agreement with Livestock Feedstuff and Milk Products Enterprise of Burma, for industrial poultry development. Prasert said CP has set up Myanmar CP Livestock Ltd to operate an integrated project, which includes a feedmill producing 6,000 tons a month of animal feed and a chicken farm producing 300,000 baby chickens a week. The feed mill will be located on 25 rai, 30 kilometres from Rangoon. In the near future, a portion of the production will be exported to Thailand where value added goods will be produced.

1-15 CP Feedmill Plc yesterday announced its first US joint venture in chicken farming and processing. With registered capital of US\$34.8 million, the new company, CP (US), will begin operations in early 1998, turning out 52 million chickens a year to be sold mostly in the US. CP will take a 49% stake in the new company and two or three other Thai companies in related businesses will hold the remainder, a source from CP said. The source said CP is seeking a location in Alabama and expects to begin construction in March or April of this year. CP's equity investment will be \$17.15 million. CP is taking aim at the US poultry market, which is currently dominated by Tyson Foods Inc with a 30% share. The

new affiliate will also operate a slaughter-house and feedmill. The total investment for the project is estimated at \$50 million with 1,700 workers. Some 30% of the chickens produced will be exported to China, Hong Kong and Japan. CP has operated a breeding farm in the US for more than a decade.

1-24 CP plans to invest in feedmills and other agri-business in potential new markets such as the Philippines, India and South America, especially Brazil and Argentina. In the Philippines, the group will spend US\$10 million on its first feedmill ventures with its existing partner in Taiwan. Personnel from Taiwan, where business is slowing down, would be transferred to the Philippines.

In India, CP plans to spend \$10 to 20 million on a feedmill plant near New Delhi. CP also plans to establish five integrated agri-business plants, including a feedmill plant, hatchery, slaughter-houses and processing unit, in Bangalore and Bombay.

2-03 Mr Dhanin, looking beyond immediate economic hurdles, sees rich opportunities in many areas including the agricultural industry, retailing and high technology. While many businesses have trimmed their spending this year, Dhanin plans to plough at least 10 billion baht into various projects in Thailand, particularly in telecommunications.

Mr Dhanin has retired from seven of the businesses in his empire, but decided to maintain the top position in his telecommunication, computer chip and retail operations. CP has ventured into the computer chip industry, mainly in the area of IC manufacturing. The group is studying the feasibility of an IC plant as it is interested in producing 0.25 micron computer chip wafer, which require more advanced technology than the 0.35 micron wafer that will be produced in Thailand by Alphatec Group next year. CP plans to spend Bt10 billion on the IC plant with an aim to supply customers worldwide.

Though currently heading the IC business, Dhanin will hand over to his children as the business is first changing and needs close attention. He has visited several computer manufacturing plants in the US. Dhanin said last year CP neither lost nor gained, but is expected to perform better this year as the world economy is improving.

2-04 The CP Trading Group will close its shrimp-trading division in Germany, because its products will not be competitive once the EU increases tariffs on some Thai goods according to president Eam of the Group. This decision was likely to benefit some French companies in Africa, he added. The CP Group now has about a 14% share of the EU shrimp market worth six billion baht.

2-21 CP Group is confident in Beijing leaders in the post-Deng Xiaoping area.

3-05 Mr Dhanin said he had met President Bill Clinton in the US recently to explore business opportunities but denied he had paid \$120,000 to the Democratic Party yesterday.

4-01 The Taiwanese subsidiary of the CP Feedmill Plc is planning an integrated feedmill project in the Philippines. The new feedmill will start out as a wholly-owned subsidiary but later 49.9% of it will be sold off to the public. During the third to the fifth years of the project, CP will subcontract corn growing, pig and chicken production and processing.

4-02 The CP group has set up its first Indian condom factory and plans to diversify into other areas including building and management of private ports. The \$5 million-condom plant in the southern city of Bangalore is run by Suretex Prophylactics (India) Ltd, a member of the CP group. Suretex also makes condoms in Thailand and South Africa.

The company will spend an additional \$2 million to double its existing capacity of 150 million condoms a year. The Bangalore unit is currently export-oriented, but Suretex hopes to tap the vast domestic market. Suretex also plans to establish another factory to make surgical gloves and other medical products made of rubber.

The CP group also will build and manage private ports in Karnataka and other states. The group has formed a consortium with an Indian construction giant, Larsen and Tourbo, and SSA of the US, for investing in new ventures. The new company based in Singapore will spend \$100 million in India in the next two years.

Thai Petrochemical Industry (TPI) is also negotiating with the state-run Orissa Mining Corp to spend \$85 million to set up a plant in the Orissa. The plant will turn three million tons of iron ore into pellets a year. Half of the production will be exported to Thailand for use in its steel plant.

4-09 The billion-baht plans of CP and the Petroleum Authority of Thailand (PTT) to establish a retail network in China have been beset by delays. Since 1994, the joint venture has managed to open just nine service stations in southern China. The two firms had hoped to open 50 stations by the end of 1998. Their previous goal was to set up 235 stations by 2000.

The delays owe to in large part China's cumbersome bureaucracy with its lengthy approval process for investment and licences. As well, the joint venture has had to train local staff.

PetroAsia (PA), the CP-PTT joint venture, will officially open its seventh, eighth and ninth service stations this week at Kaiping, Haibin and Jilong, all towns in Canton. PTT officials said the group hoped to open five more service stations later this year at a cost of 35 million baht. The PTT has a 20-25% stake in the project, while PA holds a 45-50% and local firms hold 20-25%. The exact ownership ratios within each joint venture differ from one location to the next, but all fall within that range.

Meanwhile, the PTT's ambitious plans to set up the stations in other neighbouring countries have been stalled recently by the Council of Economic Ministers in the name of keeping the national budget in balance.

Affected by the decision are: the planned five-million-baht investment to develop a downstream oil business in Burma; the 32-million-baht oil business plan for Malaysia; and the 29-million-baht joint venture to market oil in the Philippines.

4-12 Siam Makro Plc's share price tumbled yesterday on the rumoured withdrawal of prominent partner CP Group from its wholesaling company. Analysts said the rumour might stem from recent disagreements on management style between CP and SHV Holdings NV, the major shareholders of Makro. The conflict escalated earlier this year when CP decided to expand its Lotus chain into China, where Makro is already spreading its wings. SHV Holdings NV has since decided to pursue an independent investment plan.

6-24 City bank Hong Kong is investing whether one of its traders started the rumour that CP Group was rushing to cover foreign loans because it feared the baht would be devalued, Panya vice president of City bank's Bangkok branch, said.

The baht's weakening is partly due to Thai companies' rush to cover their foreign exchange exposure. Exporters, in particular, have been advised by their banks to cover their positions. Swap premiums are rising as corporate clients accumulate dollars to hedge against what dealers described as an increasing devaluation risk.

6-25 Mr Dhanin Chearavanont said that if the government moves too slowly, it could be forced to devalue the baht. "If we cannot tackle the problems, we'll be worse off than Mexico. Mexico has the US as a big brother. But we have no one".

6-26 CP's first overseas retail store opened in Shanghai on Monday. Lotus Supercenter had earlier planned to enter the Chinese retail sector in a cooperative effort with America's Wal-Mart chain, but decided to go it alone after negotiations came to a standstill. Lotus Supercenter will focus on low- and mid-income customers and publicise its low prices as its strongest selling point.

Lotus Supercenter is managed by Ek Chor Trading (Shanghai), a joint venture between Shanghai Vegetable Corp (in turn a joint venture between CP Group and the Chinese government) and Ek Chor Distribution Co at a shareholding proportion of 40:60. Investment stands at about 500-600 million baht and the company expects to break even in 5-6 years.

Shanghai Lotus Supercenter has 15,000 square meters of floor space. The store sells 60,000-80,000 items ranging from food products to electronics, stationary, office equipment, kitchenware and sporting goods. The Group plans to expand to all major population centers in the country. Two more stores will be opened this year and seven in total. Best-selling items in Shanghai tends to be garments, shoes and food whose margins are higher than in Thailand.

Lotus Supercenter has 10 million baht registered capital in Thailand and opened its first store in 1994 at Seacon Square. It now operates eight branches around the country and plans to open a ninth branch in Bangkok next month.

7-07 Mr Dhanin and Mr Chatri slid down Forbes magazine's latest list of the world's richest people, topped by Bill Gates. Dhanin, ranked 50th last year with a US\$ 4.2 billion networth, fell to 177th with \$1.7 billion. Bangkok Bank's Chatri was ranked 168th this year with \$2 billion. Last year he was 89th with \$3.1 billion.

7-16 CP has temporarily suspended its investments in Cambodia because of political turmoil there. Last year CP Group signed a \$15 million (Bt450 million) open-ended agreement with the Cambodian government to establish poultry farms and produce food grains around Phnom Penh.

To cope with the domestic crisis, CP Group plans to delay all its new investments both abroad and locally. The expansion of production capacities and productivity will depend on market needs.

Meanwhile, Kunming Chia Tai Co Ltd, an affiliate of CP Group, is approaching the second-largest local animal feed manufacturer in Kunming, Wang Long Sun Ltd, to form a joint venture which will increase the company's market share to 50% from 14% currently. Kunming Chia Tai is a cooperative agreement Chia Tai and Chinese state enterprise. CP proposes to hold an 80% stake, leaving 15% to Wang Long Sun and 5% to the state enterprise. However, the Chinese counterpart with a production capacity of 180,000 tons a year wants a 40% stake.

Demand for animal feed meal in Yunnan was 800,000 tons last year, and is expected to increase by 20% this year. The company has felt little effect from the baht flotation, which it expects to strengthen its exports.

7-22 CP Group is studying the feasibility of raising ostriches commercially in Thailand. Ostrich meat sold abroad fetches about \$10(300 baht) per kilo, compared with 120 baht for beef sold in Thailand. The Group are already carrying on a crocodile farming business at Nakhon Luang in Chon Buri with about 2,000 or 3,000 crocodiles.

9-01 CP is eyeing Shanghai as the launching ground for its Royal Pailin restaurant chain abroad. The first Royal Pailin restaurant in Thailand is scheduled to open on Silom Road by October.

11-04 CP Group is planning to pull out of the oil retailing business by selling its 30 per cent stake in a joint venture, PetroAsia Co Ltd, to overseas investors, said PTT International's acting president Viset Choopiban. This could be a part of CP's revised plan to cut some businesses out of the group to improve consolidated performance. If CP cannot reach an agreement with a new investor, the PTT is ready to buy CP's stake.

11-22 CP Group has entered a US\$305 million (11.6 billion baht) joint venture with Shanghai Kinghill Ltd to develop an integrated shopping complex in Shanghai. The contract was signed at the weekend between Ek Chai Trading (Shanghai) Co

and Shanghai Kinghill. Once completed, the shopping complex, to be called China Tai Riverfest, will be one of the largest on mainland China.

Covering an area of 240,000 square meters, the project will have shopping malls, two department stores, a nine-storey entertainment complex, a food center and a Lotus Supercenter. The project is expected to be completed in 1999.

12-10 CP Group's agricultural business integration section is planning to boost its exports of fragrant rice next year to meet rising demand from foreign markets.

CP Group plans to open three more superstores in Shanghai within two years. The Group already operates one Lotus Supercenter in Pudong district and expects to open another in the northern Yangpu district by early next year.

12-30 Streamlining its operations and marketing strategies across the world, CP set its target of doubling exports in 1998 to US\$800 million, primarily from agricultural goods, Mr Eam, president of CP International Trading Group said. Next year the group's trading arm will, for the first time, export rice in bulk, tapioca, pellets and molasses.

Operation in more than 20 CP overseas offices in 16 countries will be reorganized in line with the changes in exports. Markets in North America, Europe, the middle East, Africa and Australia will be especially targeted, while Japan, Korea and other Asian markets are expected to become harder to penetrate.

Executives based overseas have been given new assignments to find ways to increase exports of Thai products and food. The cost of establishing new trading houses overseas had become prohibitive. Experts will be transferred to explore new export opportunities in particular countries.

Mr Eam said the new range of farm exports had good potential and used large quantities of local content. Target markets are China, Malaysia, and Indonesia where demands for top grade rice is rising. CP will utilize its connections with grains traders worldwide to export tapioca pellets and molasses.

Export of Chicken will increase to 206,000 tons in 1988 from 183,000 tons this year. Shrimp exports will reach 180,000 tons.

CP is also prepared to provide assistance to small and medium size exporters, especially in agriculture.

In 1998 agriculture and agro-industry units' exports of the CP group are expected to account for 60% of the units' earnings, with the remaining 40% coming from the local market. The current ratio of exports to local sales is about 30:70. Domestic consumption of several food items including pork, chicken and eggs has declined significantly, by as much as 20-30%.

Overseas markets for Thai pork and eggs have not yet opened very wide. Mr Adirek Sripratak, president of CP Agro-Industry Business (Thailand), suggested that government promotes exports of both cooked and frozen pork by supporting

the establishment of slaughter-houses and processing plants that meet international standards.

Thailand hopes to earn foreign exchange from exports, especially of farm products which as much as 90% local content. Next year the value of processed chicken exports is forecast to grow by 65% to 7 billion baht from 56,000 tons. Frozen chicken revenue is expected to be 12 billion baht from 150,000 tons, in spite of facing serious competition from China, Brazil and US.

Black tiger prawns will be another “rising star” product for Thailand next year with output forecast to rise by 17% to around 220,000, said Pong Visedphaitoon, president of CP’s Aquaculture Business Group.

1998

1-08 According to Pong Visetpaitoon, president of CP group’s aquaculture business, the devalued baht can drive Thailand’s frozen shrimp exports this year to Bt70 billion compared to Bt50 billion last year. Besides the weak currency, rival exporters Indonesia, India and Vietnam face declining production and lower product quality.

Adirek Sripratak of CP’s agro-industrial business said frozen chicken exports will also be advantaged by the baht depreciation and are expected to be worth Bt12 billion this year, double last earlier. Previously, frozen chicken producers sold up to 70% of their output domestically but they have adjusted their production processes and gradually shifted towards the export market.

Charoen Pokphand Taiwan, Taiwan’s largest frozen chicken producer with a daily processing capacity of 200,000 chickens, plans to export frozen and pre-cooked chickens to Hong Kong before the Chinese Lunar New Year.

Taiwanese authority is striving to help local chicken farmers replace China from which live chickens export to Hong Kong has been banned because of a new killer ‘flu problems.

1-24 Netherlands-based SHV Group will decide on Monday whether it will pull out of Siam Makro. SHV Group has held negotiations with two foreign retailers, Promedes from France and Wal-Mart, to take its 40% stake. Other shareholders include the CP Group with 36% and individuals with 24%.

The likely SHV pullout is in line with the company’s decision to reduce all its operations in Asia. It has already sold its retail operations in Europe to the Metro Group but retains its holdings in Latin America.

1-28 SHV Group will establish a new Asian head office in Bangkok in March. Makro businesses in Asia would be brought under a single, separate, financially self-supporting organization with its own management based in Thailand.

The new entity, Makro Asia, would include all businesses operating in the region, comprising about 50 stores of which 16 are in Thailand. Altogether they employ 8,800 people and generated US\$2.1 billion in turnover last year.

The company has been trying to find a buyer for its 40% stake.

2-17 Charoen Pokphand Feedmill Plc will dilute its stake in Charoen Pokphand (USA) Inc by waiving unpaid-up capital totalling 1.9 million shares, which will be transferred to Plenty Type, a CP holding company in Taiwan. CP (USA) is now owned by Charoen Pokphand Group, 42%; Charoen Pokphand Feemill, 49%; and Bangkok Produce Plc, 9%. Plenty Type now owns a majority stake in CP Enterprise (Taiwan) Ltd which has the capacity to produce 500,000 chickens a week and feed mill of 600,000 to 700,000 tons capacity a year.

Charoen Pokphand Feedmill's equity stake in the US company will be diluted from 49% to 30%. The parent company, Charoen Pokphand Group, and Bangkok Produce Plc will also dilute their stake respectively to 29% and 6%. The US unit's paid-up capital to date is \$57 million.

This was the latest in a series of moves taken by CP Group. Earlier, CP's Telecom Holding Co, a wholly-owned subsidiary of TelecomAsia, sold all of its equity stake in Jiatai International Telecommunications, which was a holding firm of China's APT Satellite, at a price of Bt2.7 billion with estimated capital gain of Bt2 billion to improve TA cashflow.

3-04 CP has decided to sell 40% equity stakes of Shanghai Ek Chor Motorcycle Co Ltd to the Chinese government which was the partner of the equally-owned joint venture. Its minority stake in brewery Sanghai Mila Brew Co Ltd also will be sold out to Heineken of the Netherlands.

CP's source said, "We're in the process of reorganizing to cut down exposures in which we do not have expertise. Our core is in agro-industries." In addition, it is reducing interests in petrochemical and real estate sectors. As for agro-industries, CP is moving to strengthen its cash flow by cutting down on credit sales, reducing personnel and other operating costs.

CP is moving on all fronts in survival war, taking mergers, sell-offs, and other consolidation measures. The latest deal was signed with its International Broadcasting Corp Plc for a merger with UTV, which is a CP unit.

Exact figures of CP's total foreign debt are not available, but executive vice president Sarasin admitted liabilities amount to "several hundred million dollars".

The 1997 group-wide sales of US\$9 billion was a billion more than last year and indicated a growth of 12.5%. China accounts for 30 to 40 per cent of the turnover. He said this year sales still record positive growth but profits will be less.

Siam Cement Group (SCG)

1994

1-17 Siam Cement Group (SCG) is emerging as one of the biggest beneficiaries of relocation wave here by Japanese manufacturing industries facing obsolescence there, expected to be implemented within the next two years. Mr Chumpol, president of Siam Cement Company (SCC) has talked to each and every one of Siam Cement Group's (SCG's) joint venture partners including Mitsubishi, NEC, Asahi Glass, Kubota, Toyota or the parts makers for Honda. Unlike earlier waves of heavy Japanese investments in Thailand in the 1980's, this time, Japanese are intending to produce not only for the Thai domestic market, but for the rest of the world.

Reviewing the SCG's progress overseas, Chumpol said SCC is close to reaching an agreement to invest in an asbestos factory near Ho Chi Minh City. The Bt200 million joint venture (JV) with a state agency will involve a shift of the existing production base from Bangsue. SCG is also planning to set up a small tyre plant in Vietnam. The company has already established a JV firm set up with Michelin of France which used to have a production base in Vietnam. SCC has also sent a mission to look at Vietnam's cement factories.

In China, SCC is interested in producing cement, gypsum and ceramic tiles near major cities which have good transport and are located close to the markets, sea ports or major rivers such as Shanghai, Guangzhou and Tiensin. "SCC is taking a long time to decide on investment in China", Chumpol said, because it has to move with caution as a long term investor. "We are not like other promoters who reap benefit from the land and equipment".

In Burma, SCC has formed a joint trading venture with Berli Jucker Co. SCC may aid Burmese in improving the efficiency of its cement plants. In Laos, Chumpol expressed concern over uncertain economic relations between the two countries. He said SCC is still interested in the reforestation project in Laos to supply raw materials to its pulp plants despite opposition from environmentalists, who refer to it as a commercial plantation project rather than reforestation. SCC is also interested in importing lignite from Laos for use as a fuel due to its good quality.

Chumpol said SCC will this year set up branches in all member countries of ASEAN in order to have its own people keep an eye on the development of each market.

In the Philippines, SCC took an equity stake in a floor tile factory last October. A floor tile plant in the Tennessee, USA meanwhile is expected to lose money for another year. SCC is now emphasizing marketing after trying over the last few years to improve quality and expand production lines to build up the full range of

floor tiles required by commercial outlets. As the American plant steadily moves into high-end products, SCC may have to source low-end products from Mexico in order to have a complete range of products available for customers.

2-07 Siam Pulp & Paper Co has begun operation of the Product Development & Engineering Center at Ban Pong, Ratchaburi. The 200-million Bt center was built to develop and improve pulp & paper product.

2-08 Tariff protection will be maintained on decorative rocks and clinker cement.

2-23 TPI attacks SCC on privileges for its new cement plant in Lampang.

2-24 SCC profits hurt by higher production costs.

3-09 NESDB wary of cement shortfall.

4-02 SC announced the new appointment of five top executives of the Group.

4-06 Lao sales push up cement prices. The supply of cement has become short due to large orders from dealers in the northeastern provinces bordering Laos, who re-sell Thai cement to the neighbouring country.

4-08 RP, China, Taiwan in cement venture. A Philippine cement manufacturer is planning a tie-up with a consortium of Chinese and Taiwanese equipment suppliers to help finance its expansion.

4-28 Despite being denied BOI privileges, SCC will proceed with its new six billion Bt cement plant in Lampang, after having committed to buy machinery and equipment from German suppliers. Machinery and equipment contract, valued at 40% of the total project cost, was signed yesterday with K.H.D Humboldt Wedag AG, which will also become the project consultant. The supplier will be responsible for engineering design and supervision, machinery and equipment installation and the plant commissioning. The plant is scheduled to begin commercial production by late 1996. SCC was confident in the technology transfer, which is capable of producing high-quality, low cost cement with its own short kiln process. BOI meeting on April 18 resolved that privileges for this category had already been scrapped and would not be renewed.

4-28 SC will open its ready mixed concrete plant in Phnom Phen in the next two months. The Bt20 million plant has a capacity of 60,000 cubic meters per year. The project is owned by Cpac Ready-mixed Concrete Co Ltd (40%), SCT Co (20%), Phnom Phen Motorwork Co, CDC Co and Cambodian banks (40%).

5-04 TPI Polene, a chemical and cement subsidiary of TPI, is doubling its current 2.5 million tons cement capacity through a Bt5 billion 2nd unsecured deventure issue in a move to become the Thailand's second largest cement producer. TPI Polene is now the third largest after SCC and Siam City Cement Co.

5-06 SIAM Refractory Ind. Co Ltd will invest Bt400 million in a capacity expansion scheme to meet the growing demand for heat-resistant bricks inland and abroad. Vietnam is a major export market where a large cement plant is under planning.

5-07 SC's new Bt6 billion plant in Lampang will create 1,600 jobs.

5-17 Mitsubishi Corp is making a final feasibility study for a US\$275 million investment plan to build a cement plant in Thanh Hoa province in the north of Vietnam.

5-27 SCG consolidated profit soars 107% in 1st quarter. SCG is to invest Bt4 billion in its machinery and electrical group, mainly in existing joint ventures with Japanese partners who are relocating their basis to Thailand because of the Japanese recession and yen appreciation. The first project under study is a color TV picture tube expansion project being produced by Thai CRT Co, a JV with Mitsubishi Electric Co. SCG also will invest Bt500-700 million each in three expansion projects, mainly cast iron production such as raw materials for auto parts, farm engines and cooling machines. SCC has re-affirmed its intention to form a JV with Nippon Steel of Japan to set up a cold-rolled steel sheet plant worth no less than Bt5 billion in Thailand.

5-31 SCG invests in the future with R & D centers. The group decided in August 1988 to establish four R & D centers. The first, in Bangkok, began operations in November last year. This center has undertaken about 20 projects for the cement and construction materials industries. The second, officially just opened early this year, undertakes projects in the pulp and paper business. The third one under construction will conduct for the machinery and electrical industries. The fourth one, pilot engineer center, will be a innovative research center and is expected to take about 10 years to establish with investment greater than those of the other three centers combined.

The Government yesterday reconfirmed its policy to liberalize the domestic cement industry by allowing free manufacturing, imports and exports. It also confirmed it will stop granting promotional privileges to the cement industry.

6-06 Cement shortfall feared for 1995.

6-10 SCC to tackle shortage in South especially fueled by the increasing number of construction projects in Phuket and Hat Yai. In addition shutdown for annual maintenance of only one plant in South developed shortage.

6-14 Thailand faces a shortage of steel and cement as several large infra projects, such as Hopewell's elevated railroad and expressway projects have sapped resources.

6-16 SC plant in South resumes production after its two-week shutdown for annual maintenance.

6-21 PM Chuan Leekpai has assigned the economic ministries to prepare for a possible shortage of steel bars and cement due to a huge flow of foreign investment in the first quarter of this year.

7-01 SCC will increase more than double its polypropylene capacity through the newly established subsidiary Thai Polypropylene (1994) Co Ltd in an effort to

partially sustain the Japanese auto and electrical industries when they relocate to Thailand. The new company, set up with a registered capital of Bt600 million, will annually produce 120,000 tons with existing 100,000 tons capacity of another subsidiary, Thai Polypropylene Co Ltd.

7-04 In order to exploit strong yen SCG is negotiating with its Japanese partners on planned expansion of Siam Compressor Industry Co, Thai CRT Co and the Navaloha Industry.

7-08 Siam Cement Plc has chosen Nanking as the site of its first JV cement plant in China. The plant is expected to have a capacity of 1.5 to 2 million tons per year with cost of around Bt5 billion. The company will send a delegation to China for a final round of negotiations this weekend. SC chose Nanking after surveying 14 cities in three provinces. SC is also interested in building a sanitaryware factory in Shanghai to meet extraordinarily high demand there. Receiving an investment invitation letter from the Hanoi Govt, SC is targeting Vietnam to set up the same size plant as the one in China.

7-15 SC plans to produce transmission and suspension with two Japanese partners. The group has long been involved in the automobile industry through 10 subsidiaries. At the same time SCG is preparing to produce steel sheets for makers of car bodies and cans using cold-rolled steel coils from its planned joint venture with Nippon Steel and Mitsui companies.

7-16 SC will establish a new cement factory in Lampang.

8-23 SCC expects to strengthen its investment abroad with trading and manufacturing businesses soon covering Indochina, Burma and China. Siam Cement Myanmar Trading operates in Rangoon. SCG has representative offices in Ho Chi Minh City and Cambodia. The Group will focus only on areas in which it has expertise; trade and manufacturing of cement, natural fibre products, ceramic tiles, paper pulp and packaging materials.

Mr Sobson Ketsuwan, senior vice president in charge of Indochina, will visit Vietnam soon to discuss with construction minister the possibility of investing in a cement plant in Vietnam. Mr Tawee said few foreign companies awarded cement projects in Vietnam had begun work, meaning they would not be able to start production for three to four years. "The shortage in Vietnam will continue at least for 20 years. This is why we believe we will never too late to start our project", he said.

Laos and Cambodia are not suitable for cement plant investments because demand combined is as small as the demand in Udon Thani province of Thailand.

9-29 SCC announced plans last January to expand overseas. Five industries slated for overseas investment are cement, natural fibre products, ceramic tiles, paper and packaging. Executive vice president of SCC, Tawee was put in charge of China and Burma; Senior vice president Sobson of Indonesia and two other executives for

Indonesia and the Philippines. Tawee said the investment in China was an offensive strategy to expand sales of cement, which is usually a costly product to export. But he added the Chinese welcome SCC as "truly an industrial company and one of the world's largest makers of cement, owned also by the Crown Property Bureau". Tawee in the past one and a half years has visited most Chinese provinces to examine potential sites for investment. Nanjing with a population of 6 million is located only 3 km from Yangtze River and not so far from Shanghai. The Govt plans to build highway from Shanghai Via Wuxi to Nanjing. The Chinese partner is likely to be Zhongkua Cement which already founded a cement plant but ran out of cash.

According to Tawee the political situation in Burma remains uncertain for SCC to invest in a manufacturing plant there. Sobson said the two-year-long negotiations with Vietnam to invest in the tile plant failed for various reasons. For example Vietnamese counterpart wanted to employ 600 people instead of 200 as proposed by SCC. There were also differences over the appraised value of equipment which would be relocated from SCC's existing roof plant in Thailand.

11-02 Investors focus on construction-fueled cement industry.

11-14 Locals demand halt to Tha Klo cement project.

11-26 Rising cement demand seen. Cement demand in ASEAN countries will reach about 72 million tons by the end of this year and 96 million tons in 1997.

11-29 SCC's board of directors has approved a 60:40 JV with China Cement Co Ltd yesterday. The project requires an investment of Bt15-17 billion over the next six years in order to increase a capacity from 600,000 to 5 million. At the same board meeting two more JV projects of olefins plant and cold-rolled steel plant were approved. A combined investment of the three projects is more than Bt50 billion.

Profits at Siam Cement up 34% in third quarter.

12-15 Tawee warns at conference that the economic future of the country rests on the development or acquisition of products and technologies. SCG has invested Bt500 million to install a customer service system for 500 construction materials and cement agents nationwide, using computer link-ups via satellite. This is being used to process orders, check stocks, and order goods. It has invested a further Bt100 million to upgrade its computer system.

1995

1-14 Thailand plans to import cement from Malaysia to fill the shortage estimated around 700,000 tons in the Southern provinces.

1-20 Today Mitsubishi Materials and Nihon Cement will sign a JV contract with a Vietnamese state enterprise for a US\$350 million cement plant to produce 2.7 million tons per year from 1999 in Thanh Hoa province. On the other hand

Taiwanese company Ching Fong Group is building a 1.4 million ton capacity plant in Haiphong and it will be the first to start production next year if things go as planned. Holderbank Corp has committed to develop a 1.76 million ton plant in the south with another state-owned entity, Ha Tien Cement. Two major producers from France and Korea are studying similar investments.

1-21 For local cement producers to gain a foothold in the international market, the Commerce Ministry has urged them to export 2.5 million tons of cement even though that will create immediate shortage locally.

1-25 The Cabinet yesterday decided to abolish temporarily the duty on cement imports with the effect from March. Also it was decided to raise cement price by two baht per 50kg sack in order to offset the financial burdens of producers for cement transportation cost from elsewhere to the South.

1-28 Tawee said cement supplies seen adequate this year as cement capacity is still in excess of demand nationwide. SCC will export 100,000 tons of cement each to Cambodia, Vietnam, Burma and Brunei.

1-30 The Federation of Thai Industries and the Federation of Industries in Lampang province have proposed to the Industrial Estate Authority of Thailand to construct a 2,000-rai industrial estate in Lampang province to serve the cement and ceramics industries in the nearby area. SCC's new cement plant in Lampang will start operations in the end of 1996.

1-31 Tawee expects one million ton cement surplus nationwide.

2-06 SCC is conducting a feasibility study for setting up an iron smelting plant with an investment of Bt60 million, including the new cold-rolled steel sheet production.

2-07 Cement traders face tough competition supplying Laos.

2-23 SCC's board yesterday approved steel and olefins projects.

3-10 The Manager Group of Thailand has signed an agreement to build Vietnam's biggest cement plant worth an estimated \$630 million with a capacity of 3.6 million tons a year. Manager hopes to start construction in December. The group is already involved with two hotel projects in Hanoi and Da Nang.

3-14 The Manager Group plans a full range of related businesses in Vietnam following the Hoanh Bo Cement Joint Venture Enterprise with Quang Ninh provincial authority. It will cover concrete piles, ceramic, sanitaryware and concrete roof tiles, the province being rich in natural resources including limestone and lignite suitable for cement, kaolin for ceramics and sand for glassware. The group plans to start production in 1999, initially at 1.2 million tons with increase to 3.6 million in 2002. Cement products will be transported to Danang by sea from the new Kilan deep-sea port six kilometers from the plant. Danang will be the base of distribution to provinces in the south. The group will also build these distribution networks. M. Group was fortunate to have a very good relationship

with the State Committee for Cooperation and Investment of Vietnam that helped find suitable local partners for its projects. The first of the group's three hotels is expected to open in Hanoi next September, to be followed by hotels in Danang and Hue. These are part of the group's plan to have eight hotels spread through Vietnam, Laos and southern China offering a total of about 1,200 rooms.

3-15 The ASEAN Federation of Cement Manufacturers will hold its first meeting with Vietnam today.

3-22 The Cabinet yesterday approved a tax waiver on cement clinker imports. The waiver, which is retroactive to the beginning of March, will be in effect until the end of this year. The expiry of the tax waiver will be followed by a reduction in duties on cement clinker imports in January. Duties will be cut from 30% to 10%.

3-27 High demand for cement in Laos, coupled with a Lao government policy to allow foreign investment in cement industry, should attract Thai investors. Currently, Laos has only one cement plant with an annual capacity of 75,000 tons, compared to more than one million tons demand per year. In 1995 Laos had adopted extensive measures to regulate the amount of cement imported. Per capita demand for cement in Laos is 200kg per year in comparison with 500kg in Thailand.

5-01 TPI plans to spend US\$300 million to build a 3 million-ton-cement plant in the Philippines that allows foreigners to hold 100% stakes. Currently, TPI has six projects in the Philippines worth US\$1.7 billion 30% of which is from TPI.

First one of the projects is a refinery worth US\$350 million with a capacity of 65,000 barrels a day. TPI holds a 60% stake of Asean Dragon Oil Refinery Corp with a Filipino partner, Cham Holding. They are waiting final approval from the Filipino government. Located in the southern part of the Philippines, the plant will serve the agricultural, fishing and mining sectors.

The second is an olefins plant worth US\$600 million with a capacity of 350,000-400,000 tons of ethylene. TPI holds 40% stake of the JV project with PPDC, a Filipino state enterprise. TPI is expected to sign the contract with the Filipino government in mid-July. It will be located in the petrochemical complex on an area of 580ha in the Limay, Bataan. The olefins will be used as raw materials for production of PP, PE and PVC in the downstream sector of the complex. The third one is PP plastic pellets project worth US\$130 million with annual capacity of 200,000 tons. TPI holds a 10% stake. TPI also plans to produce PE and PVC as part of its downstream sector of the complex. Each estimated cost is US\$100 million (PE plant) and US\$200 million (PVC plant).

5-15 Prices of cement in South may be raised.

5-19 More TPI Polene cement to go South.

5-30 Tawee said SCG plans to invest in Brunei and India. India has potential for investment in cement and petrochemical products, while Brunei will be in petro-

chemicals destined for export. This will increase overseas investment to 12 countries. According to Chumpol, president of the group, the group's investment in 1996 will be 30 billion baht. The group has enough money to finance investment projects without having to raise funds from the stock market. Tawee said investment abroad will be five billion baht this year, with emphasis on the Philippines and China.

The group had signed a memorandum of understanding with Beijing Construction Material Corp to jointly conduct a feasibility study on a ceramic factory in China. A JV contract is expected to be signed in August or Sept with an annual capacity of 4 million square meters. In the Philippines and Indonesia the group plans to study possibilities of investing in ceramic tiles. The demand for ceramic tiles in the Philippines is 7 million tons per year with an expectation of doubling in the next three years. Local demand in Thailand is around 52 m.s.q. compared to the total annual capacity of 80 m.s.q. A decrease of import tax on ceramic from 80% to 55% has raised more demand for the imported. Dusit, who is supervising the group's ceramic production, said that the group has to introduce more attractive designs in order to compete with other producers and imported goods.

SCG has set up a new holding firm, Siam Cement Steel Co, with a registered capital of 4 billion baht to handle iron and steel production. The firm will set up United Steel Co to undertake a cold-rolled steel project. SCG also will organize Siam Steel Tyre Cord Co to make tyre cord and bead wire project, negotiating with Michelin for a JV to be operational in two years.

Tawee disclosed that SCC has this year clearly divided responsibilities among Chalaluck Bunnag (vice-president for machinery, tyre and auto accessories) Burma; Sobson Ketsuwan (senior vice-president for construction materials) Vietnam; Bunlue Kampanartsanyakorn (vice-president for cement and trading) Cambodia; Adul Udol (vice-president for paper and packaging) Laos; Dusit Nontanakorn (vice-president for ceramics) Malaysia; Chaisak Saeng-xuto (senior vice-president for paper and packaging) Indonesia; Apipom Pasawat (vice-president for petrochemical) Singapore and Brunei; Pramon Sutivong (senior vice-president for metal and electrical products) the Philippines; and Wirash Krittapol (vice-president for iron and steel) India.

6-01 SCC yesterday reported a 40% jump in consolidated earnings for the first three months of this year, compared with the same time last year. But SCC alone rose by 5% from the first quarter of last year. Construction materials, ceramics and steel shared 20% of the profit, pulp and paper and petrochemicals 45% and machinery, electronics and vehicles 35%.

6-10 Cement in high demand.

7-06 SCG has set up a 1.87-billion-baht JV with Maspion, Indonesia's largest plastic and metal group, to produce polyvinyl chloride. Siam Maspion Polymers,

50-50 JV, will have a capacity of 100,000 tons and begin production by the end of 1997 in Suravaya. The output will be directed to Maspion's PVC pipe production plant. This JV marks the second petrochemical project between SCG and Maspion group, following their melaminware plant which has begun production.

7-21 SCG, a leading auto parts maker, has announced that in the next few years, it will invest more than 1,000 million baht annually in expanding its production capacity for metal parts to cope with the rapid growth of car industry. The expansion includes Thai Engineering Product Co which supplies its parts to Toyota and Siam Nawa Ioha Foundry Co whose metal parts are supplied to Kubota.

7-31 Cement firms told to get government approval to export to Malaysia in order to prevent cement shortage in south.

8-01 The Laotian government is making a third attempt to protect its infant cement industry.

8-26 Southern cement shortage may promote need for export bans.

8-29 The Cement Import Administration Committee decided yesterday to allow SCC to receive a delivery fee of four baht per 50kg bag when they ship cement to the South to ease a cement shortage. It raises factory price for mixed cement from 61 baht to 65 baht per bag as well as from 74 baht to 78 baht per bag for Portland cement. Having only one cement plant located in South, SCC is obliged to ship 200,000 tons from now until December. government aid will amount to about 16 million baht for the entire shipment.

9-11 A cement shortage continued for almost two years will remain unresolved in the near future.

9-13 The Cabinet yesterday banned cement exports to stop the flow of the product from the South to Malaysia where demand is growing fast.

9-20 A new cement plant with a 3 million ton yearly capacity will be allowed to open in the South.

10-19 SCC's board of directors is to approve a plan next week to increase the production capacity of its Tungsong factory in the South by 3 million tons per year. SCC has rapidly expanded the Tungsong plants over past few years. The Tungsong-5 project with 2.1 million ton capacity would double its capacity by the middle of next year. Tungsong-6, the new plant, would require an investment of about Bt7.5 billion to raise its capacity to seven million tons a year by 1997. SCG, through its trading company SCT Trading Co, recently entered into a JV agreement with a Thai company to set up a shipping company.

10-20 Seven Thai commercial banks have jointly extended US\$55 million in credit to the Swiss-Vietnamese to fund construction of two cement plants in Vietnam.

11-08 SCC announces 10% price cuts of cement and other construction materials for victims of floods.

11-09 Duty waiver for cement clinker imports has extended until December 1996.

11-18 Cement firms except SCC have refused to help flood victims.
11-30 Floods, slump in petrochemical business cut SCC third quarter net profit by 15% compared to the same time of last year. SCC stocks reel after poor third quarter results.
12-01 Asia Cement believes links with Siam Cement will keep it competitive.
12-22 SCC yesterday awarded a 3.75 billion baht contract to KDH Humboldt Wedag AG of Germany to build the Tungsong-6 new plant.

1996

1-15 SCC hopes to finalize talks this April with Astra group of Indonesia on a JV with a US\$350 million cement plant in central Java, marking the company's first move to broaden its cement interests in Southeast Asia amid rising oversupply at home. SCC plans to soon increase its domestic capacity for last time, probably by 3.5 million tons, and following the US\$350 million Java plant, SCC is heading to open plants in more Asean countries to exploit the AFTA scheme. Within five years SCC hopes to open cement plants in Indonesia, the Philippines, Burma, Vietnam and Laos in an attempt to become the region's strongest player. "AFTA will unite ASEAN nations into one country. Our vision is to become the strongest in Thailand and ASEAN in terms of capacity, market share and modern technology. Our production base will be expanded to those countries as well as China" said, Tawee who has the task of leading SCC to accomplish the goal by the time of his retirement in the next six years.

The overseas plants, said Tawee, will supply mainly the areas where they are located and only 20-30% of the output will be shipped back to Thailand due to heavy transport costs. For example, despite high interest rates and the devaluation of the Indonesian rupiah against the US dollar, SCC hopes the plant will break even within five years due to the ex-factory cement price there which is US\$12 per ton above the price in Thailand. "Thailand's cement price is the lowest in the world," said Tawee. Progress is also evident in Laos where the company spent a year to survey raw materials with a budget of Bt20 million. Unlike the Java plant the Laos-based plant will supply primarily the northeast of Thailand due to the small number of people in Laos.

In China, SCC is still encountering problems setting up a JV with a potential partner to upgrade an old plant there. The partner wants a 40% stake but its assets are of lower value. SCC has agreed to the partner's idea to evaluate old machinery and add this to the value of assets on condition that the JV keeps only 400 of all 4,000 employees at the old plant. In Burma, which currently imports 1.5 million tons of cement a year, two years ago the firm proposed the leasing an old plant there as part of the country's privatization scheme. After the Burmese junta's

refusal, the company proposed a joint venture but the junta decided to run the plant by itself. SCC is now conducting a survey for a new plant.

At the end of this year, SCC aims to sell cement through 650 dealers, compared to 589 in 1995. With regard to technology, SCC plans to modernize all plants in 1998. For example, the Thung Song 1-2 plant will be demolished and the third plant will be upgraded for increased capacity.

1-25 Two major cement producers -SCC and Siam City Cement- are expected to follow TPI Polene Plc's heels to introduce dry mortar in the Thai market.

2-29 SCC opposes the Ministry of Commerce's plan to allow the import of cement from China to alleviate shortages in the South. Instead of importing cement from China, it would be better off asking other cement producers to supply cement to the South because there is surplus capacity in Thailand. SCC said Cement made in China is low quality and cannot be used for big projects.

In Indonesia, SCC will establish a 50-50 JV with the Wing Group of Indonesia to build a 910-million-Bt gypsum board factory with a capacity of 20 million square meters per year in Sebetung, Indonesia. Construction will begin in the middle of this year and to be completed in 1997. In China, SCC will start construction of a 900-million-Bt gypsum board factory in Tianjin with a capacity of 20 million square meters per year around June and be completed in 1997. Cement Thai Gypsum of Singapore Co (CTGSC), the SCG's wholly owned subsidiary, will invest 71% of the project while the 29% stakes will be owned by Tianjin Building Materials Corporation.

SCG is also going to set up Sichuan Internal Combustion Engine Industry Group Co to manufacture 300,000 small diesel-fueled engines per year.

5-01 TPI will tomorrow sign a contract with the Laotian govt to build the first cement plant with Thai investment in Wang Wieng district of Vientiane. Beginning cement export to Laos in 1993, TPI has about half the market share while the other half is controlled by SCC. Hydro-power projects in Laos are raising demand for cement.

5-03 TPI yesterday signed a contract with the Laotian govt to build a 1.5 million ton a year cement factory with investment of more than US\$300 million. At the earliest its operation will be the year 2000. Taking 70% stakes of the venture, TPI will export the remaining output to China, Vietnam, Cambodia, Burma and the northern provinces of Thailand. Production costs in Laos will be lower than in Thailand due to the lower electricity price. The plant being located near one of the world's best limestone sites, TPI has been granted the firm a 25 year concession to mine limestone on a 600 square km site. The concession is renewable for another 25 years. The firm is also entitled to four years of corporate income tax breaks, followed by two years of 50% exemption. Import duties on machinery and equipment will also be exempted. TPI discounted the impact of SCC's planned

plant at Khammouane in southern Laos, claiming the planned location does not have the same quality limestone resources as those at Wang Wieng. TPI expects to open its cement plant ahead of SCC's facility.

In Laos and China, TPI plans to establish two cement plants with costing over US\$600 million in order to become a major player in the Asian cement market. After concluding a JV agreement with the Laotian govt to set up cement plant in Wang Wieng, TPI has also signed a memorandum of understanding with the local govt of Anfey, central China, to set up a US\$300 million cement plant with a capacity of 1.8 million tons. Mr. Prachai Leophairatana, TPI chief executive, said TPI is organizing a holding company, TPI Holding Singapore, in Singapore to look after its cement ventures in Laos and China. The TPI's 70% stakes of the venture with Laotian govt will be held by TPI Holding Singapore.

5-16 Siam Fibre-Cement Co, part of SCG, is investing 1.3 billion Bt to expand fibre cement production in Thailand and to open new plants in Vietnam and Indonesia. The amounts of 800 million Bt will go towards expanding plants in Nakhon Si Thammarat and Saraburi. The 400 million Bt plant in Vietnam, to be wholly owned by the SFCC, will be located near Ho Chi Minh City with scheduled production capacity of 50,000 tons a year. Production is slated for mid-1998. The Indonesian plant will be a JV with an Indonesian construction material firm and production is also planned for mid-1998. Expansion of the domestic plants will provide a combined increase of 130,000 tons output a year.

5-22 SCC is taking a cautious approach to its cement project in Vietnam due to uncertainty about the accuracy of demand and supply forecasts. Already five JVs have licensed to date and one more is waiting approval. "We have not given up on our plan to establish a cement plant here, but we are preparing cautiously for the project", said Prapat Chinweerapunt, SCC's manager in Vietnam. The Thai blue-chip company has been in Vietnam for four years but has yet to announce its cement investment plan. SCC, like other investors, was attracted by the govt's forecast of annual cement demand of 20 million tons by 2000 in comparison with 7.2 million-ton current domestic production per year.

SCC contacted the state-monopoly Vietnam Cement Corp (VCC) but little progress resulted. "We are thinking of joining local governments in areas where raw material for cement production is abundant", said Prapat. VCC as already involved in three JVs, and is expanding its own affiliates, leaving limited resources for new projects. The Hanoi govt has hinted that it prefers to see foreign JVs established in the north rather than in the congested southern area around Ho Chi Minh City. Local governments are expected to hold 40% in SCC's cement project, estimated to be worth US\$250 million.

Taking the longer view, Mr. Prapat said SCC may build in central provinces such as Thua Thien-Hue or Da Nang in order to export the surplus after 2001 to Laos or

Thailand via the new road connection. SCC is also diversifying in Vietnam with setting up a new office in Hanoi. By mid-year it will open a US\$10-million wholly owned roof-tile project in the southern province of Song Be. SCC is also applying for a licence to produce sanitaryware in the same province. Now SCC is considering opportunities in the Philippines, China, Indonesia and Laos.

5-23 SCG is likely to shift its focus away from the cement business to other industries like steel products, industrial machinery, pulp and paper, and petrochemicals in the next five years. President Chumpol Na Lamliang said domestic consumption stands at about 40 million tons per year and would reach saturation once per capita consumption, now 0.67 tons, reaches one ton in the next five years. The group has been looking to diversify, following similar trends by cement companies in Japan and the US.

The SCG has invested some 30 billion Bt in industrial projects in the US, China and Southeast Asia. The largest investment is a 15-billion-Bt short-fibre pulp and paper joint venture with an annual capacity of 300,000 tons in Indonesia with the local Astra Group. In China, it is building ceramic tile and gypsum board factories in Beijing and Tainjin respectively. The ceramic tile plant will cost Bt735 million while the gypsum board factory is worth Bt900 million. In the Chinese city of Sichuan it has invested in a diesel engine and parts plant worth Bt410 million, which is now operational. In the Philippines, it is expanding a ceramic tile plant worth Bt975 million and building a sanitaryware plant costing Bt630 million.

The SCG will concentrate on ASEAN, where regional companies will benefit from economic cooperation, said Mr. Chumpol.

5-31 Competition in the fibre-cement roof tile production is more intense than for other tiles, though demand for the tiles is expected to grow. Siam Fibre Cement has the biggest market share of 55%.

6-19 SCG's steel business is likely to record a billion baht loss this year owing to the depressed market.

6-21 SCG said it does not plan to list more companies on the stock exchange since it will be cheaper for the group to raise funds by issuing new shares in the parent company if there is a financial need. SCG has so far been providing financial support to its subsidiaries through intercompany loans, equity payments and other means to support their capital requirements in accordance with company guidelines, such as the percentage of shares it holds in a subsidiary, said Aviruth Wongbuddhapitak, the group's vice president for finance and administration.

Regarding the huge losses incurred by SCC's steel group, Wirash Krittaphol, vice president for steel, said it was partly due to the capital-intensive nature of steel industry. The steel group is burdened with about Bt2 billion per year in interest payments and depreciation costs on its Bt12 billion accumulated investments. Furthermore, the steel group's projects under construction also total more than Bt2

billion. Wirash said that before forming new joint ventures, SCC told its partners that the joint venture companies will not be listed. No SCC steel companies will be listed on the SET, Wirash confirmed. "We told our joint venture partners that we do not expect a capital gain from our investments", he said.

Apipom Pasawat, SCC's vice president for petrochemicals, also said earlier that he does not plan to list any petrochemical companies on the stock market.

SCC has not increased its capital for more than 20 years.

6-24 Tawee predicts the rise and fall of markets for cement and concrete-related products. He confirmed that the Khao Wong-2 plant will be the last cement plant to be built by SCC in the country. SCC is looking for investment in cement projects abroad where the consumption of cement is still growing.

7-09 SCG is planning to set up a distribution network in Malaysia within 18 months - the company's first network outside Thailand. SCC executive team recently made a survey the Malaysian market to scout possible building material distribution channels. SCC will also look into the possibility of setting up networks in other countries including the Philippines, Burma, Laos and Cambodia.

Siam Gypsum Industry Co (SGICO), a subsidiary of SCC, is going to build a gypsum board factory in Hat Yai as part of its strategy to increase its market share in ASEAN market to 35% from 15%. The factory will be located in the Cha-lung Industrial Estate in the Hat Yai with an investment of Bt700 million. The estate is only 50 km from the Malaysian border, it is expected new factory will increase the company's export competitiveness. In addition, the factory site is near gypsum mines in Surat Thani and Nakhon Si Thammarat provinces.

Completing the new factory, SGICO will become the largest producer in Southeast Asia with annual production capacity of 100 million square meters. At present, Thai Gypsum Products and SGICO control a combined 50% share of the Malaysian market. The tariff on gypsum board imported to Malaysia will fall to zero within three years and the board should also flow freely to other ASEAN countries. SGICO has now claimed a market share of around 50-60% in Vietnam, and 15% in Laos, Burma and Cambodia.

Despite a domestic oversupply situation, SGICO is doubling its production capacity to 80 million square meters by the end of this year with the completion of its new factory in Saraburi. SGICO recently set up a joint venture with Noritake of Japan to produce moulding plaster in Thailand for use in the sanitary-ware and other industries. The company is also seeking partners to set up a gypsum fire coat producing firm in the country. Thailand is one of only three countries in Asia which contains gypsum deposits. The other two countries are China and Australia. At present, SGICO and TGP mine about 600,000 tons of gypsum per year for the gypsum board production while another one million tons is used in the cement industry. Total output of gypsum is 10 million tons but most of it is exported.

8-14 Asian Cement's project to set up 2nd cement plant in the South may be scrapped because limestone deposits are located within first class conserved forests where commercial exploitation was banned in June.

8-29 Pressed by an economic downtrend and world market pressures, the SCG has slowed down horizontal expansion to broaden business vertically. Indeed the company recorded a 1% profit growth in the 2nd quarter-- "the worst" in its history. Chumpol said, "SCG is unlikely to diversify into unrelated fields, in which SCG has less expertise. We will also be very cautious about potential joint ventures we are entering". Earlier this year, SCG announced aggressive investment in various industries, setting aside the budget of 20 billion Bt for over 20 joint venture projects here and overseas. But now SCG would rather invest to add value to existing outputs from its manufacturing arms and reduce production costs. SCG still persists with a policy to stress expansion of its trade market in ASEAN, but "Many more things need to be done to compete in ASEAN and other market".

Meanwhile, he said a land-acquisition deal with GM has not been finalised and that SCG is unlikely to enter an alliance with the auto giant. "American companies are naturally different from those in Asia, especially the attitude toward the setting up joint ventures. GM has never allowed any local company to take equity in its investment projects worldwide, and it won't start in Thailand", he said

9-07 Asian Cement has received permission to quarry limestone to serve its new factory in the South. Asian Cement would immediately pay the ministry 25 million Bt for the contract and pay a total of two million Bt a year to the local authority in the province where the quarry was located. The firm would also provide scholarships totalling 3 million Bt a year to state officials through out the 25-year contract.

9-18 Siam Fibre Cement yesterday announced a plan to boost production within the next three years in order to cover Asian and Indochinese market. The firm has decided to build factories in Indonesia and Vietnam and to explore investment opportunities in China, Burma and the Philippines. In Indonesia, the company has formed a 50:50 JV with Wings Group of Indonesia to initially produce 50,000 tons a year of fibre cement sheets. The plant, costing about 375 million Bt, will come on stream over the next 18 months. Fibre cement sheet consumption in Indonesia is rapidly rising after its govt banned tree felling. In Vietnam, the firm will spend about 300 million Bt to build a fibre cement sheet factory with initial capacity of 50,000 tons per year, 30% of which is earmarked for export. The plant will start production within the next 18 months.

Managing director Arthit Pratoomsuwan said, "We are moving our bases to Indonesia and Vietnam because we want to cash in on relatively cheap labour costs there and transportation is also difficult". Regarding to China, Burma and the Philippines, negotiations with local partners are underway.

SFC now operates three factories - two in Saraburi and one in Nakhon Si Thammarat. Expanding capacity of its plant in Saraburi by 100,000 tons per year and Nakhon Si Thammarat by 50,000 tons per year, SFC will increase its total capacity to 1.15 million tons next year.

10-22 Asia Cement will apply to list its shares next year to mobilise funds for a cement plant in the South. A new plant costs Bt2-3 billion and will start production in 2000 with a capacity of 2 million tons. Asia Cement, established in 1988, operates a two-million ton cement plant in Saraburi province, and a 2nd plant of three million tons is expected to commence operations early next year. Currently having a 5% market share, the firm hopes to increase it to 9% next year.

11-18 Southeast Asia's first asphalt cement plant will soon be built in Thailand by Tipco Group, replacing the need for imports and providing a surplus for export to Asian market.

11-28 The creation of export markets and expansion of some high-potential businesses into neighbouring countries will be the keys to continued profitability for SCG.

SCG has projected about 20% of its total revenue in 2000 will be generated by overseas investments, compared with only a few per cent at present. President Chumpol yesterday forecast that foreign investments will represent a significant increase in revenue after the company starts an intensive overseas investment programme due to the slowdown in the domestic economy.

Due to the slowdown in domestic demand, which has resulted in excess capacity, the group increased its exports by 21% during the 1st nine months of this year to Bt15.9 billion. Of the total export value, Bt8 billion came from the electrical and machinery group, mainly consisting of television sets, tubes and parts; Bt3.3 billion from petrochemical products; Bt1.5 billion from the paper business; Bt1.1 billion each from the steel and ceramics groups; Bt1.5 billion from automotive products, especially tyres; and Bt650 million from cement and construction materials.

The current export figure is roughly 15 per cent of SCG's total revenue of Bt120 billion. "It will not be easy for us to increase our export to more than 20%", Chumpol said, because about half of the group's business is cement and construction materials, which are traditionally not export goods due to their weight and relatively low prices.

12-10 SCC has formed a JV with Ayala Land Co in the Philippines to build a US\$300 million cement manufacturing plant in the country. Waiting for land purchase approval by the govt, SCC will start construction of 2.5 million tons plant next year to make it SCC's first overseas cement plant. Expecting Thai-land's cement market to reach maturity by the turn of the century, SCC recently started exploring overseas cement investments. Tawee said SCC is also considering setting up two cement plants in Indonesia with a capacity of 2.5 million tons a year each.

SCC is considering whether to establish two cement plants in Laos for export to Thailand or whether to establish them in the Northeast. The Lampang plant, SCC's first cement plant in the North, will serve demand in the region which is expected to increase to 5.9 million tons next year. SCC's board of directors last month approved the setting up of a roof tile factory in Lampang with an investment of Bt400 million. It will begin production in 1998. SCC also plans to set up a ready-mix concrete plant in the province. At the same board meeting a production increase of 3 million tons at the Saraburi cement plant at a cost of Bt10 billion was approved.

12-16 SCG's subsidiary Concrete Products and Aggregate will inject Bt4 billion into expansion of its ready mixed concrete plants and facilities.

12-23 The awarding of a limestone quarrying contract to Asia Cement last 19th has been deferred for further consideration.

12-26 SCG is planning to form a JV with Indonesia-based Titamas Group to build an Bt80 billion integrated petrochemical complex. Yesterday SCC's board of directors approved negotiations to form a JV with the Titamas Group, a major producer of Cement and petrochemicals in Indonesia.

The Indonesian petrochemical project has now replaced the previously announced pulp project in Indonesia as the largest overseas investment project of SCC Group.

Trans-Pacific Petrochemical Indotama (TPPI) will be set up to invest in an upstream petrochemical project which will produce 700,000 tons per year of ethylene, 500,000 tons per year of para-xylene, as well as other olefins, aromatics and petroleum products. Apiporn Pasawat, SCC vice president for the petrochemical business, said SCC's existing holding company in Indonesia will hold 20% in TPPI, equivalent to an equity investment of Bt2.94 billion. Titamas will hold 65% and the remaining 15% and the remaining 15% will be held by Japanese and US companies.

Early next year SCC will set up a new subsidiary to invest in downstream and intermediate petrochemical projects, including the production of styrene monomers and vinyl chloride monomer, low-density polyethylene, high-density polyethylene and polypropylene. SCC Group will hold 10-49% in the downstream and intermediate projects with a total equity investment of Bt1.77 billion. The project will be mainly to serve the Indonesian market, which has very high growth potential. It will export the surplus during the initial stages with about 20-30% of the output going to China and other Southeast Asian markets.

The complex will be located on 1,500 rai in Tuban city. Construction already started and is slated for completion in 1999. Apiporn said, "This is part of our policy to transform the company from a domestic player to a regional player".

Infrastructure will be constructed to facilitate future expansion, including the setting up of another 700,000 ton-per-year ethylene cracker. Currently, Indonesia

has only one ethylene cracker with a production capacity of 550,000 tons per year. Stone & Webster and JGC Corp have been awarded the project's construction contract.

SCC is building its first petrochemical complex in Map Ta Phut, which will have a capacity to produce 700,000 tons per year of ethylene. The company also recently announced a joint investment with Dow Chemical of the US to build a polyethylene plant which will occupy a portion of the ethylene plant.

1997

1-13 Siam Cement Group is for the first time diversifying into the computer parts manufacturing by producing computer monitors and tubes.

1-25 SCC yesterday finalized joint-venture deals worth a total 80 billion baht with Indonesian cement and petrochemical producer Tirtamas Group. It's the largest overseas investment SCC has ever been involved in.

1-28 In a further boost to sales, SCC's construction materials group will launch seven investment projects in five countries worth a combined Bt3.3 billion. In China, SCC will set up Cement Thai Gypsum Products Co to produce gypsum board in partnership with Tianjin Building Material General Group. The factory in Tianjin will have a production capacity of 144,000 tons a year with the investment of Bt900 million. SCC also joined the Tianjin group in a venture to invest Bt630 million in a factory manufacturing 13,800 tons of plastic pipe annually. SCC's share in the total Bt1.53 billion-investment is 70% and local investors the rest.

In Vietnam, SCC has opened a factory producing fibre cement roof tiles in Song Be province with an investment of Bt245 million and an annual capacity of 40,000 tons. In Indonesia, it has initiated a Bt390 million joint venture with PT Satyawawa Mitrausaha (Wings Group) will produce 45,000 tons of fibre cement roof tiles annually at factory in Jakarta. Another joint venture with PT Satyawawa Mitrausaha will produce 140,000 tons of gypsum board annually at a Bt910 million factory in Jakarta. SCC holds 50% equity. A gypsum board plant in Jakarta is a stepping stone for SCC to export its gypsum board products to Australia and New Zealand.

In the Philippines, the company has entered a joint-venture project with Redland International Ltd and Ayala Land Inc to produce 63,000 tons of concrete roof tiles annually by investing Bt183 million at a factory in Manila. In Cambodia, SCC has started a joint-venture project with SCT Co Ltd, Pathumthani Concrete Co Ltd and Mitrapap Concrete Co Ltd with Bt63 million investment to produce 30,000 tons of prestressed concrete products a year in Phnom Penh.

2-05 Siam Cement Group is projected to export about 200,000 tons of petrochemical products to the Asia-Pacific region in 1997 as a number of its new plants will start operation by mid-year. The operation of its intermediate and

downstream projects will bolster its expected sales this year to around Bt20 billion, against 1996/s approximate revenue of Bt16 billion to Bt18 billion.

The group recently set up warehouses in Hong Kong, China's Guangdong province, Indonesia and the Philippines under Siam Chemical Trading Co, which will cooperate with SCT Co, the trading arm of Siam Cement Group.

The second phases of its 140,000-ton polypropylene and 200,000-ton styrene monomer operations are scheduled to be completed in the first quarter of this year, which the second phase of its 200,000-ton high density polyethylene production would start up in the middle of the year. Its 13,000-ton polypropylene compound plant is due to commence operations in April.

2-12 SCC plans to export more than Bt1 billion worth of cement this year, an increase from the Bt696 million in exports of last year.

2-19 SCC and Dow, which already have six joint ventures in Thailand's petrochemical sector, are constantly looking for new investment opportunities such ethylene, styrene, polyethylene and polystyrene production in the country.

Dow has already invested at least US\$500 million in downstream petrochemical projects in Thailand in collaboration with SCC.

2-27 SC's consolidated net profit in 1996 rose by 10% over a year earlier to 6.78 billion baht.

Siam Cement Group will start to realize profits from its overseas operations in 1999, president Chumpol said yesterday. "We look to obtain some 1.5 billion to 2.5 billion baht in earnings from 20 overseas projects now in the construction or planning stage in the next three years once their operations start," he said. Chumpol said the total value of the overseas projects exceeded 100 billion baht with SCG's equity totalling about 15 billion baht.

To date the group's earnings growth has been heavily dependent on the domestic market whose annual growth rates are declining.

3-10 Italian-Thai Development Plc and its partners in Asean will build a cement plant in Burma for 10 billion baht. Ital-Thai International Co, a subsidiary of Italian-Thai Development, has taken 35% equity in Myanmar Asean Cement Co. Two other Thai companies also have stakes, one 20% and the other 10%. Singaporean interests have 20%, malaysian 10% and Filipino 5%. The plant would produce 7,500 tons per day of cement.

3-18 SCC will kick-off its restructuring plan at its dealers' outlets. The reorganization involves the introduction of a franchising system, computerization and stock management.

4-30 SCC will invest three billion baht this year in machinery, tyre and auto accessories ventures. 1.7 billion baht will be allocated in a joint venture with Hitachi to produce 1,000 excavators per year.

5-14 SCC subsidiary Concrete Products and Aggregate Co has scaled down its investment in ready-mixed concrete plants from 50 factories to just 3.

5-18 With Vietnam's first joint-venture cement plant up and running, new investors including Taiwanese, Koreans and Thais, are now scrambling for a foothold in the industry. Chinfon Haiphong Cement Corp, a Taiwanese Chinfon group's overseas subsidiary, began production with an annual capacity of 1.2 million. The US\$288-million plant will be expanded to 1.5 million tons next year. Five other joint ventures from Hong Kong, Switzerland, Japan and Taiwan have been licensed, and two other are in the process of licensing.

5-29 SCC's consolidated net profit has fallen by almost 30% in the first quarter compared to same period of last year. Undaunted by its disappointing performance, the group said it was forming a Bt5.22-billion joint venture with Itochu Corp (15%), Rattanasat Group (25%), Siam Commercial Bank Plc (10%) and Tuntex Petrochemical Co (10%) to produce naphtha and other petrochemical products.

Petrochain, the new venture located in Map Ta Phut Industrial Estate, will be operational in 1999 with starting construction this year. Once the plant starts functioning, the venture will have an annual capacity of 700,000 tons of light naphtha, 990,000 tons of heavy naphtha, 220,000 tons of jet oil, 360,000 tons of high speed diesel and 200,000 tons of other by-products.

5-30 SCC will no longer accept cheques from clients to avoid possible bad debts.

6-04 Siam Cement suffers a second setback. The company's roof tile project has been waiting for approval for more than a year and now local authorities are refusing to grant its planned US\$26.3-million sanitaryware project a licence. The Ministry of Construction argued that since 13 foreign sanitaryware projects had been approved since 1992, the Siam Cement proposal was just overkill.

Its US\$10-million roof tiles project in Song Be province has been waiting for the official go-ahead for more than a year. The authority has refused to hand out the required environmental certificate because the tiles contain asbestos.

6-18 Siam Cement Group has inaugurated its first sanitaryware accessories plant and a new ceramic wall and floor tile plant in the Philippines.

Siam Mariwasa Toto Inc, which runs the sanitaryware accessories plant in Batangas, is a joint venture between Siam Cement, Toto and Mariwasa, the Philippines' largest manufacturer and exporter of ceramic wall and floor tiles. The 735-million-baht plant, with an annual production capacity of 500,000 units, will manufacture Toto and Mariwasa brand goods.

Mariwasa Siam Ceramics Inc, which runs the ceramic wall and floor tiles plant, is a joint venture between Siam Cement Group and Mariwasa. It has an annual capacity of five million square metres.

6-24 Despite the crisis in the property sector, Siam Cement Group's heavy machinery business is going ahead with a plan to set up its first joint venture with

the Hitachi Construction Machinery Co to manufacture excavators. The Hitachi move is in line with the local industry where Komatsu and Kobelco, which rank second and third in the local market, have both decided to establish production bases here. Komatsu has recently started production and export from Thailand.

Siam-Hitachi Construction Machinery is seriously expanding its service centers and technical team, in an attempt to be the second largest excavator distributor just behind to Caterpillar in the country. The plant, with a production capacity of 1,000 units per year, will be operational in October 1998. Around 50% of the output will be distributed locally, while the remainder will be exported through the network of Hitachi Construction Machinery. Total investment amounts nearly Bt2 billion.

7-11 SCC, which has US\$4 billion in foreign currency loans, yesterday released a statement showing an estimated net forex loss of Bt9.9 billion if the baht falls to Bt30 per US dollar. The loss would wipe out SCC's net profits, which is forecasted at Bt5.8 billion, compared to Bt6.8 billion in 1996.

Of its offshore loans, \$1 billion are short term with maturities of less than 12 months, while the balance are longer term, with maturities of at least four to six years. Payments due in the second half of year amount to \$300 million.

SCC president Chumpol said, "Projects that are already going ahead, such as the cold-rolled steel project and the Rayong Olefins project, will continue, but we will have only a handful of new projects until next year." "It will be less necessary for us to expand our production capacity during the next two or three years," he said.

Apart from the accounting loss, SCC is expected to incur higher interest expenses this year as 90% of its total debt is in foreign currency loans and borrowing costs are expected to rise in the near future.

Chumpol said SCC has not bought hedging instruments to protect its debt from currency fluctuations because limited hedging instruments are available in the country and the 10% a year cost is offset by the lower interest rates of offshore loans. Chumpol said SCC should not be considered a "bubble" firm.

"Many businesses of ours have not expanded much compared to our competitors, with the exception of the automobile and petrochemical businesses, which both have chances to export," he said. SCC's exports currently contribute only about 15% of the group's sales revenue.

Despite the forex loss, Chumpol said SCC still favoured offshore loans, which incur interest rates of 7% rather than baht loans. Furthermore, he said the Thai financial system is not affordable for the huge capital requirements of SCC.

7-12 The Commerce Ministry has approved SCC's request to raise wholesale cement prices by 5 to 10% to offset revenue losses caused by the baht's depreciation.

7-15 Siam Cement Group has spent more than Bt2.4 billion over the past four years installing pollution control equipment at its factories, Tawee said yesterday at an award ceremony for ISO 14000 certificates.

7-29 SCC, TPI Polence Plc, Shaviriya Steel Industries Plc and Thai Airways International Plc are among Thai companies expected to suffer the most from a weaker baht, according to Merrill Lynch. However Thai banks and finance companies should escape the worst of the damage because of government regulations restricting their foreign borrowings. Commercial banks' naked foreign exposure is limited to 15% of their capital fund. Maximum foreign exposure for finance companies is 20% of shareholders' funds.

Merrill Lynch said, "However, we believe SCC's impeccable shareholder structure, excellent credit standings and professional management should ensure continuing support from creditor banks". TPI Polence Plc will also be damaged with unhedged foreign currency debts of \$1.3 billion comprising short-term debt of \$500 million, long-term loans of \$600 million and debentures of \$205 million, Merrill Lynch said.

Up to 93.3% of Thai Airways' borrowing are foreign currency denominated, with approximately 64% of the airline's Bt80.8 billion debt in US dollars. Shaviriya Steel Industries has outstanding unhedged US dollar loans of \$242 million, comprising short-term loans of \$100 million, long-term loans of \$37 million and a Euroconvertible of \$105 million due in 2005.

8-02 Siam Gypsum Industry expects its prices to increase by 10% because of the baht float. The base materials include oil, waste paper, chemicals and fibre, of which 30% is imported. Once the real sector slowed down, local annual market is around 40 million square metres, of which 55% is the firm's share. But supply is around 100 million square metres.

Siam Gypsum will emphasise exports this year with a target value of Bt500 million, against last year's Bt350 million. The firm's new production plant in Songkla starting operation by the end of the year will export 50% of its annual output of 20 million square metres to Singapore, Malaysia and the Philippines.

In addition, Siam Cement group will commence gypsum plaster board operation in Indonesia and China. The annual production capacity of each plant is 20 million square metres and each was set up an investment of Bt1 billion. The plants will focus mainly on their domestic markets.

8-27 Merrill Lynch said that Siam Cement Plc is likely to post a huge foreign exchange loss. The company's foreign debts have totalled US\$4 billion as of June 30. About one-fourth are short term loans.

"The group has suspended all its projects until the economic scenario becomes clearer, by when the group will have an export-oriented approach towards all product lines," Tawee said.

9-01 Siam Sanitaryware Co plans to increase its exports by 25% this year over 1996. SCC president said earlier this week that the group aims to dramatically increase its export ratio to between 40 to 50% next year from 15% in 1996.

9-24 With a US\$4 billion foreign currency debt Siam Cement needs to reduce its debt exposure. A corporate-wise restructuring is necessary for the company to increase export revenue substantially. Chumpol said the petrochemical business has a competitive edge because early investments by Siam Cement were comparable to other producers in the region and its lower transport costs to neighbouring markets. Over the next four or five years, petrochemical and auto parts will have even brighter prospects for export sales.

10-09 The Siam Cement Plc established its 60% stake joint venture with Beijing General Corp of Building Materials Group to produce ceramic wall-tiles under the 'Cotto' trademark in Beijing. Beijing Cemenhai Ceramic Co (BCC) with US\$29.8 million investment will have a capacity of 2.4 million square metres a year.

It is the fourth major project the company has embarked on in China. The company is planning to manufacture diesel engines for agricultural applications, gypsum boards and plastic pellets to supply Chinese markets. The company has formed a joint venture with Tianjin Building Materials General Corp to create Tianjin Cemenhai Gypsum Products Co, which will start manufacturing gypsum boards next year, and Tianjin Cemenhai Plastic Products Co which will produce PVC and plastic products for sanitaryware.

10-23 Siam Cement Plc is considering undertaking a major restructure of its sluggish steel business. The company was negotiating with two or three steel producers for a business merger or share swap plan.

But it was unable to prevent a currency loss of more than one billion baht from an offshore loan taken out by steel subsidiary Siam Yamato Co to fund steel production. Another Steel subsidiary, Siam United Steel (1995) Co, which was still implementing plans to produce cold rolled steel, had been hit by high interest rates, causing project costs to escalate.

Sales revenue from SC's steel business was expected to reach 13 billion baht this year, 15% of which would be from steel exports. SC's steel exports were currently confined to regional markets such as Singapore, Vietnam and the Philippines. If SC were to acquire large overseas orders, it would be willing to develop its steel standard to meet the overseas requirement.

11-03 Siam Cement Group has formed a new partnership to ship automotive components to Japan and Asean markets. Toyota Motors and Aisin Seiki have agreed to import and re-export components made by Siam Cement Group affiliates.

11-11 Siam Tyre Plc of SC Group has formed a joint venture with Fuchs of Germany to market and produce lubricants in Thailand. Siam-Fuchs, the new joint

venture with a 49% stake of Siam Tyre, hopes to have about a five % share in 1998 by selling about 20,000 tons locally.

11-13 Vice president Apiporn Pasawat, in charge of the SC group's petrochemical business, said exports this year have doubled last year's Bt4.5 billion. The group expects to generate around Bt27 billion in sales this year, of which Bt9 billion will come from exports.

Apiporn said in the next two years the group would require an additional investment loan of around \$1 billion for projects of Siam Paraffins, Rayong Olefins, Siam Mitsui PTA, Thai MMA and Siam Polyethylene. The total investment in these projects is valued at \$1.54 billion. The loan was approved by its creditors for further investment outlay, he said.

The group's new investments include a \$700 million olefins cracker of Rayong Olefins, which will produce 600,000 tons of ethylene from the fourth quarter of 1998; a \$190 million condensate splitter under Siam Paraffins, which will produce around 1.7 million tons of naphtha a year from 1999; a \$340 million purified terephthalic acid plant under Siam Mitsui PTA, which will generate 400,000 tons of PTA from 1998; and Thai MMA's \$120 million investment to produce 70,000 tons of methyl methacrylate from early 1999.

Siam Polyethylene Co Ltd, under a 50:50 joint venture between SCC and US-based Dow Chemical, will come online in early 1999 with a production capacity of around 300,000 tons.

11-14 Peter Sykes, managing director of SCC-Dow Group, said "Although Thailand is suffering an economic downturn, its fundamentals are still sound. We have been positioning ourselves for further investment in the country through collaboration with SC Group."

11-22 Siam Cement Plc announced yesterday it will increase cement prices by between 50 baht to 100 baht per ton next January. This will be the second price rise since the company raised prices by 100 baht per ton last month. Currently, retail cement prices are 1,800 baht per ton for Elephant brand, and 1,500 baht per ton for Tiger brand.

11-24 Siam Cement Group has begun negotiations with several Japanese creditors who provided loans totalling US\$700 million, and is preparing for similar talks with European and American lenders on a \$300-million loan which is due for repayment at the end of next month. Mr Chumpol said the company had borrowed foreign currency totalling US\$4.1 billion, of which \$1 billion was short-term.

Cement, plastic pellets, paper and sanitary ware would spearhead the group's export drive for the next two years. This year, SC expected its exports to be worth 30 billion baht, 15% of its total production.

11-25 SCC says it will increase employee salaries by four or five per cent next year. SC Group has a workforce of 37,000, including 1,000 executives, 7,000

management-level staff and 29,000 operational-level employees. This year it increased its employees' salaries by 10 per cent.

Chumpol earlier announced that the group will halve its investment budget next year to Bt15 billion, ceasing all projects with no export potential.

Tawee said SCC should still meet its export targets, rising from 10% of total revenue last year to 15% this year and 30% next year. SCC's number of employees abroad has doubled to 400.

11-26 SCC is to halt production at some plants as it expects a 25% decline in domestic cement sales. From 19 million tons last year, SCC expects to sell no more than 16 million tons of cement domestically this year. Next year it plans to sell 12 million tons in domestic market and 3.5 million tons abroad.

12-10 Tawee said domestic cement consumption in Thailand next year will reach 26.6 million tons, a 27.3% drop from 36.6 million tons this year. The total production in Thailand this year reached 51 million tons. As a result, local producers have to export 10 million tons and reduce their production by 14 million tons. The total demand in Asean is only 12.5 million tons including Singapore with 6 million tons, Malaysia, 4 million ton; Burma, 1.5 million tons. South Korea with an oversupply of 10 million tons is likely to ship more to Asean.

1998

1-30 Siam Cement has a new chairman of its 12-member board of directors. Chirayu Isarangkun na Ayutthaya, 56, director general of the Crown Property Bureau and Grand Chamberlain of the Royal Household Bureau, has been appointed chairman, and Sumet Tantivejkul, 59, secretary-general of the Royal Development Projects Board and the Chaipattana Foundation, has been made a director.

Mr Chirayu succeeds Sanya Dhamasakdi, chairman since 1987, who resigned for health reasons. Mr Sanya remains as honorary chairman. Mr Sumet succeeds Mr Chirayu as a director.

2-03 Siam Cement Plc announced yesterday that it was ready to sell its US ceramic-tile subsidiary Tile Cera Inc because of the low strategic value of the firm to the SCC group as SCC shifted its focus to Southeast Asia. With investment of over US\$100 million, SCC has wholly owned Tile Cera since the pull-out of Finfloor of Italy in early 1994.

The present situation has prompted SCC to review its 58 units, and two or three could be divested. SCC is also planning to strengthen its subsidiaries by converting debts into equity in three or four of them, including printing and stationery firm Thai Paper Co.

Since January 1997 SCC has cancelled or suspended projects worth Bt43.6 billion, including Bt17.9 billion in foreign investment projects. Since most new

projects have been suspended SCC has no leeway to cut more investment, though of current projects the \$3.5-billion petrochemical complex in Indonesia and the Bt5.1-billion computer-tube project in Rayong were experiencing a challenge in tapping funding support.

2-09 Mr Aviruth, SCC's vice president, said if SCC had hedged its \$42 billion in beds, it would have needed about Bt3 billion equal to the whole net profit earned in the first half year of 1997.

2-25 Siam Cement Plc is poised to report a 1997 net loss of Bt48 billion, with foreign exchange losses of Bt56 billion

2-26 Siam Cement Group ruled out yesterday raising additional capital and inviting strategic partners to strengthen its financial position, group president Chumphol said. He said despite the large foreign exchange loss, the group was not suffering from a liquidity crisis and would not negotiate with foreign creditors to roll over its US\$4.2 billion debts. It has earlier converted about 30% of its foreign debts into yen. "We can still afford to pay interest and repay debts to our creditors on time. We are very confident we can generate sufficient income to cover our debt burdens this year," said Mr Chumphol.

He said the group hopes to increase export revenue this year by 9% in dollar terms to US\$1.5 billion, or 35% of the group's total revenue, focusing on foreign sales of its TV set and colour picture tubes, auto tyres, plastic resins, paper and steel.

Mr Chumphol ruled out boosting capital saying the bearish market could not support it. SCG is due to pay interests and debts totalling US\$800 million this year to creditors, the majority of which are Japanese banks and Thailand's Export Import Bank.

This year SCG will stop new investment projects in a bid to save its cash to repay debts. He said at the end of last year, SCG had a forex loss totalling 56.3 billion baht at the exchange rate of 47.55 baht per dollar

Excluding the foreign exchange loss, the group realized a consolidated profit of 3.75 billion baht in 1997, falling from 6.79 billion baht in 1996. A net loss of 1997 was 52.55 billion baht against net profit of 6.79 billion baht in 1996.

At the board of directors' meetings yesterday, it was decided that SCG would not pay 1997's dividend for the first time in more than two decades.

As the local economy contracts, 1998's targets for construction materials, automotive and bicycles have been reduced by 30%, 60-70% and 50%, respectively.

3-04 Siam CPAC Block Co, part of the Siam Cement Group, is turning to the export market for the first time. The company has set an export target for the year of 45,000 tons of paving blocks and 30,000 square metres of concrete floor tiles, with an expected value of US\$1 million. The main markets will be Cambodia, Burma, Vietnam, Laos, Malaysia, Indonesia and the Philippines.

But one barrier was transport costs, which are higher than for competitors from China and Singapore. Consequently, prices of CPAC products sold in the Philippines were double those of competing brands, and 30-40% higher in Burma and Cambodia.

TELECOM INDUSTRY

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1-17 Many other companies including Nepal, Bangladesh and Sri Lanka had shown interest in allowing Shinawatra Group to invest in fundamental networks.

In another development, Shinawatra International had received an endorsement from the Committee on the Economic Triangle (Thailand, Malaysia and Indonesia) to undertake television and teleport projects. The teleport project is a joint venture between Thailand and Malaysia. Both projects still need endorsement by the Malaysian government. Gateway facilities were expected to be set up on Langkawi Island in Malaysia, but the site might be changed to Thailand.

Last week Shinawatra Com. & Comm. (SCC) was granted a three-year loan worth US\$78 million from 29 financial institutions. Bank of America Bangkok branch, the Development Bank of Singapore, and Nippon Credit Bank (Singapore branch) took the lead in the syndicated loan. Beginning operations in 1983 and listed in August 1990 the company has expanded its main businesses of import and distribution of phones, telecommunications facilities.

1-28 Shinawatra International wonders why it has been denied listing on the Stock Exchange of Thailand despite the company's long business record. The Securities and Exchange Commission replied that it did not want the company to raise funds from within Thailand to invest abroad because it would not benefit the country. Company president Arak Chonlatanon said, "I cannot understand this. Does the Commission want only foreign companies to set up factories here and take out money? Why can't it support a Thai operator's investing abroad?". Registered as a holding company in 1992 with capital of 100 million Bt, Shinawatra International wants to invest abroad in telecommunications joint ventures.

No reply had been received to the company's proposal that the Telephone Organization of Thailand should become its partner for investment abroad. It would now look for new partner in the private rather than public sector. India was the most attractive market for such ventures because the country was being opened up to foreign investors.

Shinawatra International has investments in Cambodia, Laos, the Philippines and India. Its projects include land lines in Cambodia and Laos, land lines and mobil phones in the Philippines.

2-07 According to the Vietnam News, Shinawatra Paging Co Ltd, part of the communications empire of Thaksin, who last week resigned his government position, will extend the service to allow subscribers to receive messages here. The system, launched two years ago and allowing subscribers to receive messages outside of Thailand, operates in Singapore and the company has reportedly discussed deals with firms in Malaysia and Hongkong, the paper said. Shinawatra's organization already operates a paging service in Vietnam, Phonelink, which serves 30,000 customers in the southern commercial hub of Ho Chi Minh City.

Phonelink, set up the Saigon General Post Office and Shinawatra Co, competes with four rival services, including Hongkong joint venture ABC, Voice International of Australia and Hongkong's Epro Saigon. Several firms from Singapore, Hongkong and Taiwan have moved into the mobile telephone and paging market, which has taken off in the past two-and-a-half years, particularly in Ho Chi Minh City. Since Vietnam began opening up to the outside world and announced it would scrap its lumbering state telephone monopoly last year. The government has made telecommunications a priority in its efforts to boost the country's poor infrastructure to attract greater foreign investment.

2-23 The Shinawatra Group yesterday announced a reshuffle of executives in its five areas of business, to maintain the group's competitiveness in the telecommunications market.

2-28 Telecom tycoon Thaksin yesterday denied reports that he is trying to acquire Siam Rath Co, owner of the country's oldest Thai-language daily newspaper, Siam Rath.

3-10 Shinawatra International Plc (SSI) has recently finalized talks with an Israeli telecom firm and an Australian cable TV group to form a four-nation consortium, including India's Microwave Co, in preparation for India's communications bids at the end of this month. SSI is among four or five Thai telecom groups expressing interest in competing for India's fixed line and cellular mobile phones. SSI expected to join with Korea Telecom for Indian bids after forming a partnership to rival Indonesia's two million phone project. However, Korea Telecom is not yet ready for the Indian bids. The source said SSI decided to work with Bezeq Israel Telecommunications Corp Ltd which was suggested by SSI's Indian partner Microwave. The contract was to be signed on March 8. India's terms of reference requires bidders to have operated at least 100,000 lines by January 1995. Bezeq, now under a privatization process, operates domestic and international telecom systems and other communications services with US\$ 1.5 billion turnover last year. The PBL group, a major cable television company in Australia, will help increase the value of the telephone lines. India plans to increase its phone lines from 8 millions to 15.8 millions numbers by 1997. Foreign investors are allowed to hold a maximum of 49%.

Shinawatra Group yesterday announced a major structural change with the scrapping of group presidents and the creation of three executive vice-chairmen to handle different areas: operation; business relations; and policy and strategic planning. The change stemmed from the group's 60-70% annual growth. One person alone could not take care of the entire operations.

4-05 Shinawatra International, the Shinawatra Group's overseas investment arms is hopeful that it will win telephone contracts in both Indonesia and Mongolia.

4-12 SC&C tests new on-line system at Telewiz sites.

5-01 Mr Aruk, president of Shinawatra International Co (INT), said, "There are many attractive investment projects and the costs exceed 10 billion Bt. As INT is a holding company, it does not have to shoulder the entire investment". He said the company could register abroad and team up with a local partner. The new company would find its own financial sources. INT proposed to install 400,000 lines in central Java and 280,000 lines in Kalimantan.

Isla Communications	Philippines	Mobile phone switching local & International	30%	2,000M Peso
Cambodia Shinawatra	Cambodia	Wireless local loop	70%	US\$1M
Laos Shinawatra	Laos	Mobil phone public telephone paging	70%	US\$2M
Microwave Communications	India	Paging	40%	50M Rupee

5-08 Shinawatra International Co is expected to be listed on the SET this year, which will further contribute additional capital gains to Shinawatra Com. & Comm (SCC). Divesting International Engineering Co (IEC), and Shinawatra International Co (INT) generated huge capital gains. SCC divested its remaining 5% stake in IEC during the first quarter and its 20% stake in INT during the third quarter last year. The divestitures generated capital gains after tax of 290 million Bt and 840 million Bt respectively. TSC Securities reported, "SCC group will focus on international businesses because of attractive returns on overseas projects. In the future, SCC group's performance will depend significantly on INT's contribution".

5-11 A Shinawatra source confirmed yesterday Shinawatra International Co (INT) seeks a global alliance to compete internationally after looking at its arch rival TelecomAsia Corp's successful union with Nynex of New York. Nynex has brought technological advantages and business opportunities to newly born TelecomAsia. Nynex taught TA how to operate telephones and lay optical fibre

links for cable television. It also helped TA to deal with Viacom which agreed to supply programmes as well as persuading TA to invest in the largest optical fibre network, Flag.

The latest move by Shinawatra is similar to the strategy being used for its broadcasting unit, International Broadcasting Corp Plc (IBC), which will soon be allied with Grammy Entertainment, a leading music camp and television programme maker, and BBTV Satelvision, the operator of the largest television station-Channel 7. The pact with Grammy and Channel 7 will make the group the largest broadcasting entity as well as the biggest local programme maker in Thailand.

5-13 Shinawatra Com. & Comm (SCC) expects to gain a pretax profit of Bt 980 million from diluting two-thirds of its 54% stake in International Broadcasting Corp Plc (IBC). Grammy Entertainment and unlisted BBTV Satelvision have agreed to each buy an 18% stake. Shinawatra will also join Grammy and BBTV in making a tender offer for the remaining shares outstanding held by minority shareholders.

According to Stock Exchange of Thailand, Shinawatra and its new partners together can't hold more than 89% after the tender offer as there must be at least 10% stake divested to at least 150 shareholders. If, after the tender, acquiring more than the permitted level, they need to sell some shares within two years to meet exchange regulations.

5-18 A group led by Shinawatra International has entered the final round of screening in a bid to install 250,000 fixed lines in Indonesia's Kalimantan area. The other contender is Malaysia Telekom.

6-15 By June 7, a total of 32 companies worldwide including three Thai firms has submitted their bids to operate cellular mobile phones in India. Shinawatra International is also preparing to bid for installation of fixed lines in India which becomes the fourth overseas country for Shinawatra to operate after Cambodia, Laos and the Philippines. To bid for the mobil phone contract, the company joined with Himachal Futuritics, Kotak, and Bezez (Israel) to set up Fascal Co Ltd. Shinawatra International holds a 30% stake in Fascal. Fascal will serve 2 million users with covering 7 circles : Gujarat, Karnataka, Maharashtra, Haryana, Punjab, Rajasthan and UP(W). The average cost per one mobile phone is US\$1,200 on a build-own-operate basis.

7-11 Shinawatra Group is shifting into a new gear, taking a longer-term view with a three-year operational plan replacing its customary annual ones, and new management.

7-26 Shinawatra International has failed in bids to develop telecommunications services in Indonesia and Mongolia. A cellular contract in Mongolia was awarded to NTT in partnership with Marubeni. A basic telephone project in Indonesia's Kalimantan province was awarded to Malaysia Telecom.

8-09 The Shinawatra Group has widened its businesses from six to seven in a reshuffle of executives to meet fast-growing demand for telecommunications services. Shinawatra Telewiz Co, which handles phone sales, becomes an independent business with its own president.

8-17 Shinawatra Group yesterday announced the appointment of Sung Sio Ma as chairman of Shinawatra International's executive board. He will be responsible for planning, controlling and carrying out international business policy for the group. Mr Sung was chairman and chief executive of Singapore Telecom International Pte Ltd before joining the Shinawatra Group five years ago. He was responsible for the globalization of Singapore Telecom. According to a press release, Mr Sung achieved great success for STI in international communications, through strategic equity investments and the setting up of joint venture companies. An estimated total of S\$1 billion was invested over seven years in about 14 countries, including UK, USA, Norway and Australia.

8-18 Shinawatra Telewiz has 130 Telewiz outlets nationwide. It plans to expand to 150 outlets this year, and to 200 next year.

9-04 India's Department of Telecommunication last Thursday opened financial bid offers for fixed line service and announced Shinawatra International and its Himachal Futuristic Communications Ltd consortium the number one in bid prices in nine out of 20 areas, known as circles. Reportedly, when operational, the consortium has to pay the Indian government about Bt20 billion for the first year of operation. "It seems impossible they can bear such huge spending," said the source.

9-22 Shinawatra International is planning to invest in the telecom business in China, according to executive chairman Sung Sio Ma. He said he had been a close friend of China United Telecommunications Corp chairman Chou Weai Chen for more than seven years. He believes that with his personal connection, Shinawatra International will have good business opportunities in China. He said this relationship helped him win the national paging project in China while he was working for Singapore Telecom.

Mr Sung and other Shinawatra International executives will go to China soon to meet Mr Chou to find investment opportunities there. In China, the Ministry of Post & Telecommunication and China United Telecommunication are the two operators. Although China United Telecommunication has signed a memorandum of understanding with more than 30 telecom firms worldwide, none of these has got a licence to operate. In China, foreigners could operate in telecommunications if they have a local partner. But Singapore Telecom has invested in China by being a consultant for Chinese authorities. Shinawatra International is expected to replicate Singapore's strategy.

According to Shinawatra International president Mr Aruk, Shinawatra International has negotiated with Master Call (Thailand) Co for over a year on the projects in China. Earlier, Master Call signed a letter of intent with China United Telecommunication and will sign a contract on October 28. The two firms have yet to reach a conclusion.

Aruk also said that he had confidence the return on investment in India's telecom projects would be more than 20%.

9-25 Shinawatra International plans to cash in on liberalization of Europe's telecommunications market in 1998. But the trading arm of the Shinawatra Group will first try to capture the Asia-Pacific market. Mr Sung said there would be good business opportunities because it was not difficult to compete with European investors. His company could buy technology from companies in Europe. The Asia-Pacific market would be top priority, however, as its social environment was similar to Thailand's, making investment easier, he said.

Shinawatra International was adopting two new business strategies to succeed abroad: investing with local partners with a good track record in the telecom industry; and taking over unsuccessful companies to improve their businesses.

Shinawatra International's investment abroad would focus on the telecom industry, but it might try to enter broadcasting if regulation allowed, Mr Sung said.

It would not risk investing in politically unstable countries. Mr Aruk also said funds could be raised for very big projects by listing on the stock market, starting with the Stock Exchange of Thailand. New York would be next.

Subsidiaries investing abroad might be listed abroad in the countries where they operated. Other telecom firms sought banks as their partners for financial stability, but Shinawatra International was financially sound and did not require such backing, Aruk said.

10-13 An information service center for the trading of electronic data is being set up by Shinawatra Computer and Communications (SCC) in conjunction with GE Information Services Inc. The Group will invest 100 million Bt in setting up this center which will provide integrated services for EDI (electronic data interchange) users.

Shinawatra's new information service center plans to provide its domestic EDI service via the Datanet network operated by Shinawatra Datacom, an SCC's subsidiary.

11-04 Shinawatra International Plc is confident the Indian Government will not abort its fixed-line phone concessions.

11-17 Shinawatra International Plc (INT) is seeking two billion bath in capital to invest in telecommunication infra in India. The company is in the process of increasing its capital in preparation for obtaining licences to operate fixed lines and mobil-phone services in India

A consortium that includes INT won mobile-phone licences in several Indian states but will operate only in Gujarat because the Indian government wants too large a cut of revenue, said Mr Aruk. The consortium also won fixed-line licences in nine states but will select only three. The three states must be located next to each other in order to operate the network more easily. The investment will be somewhere between US\$700 and US\$1000 per line.

Having a network in three neighbouring states will also allow the consortium to earn income from long-distance services, and INT will not have to rent long-distance circuits from India's Department of Telecommunications. The INT consortium also plans to provide value-added services such as data communications. INT will set policies for mobile-phone operations in India, while its Israeli partner Bezeq will handle fixed-line policies.

Mr Aruk said both the fixed-line and mobile-line network should be operating within one year of the consortium receiving its licences. They are expected to break even within three years and start returning profits within seven or eight years. Mr Aruk expects to receive a letter of intent from the Indian government by the end of this year, and for the licences to be issued by the end of 1997.

He also said that INT was interested in doing business in China, but he denied reports that the company wants to form a joint venture with Master Call (Thailand), which recently won a major telecom concession in China. The company is also interested in the teleport project in the Economic Triangle area covering southern Thailand, Malaysia and Indonesia.

12-09 A furore in parliament over the privatization of India's telephone system mounted yesterday as the opposition demanded the resignation of a government minister and an investigation into alleged irregularities. Opposition legislators accused Communication Minister Sukh Ram of misleading a tender in August to award licences to private firms, both Indian and foreign. The six consortia with the highest bids in the 20 zones offered a 1.1 trillion rupees (US\$32 billion) for the licences.

Bids by a little known consortium called HFCL Bezeq Telecom Ltd accounted for 860 billion rupees (US\$25 billion) of the total, clinching all nine zones in which it competed and raising eyebrows in financial and political circles. HFCL Bezeq has three Indian partners, Himachal Futuristic Communications Ltd (HFCL), KJMC Financial Services Ltd and Kotak Mahindra Finance Ltd. Its two foreign partners are Bezeq Israel and Thailand's Shinawatra International Plc. Their combined net worth is 46 billion rupees (US\$1.3 billion), according to government figures.

Newspapers said HFCL had turnover of 890 million rupees (US\$25 million) on a capital base of 200 million rupees (US\$5.7 million) in the financial year ended last March 31, raising questions whether it was big enough to handle nine zones.

After the bids were opened in late August, the government announced winning firms could operate in no more than three zones and allowed the companies to choose the areas. The government defended the decision, saying it would prevent any firms from replacing the government's monopoly with their own. But critics said the government lost billions of dollars by capping the number of zones, and may have bailed HFCL out of potential financial troubles.

The communications minister appeared to offer a concession to opposition lawmakers on Thursday when he said he would not award licences to HFCL Bezeq until he had checked the financial credentials of its member companies. But his statement did little to assuage the opposition. "The telecom scam might be bigger than the banking scam," the Press Trust of India quoted L.K. Advani, leader of the Hindu nationalist Bharatiya Janata Party, as saying. He was referring to a US\$ 1.3 billion scandal in 1991 in which brokers and bankers were accused of colluding to divert funds from government securities into the then booming stock market.

1996

1-18 Shinawatra International Plc (INT) is looking for business opportunities in eastern Europe, though Asia remains its primary market.

In the Czech Rep., the government will allow foreign investors to hold up to a 49% share in the governmental telecom organization. Czech government will open a bid for a portion of the organization in mid-February and INT has joined with Japanese and European partners for the bid. If the consortium wins the bid, INT and European partner will hold a 22% stake each, while the Japanese partner will hold just 5% because it is solely interested in being an investor rather than an operator.

In Bulgaria, Mobotel Ltd, a local investor and the sole operator of GSM in the country, called on INT and other foreign operators to join in its investment in October 1995. Although Mobotel has not yet chosen any partners, Mr Aruk said he expected a deal to be finalized within 2-3 months. If INT wins the bid, it will join with another partner from Europe.

Meanwhile, INT has received news that the Romanian government will open a bid for GSM mobile phone operations. However, the terms of reference have not yet been issued. The same is true in Macedonia and Moldova.

1-19 Shinawatra International Plc (INT) expects to spend more than 8 billion bath this year in telecom joint venture projects overseas with foreign partners. Mr Aruk said INT plans to apply for listing on the SET in the third quarter this year. Some shares would be sold to foreign strategic partners. Mr Aruk said one of the world's leading telecom companies was negotiating to buy shares. INT has not yet made profit. But beginning next year it expects to grab some profit from its investments in its paging service in India and cellular phone service in Cambodia.

Mr Aruk said INT recently signed a memorandum of understanding to dissolve Laos Shinawatra Co Ltd and to form a new joint venture to undertake telecom services in Laos. The new joint venture with a registered capital of US\$75 million, Laos National Telecommunications Co Ltd, was 40% held by Laos and 60% by Shinawatra. The new company will build a telecom network and provide telecom services such as cellular mobile phones, public telephones, an international phone service, international gateway, paging and other value added services. According to Aruk, the old 15-year-old concession terms granted by Laos on a BOT basis would be altered to a BOO basis with an extended term of 20 years. But he said the Laos government did not specify in the concession contract. In a verbal agreement it said that if the company provides good services, Laos would not grant a further concession to other operators. Regarding a satellite service, ABCN Co of the M Group was granted a concession from Laos.

1-23 INT said it received approval to run a cellular-telephone service in India. Shinawatra said in a filing with the Thai Stock Exchange that its joint-venture company, Fascal Ltd, will operate the service for 10 years in India's Gujarat state. The joint-venture with a paid-up capital of 1,650 rupees (US\$46) consists of INT (30% stake); India's Himachal Futuristic Communications Ltd (43% stake); India's Kotak Mhindra Finance Ltd (11% stake) and Israel Telecommunication Corp's Bezeq (16% stake).

1-25 The Shinawatra Computer & Communication Group is negotiating with three local financial institutions about forming a new commercial bank.

2-16 Shinawatra Group has reiterated its opposition to a Telephone Organization of Thailand proposal to allow TelecomAsia and Thai Telephone and Telecommunications to offer PHS (personal handyphone system) as a value-added service on their fixed-line network. PHS is not a value-added service but a new technology, which would violate the concessions the fixed-line operators have, said Shinawatra Group. TA and TT&T have concessions from the TOT to operate fibre-optic telephone lines.

2-21 India's supreme court brought in a verdict on Monday in favour of telecom privatization in India. Shinawatra is a main partner in the telecom consortium that stands to benefit most from the verdict. The court said there was no whisper of any malafide, and has given a clean chit to both the minister and Hinachal.

3-04 Deutsche Telekom, Eupore's largest telecommunications carrier, and Shinawatra Group are negotiating a cross-border alliance. According to a Shinawatra senior executive, DT is a perfect match for Shinawatra in terms of technological sharing, business strategy and financial advantage. The talks on cooperation with Shinawatra began last year and are expected to wrap up soon. But there are two points that remain unsolved in the negotiation: the number of shares and the price. They said DT proposed acquiring more shares in Shinawatra

International Plc (INT). INT is just beginning to expand internationally. In Asia, it is active in the Philippines, Laos and India. Thaksin, when he was Shinawatra chairman, said Shinawatra should look toward Europe as well. The participation of the German operator is seen as a significant boost for Shinawatra Group in bidding for the proposed installation of six million basic telephones.

3-05 Profits from its mobile phone operation almost doubled, while pay television racked up big losses for Shinawatra Group in 1995.

3-09 Shinawatra Computer & Communications Plc signed a contract on Thursday to buy R/3 application office software worth more than 100 million baht from SAP Asia Pte Ltd.

3-13 Shinawatra Group is preparing to seek permission from the Telephone Organization of Thailand to offer a new wireless communications service, similar to that planned by TelecomAsia Corp Plc. The development of the telecom industry is now beset by a fierce battle between fixed-line operators and mobile phone operators. Shinawatra and Ucom Group, which dominate the cellular business, are fighting hard to prevent TA and provincial telephone firm Thai Telephone & Telecommunication from getting into their business.

3-30 Indochina might not be the success story predicted for the Shinawatra Group, as the Laotian government is now asking for a majority stake in its joint venture with Shinawatra International Plc. The problem of the deal remaining unsettled has delayed the company's attempts to offer a fixed-line service in this communication service-scarce country.

Lao Shinawatra was set up in early-1994 with registered capital of US\$2 million in partnership with Enterprises Des Posts Et Telecommunications of Laos (EPTL). Lao Shinawatra will receive 70% of the net profit and EPTL the remainder or 5% of gross revenue - whichever yields the highest amount. The Thai company is allowed to offer fixed-line, international gateway, cellular phone, and paging services with 15 year concession periods. It began its GSM mobile phone service in Late-1994.

Now the mobile phone service is only seeing small growth in subscriber numbers. With handsets priced around Bt50,000, local consumers cannot afford them. Even an university graduate in Laos only receives an average wage of Bt1,500-Bt2,000 per month.

4-02 In an ongoing negotiation with Lao authorities, Shinawatra Group said it has agreed to reduce its stake in the Lao Shinawatra to 49%, but will still control the management.

4-05 Shinawatra Satellite Plc plans to swap the orbital positions of Thaicom 1 and Thaicom 3 in an effort to ease conflict with China's satellite.

4-11 Shinawatra International is fighting hard against rising doubts from disruption to its overseas expansion projects while the planned stock listing on the

Thai bourse draws near. In India where Shinawatra's consortium was accused of having received an unfair advantage from government officials in the bidding for fixed telephone projects, the consortium is likely to drop two of three letters of intent awarded in four states, Delhi, Hariyana, UP West, and Orissa. Dropping the two licences will mean Shinawatra has to lose bank guarantees, worth no more than Bt250 million for each licence.

In preparation for the stock listing, Shinawatra International has already completed offering a rights offering to its shareholders; 80% by its parent Shinawatra and the rest by outsiders. It will issue new shares to one strategic partner which will later hold a 25% stake. Declining to name the partners, Shinawatra sources have confirmed the firm is talking with Deutsche Telekom of Germany.

Shinawatra International, now having Bt3 million registered capital, will this year spend Bt200-300 million for ongoing projects in the Philippines, some US\$75 million in Laos, while the cellular investment in India receives 100% suppliers' credits with a five year pay-back period and a paging service that can work on capital cash flow.

The Shinawatra Group has proposed a zoning system for bidding on the six-million line telephone project. Group vice-chairman Boonkee Plangsiri said yesterday that authorities should drop criteria that would award contracts to the bidders offering the highest return to the state. This would result in bidders trying to out-do each other with unrealistic offers, and their projects might end up not being commercially viable. He proposed that each bidder should be allowed to operate in one zone only, to create more opportunities for all.

5-18 Shinawatra Group said yesterday that net profits increased by 16% or 785 million baht at its parent and subsidiary companies in the first quarter of this year as being on target.

6-06 The legality of the Telephone Organization of Thailand to form an Bt8 billion multi-media joint venture company with Telecom Holdings Co Ltd came under fire yesterday by the Shinawatra Group.

Deutsche Telekom (DT) and Shinawatra International will conclude a partnership deal this month with a possibility that the former will get 20% to 25% of the Thai firm. DT also indicated that it will acquire a stake of Philippine telecom firm Isla Communications, which is 30% owned by Shinawatra International.

DT and Shinawatra started talks last year following both deciding on ambitious plans for overseas expansion. Late last month, DT formed an alliance with Malaysia's Technology Resources Industries, taking 21% of the latter's shares, of which 10% was in the form of newly issued shares. DT's subsidiary DeTeMobil has a 25% stake in Indonesia's Satelindo.

6-19 Shinawatra's ambitious telecom investment plan in Laos was plunged into uncertainly yesterday when the Lao government abruptly postponed a contract signing, just hours before the formal signing was scheduled to take place.

A telecom source had previously hinted that the signing would be suspended because M Group also want to undertake the project and was involved in its own negotiations with the Lao government. M Group has formed a joint venture with United Communication Industry Plc (UCOM) to operate Asian Broadcasting & Communications Newwork (ABCN) via Laos' satellite, the Lao Star.

Both M Group and UCOM want a piece of the Lao telecom market. It has been rumoured that M Group has received strong backing from powerful politician in the Banham government for it Lao projects. Shinawatra had already succeeded in winning the telecom deal over a Japanese competitor.

6-07 Shinawatra Group has denied reports that it plans to sell a 20-25% stake in Shinawatra International to Deutsche Telekom (DT). The source said the two were only in the process of drafting the conditions for a joint venture and no deal had been struck.

6-29 Shinawatra Satellite Plc is planning a Thaicom 4 satellite to serve international clients. Demand for satellites in the Asia-Pacific region is outpacing supply. Thaicom 3, scheduled to be launched in December, will not be able to accommodate all potential users. Thaicom 3 is twice as large as the first two satellites.

6-27 Shinawatra International expects to raise Bt4-5 billion by selling 25% of its shares to Deutsche Telekom. The two companies are working out a signing date. Shinawatra International is busy seeking financial and management support. Several of its projects are yet to be successful and are facing tough difficulties. "If Shinawatra International cannot accomplish its financial requirements, you will not see further expansion, at least during this year", said the company source.

7-04 Shinawatra International anticipates signing a new telecom contract with Laos by the middle of this month after two sudden postponements, allegedly caused by the intervention of a third party with the same interests. The new contract will introduce new content with the government taking a 51% stake for a longest contract period of 20 years. The investment system is also improved from BOT to BOO. With the new company's name of Laos Telecom, the new deal will require about US\$250 million to control the whole country's telecom services.

The M Group has won a licence to operate a gigantic broadcasting satellite project, L-Star. The Lao first satellite will be put into orbit in December next year and will cover all of Asia.

8-16 Shinawatra Computer & Communication Plc, the holding company of Shinawatra Group, has seen heavy share dumping as investors reacted to its poor

earnings results and uncertain telecom policies, which will reduce its future profitability.

9-13 Loxley Plc, in partnership with Furukawa Electric Co and Yazaki, has set up Thailand's first fibre-optic cable plant in order to supply the local market next year. The Thai Fibre Optics Co will have a capacity of between 86,000 and 150,000 kilometres of fibre cable per year. The firm will have registered capital of 100 million baht, with Loxley holding 40% and Japanese partners 60%.

9-26 In the past few months before the growing instability of Prime Minister Banham's government, investors, particularly foreign fund managers, bailed out of Thai telecom stocks after seeing the industry liberalization marketing these telecom companies less competitive.

9-28 Jasmine International Plc yesterday announced the signing of three agreements in Jakarta, saying the deals marked significant progress in its Asia Cellular Satellite (ACeS) project. ACeS, founded by Jasmine International, is a regional satellite-based mobile telecom project aimed at providing services in the Asia-Pacific region with Indonesian and Philippine partners.

The first agreement, with Lockheed Khrunichev Enterprises, is for the launch of the ACeS Garuda satellite. The second is for the procurement of handsets, and the third is for the underwriting of the project.

10-10 Shinawatra International has finally agreed to communications contracts with Laos. But the BOO system anticipated by Shinawatra was replaced with BOT.

10-15 Loxley will offer paging services in the Philippines in a joint venture next month. The firm will have a 60% holding with an unnamed Filipino partner. The services will be offered initially in Manila under the Hutchinson brand name, to be expanded to other areas in the Philippines later. More than \$10 million has been invested in the venture, with enough capacity to service 60,000 subscribers.

The firm also studying potential partners to join a separate venture in Australia to develop equipment and electronics for electronic banking. Initially aimed to support 4-5 large banks in Australia, Loxley will later act as a supplier for technology developed to markets in the Asia-Pacific region, including Thailand, Singapore, Hong Kong and the Philippines.

The project will require more than 60 million baht investment. Loxley will decide whether to enter the electronic banking venture by the end of the year. If Loxley does enter, it will carry a 30-40% share.

Looking at other Loxley projects in the region, 5,000 lines have been installed for the its North Korean telephone line project. In Laos, besides Loxley's production facilities for beer, soft drinks and drinking water, the firm recently was licensed to produce liquor. A factory is going to open next year.

10-28 The alliance talks between Shinawatra International and Deutsche Telekom may not be successfully concluded. DT wants significant participation in the whole Shinawatra Group, not only Shinawatra International. The main DT's requests include DT having a role as a key consultant for every project and as the manager to run the group's finances. DT also demands that Shinawatra International buy back the shares if a new strategic partner is selected.

"DT's conditions indicate it simply wants to focus only on the Thai market while Shinawatra International wants the partner to help it strengthen its position abroad. We accept that we are not quite successful in foreign markets", the source said. Shinawatra still may have other deals with other foreign firms to negotiate.

11-01 Siemens (Thailand) Co's revenue in the 1996 financial year soared by 461% to 17.8 billion baht. In Thailand, Siemens' services cover supplying 500,000 phone lines for TelecomAsia Corp, installing the switching system for Advanced Info Service Plc's mobile phone service, and the exchange for the Telephone Organization of Thailand. The firm also plans to be involved in the TOT's new projects including the installation of 6.8 million phone lines and fibre-optics.

Siemens secured a turnkey deal from Amata power plant as well as a number of substations for transmission and distribution networks for industrial customers.

In the industry sector, the firm won cement and steel contracts to equip factories with modern technology for waver-fabrication and automotive part making. The contracts include installation, supervision and maintenance. There are also pending investments in petrochemical plants, the steel industry, the cement industry and the second international airport.

In the transport sector, Siemens is supplying Thanayong's electric train which is scheduled to be in service in 39 months. It's also taking part in Hopewell's elevated mass transit system costing 22.1 billion baht. But growth in the sector was not so impressive.

11-05 The Board of Investment yesterday rejected a Shinawatra Group's Thaicom 3 venture. Shinawatra had asked for an exemption from 30% corporate tax for eight years on income generated from renting transponders to foreign clients.

Bol secretary-general Staporn Kavitanon said an exemption from corporate tax on income generated from foreign clients would violate Bol regulation.

11-28 Shinawatra International Plc says its mobile phone operation in India will work, despite a shareholder change.

12-02 Shinawatra International Plc is making a bid to extend its fixed-line concession in Cambodia from 15 years to 40 years. Cambodia Shinawatra (CamShin), a joint venture between Shinawatra International (70%) and the Cambodian government (30%), was granted the concession in Phnom Penh for 15 years from March 1993. CamShin has so far invested US\$10 million in the project and has 4,000 subscribers. The firm plans to expand its services to four provinces.

12-03 Shinawatra is planning a revamp to speed up decision-making amid tough telecom industry competition. Shinawatra Holding Co will monitor the group's subsidiaries, set direction and investment policy, human resource management, operational results and management efficiency. The current 15 members of the group's executive board will be reduced to eight persons. The increase flexibility in decision-making, the positions of three members as group vice chairmen have been cancelled.

12-11 Shinawatra International Plc has rejected an alliance with Europe's largest telecom carrier, Deutsche Telekom, after deciding the DT's latest conditions were unacceptable. Its search for a new partner will be put on hold temporarily.

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1-06 Thailand will inform the WTO at next month's meeting that it will open its telecom market beginning in October 1998, deputy Transport and Communications Minister Direk Charoenphol said.

1-08 The economic slowdown has prompted Jasmine International Plc to plan for more conservative expansion this year. The group's chairman Adisai Bodharamik said the slump would not be reversed in the short-term. The group's policy is likely to postpone planned investments in new projects abroad. The Jasmine's source said investments abroad this year should not exceed Bt1 billion.

In the past few years Jasmine was the firm most interested in getting into Chinese markets. But, Adisai said, "not now". The group's ambitions in the energy sector "have also been reduced. The Nam Thuen 2 project is to be delayed for another year." With the exploration of business in other markets to be done more cautiously, Jasmine will put most of its efforts into existing businesses, particularly the cellular investment in India's two major states with a combined 100 million people. In Andhra Pradesh the network started late last year, and the other in Karnataka to be launched this week.

The past few years experience working abroad has taught Jasmine that some projects were not as attractive as they first appeared.

The group is preparing its financing plan in which short-term loans will be changed to long-term loans. Two new financial packages, including a \$80 million loan with a seven-year pay back period and a syndicated loan worth ¥9.5 billion, were signed last year. Domestic telecom investments meanwhile still have high potential. Shinawatra group also will focus mostly on existing projects already under way abroad.

Adisai, the single largest shareholder in Jasmine, also announced he had handed over more authority to the group's more professional veterans. He said that his previous image of running a one-man show will now change.

1-15 Jasmine International Plc is planning to make full use of the diverse telecom infrastructure with focusing on vertical expansion rather than horizontal, unlike in the past.

1-23 Total Access Communication Plc (TAC) yesterday signed an agreement for a \$104.8 million, long-term loan from the US Export-Import Bank. The money will be used to finance the purchase and installation of cellular telephone equipment from Motorola Inc. TAC recently awarded a \$120 million contract to Motorola.

1-28 Thailand's restrictive telecom regulations have forced Loxley Business Information Technology Co (Loxbit) to look abroad. While local telecom services are still monopolised by the Communications Authority of Thailand and a few private companies, other countries have liberalized these sector, bringing in new management and giving new-comers the chance to compete in biddings.

"Foreign markets are our niche - we have opportunities to open new markets overseas", Loxbit President said. The company has already received a concession to establish a pinphone network in Burma, while the next countries targeted will be the US and European nations.

1-30 Thailand has made clear its commitment to comply with global telecom liberalization by shortening the timeframe within which to open the basic telephone markets from 10 years to three years, deputy Transport and Communications Minister Direk Charoenphol said.

The Telecommunications Association of Thailand yesterday submitted a letter to Transport and Communications Minister urging him to speed up liberalising telecom services.

Thai Telephone and Telecommunication (TT&T) has received shareholders approval to invest 6.25 billion baht to improve its network of 1.5 million fixed lines. Under the plan, TT&T will raise its registered capital from 7.5 billion baht to 13.75 billion baht by issuing 375 million ordinary shares (10 baht par). The remaining funds will come from the sale of 250 million shares.

2-12 Shinawatra Group will this year focus on expanding its most successful sectors and improving or jettisoning those running at a loss.

2-13 Shinawatra Group and other telecom operators in the Philippines are experiencing deep troubles as the country's largest carrier PLDT continues to impede telephone interconnections. Isla Communications Inc in which Shinawatra and Deutsche Telecom have stakes also has serious negative impacts where subscribers were upset with inconvenience and cancelled their subscriptions. PLDT, 60% owned by the Philippine government, also levies high access charges on all new telephone players.

The Customs Department has pushed aside a company formed by the Banham Government to provide electronic data interchange services, and awarded a contract to a Shinawatra Group company instead.

2-18 Thailand committed itself to opening all communications services to full competition from 2006 at historic WTO telecom talks concluded on Saturday. Foreign shareholding in all telecom services is capped at 20% while other rules will be issued by the National Telecom Commission. The 20% limit is unchanged from earlier offers, and it has been criticized as low compared with offers by some other countries. However, Thai officials maintain the limit is appropriate for a country at Thailand's level of development.

3-11 United Communications Industry Plc will sell its shares in Asia Broad-casting and Communication Net work to offset investment losses in Finance One.

3-19 The Jasmine Group said the signing of a \$250 million loan agreement between PT Asia Cellular Satellite (ACeS) and consortium of Indonesian banks has been completed.

4-23 Loxley Business Information Technology Co Ltd (Loxbit) yesterday announced a joint investment with Netherlands-based Fax & Phone BV, to establish Loxcomm. Loxcomm, based in the Netherlands, is 60% owned by Lobit and 40% by Fax & Phone.

The firm will offer many value-added telecom services, starting with pinphone, prepaid calling cards, which Loxbit is already known for in Thailand.

4-26 Communications Industry Plc (Ucom) yesterday joined the Communications Authority of Thailand (CAT) to form United Information Highway Co. The firm will market CAT's high-speed fibre optic network, which has been re-named the Cherry Newwork, Ucom's stake in the firm is 75%.

5-15 Loxley Plc has set up a new subsidiary, Loxley Wireless Co, to help market Wireless Communication Service's new PNC 1800 digital mobile phone system.

5-17 Most Thai telecom stocks have reported worse-than-expected results during the first quarter as a result of the hard-hit economy. Analysts said telecom firms, which have huge foreign currency exposure, have suffered from increased debts due to the depreciation of the baht against the dollar.

Advanced Info Service has reaped benefits from its conservative financing policy with a low level of foreign loans compared with its affiliated Shinawatra Satellite, which has to seek loans abroad for its new satellite venture.

5-19 Investing abroad is currently more lucrative than expanding telecoms operations in Thailand, according to Aruk Chonlatanon, president of Shinawatra International Plc. He said it was difficult for new operators to compete in Thailand because the older companies were already entrenched, particularly in the mobile phone sector where they already had a base of more than one million subscribers.

Mr Aruk said Shinawatra International had invested more than 3.6 billion baht in four countries -Cambodia, Laos, the Philippines and India.

More than two million baht invested so far in the Philippines have yielded the highest returns. The firm has a 30% stake in IslaCom Co Ltd along with local

companies such as Asiacom Philippines Ltd and Deutsche Telekom. The joint venture was in 1993 granted a 25-year concession to operate both basic and mobile phone services. IslaCom has 700,000 fixed-line numbers in the central region and expects to install 200,000 of those this year and 300,000 next. The joint venture has 40,000 subscribers to its digital GSM mobile phone service in the Philippines and hopes to sign up 20,000 more in the next two years. It has 150,000 subscribers to its paging service.

In Laos, Shinawatra International has invested in a GSM mobile-phone network in Vientiane and is expanding that network to cover Battambang, Pak Se and Savannakhet. There are currently 4,000 subscribers and the company hopes to have 8,000 by the end of 1997. In the basic phone sector, the firm had been granted 18,000 lines and was in the process of bidding for another 54,000. Aruk said the major income earner in Laos was the international call service, adding that his firm was negotiating with the Lao government to get the right to connect gateways with more countries. Under its agreement with Laos, the firm has to invest not less than \$200 million within the 20-year concession period.

In Cambodia, he said Cambodian Shinawatra had been established to operate a basic phone service that now had 5,000 subscribers. In India, Shinawatra International holds 30% in a company that operated GSM network.

5-22 Jasmine will provide telecom networks to businesses. Some businesses might want to rent from several network operators which could lead to difficulties connecting networks. As a solution proviser, Jasmine would take charge of and solve such problems.

6-03 Thai Telephone and Telecommunication (TT&T), is showing signs of reeling under the prevailing economic slump.

6-04 Telecom system supplier Ericsson (Thailand) Ltd has changed its structure to improve the way it handles customer accounts, speed up everyday work and shorten the decision-making and delivery processes.

6-06 AT&T-led World Partners Co, one of the world's three largest telecom carrier alliances, has established a foothold in Thailand by approaching multinational companies with a tailor-made high-speed data transmission service.

6-11 Motorola and its local partner Ucom have agreed to a permanent reconciliation after a souring in their relationship. Motorola, once the most popular brand for people in Thailand, has now slid to third place in handset sales after Nokia and Ericsson, mainly because the company could not keep up with the launch of new digital phones. Another major cause is that Shinawatra, Ucom's competitor, indirectly blocked the growth of Motorola handsets in its GSM system.

6-12 Singapore Telecommunications Ltd, faced with increasing competition at home, said it is looking to buy stakes in the telecom companies in Thailand and Indonesia. SingTel, however, declined to confirm or deny.

6-17 Ucom has proposed a new joint venture with the Telephone Organization of Thailand to operate a data communications service similar to the Data Net of rival Shinawatra Group. Ucom offered TOT a 23% stake without payment, and another 3% to the agency's employees at par value.

6-18 US telecom equipment maker Lucent Technologies is likely to lose a US\$330 million cellular equipment deal to rival Nokia after Samart Corp signed a strategic partnership with Telekom Malaysia early this month. Earlier, Samart was leaning towards Lucent Technologies as a supplier for its cellular operator after lucent offered a better proposal with a unique package deal.

7-01 Nokia has edged out rivals Lucent Technologies and Ericsson for a US\$330 million cellular equipment contract with Samart Corp.

7-04 Advance Info Service Plc will be the first local company to issue short-term debentures. The Bt2 billion programme will be handled by Thai Farmers Bank which will act as the lead underwriter. The initial offering lot will be Bt1.4 billion with an interest rate of 13% a year.

7-07 Ucom is still undecided on whether to take part in the US\$9 billion global telecom project, Teledesic, touted as "Internet in the sky".

7-08 Jasmine Submarine Telecommunications Co Ltd, a wholly-owned subsidiary of Jasmine International, yesterday announced the successful issue of senior secured notes worth US\$180 million, due in 2011. Its hedging contracts cover 100% of the US dollar principal amount and extend for the life of the notes (14 years).

7-09 Samart Corp has 17,000 mobile phone subscribers in Cambodia but is reconsidering its future investment in the country because of the growing political crisis. Last year, the company generated 600 million baht and held 60% of the country's mobile phone market. So far, it has invested 200 million baht and plans to open the digital GSM mobile phone service in 1998.

7-10 Ericsson (Thailand) has announced plans to establish a R&D center in China. Beginning operations in the third quarter of the year, the new center will develop telecom and data communications products for both the Chinese and global markets. The initial focus will be on the development of software products for access networks.

7-15 Samart Corp Plc and its new partner, Telecom Malaysia, plan to jointly sell telecom equipment in Malaysia and South Africa where Telecom Malaysia has invested.

7-18 Global telecom firm BT has established a company in Thailand in a bid to increase its presence in the region. "We are no longer just a representative office of BT Worldwide. As a local operating entity, we are now in a position to offer a full comprehensive range of data network services." said BT Siam managing director. In the Asia-Pacific region, BT has 16 offices and more than 1,000 employees.

7-29 A four-company consortium, led by Charoong Thai Wire & Cable Plc (CTW), is joining the fast-growing fibre optic market in Thailand with the announcement of a 500-million-baht joint venture for local production. CTW, yesterday signed a joint-venture agreement with Fujikura Ltd, Tomen Corp and Italian-Thai to set up Siam Fibre Optics Co. CTW has a 55% stake, Fujikura has 25%, Italian-Thai 15% and Tomen 5%. Located in Chachoengsao, it is scheduled to start operation in April 1998.

7-30 IBM has asked to withdraw from its Bt1.8 billion long-delayed computer system contract with the Revenue Department.

7-31 Telekom Malaysia International is to increase its stake in Samart Corp to 24.99% from the current 20.12% with payment of US\$14 million.

Several foreign firms have expressed strong interest in investing in Thai telecom companies, but are hesitant to do so because their Thai counterparts lack clarity and a logical order when negotiating, Tom Kreusopon, director for corporate strategy at Samart Group, said.

8-12 United Communication Industry Plc (Ucom) is facing cash-flow problems to find the funds to acquire a number of firms under the M Group umbrella, including the operator firm of the LaoStar satellite service.

8-21 Jasmine International Plc has jumped to sixth from 12th in the Philippine pager market since it started operating its Jaspape system six months ago with 12,000 subscribers in Metro Manila, Cebu City.

8-26 The economic crisis has forced the operator of PhoneLink, Shinawatra Paging Co, to lower its sales target for this year from 150,000 to 125,000 pagers. Not only was finding new customers more difficult, but maintaining the company's existing customers was also a hard task.

8-30 Singapore Telecom which had been Shinawatra's partner for a long time apparently made a quiet deal to secure a large portion of shares in United Communications Industry Plc (Ucom), Shinawatra Group's main telecom rival. Shinawatra Group has forced Singapore Telecom to pull its only representative off Shinawatra Computer and Communication's 11-member board of directors to protest. Along with a 5% share in SC&C, Singapore Telecom holds a 47% stake in Shinawatra Datacom and 40% in Shinawatra Paging Co.

9-02 Jasmine International Plc, one of the four major telecom groups, is looking for a foreign partner to ensure that it has sufficient capital. The partner will be either offered a stake in the group's completely-owned subsidiary, Jasmine Submarine Telecommunications, or the parent company. The company's local projects, which are mostly government turnkey deals, are still generating revenue but the company's outlook is being tarnished by its overseas investments, particularly in India.

Regarding concerns over Jasmine's capital-intensive investment in India, a subsidiary in the country, JT Mobiles, has only one major cost - cellular licence fees, which amount to Bt2 billion due this year. JT mobile requires about Bt5 billion for a five-year investment in cellular projects, which are expected to break even by 2000.

9-23 Mr. Chitchai Nantapat, vice-president of Loxley Plc, said economic problems were not affecting the performance of Loxley. Loxley has taken a rather conservative approach to project investments, in contrast with the aggressive moves taken by other telecom companies. As a diversified trading company, Loxley has several other divisions handling chemical, consumer products, construction and other fields.

Outside Thailand, Loxley has telecom ventures in the Philippines and Burma. It operates a pager service in the Philippines and just received a mobile phone licence there. Previously, a private company that ran a mobile phone service had to offer fixed-line telephone service as well. But the Philippine government scrapped the regulation, so Loxley does not have to make such a large investment.

Loxley is a network installer in Burma, and political concerns have arisen over a Canadian boycott of the country. Canadian-based Northern Telecom is Loxley's supplier. Northern Telecom cannot sell new products to Burma but the project with Loxley is a continuing one, so it is allowed to provide products until the project is completed.

10-03 Due to cashflow problem, the M Group will this month cede managerial control of two of its subsidiaries to Ucom. The M Group had agreed to transfer the manager's role to Ucom even though Ucom was not the major shareholder of the two subsidiaries. The two are the Asian Broadcasting Communications Network (ABCN), the concessionaire of the LaoStar satellite, and Wireless Communications Service (WCS), which operated the IQ mobile phone service. Ucom now holds 10% of ABCN and 20% of WCS.

10-03 As the Chat Pattana Party seems to retain authority over the telecommunication business, Jasmine International Plc, an outstanding supporter of the party, is one of the most closely-watched telecom firms. It is expected to win more new deals from the Telephone Organization of Thailand. A strong business-political connection has proven to be a powerful influence over officials' decision-making and only those who have a good relationship with an incumbent political party will get the prize.

10-07 Asian Broadcasting Communications Network (ABCN) says its US\$800-million L-Star project is on track for launching in the first quarter of next year with plan to start commercial service at the Asian-Pacific region between July and September.

10-25 Jasmine Smart Shop has launched its own line of telecoms accessories in a bid to capture the middle market. Popular brands like Nokia, Motorola and Ericsson were expensive while counterfeits were far cheaper, but were of low quality. So, Jasmine saw an opportunity to capture the gap between the two markets.

11-11 United Communications Industry Plc (Ucom) says it is still supplying Motorola telecom equipment to the Shinawatra Group. Ucom denied suggestions that a conflict between Ucom and Shinawatra Group had led to Shinawatra's stopping registration of Motorola mobile phones in its network. Generally, Ucom and Shinawatra compete each other, but they are allies in terms of selling telecom products.

11-20 Jasmine International is lobbying the Telephone Organization of Thailand to gain more benefits from TOT's 470 MHz cellular network.

12-04 CS Satellite Phone Co (CSP), a subsidiary of the Shinawatra Satellite Plc, yesterday signed an agreement with ICO Global Communications Co to become the sole service provider for the ICO satellite telecommunication system in Thailand. ICO, formally known as Inmarsat, is a satellite communication project in which companies from 51 countries have invested. It has two other global competitors: Iridium and Globalstar.

12-05 Although its mobile-phone subsidiary, Advanced Info Service, reported a profit in the third quarter, this year has been a tough one for the rest of the Shinawatra Group, according to executive chairman Paiboon Limpaphayom. Next year the group intends to reduce investments as much as possible, and further losses are expected. "Nineteen ninety-eight will be the first year for our group not to map out long-term plans. The plan must be made on a monthly basis for survival," Dr paiboon said.

The Shinawatra Group's foreign loans outstanding amount to the equivalent of 20 billion baht, based on 40 baht to the US dollar. The due dates range from three months to over five years.

The group's two main investors are AIS and Shinawatra Satellite Plc. Singapore Telecom holds less than 10% in the group, but it may try to attract more foreign partners. Shinawatra International Plc (INT) in particular needs foreign funds for its overseas operations. It is negotiating with two potential partners, Deutsche Telecom and Dutch Telecom, to become a major shareholders. A deal is expected to be reached by the end of this year. France Telecom is a latecomer but there is still time for talks. INT also plans to sell poorly performing subsidiaries in India and the Philippines, while those in Cambodia and Laos would be retained. The company has invested around one billion baht to date and is still running at a loss. No additional investments are expected for the next one or two years.

“INT is the most worrisome subsidiary of the group as it involves overseas investments. But it should be all right when it successfully attracts a strategic partner,” Dr Paiboon said. The second big trouble spot is the pay-television subsidiary, International Broadcasting Corp. IBC now is negotiating to merge with its rival, UTV Cable Network Plc. Talks should be concluded soon.

12-10 Shinawatra Satellite Plc (SSA) is seeking foreign partners to invest in the Thaicom 4 satellite. SSA is the sole operator of the Thaicom 1,2 and 3 satellites. Thaicom 4 was scheduled to be launched in 1998 but the economic slump forced SSA to postpone the project until 2000 at the earliest.

12-18 Loxley Plc is planning to consolidate its business activities after earlier laying off 200 employees. Previously, Loxley slashed its workforce of 1,500 by 200. Moreover, the company cut by 10-20% the salaries of executive officers. However, Loxley said it will pay a maximum of a one-month bonus this year.

1998

1-13 Telekom Malaysia Co, which has a 25% stake in Samart Corp and 33% in Samart's Didital Phone Co, says it is not pulling out of the ventures as they are likely to make profits after 2003. But the company 65% owned by the Malaysian government has no plans to buy additional shares in Samart Corp.

1-16 Samart Corp insisted yesterday that it would sponsor the Asian Games, but it wants to negotiate with the Bangkok Asian Games Organising Committee to reduce the sponsorship fee to \$2 million from \$10 million.

1-21 Samart Corp yesterday announced a reshuffle of its top three executives and appointment of a Malaysian executive to its board after Telekom Malaysia became a major shareholder with 25% stake.

1-26 Motorola Inc has held talks with Total Access Communication Plc to acquire direct shareholding in the Thailand's second-largest cellular operator.

2-12 The baht's weakness has forced Thai Telephone and Telecommunication Plc (TT&T) to postpone the introduction of its personal communications telephone (PCT) service until late in the year 2000.

2-13 Imported pagers from Japan, Taiwan and South Korea are eating away at Motorola's massive 70% market share in Thailand, since Motorola's units imported from US or Singapore are paid for in US dollar.

The Telephone Organization of Thailand has identified Singapore Telecom and Taiwan-based Chunghwa Telecom as its top two potential strategic partners in its drive toward privatization.

Ericsson is considering whether its Bt200-million telephone switch equipment plant in Thailand should be shut down following an investment slowdown for fixed-line telephone numbers.

Thailand drew in equipment makers with applying the local-content policy to telecom investors. The local content was required to be specified for each significant investment. The installation of three million lines, for example, required investors to employ a minimum of 50% of local content. After winning an equipment-supply contract, Ericsson decided to set up a plant in Ayutthaya's Rojana Industrial Estate.

Ericsson's plant has about 100 workers. About 40 workers were dismissed last December. Expansion into Vietnam and Cambodia also has yet to be finalized. There are no plans to move any production facilities to either country.

2-14 Swedish telecom giant LM Ericsson Telefon AB stamped its mark in Southeast Asia as it formally launched yesterday its first regional mobile phone production plant in Malaysia. Ericsson source declined to divulge the investment cost but said the group spent US\$1 billion annually on plant and equipment and another \$3.5 billion on technology development.

2-18 Philips Consumer Communications (PCC), a joint venture between Philips Electronics of Europe and Lucent Technologies of the US, aims to become one of the top three mobile phone suppliers in Thailand by 2000. Nokia is currently the biggest seller, followed by Ericsson and Motorola.

Siemens AG aims to increase its share of the mobile phone market in the Asia and Pacific region from 8% to 20% by 2000.

2-24 Due to a cash crunch, Jasmine International Overseas has sold its entire 2.36% stake, or 150 million shares, in Digital Telecommunications Inc, a Philippines-based company, to ING Baring Securities and Merrill Lynch (Philippines) Inc at 1.5 pesos per share. Analysts said Jasmine paid two pesos per share for its stake three years ago. The company has paid-up capital of 6.3 billion pesos. Jasmine International made about 40% profit from the sale.

The size of Motorola Inc's stake in Total Access Communications (TAC) remains undecided after several weeks of talks with TAC's parent, Ucom. There are many points to be clarified such as size and structure of TAC's debt. The depreciation of the baht has increased TAC's debts from 20 billion baht to 40 billion.

The source said Ucom wanted Motorola to hold 20-25% of TAC. Motorola holds 20% of World Telecom Holdings, which is a 60% shareholder of Ucom.

2-27 Thai Rating and Information Services said Ucom's unhedged foreign debt as of last September 30 included short-term loans of US\$200 million, long-term loans of \$360 million, and bonds and convertible bonds of \$880 million. Total debt as of September 30 was 60 billion baht.

3-02 Lao Telecommunications Co Ltd, a subsidiary of Shinawatra Group, plans to spend US\$65 million on telecom services in Laos. US\$ 60 million would be used for providing fixed-line services and \$5 million for mobile phone networks. The amount would invest step by step in pace with credit extended by suppliers.

Last year, the company set a target of 25 billion kip in earnings but achieved 28 billion, of which 11 billion was profit. This year, it predicts revenue of 61 billion kip from expansion of service area. But its profit might decline slightly as it has to reinvest more money than last year and repay debts. International calls currently account for 60% of the company's earnings.

Laos' telephone networks cover 39 towns and 23,000 subscribers. Under the expansion plan, both Laos and Shinawatra would expand the network to 58 towns by 2001 by installing 50,000 additional lines - 15,000 this year, 11,000 each in 1999 and 2000, and 13,000 lines in 2001 - at a total cost of \$60 million.

For GSM mobile phones, Lao Telecommunications has spent \$8 million so far, opening services in Vientiane, Savannakhet and Champassak, with a total of 4,800 subscribers. It will spend \$5 million this year to expand links to Tha Khek, Bo Kaew and Udomchai.

Paging services were established last November for six million baht and now had 100 subscribers. A further four million baht would be spent on expansion this year. 3-03 Shinawatra Computer and Communication recorded the massive loss of 5.64 billion baht last year against a profit of 2.63 billion baht a year earlier, due to a foreign exchange loss of 4.10 billion baht.

Thai Telephone & Telecommunication (TT&T) suffered a net loss of 12.34 billion baht due, in large part, to foreign exchange losses of 8.09 billion baht. But net loss is just unrealised as the repayment period was 10-13 years ahead with last repayment lot in 2011. The company's total revenue, grew from 4.16 billion baht in 1996 to 5.73 billion baht last year, with the increase in telephone subscribers from 744,997 to 1,110,222.

Meanwhile TT&T's parent company, Jasmine International Plc reported a net loss of 5.45 billion baht with foreign exchange loss of 2.27 billion baht. The 1997 total revenue was 6.14 billion baht. At the end of 1997, the company had total assets of 23.58 billion baht and a total liability of 19.87 million baht. The shareholders equity was 3.33 billion baht.

3-04 TelecomAsia Corp Plc (TA), the country's biggest private fixed-line operator, has booked the largest Bt26.6 billion (US\$619 million) net loss among all listed telecom firms for 1997. Bt22.3 billion is from foreign exchange losses by TA and its subsidiaries with the rest loss from operations. Many of TA's subsidiaries are still in the early stages of operation and have not reached profitability.