The world’s largest multinational corporations find Thailand to be one of the most competitive, most reliable, and most desirable locations for sourcing parts and components, and an excellent destination for establishing regional operating headquarters. In the search for cost-savings to remain competitive, high quality low cost sourcing is the difference between success and failure, and Thailand offers the solution.

Thailand also presents the global business community with excellent infrastructure, an educated and cost effective work force, low transportation, raw materials and capital costs, low regulatory burdens and an expanding network of free trade agreements that all combine into making the kingdom your ideal sourcing destination.

In addition to the benefits to be gained from this business friendly investment environment, Thailand also offers attractive investor services and tax and duty incentive packages that significantly reduce operating costs and expedite your return on investment. Thailand succeeds when you do.
With its highly developed infrastructure and proximity to Asia’s largest markets, Thailand is a natural sourcing hub. Geographically, Bangkok is closer to the heart of Asia than most any other Asian city, an incredibly important factor when considering transportation costs, delivery schedules, and access to supply and distribution networks.

Thailand is home to six international airports servicing all regions, and its 4,044 km of railway network, with international connections, and over 64,000 miles of well-maintained highways put Thailand well above its neighbors for transportation capacity.

Thailand has 6 deep sea ports and two river ports, and is expanding its infrastructure to meet the demands of the future. Laem Chabang seaport on the Eastern Seaboard region is already among the world’s busiest seaports in terms of cargo throughput, handling approximately 47 million tons of cargo and 4.6 million TEUs of cargo in fiscal year 2009. Customs procedures are processed electronically, streamlining and expediting goods shipped to and from Thailand.

Thailand also offers an advanced telecommunications infrastructure, with ongoing expansion projects; national IT spending is set to grow 6.8% in 2010. Furthermore, current ICT reform is opening the market up to new players with less regulation and government concessions, a development which will lead to significantly lower access fees.
The Thai government offers very attractive incentives for ROHs with 2 options for investors.

- The first option is the current ROH tax regime which has been implemented since 2002, and still effective.
- The second one is the new ROH tax regime approved by the cabinet on June 2, 2010. However, the second option is a temporary measure applied only to ROHs that have notified the Revenue Department within 5 years from the date the relevant law becomes effective.

The World Bank’s Ease of Doing Business survey ranks Thailand #12 out of 183 countries for 2010, finding it to be one of the easiest places in the world to access credit, deal with licenses, and register property.

With its very low cost of living, Bangkok ranks # 121 of 214 cities in the world on the 2010 Mercer Human Resource Consulting cost of living survey, and is similarly competitive on CB Richard Ellis’ survey of Total Occupancy Costs for offices, which is far less expensive than other regional contenders.
### Summary of ROH Criteria & Benefits

<table>
<thead>
<tr>
<th></th>
<th>Option #1</th>
<th>Option #2 *</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Criteria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Paid-up capital of at least 10 million baht</td>
<td>• Paid-up capital of at least 10 million baht</td>
</tr>
<tr>
<td></td>
<td>• Establishment of 3 associated companies/branches in the 1st year</td>
<td>• Establishment of associated companies/branches establishment in: at least 1 country in year 1, at least 2 countries by year 3, and at least 3 countries by year 5</td>
</tr>
<tr>
<td></td>
<td>• Income generated from overseas services ≥50% of company total income.</td>
<td>• Having staffs working for ROH services and running business operation.</td>
</tr>
<tr>
<td></td>
<td>• Having business spending ≥15 M baht/year or investment spending ≥30 M Baht/year</td>
<td>• Having business spending ≥15 M baht/year or investment spending ≥30 M Baht/year</td>
</tr>
<tr>
<td></td>
<td>• By the end of year 3, skilled staff accounting for at least 75% of total employees, and at least 5 employees receiving remuneration of at least 2.5 MB/year each</td>
<td>• By the end of year 3, skilled staff accounting for at least 75% of total employees, and at least 5 employees receiving remuneration of at least 2.5 MB/year each</td>
</tr>
<tr>
<td><strong>2. Corporate Income Tax</strong></td>
<td>10% [indefinite period]</td>
<td>Exempt for 10 years**</td>
</tr>
<tr>
<td></td>
<td>10% [indefinite period]</td>
<td>10% for 10 years**</td>
</tr>
</tbody>
</table>

**Option #1**
- Current ROH Tax Regime

**Option #2**
- New ROH Tax Regime
<table>
<thead>
<tr>
<th></th>
<th>Option #1</th>
<th>Option #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Dividends</td>
<td>Exempt</td>
<td>Exempt for 10 Years (if income generated from overseas services ≥50% of company total income)</td>
</tr>
<tr>
<td>4. Interest</td>
<td>10% (indefinite period)</td>
<td>10% for 10 Years** (if income generated from overseas services ≥50% of company total income)</td>
</tr>
<tr>
<td>5. Royalties</td>
<td>10% (indefinite period)</td>
<td>10% for 10 Years** (if income generated from overseas services ≥50% of company total income)</td>
</tr>
<tr>
<td>6. Personal Income Tax for each foreign employee</td>
<td>Flat rate of 15% not for more than 4 Years</td>
<td>Flat rate of 15% for a period not more than 8 years (if income generated from overseas services ≥50% of company total income)</td>
</tr>
<tr>
<td>7. Accelerated Depreciation</td>
<td>Accelerated Ratio (25% of asset value in 20 years)</td>
<td>-</td>
</tr>
<tr>
<td>8. Notification Period</td>
<td>No time limit</td>
<td>Within 5 years from the date the relevant law becomes effective</td>
</tr>
</tbody>
</table>

* Effective date published in the Royal Gazette
** A 5-year extension will be granted if all criteria are met and accumulated business spending exceeds 150 million baht by the end of year 10.

Applications for the ROH tax package should be sent to Large Taxpayers Office located on the 11th floor of the Revenue Department headquarters. Tel: +66 (0) 2272 9281
For other ROH queries, please contact +66 (0) 2272 8257, +66 (0) 2272 9686, +66 (0) 2272 8445, +66 (0) 2272 9214 E-mail: roh@rd.go.th.
TREASURY CENTER

New and existing companies can now qualify as a treasury center. However, transaction records of treasury center must be separated from its other businesses. Money transferred or borrowed between the treasury center and its group of companies in Thailand and foreign countries can be done in any foreign currencies. There is no lending ceiling for treasury center to its related companies in foreign countries or deposits in foreign currency for money originated abroad with commercial banks in Thailand. In addition, no approval is required for foreign currency deposit for money borrowed from domestic commercial banks, foreign deposit, and investment abroad, if the sum is under US$500 million.

SUPPORTIVE GOVERNMENT POLICIES

Government policies further support Thailand’s inherent strengths as a center for sourcing and services outsourcing. The BOI provides investors with sourcing and matchmaking services to assist them in locating parts and components that will meet specifications that are built to an international standard and that will greatly reduce the cost of production and transportation. And best yet, all BOI services are free of charge.

The Board of Investment promotes the following activities, and offers varying tax and non-tax incentives:
- Regional operating headquarters
- International procurement offices, involving sourcing, quality control, and packaging
- International distribution centers, covering at least the Southeast Asia region
- Business process outsourcing
- Design centers and activities involving product design
- Research and development

Please see the Eligible Activities list on the BOI’s website www.boi.go.th for further details on incentives and conditions.
ONE START ONE-STOP INVESTMENT CENTER (OSOS)

One Start One Stop Investment Center (OSOS) provides a comprehensive range of services with representatives from 21 agencies under one roof, thus easing and speeding the relevant process that you need to go through in starting up a business.

Contact us at:
One Start One Stop Investment Center (OSOS)
319 Phayathai Road, Pathumwan
Bangkok, 10330, Thailand
Tel: +66 (0) 2 209 1100
Fax: +66 (0) 2 209 1199
E-mail: osos@boi.go.th
Web site: http://OSOS.boi.go.th

ONE STOP SHOP FOR VISA AND WORK PERMIT SERVICES

One Stop Service Center for Visa and Work Permit Services has been in continuous operation since 1997, facilitating the issuance and renewal of visa and work permits within three hours upon submission of completed documents. For investor’s convenience, this center has been relocated to the same address as the OSOS.
JOIN THE WORLD’S ELITE

The world’s largest auto manufacturers, including Honda, Isuzu, Toyota, GM, and Mitsubishi have established parts and components production facilities in Thailand, and are increasingly investing to integrate supporting business services with the facilities where goods are produced.

Honda’s Asian Parts Centre opened in 1998 to support and oversee production, sales, distribution, and export of automobiles, motorcycles, and 70,000 types of parts and components to 70 different countries. Asian Honda Motor runs the regional operating headquarters, serving to organize logistics and parts procurement for much of the Asia-Pacific region.

Toyota has opened its Toyota Motor Corps Asia-Pacific office as its regional headquarters, supporting services across ASEAN, India, and Taiwan. The regional base in Thailand will also run R&D, staff training courses in production processes, logistics, quality control, and maintenance for employees coming from countries such as India, Pakistan, Taiwan and the Philippines, initially training 4,000 employees a year.
Royal Philips Electronics has been operating a Shared Services Center (SSC) in Bangkok since 2002, offering multiple services to customers in 15 countries in 6 different languages, including reporting, accounts payable and receivable processing, planning, and purchasing. Looking to reduce overhead costs by consolidating similar processing and service functions from around the globe, Philips was able to set up the SSC within a 12-month period in Bangkok — the site deemed to have the best mix of infrastructure availability, political stability, labor costs, educated workforce, and general ease of doing business.

ExxonMobil, providing services in the petrochemical sector, also set up a Business Support Center in Bangkok in 2003, supporting affiliates in Thailand and elsewhere in the Asia-Pacific Region and employing a staff of 600. This ROH supports operations including accounting services, information systems, payroll and human resources data administration, accounts payable and customer services.

Nestle (Thai) Ltd. joined the ROH scheme in 2009, choosing Thailand as regional headquarters for several reasons. “Because of its central location in Asia, Thailand is a natural geographic hub. It is easy to come here as a business meeting place… The Thai economy is also sound, the facilities are very good, and the country has a good infrastructure for the expatriate community. I think Thailand will play an even stronger role in the region for ROH,” Nophadol Siwabutr, director of Corporate Affairs at Nestle (Thai).

“Other than being global leaders with years of experience in their respective fields, the preceding companies also have something else in common: they have all been promoted by the BOI.”
CHIANG MAI
Regional Investment and Economic Center 1
Airport Business Park 108-110, 90 Mahidol Road, Amphur Muang, Chiang Mai 50100
Tel: +66 (0) 5320 3397-400
Fax: +66 (0) 5320 3404
E-mail: cmai@boi.go.th
Website: www.boi.go.th

NAKHON RATCHASIMA
Regional Investment and Economic Center 2
21/22 Mitraphap Road, Amphur Muang, Nakhon Ratchasima 30000
Tel: +66 (0) 4421 3184-5
Fax: +66 (0) 4421 3182
E-mail: korat@boi.go.th

KHONKAEN
Regional Investment and Economic Center 3
177/S4 Moo 17, Mitraphap Road, Amphur Muang, Khon Kaen 40000
Tel: +66 (0) 4327 1300-2
Fax: +66 (0) 4327 1303
E-mail: khonkaen@boi.go.th

CHONBURI
Regional Investment and Economic Center 4
46 Moo 5, Laem Chabang Industrial Estate, Sukhumvit Road, Toongsukhla, Sriracha, Chonburi 20230
Tel: +66 (0) 3840 4900
Fax: +66 (0) 3840 4999
E-mail: chonburi@boi.go.th

Overseas Offices

BEIJING
Thailand Board of Investment, Beijing Office
Royal Thai Embassy, No.40 Guang Hua Road, Beijing 100060, P.R.C.
Tel: +86 10 6533 4510
Fax: +86 10 6532 1560
E-mail: beijing@boi.go.th

FRANKFURT
Thailand Board of Investment, Frankfurt Office
Royal Thai Consulate-General, Ernst Reuter Platz, 60311 Frankfurt am Main, Federal Republic of Germany
Tel: +49 (0) 69 9291 230
Fax: +49 (0) 69 9291 2220
E-mail: fboi@boi.go.th

GUANGZHOU
Thailand Board of Investment, Guangzhou Office
Investment Promotion Section, Royal Thai Consulate-General, Room 1216-1218, Garden Tower, 368 Huanshi Dong Road, Guangzhou 510046, P.R.C.
Tel: +86 20 8387 7770
Fax: +86 20 8387 7200
E-mail: guangzhou@boi.go.th

LOS ANGELES
Thailand Board of Investment, Los Angeles Office
Royal Thai Consulate-General, 611 North Larchmont Boulevard, 3rd Floor, Los Angeles CA 90004, U.S.A.
Tel: +1 (0) 323 960 1199
Fax: +1 (0) 323 960 1190
E-mail: laoa@boi.go.th

NEW YORK
Thailand Board of Investment, New York Office
61 Broadway, Suite 2810, New York N.Y. 10006, U.S.A.
Tel: +1 (0) 212 422 9009
Fax: +1 (0) 212 422 9199
E-mail: nyc@boi.go.th

OSAKA
Thailand Board of Investment, Osaka Office
Royal Thai Consulate-General, Bangkok Bank Bldg 5th Floor, 1-2-12 Kyutarou Machi, Chuo-Ku, Osaka 541-8056, Japan
Tel: +81 (0) 6 6271 1395
Fax: +81 (0) 6 6271 1394
E-mail: osaka@boi.go.th

PARIS
Thailand Board of Investment, Paris Office
Ambassade Royale de Thailande, 8, Rue Greuze, 75116 Paris, France
Tel: +33 (0) 1 5690 2600-1
Fax: +33 (0) 1 5690 2602
E-mail: pari@boi.go.th

SEOUL
Thailand Board of Investment, Seoul Office
#1804, 18th Floor, Coby Daeyungkon Tower, 25-5, Changningro 1-ga, Jung-gu, Seoul, 100-706, Korea
Tel: +82 (0) 219 319-9998
Fax: +82 (0) 219 319-9997
E-mail: seoul@boi.go.th

SHANGHAI
Thailand Board of Investment, Shanghai Office
Royal Thai Consulate-General, 15th Floor, Crystal Century Tower, 567 Weihai Road, Shanghai 200014, P.R.C.
Tel: +86 21 6288 9789-9
Fax: +86 21 6288 9788
E-mail: shanghai@boi.go.th

SYDNEY
Thailand Board of Investment, Sydney Office
Suite 101, Level 1, 234 George Street, Sydney, New South Wales 2000, Australia
Tel: +61 2 9252 4884
Fax: +61 2 9252 2883
E-mail: sydney@boi.go.th

STOCKHOLM
Thailand Board of Investment, Stockholm Office
Stureplan 44-4th Floor, 114 35 Stockholm, Sweden
Tel: +46 (0) 8 463 11 58, +46 (0) 8 463 11 72, +46 (0) 8 463 11 74-75
Fax: +46 (0) 8 463 11 60
E-mail: stockholm@boi.go.th

TAIPEI
Thailand Board of Investment, Taipei Office
Taipei World Trade Center, 3rd Floor, Room 3E 39-40, No.5, Xin-Yi Road, Sec.5 Taipei 110, Taiwan R.O.C.
Tel: +886 2 2345 4663
Fax: +886 2 2345 9223
E-mail: taipei@boi.go.th

TOKYO
Thailand Board of Investment, Tokyo Office
Royal Thai Embassy, 8th Floor, Fukuoka Building, West 2-11-3 Akasaka, Minato-ku, Tokyo 107-0025, Japan
Tel: +81 (0) 3 3582 1806
Fax: +81 (0) 3 3569 5176
E-mail: tokyo@boi.go.th