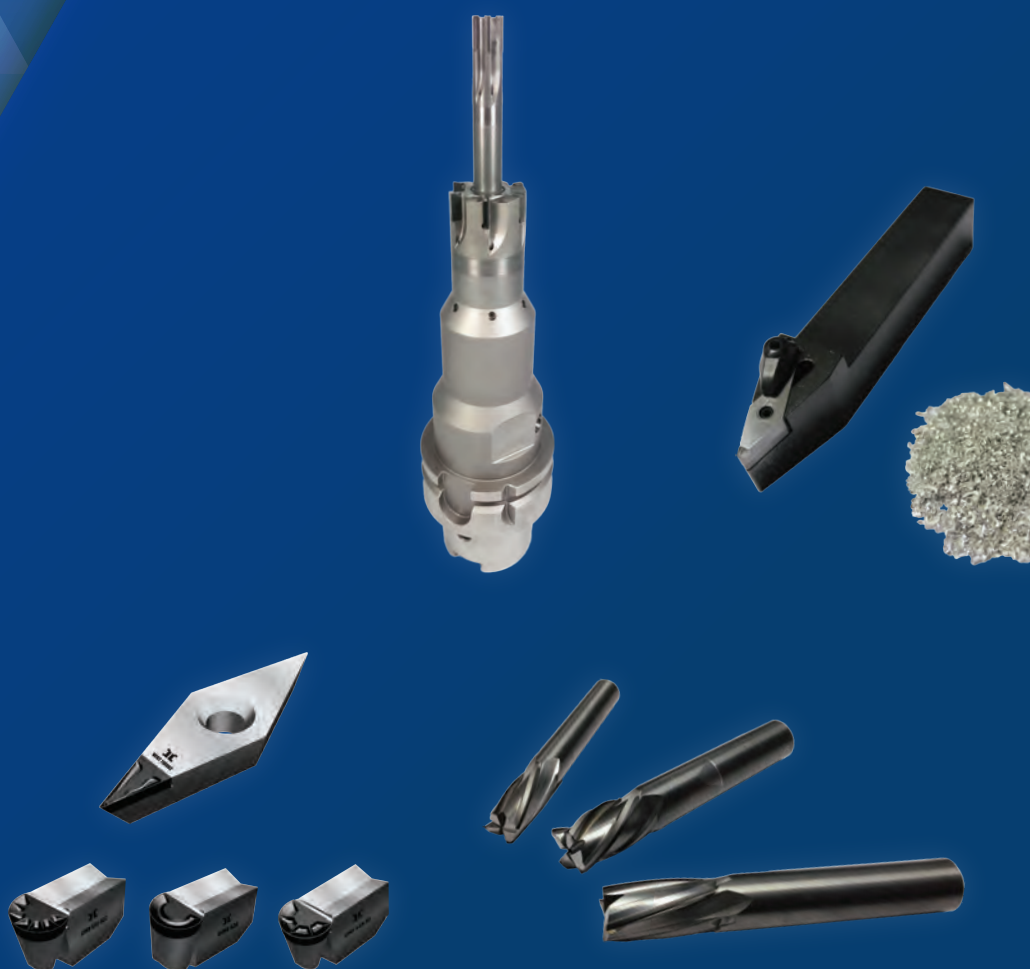




Halcyon Technology PCL Annual Report 2014



รายงานประจำปี 2557

บริษัท แฮลซียน เทคโนโลยี จำกัด (มหาชน)



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General Information

Company Detail

Company Name	HALCYON TECHNOLOGY PUBLIC COMPANY LIMITED
Registration No.	0107551000096
Type of Business	Manufacturing, customized production and distribution of polycrystalline diamond (PCD), natural diamond, polycrystalline carbon boron (PCBN) and special carbide cutting tools for high-precision parts to serve the manufacturers of electronic parts, automotive parts, and other mechanical related industries domestically and overseas.
Company Address	41 Moo14 Bangchan Industrial Estate Soi 6, Serithai Road, Minburi, Bangkok 10510
Telephone	02-906-3242-50
Fax	02-906-3251
Website	www.halcyon.co.th
Registered Share Capital	Baht 300,000,000 (Paid-up Baht 260,804,340 divided into 260,804,340 common shares at par value of Baht 1 per share)
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Telephone: 02-359-1201 Fax: 02-359-1271
Auditor	Mrs. Chintana Techamontrikul, CPA Registration no. 5131 C&A Accounting Firm Co., Ltd. 53 Narathiwasrachanakarin, Chongnonsi, Yannawa, Bangkok 10120 Telephone: 02-678-0750-4 Fax: 02-678-0661

Detail of the Company's Subsidiaries

Company Name	HALCYON METAL COMPANY LIMITED
Type of Business	Manufacturing, customized production and distribution of tooling and metal fabricated products to serve the manufacturers of electronic parts, automotive parts, and other mechanical related industries domestically and overseas
Company Address	41 Moo 14 Bangchan Industrial Estate Soi 6, Serithai Road, Minburi, Bangkok 10510
Telephone	02-906-3242-50
Fax	02-906-3251
Registered Share Capital	Baht 50,000,000 (Paid-up Baht 50,000,000 divided into 50,000,000 common shares at par value of Baht 1 per share)

Company Name	FDM TECHNOLOGY COMPANY LIMITED
Type of Business	Marketing and distribution of standard carbide, ceramic, PCD and PCBN cutting tools in Thailand
Company Address	888/3 Srinakarintara Rd. Suan Luang, Suan Luang, Bangkok 10250
Telephone	02-347-6255
Fax	02-347-6256
Registered Share Capital	Baht 10,000,000 (Paid-up Baht 10,000,000 divided into 1,000,000 common shares at par value of Baht 10 per share)

Company Name	HALCYON TECHNOLOGY (PHILIPPINES) INC.
Type of Business	Manufacturing and distribution of cutting tools made of PCD, CBN, Carbide, and Natural diamond, and Jigs & Fixtures and metal fabrication parts to customers only in the Philippines.
Company Address	Orient Goldcrest Building 6, Unit 1, Lot 3281-J, Phase 6, Laguna Technopark, Binan, Laguna, Philippines
Telephone	+63 49 5022295
Fax	+63 49 5022296
Registered Share Capital	Peso 145,000,000 (Paid-up Peso 58,000,000 divided into 58,000 common shares at par value of Peso 1,000 per share)

Company Name	ATEK PRECISION TOOLS INC.
Type of Business	Marketing and distribution of standard carbide cutting tools in the Philippines
Company Address	CJRS Parkview Bldg., Level 2 Rodeo Drive Laguna Bel-Air 2, Santa Rosa, Laguna, Philippines
Telephone	+63 49 5440520
Fax	+63 49 5440520
Registered Share Capital	Peso 10,000,000 (Paid-up Peso 10,000,000 divided into 10,000 common shares at par value of Peso 1,000 per share)

Company Name	Halcyon Technology Singapore Pte. Ltd.
Type of Business	Distributor of special PCD and carbide cutting tools, and standard carbide, ceramic, PCD & PCBN cutting tools in Singapore.
Company Address	6 Ubi Road 1 #06-12, Wintech Centre, Singapore 408726
Telephone	+65 9338 9494
Fax	+65 6841 3906
Registered Share Capital	SGD 825,000 (Paid-up SGD 825,000 divided into 825,000 common shares at par value of SGD 1 per share)

Company Name	Halcyon Technology (M) Sdn. Bhd.
Type of Business	Distributor of special PCD and carbide cutting tools, and standard carbide, ceramic, PCD and PCBN cutting tools in Malaysia.
Company Address	Block A-6-11, Ativo Plaza, No. 1, Jalan PJU 9/1, Damansara Avenue, Bandar Sri Damansara, PJU 9, Kuala Lumpur, Malaysia
Telephone	+60 3 6263 0313
Fax	+60 3 6263 4550
Registered Share Capital	RMY 5,000,000 (Paid-up RMY 2,021,250 divided into 2,021,250 common shares at par value of RMY 1 per share)

Company Name	Halcyon Technology Vietnam Co., Ltd.*
Type of Business	Distributor of special PCD and carbide cutting tools, and standard carbide, ceramic, PCD and PCBN cutting tools in Vietnam.
Company Address	Floor 6, Smart Building, 793/49/1 Tran Xuan Soan Street, Tan Hung Ward, District 7, Ho Chi Minh City, Vietnam
Telephone	+84 8 3771 6497
Fax	+84 8 3771 6497
Registered Share Capital	VND 2,000,000,000 (Paid-up VND 2,000,000,000 divided into 2,000,000,000 common shares at par value of VND 1 per share)

Financial Highlights

Items (Unit: Thousand Baht)	Consolidated Financial Statement		
	2014	2013	2012
Total Assets	966,224	913,192	793,904
Total Liabilities	258,458	257,569	201,088
Equity attributable to parent company	632,959	589,638	550,006
Revenues from Sales and Services	695,974	566,585	528,581
Total Revenues	701,001	575,682	533,109
Gross Profit	241,604	195,186	215,013
Earnings before Interest and tax	96,669	77,088	117,792
Interest and tax	15,226	12,821	16,866
Net Profit for the year	81,443	64,267	100,926
Net profit attributable to owner of the company	67,787	49,878	82,982

Financial Ratios

Items	Consolidated Financial Statement		
	2014	2013	2012
Gross Profit Margin	34.71%	34.45%	40.68%
Comprehensive Income Margin	11.62%	11.16%	18.93%
Net Profit to parent company	9.67%	8.66%	15.57%
Return on Equity	11.09%	8.75%	16.50%
Return on Total Assets	39.98%	39.98%	32.80%
Current Ratio	1.88	1.74	1.88
Debt to Equity Ratio	0.41	0.44	0.37

Share Value

Items	Consolidated Financial Statement		
	2014	2013	2012
Paid-up Share Capital (Shares)	260,804,340	260,804,340	256,209,000
Earning Per Share (Baht)	0.26	0.19	0.33
Book Value Per Share (Baht)	2.43	2.26	2.15
Dividend Per share (Baht)*	0.11	0.08	0.17
Dividend Payout Ratio	42.32%	41.83%	52.40%

* Dividends for the performance of year 2012 were paid on 3/9/12 and 17/5/13 / Dividends for the performance of year 2013 were paid on 9/9/13 and 7/5/14 / Dividends for the year 2014 was paid on 9/9/14 and the Board of Directors' Meeting No. 1/2015 has approved for additional 0.065 baht per share to be paid on 8/5/15

Nature of Business Operations

Business Objectives and Strategies

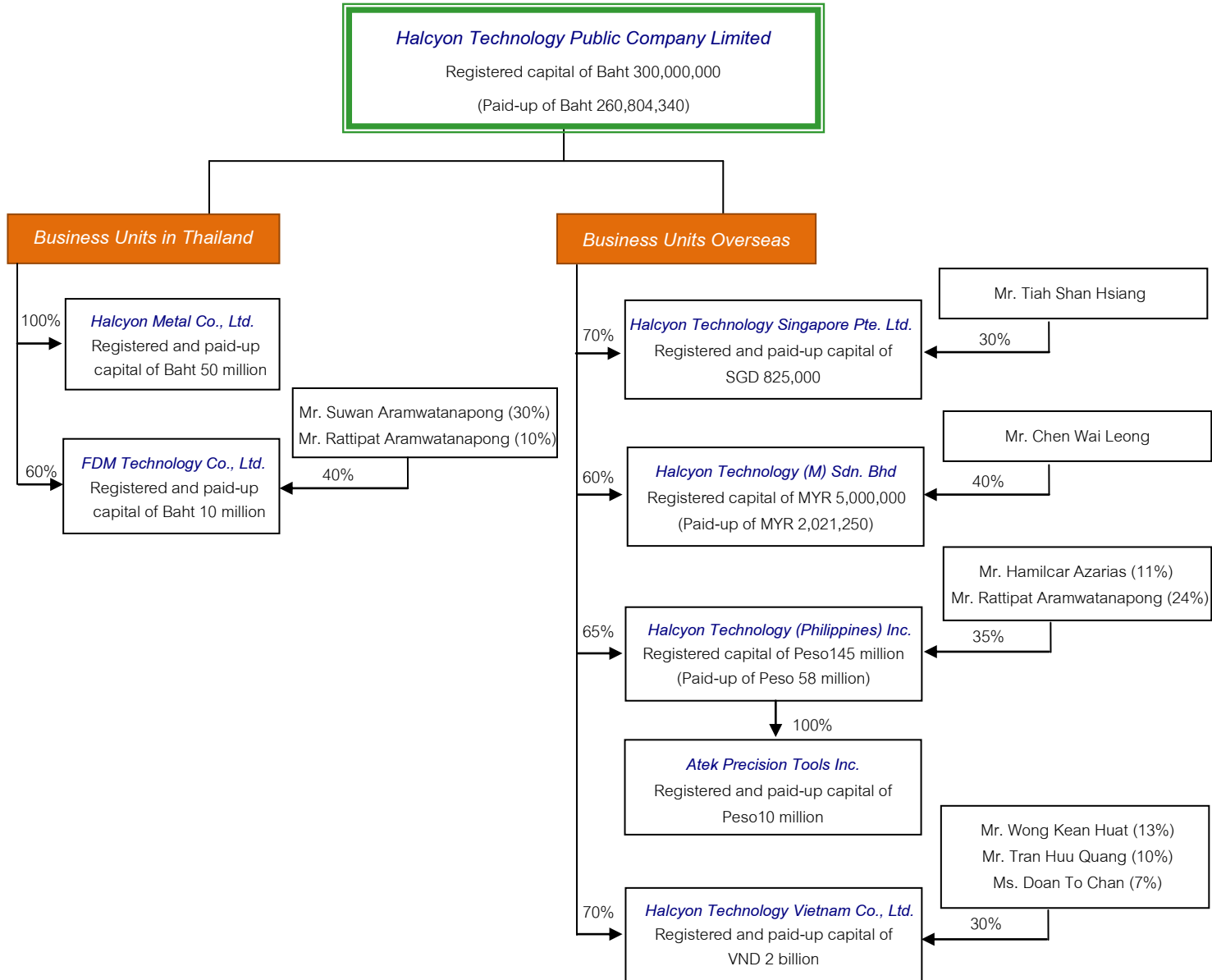
The Company aims to be the leader in the manufacturing of cutting tools in Thailand and ASEAN region, focusing on customized PCD, CBN and carbide cutting tools, and high-precision parts. The Company's strategy in business operations aims to provide a one-stop service for customers initiating from tool design, efficient quality control for high precision, working closely with customers to quickly troubleshoot problems in applications, as well as improving production process and reducing the customer's production costs.

The Company's business objectives are as following:

- Continuously developing new ranges of products in order to serve the variety of industries which need the application of cutting tools in general with emphasis on part's precision and quality
- Increasing the income of the Company very year by expanding customer base both domestically and overseas for the core business of the Company, as well as seeking new business opportunities to help sustain the income in the future
- Expanding the market share of customized PCD, CBN and carbide cutting tools for the manufacturers of electronic components, automotive parts, aerospace, medical equipment, machineries and other related businesses
- Reducing cost of production in order to increase competitive advantage by converting its production process from manual system to semi-automatic to automatic system, respectively.
- Continue to improve its human resources by providing trainings to the Company's staff and developing new generations with knowledge and ability to keep up with the change of production technology.

Structure of Company and its Subsidiaries

After the Company IPO and traded in the MAI stock exchange in 2009, the Company continuously expand its business both domestically and internationally. Currently, the Company has 2 subsidiaries in Thailand and 5 subsidiaries overseas in the Philippines, Singapore, Malaysia and Vietnam. The Company structure and its subsidiaries is as follows:



Business Operations of the Company and its Subsidiaries

The Company and its subsidiaries segment its business operations by the type of business according to the products manufactured and/or traded, and by geographic. Since the Company has customer base in various countries throughout the region, the Company sets up subsidiaries as authorized distributors of its products to effectively serve the customers' needs. Currently, the Company and its subsidiaries business segments are as follows:

Halcyon Technology Public Company Limited ("HTECH")

The Company is engaged in manufacturing, customized production and distribution of polycrystalline diamond (PCD), Monocrystalline Diamond (Monodite), natural diamond, Carbide, and Polycrystalline Cubic Boron Nitride (PCBN) cutting tools for high-precision parts. The Company focuses mainly on PCD tools due to its superior characteristics such as longer tool life compared to other carbide tools. However, the Company's products range from PCD cutting tools including PCD boring tools, PCD endmill tools, PCD insters, PCD brazed tools, PCD reamers, PCD hollow tools and PCD drills to customized carbide cutting tools. In general, cutting tools possess the following characteristics: hardness, wear resistance, and heat resistance; which PCD, carbide and PCBN tools have different characteristics suitable for specific material and application.

Halcyon Metal Company Limited ("HM")

The Company's subsidiary "HM" is engaged in manufacturing, customized production and distribution of assembly jigs & fixtures according to client requirements to apply in the production processes in various industries such as hard-disk drive parts, automotive parts and mechanical related industries, and other metal fabrication industry . The products can be categorized into the following 3 groups: Toolholders, Jigs & Fixtures, and other Metal Fabrications.

Halcyon Technology (Philippines) Inc. ("HP")

HP was established on August 3, 2010 in the Philippines with registered capital of Peso 145 million or approximately Baht 100 million (paid-up capital of Peso 58 million) as the joint-venture with Halcyon Technology Public Company Limited ("HTECH") holding 65% of paid-up capital.

HP is engaged in manufacturing and distribution of cutting tools made of PCD, CBN, Carbide, and Natural diamond including Jigs & Fixtures and metal fabrication in order to distribute to customers in the Philippines, China, and Taiwan. The target customers are in hard disk drive and automobile or other industries. The Company provides technical support and research & development by sending personnel with expertise in production to train HP's staff in the Philippines. The Company also provide back up stock for more complicated products, and for the case of insufficiencies of HP's production to serve its demands. HP commenced its operations in the first quarter of 2011.

Atek Precision Tools Inc. ("ATEK Phils")

ATEK was established on March 31, 2011 in the Philippines with registered and paid-up capital of Peso 10 million, and 100% owned by HP. ATEK Phils is a trading company for standard carbide cutting tools such as endmills, drills, inserts, and toolholding systems, as well as other metal fabrications used in production process in various industries by sourcing its products domestically and importing from Singapore. The target customers are in the electronic component, automobile, and machinery industries, mainly in the Philippines.

FDM Technology Co., Ltd. ("FDM")

FDM was established on October 30, 2002 in Thailand with registered and paid-up capital of Baht 1.00 million. FDM is a distributor of standard carbide, ceramic, PCD, PCBN cutting tools for supporting businesses mainly in the electronic parts industry and automotive parts industry.

In 2012, HTECH acquired FDM Technology Company Limited ("FDM") with the ownership of 60% with the objective of expanding customer base and distribution channels, and FDM transferred the business of PCD distribution to

HTECH. After business transferred, FDM still operates the business of distributing standard carbide cutting tool under “Kyocera” brand which is imported from Japan and Singapore. In addition, it has other brands to fulfill all customers’ demand. The target customers are local manufacturers of motorcycle and automotive parts, as well as manufacturers in other industries such as hard disk drive (HDD), or other electronic parts. FDM increased paid-up capital to Baht 10 millions on July 16, 2012 with the same proportion of existing shareholders.

Halcyon Technology Singapore Pte. Ltd. (“HS”)

The Company invested to establish a joint-venture HS, which is a limited company registered under the laws of Singapore. HS has registered and paid-up capital of SGD 825,000. It aims to expand its customer base and distribution channels to new customers in various industries in Singapore. The Company invested SGD 577,500 (equivalent to Baht 14.28 million), representing 70% of the paid up capital.

HS is a distributor for cutting tools in Singapore. Its products include customized PCD, PCBN, and carbide cutting tools purchased from the Company, focusing on customers in Singapore, as well as standard carbide, ceramic, PCD and PCBN cutting tools, where products are sourced both locally and imported from U.S., China, Germany, Portugal, Israel, etc. The imported products are distributed both in Singapore and exported to Indonesia, India, China, etc. The target customers of HS are in aerospace, hard disk drive (HDD), oil & gas, and mould & die industries.

Halcyon Technology (M) Sdn. Bhd. (“HY”)

The Company invested in HY, which is a limited company registered under the laws of Malaysia. HY has registered capital of 5,000,000 Malaysian Ringgit (paid-up of 2,021,250 Malaysian Ringgit). The Company’s objective is to expand its customer base and distribution channels to new customers in various industries in Malaysia. The Company invested in subsidiary in the amount of Ringgit Malaysia 1,212,750 (equivalent to Baht 12.19 million), representing 60% of the paid up capital.

HY is a distributor for cutting tools in Malaysia. Its products include customized PCD, PCBN, and carbide cutting tools purchased from the Company, as well as standard carbide, ceramic, PCD and PCBN cutting tools sourced both locally and imported from Singapore, Taiwan, etc. The target customers of HY are in hard disk drive, automotive, aerospace, oil and gas industries. Most of the sales are in Malaysia with a small portion of sales exported to Taiwan and Hong Kong.

Halcyon Technology Vietnam Co., Ltd. (“HV”)

On February 27, 2014, the Company has invested in HV, which is a limited company registered under the laws of Vietnam. HV has registered capital of Dong 2,000,000,000 (paid up capital of Dong 700,000,000). The Company aims to expand its customer base and distribution channels to the new customers in Vietnam. The Company invested in the subsidiary in the amount of Dong 490,000,000 (equivalent to Baht 0.73 million), representing 70% of the paid up capital. Currently, HV is in the process of increasing its paid-up capital to Dong 2,000,000,000 due to the need of working capital to expand business. The company has hired additional marketing personnel, and set up a second branch in Hanoi. Also, HV offers employee stock option for its executive members as incentives, in the amount of no more than 15% within 2

years. The Board of Directors' Meeting No. 2/2014 on May 13, 2014 approved the additional investment of Dong 1,700,000,000 (equivalent to Baht 2.6 million) to increase its shareholding to 85% of the paid-up capital.

HV distributes customized PCD, PCBN, and carbide cutting tools purchased from the Company, as well as standard carbide, ceramic, PCD and PCBN cutting tools. Its target customers are mainly in the automotive parts industry, as well as the mould & die and other machinery industries. HV focuses on sales distribution in Vietnam only.

Revenue Structure of Halcyon Group

Revenue Structure	Company	2012		2013		2014	
		Million	%	Million	%	Million	%
<u>Companies in Thailand</u>							
Revenue from Manufacturing and Distribution:							
1. Cutting Tools							
1.1 PCD	HTECH	195.20	36.58	153.10	26.59	191.55	27.33
1.2 PCBN	HTECH	20.32	3.81	26.15	4.41	28.72	4.10
1.3 Carbide	HTECH	6.67	1.25	7.70	1.34	12.10	1.73
1.4 Mono Diamond	HTECH	0.00	0.00	2.38	0.41	3.68	0.52
2. Metal Fabricated Products							
2.1 Toolholders	HM	3.73	0.70	14.02	0.24	0.96	0.14
2.2 Jigs & Fixtures	HM	20.95	3.93	7.21	1.25	7.60	1.08
2.3 Other Metal Fabrications	HM	43.30	8.11	35.05	6.09	34.96	4.99
3. Other Sales	HTECH / HM	3.02	0.57	7.52	1.31	10.11	1.44
Revenue from Trading	HC / FDM ¹	105.89	19.84	131.18	22.79	107.49	15.33
Total		399.08	74.79	371.70	64.57	397.16	56.66
<u>Companies Overseas</u>							
Revenue from Manufacturing and Distribution::							
1. Cutting Tools							
1.1 PCD	HP	91.39	17.31	80.50	13.98	73.72	10.52
1.2 Carbide	HP	8.40	1.57	9.19	1.60	12.43	1.77
2. Metal Fabricated Products	HP	7.93	1.49	5.05	0.88	7.89	1.13
Revenue from Trading	Atek / HS / HY ²	21.78	4.08	100.15	17.40	204.76	29.21
Total		129.50	24.27	194.89	33.85	298.81	42.63
Total Revenue from Sales		528.58	99.05	566.59	98.42	695.97	99.28
Other Revenue ³		5.04	0.95	9.10	1.58	5.03	0.72
รายได้รวม		533.63	100.00	575.68	100.00	701.00	100.00

Notes: ¹ HC was liquidated in 2012 and FDM began consolidation in Q3/2012

² HS began consolidation on Q2/2013 and HY began consolidation in Q3/2013

³ Other revenues consist of proceeds from disposal equipment, gain from exchange rate, interest income, revenue from sales of scrap, and the write-off of a duplicated account payable, etc.

Products and Services

The Company divides its products and services into 4 main businesses including (1) Manufacturing of Customized Cutting Tools, (2) Manufacturing of Metal Fabrications, (3) Trading for Cutting Tools, and (4) Authorized Distributor for Automated Industrial Vending Machine (AutoCrib). The details for each business is as follows:

1. Manufacturing of Customized Cutting Tool Products

The Company and HP are engaged in the manufacturing, customized production and distribution of customized cutting tools products that can be designed according to the specifications of the workpiece, ideal for high-precision parts with tolerance control. The product line can be categorized into 4 groups as follows:

1.1 Polycrystalline Diamond (PCD) Cutting Tools – PCD possesses the properties of high hardness and high abrasive resistance, resulting in longer tool life for PCD cutting tools compared to those of carbide. PCD Cutting Tools are used for controlled quality, size, and tolerance specified by the customers. They also produce high quality surface finish, while creating less pressure on the cutting edge. PCD Cutting Tools are most suitable for non-ferrous materials such as aluminum, brass, and copper; abrasive materials such as graphite; and other materials such as carbon-fiber-reinforced polymers (CFRP), plastics, woods, etc. Products in this line include PCD Inserts, PCD Boring Tools, PCD Endmill, PCD Drill, PCD Reamer, PCD Brazed Tools, and PCD Hollow Tools. In 2012, the Company introduced PCD Chipbreaker, which is a modified form of regular PCD cutting tools, where it reduces the problem of long, curling chips resulting in longer continuous run and better surface finishes due to less scratch from the chips. It also allows for higher RPM feed rate as well.



PCD Insert



PCD Boring Tools



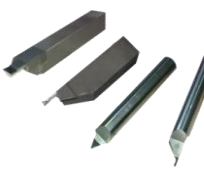
PCD Endmill



PCD Drill



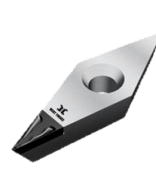
PCD Reamer



PCD Brazed Tools



PCD Hollow Tools



PCD Chipbreaker

1.2 Polycrystalline Carbon Boron Nitride (CBN) Cutting Tools – CBN has high resistance to heat and abrasion, suitable for iron, cast iron, and other high-hardness materials (above 50 HRC). Core products in this line include CBN Insert and CBN Boring Tools



CBN Insert



CBN Boring Tools

1.3 Special Carbide Cutting Tools – custom-designed according to the customer's workpiece, different from other standard carbide cutting tools in the market due to its shape, size and tolerance which can be controlled according to the customer's application. Products in this line include Carbide Insert, Carbide Boring Tool, Carbide Drill, Carbide Endmill, Carbide Reamer, and Carbide Hollow Tools. In 2012, the Company introduced a new product, Carbide Micro Drills with cutting diameter less than 1 mm., suitable for small workpieces such as watch links, HDD parts, automotive high-precision injection, etc.



Special Carbide Cutting Tools



Carbide Micro Drill

1.4 Monocrystalline Diamond (Monodite) Cutting Tools – product line with increased production in 2013 to serve the more variety of needs from the customers. Monodite is a type of synthetic diamond with the most strength and has the closest properties to those of a natural diamond. Monodite cutting tools are suitable for workpiece that need super-finishing or mirror-finish. Products in this line include Mono Inserts, Mono Boring Bar, and Mono Endmills, used for cutting of non-ferrous materials such as aluminum, brass, copper, etc. They are used in the production of camera lens, watch components, jewelry, as well as medical equipments and others.



Monodite Inserts



Monodite Boring Bars

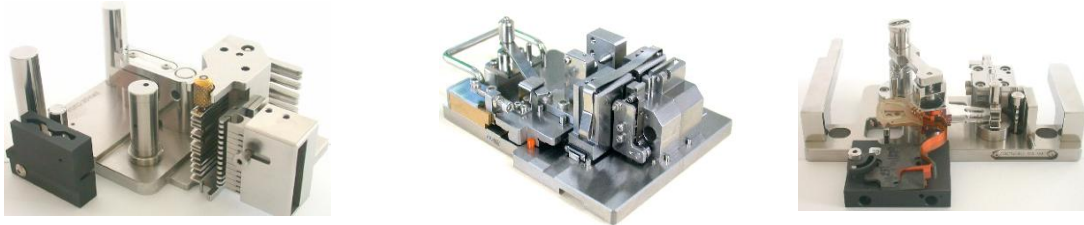
2. Manufacturing of Metal Fabrications

The Company's subsidiary, HM, is engaged in the manufacturing, customized productions, and distribution of various metal fabrications to support the needs of the customers. Metal Fabrication products can be categorized into 3 lines as follows:

2.1 Toolholders: used to hold various types of cutting tools in place in order to facilitate working process, such as PCD insert holders. The Company's toolholders are made of Carbide, and can be used generally in various industries; and toolholders of each manufacturer have different specifications



2.2 Jigs & Fixtures: The Company's subsidiary designs and manufactures, and assembles jigs and fixtures according to the customer's requirements to firmly hold components into right position of hard-disk drive parts, automotive parts and machinery parts. The well-designed jigs and fixtures can reduce production waste and ensure standardization of the products of each production batch.



2.3 Other Metal Fabrications: Other than mentioned above, HM also designs and manufacture other metal fabrications for both mass productions, including products like strain gauges, a main component of a gauging tool to measure pressure and compressive yield stress of plastic injection molding machine or small scales up to large 38-ton scales; and hot runner, a supplementary tool for plastic injection molds which control temperature and plastic flows before putting into mold & cavity; and batch orders such as tool parts, machine parts, other metal tools, etc. The Company has experience in manufacturing of a variety of metal fabricated products including machine spare parts, toggle, indicator stand, gear carrier, diaphragm chuck, rotary wiper, surgical knife, prosthetic knee, or other medical equipments, etc.



Pressure Element



Machine Part



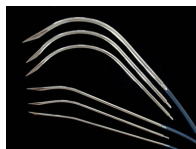
Toggle



Indicator Stand



Gear Carrier



Surgical Knife



Prosthetic Leg

The Company and its subsidiaries distribute customized PCD, PCBN and carbide cutting tools manufactured by the Company or HP; as well as standard carbide, ceramic, PCD and PCBN cutting tools under various brands. The Company's subsidiaries are distributors in many different countries including the Philippines, Singapore, Malaysia and Vietnam. It aims to expand its customer base and provide comprehensive products to satisfy the customer's needs.

Samples of Standard Carbide Cutting Tools



Samples of Customized PCD, PCBN and Carbide Cutting Tools



4. Authorized Distributor of Automated Industrial Vending Machine from AutoCrib

Apart from the 3 businesses mentioned above, in 2014, the Company has introduced the use of automated industrial vending machine imported from the creator in the USA, under the brand "AutoCrib." The main objective is to help control the Company's inventory, especially consignment items sent to keep stock in the customer's warehouse for ease of use. Such customers will issue a purchase order to the Company once the item has been taken out for use. The AutoCrib machine will be able to help reduce cost and space for inventory, and lessen the time and process in issuing items for use. At the same time, the Company can monitor usage of each item via online data synchronization. This allows for more precise production planning, and delivery to the customers before items run out of stock.

The Company also uses the same system with suppliers selling raw materials to the Company by renting the space in the machine, so they can place the raw material at the Company; and the Company will issue purchase order to the supplier once it has been used. This reduces raw material delivery lead time, which sometimes takes weeks because it is out of stock. The suppliers can therefore plan ahead and manage delivery of raw materials to the Company accordingly.

Sample of AutoCrib Machines



Marketing and Competitive Condition

Target Customers

The Company emphasizes on target customers who are manufacturers of metal components. Main industry for the target customers include electronics components manufacturers, focusing mainly on manufacturers of computer components such as hard disk drive (HDD), including brand owners as well as 1st Tier and 2nd Tier suppliers. The Company concentrates on products' accuracy and quality in order to maintain the customers' confidence and reliance in the Company to produce higher volume and more complicated products for them.

In the past 1-2 years, the Company focuses on expanding customer base into automotive parts industry to diversify its customer market. This includes manufacturers of alloy wheels, engine block, cylinder head, gear system, brake system, steering linkage, turbo, and other engine parts, who are the 1st Tier and 2nd Tier suppliers in automotive industry.

The Company's customers also includes manufacturers in other industries, such as camera components, aerospace, watch and jewelry, etc. Other industry includes mould&die, other machinery parts. However, the sales proportion to these sectors are still minority compared to HDD and automotive as mentioned.

Marketing Strategy

The Company's marketing strategy focuses on providing a fully-integrated service for the customers in order to maintain good relationships with existing customer base as well as expanding to capture new customers. The Company provides service both before and after sales, from designing the cutting tools suitable for the customer's applications by experienced engineer team; our marketing team coordinate with the customers for technical support in the production process to help reduce cycle time and cost of the production for the customers. Also, the Company follows up and help troubleshoots problems arise in the production process to help improving its products continuously. The Company provide regrounding, relapping, and retipping for cutting tools with wear and tear from the production process to help customers reduce their production cost.

On the other hand, the Company also emphasize on maintaining the standards of quality. The Company's quality assurance process is precise from the process of selecting and inspecting the raw materials, in-process inspections, until out-going inspection before sending out to customers. In some occasions, the Company performs a test cut to ensure that the product is of quality and size specified by customer. This help reduce problem in the production process.

Distribution Channels

The Company has sales and marketing team to contact and provide services to local customers who are mostly manufacturers. The team work closely with the customers, help give advice, and help troubleshoot the problem in the production process. For domestic sales, most of the sales is directly to the customers who are manufacture, and around 10% is sales through distributors who have experience in the market to help distribute and add another distribution channels to our customers.

For international sales, the Company relies on distributing offices and appoints agents with strong marketing penetration capability as its distribution agents in both domestically and overseas to distribute products and expand to new markets.

Proportion of Sales Overseas*

Sales by Country	Baht Million	Proportion (%)	
		To Overseas Sales	To Total Sales
Sales to Subsidiaries			
- Philippines	9.36	12.71	3.09
- Singapore	27.14	36.84	8.94
- Malaysia	10.58	14.36	3.49
- Vietnam	1.47	2.00	0.49
Sales to other customers Overseas	25.11	34.09	8.28
Total Overseas	73.66	100.00	24.28
Total Sales	303.41	-	100.00

*Sales from Halcyon Technology Public Co., Ltd. only

Industrial Outlook and Competitive Environment

The Hard-Disk Drive Industry

The industry concerning the production of hard-disk drive is competitive in price and technology. Manufacturers have to be prepared for such situation by relocating the production bases to the countries which offer relatively low cost, especially to those in Asia. Thailand has policies to support foreign direct investment, whereby the industry of hard-disk drive production is ranked in top priority under which certain privileges are provided by the Board of Investment (BOI) such as tax exemption for the imported machines and corporate income exemptions, etc.

After the HDD industry slowed down since the flooding event in Thailand at the end of 2011, in 2014, it showed signs of recovery. Production index in Thailand in 2014 increased 1.98% compared to last year, because since Q2/2014 there has been more purchase order of HDD in Thailand after the political situation had been back to normal¹. So the Company's sales to the customers in this sector shows similar growth in 2014. Also, the growth of HDD production index in Thailand also correlates with the volume of HDD sold in the global market in 2014 at approximately 564 million units, increasing 2.2% from last year².

For the trend in 2015 and forward, we can still see the demands for HDD grow consistently for at least 5 years³ due to the increasing use of cloud storage, large information center for visual/sound content generation, external HDD, and consumer electronics products. Also, Thailand is the production hub for HDD industry.

Regarding competition in the industry, the Company is the market leader in PCD cutting tools used by HDD manufacturers in Thailand because the production process is complicated and requires special knowledge. The market share of other tools suppliers is mostly from importing from other countries, so the Company has advantages in the product cost, the lead time for delivery, as well as other services such as tool designs or troubleshooting in the customer's production process.

The Automotive Parts Industry

Thai automotive parts industry posts a bright potential in the Southeast Asia region due to its strong production base and geographical advantage as the ASEAN hub with good infrastructure to attract the world's automotive manufacturers to set up production plants in the country. The Government has expressed its policy to support the local auto industry to be the "Detroit of Asia", thus its supporting industries such as the parts manufacturing also moves along such growth path.

The markets of the automotive parts manufacturer are divided into 2 main segments as the followings:

1. The Original Equipment Manufacturer (OEM), which is the segment for producing supporting components to the brand owners of cars and motorcycles based in Thailand to assemble for distribution domestically and overseas.

2. The Replacement Equipment Manufacturer (REM) to be the spare parts to replace the originals as a result of required usage conditions.

In 2014, the volume of automobile production in Thailand is 1.88 million units, compared to 2.46 million units of last year, decreasing 23.49%⁴. The volume of automobiles sold was 0.88 million units, compared to 1.33 million units of last year, decreasing 33.73%⁵. The volumes of production and sales in Thailand shows a drop due to the delivery of automobiles from the prior government's first car policy has been completed, and also the local economy showed signs of recession. However, the volume of export in 2014 is 1.13 million units, compared to 1.13 million units last year, while the value of exporting automobile and parts is 783,339 million baht, compared to 754,226 million bath last year increasing 3.86%, compared to last year increasing 6.26%⁶. Main export markets include Australia, Philippines, and Indonesia.

In 2015, the Company expects the production of automobile to grow since the economy in Thailand and global economy show signs of recovery. The Company's sales to the automotive sector is expected to grow accordingly, especially in Malaysia and Indonesia.

However, the Company still has small market share in the automotive industry since most of the makers are importing standard tools from other countries. The Company, then, focuses on penetrating this sector through its subsidiary, FDM, whose main product is standard carbide cutting tools, widely used in the industry. FDM is another channel that the Company's products (customized PCD, PCBN, carbide cutting tools) can be introduced to the customers in this sector, because it can help manufacturers reduce production cost or their cycle time.

Product Procurement and Service

Production

The Company has a manufacturing plant in Bangchan Industrial Estate, Bangkok, where cutting tools products from the Company, and metal fabricated products from HM are being manufactured. HP, the subsidiary in the Philippines, has another manufacturing factory located in Laguna Technopark, Binan, Philippines, where cutting tools products are being manufactured. HP factory can also produce metal fabricated products if required by customers. The production capacity of each company is as follow:

HTECH (Unit: pcs.)

1. Polycrystalline Diamond (PCD) Tools	2012	2013	2014
Machine Capacity*	496,878	471,600	513,960
Production Output	124,359	113,610	133,292
Output Rate (%)	25.03%	24.09%	25.93%
2. Polycrystalline Carbon Nitride (CBN) Tools	2012	2013	2014
Machine Capacity*	103,680	120,480	132,480
Production Output	8,712	13,518	18,788
Output Rate (%)	8.40%	11.22%	14.18%
3. Carbide Tools	2012	2013	2014
Machine Capacity*	71,280	93,600	102,000
Production Output	33,985	50,221	57,420
Output Rate (%)	47.68%	53.65%	56.29%
4. Monocrystalline Diamond (Monodite) Tool	2012	2013	2014
Machine Capacity*	-	21,600	19,500
Production Output	-	423	773
Output Rate (%)	-	1.96%	3.96%

* Due to different size and design of different type of products in each category, the machine capacity and production output may vary greatly even though the machine is working full-time

HM (Unit: pcs.)

1. Toolholders	2012	2013	2014
Machine Capacity*	3,300	1,600	1,100
Production Output	1,957	778	657
Output Rate (%)	59.30%	48.63%	59.73%
2. Jig & Fixtures	2012	2013	2014
Machine Capacity*	6,000	5,700	4,800
Production Output	4,779	3,981	3,831
Output Rate (%)	79.65%	69.84%	79.81%
3. Other Metal Fabrications	2012	2013	2014
Machine Capacity*	14,100,000	1,230,000	667,000
Production Output	10,514,468	741,596	435,221
Output Rate (%)	74.57%	60.29%	65.25%

* Due to different size and design of different type of products in each category, the machine capacity and production output may vary greatly even though the machine is working full-time

HP (Unit: pcs.)

1. Polycrystalline Diamond (PCD)	2012	2013	2014
Machine Capacity*	50,000	50,000	65,000
Production Output	47,873	45,064	44,480
Output Rate (%)	95.75%	90.13%	68.43%
2. Carbide Tools	2012	2013	2014
Machine Capacity*	20,000	20,000	40,000
Production Output	19,149	18,026	19,932

Output Rate (%)	95.75%	90.13%	49.83%
3 Other Metal Fabrications	2012	2013	2014
Machine Capacity*	5,000	5,000	5,000
Production Output	4,787	4,506	2,278
Output Rate (%)	95.75%	90.13%	45.56%

* Due to different size and design of different type of products in each category, the machine capacity and production output may vary greatly even though the machine is working full-time

In 2014, the Company installed 22 new machines with approximate value of 67 million baht to expand its production capacity and improve the production of existing products. These new machines include carbide grinding machine, PCD cut machine, OD grinding machine, etc. Also there are some machines installed to produce new types of products such as small tools carbide grinding machine (for producing carbide microdrills), shrink-fit machine (for producing monoblock), etc. HP installed 7 new machine with approximate value of 25 million baht to expand its production capacity and reduce bottlenecks in the production process.

The production capacity of the Company and HM in 2014 on average was 572 working hours per month with 2 shifts + 2 OT (3 hours) in 2013, while the production capacity of HP in 2014 on average was 416 working hours per month with 2 shifts at 8 hours each.

Sourcing of Raw Materials / Products for Sale

The Company sources out raw materials from both domestic suppliers and import, so the Company needs to set production plan to be able to determine the procurement schedule of raw materials to be available and ready for the production at least one month in advance, depending on the demand and customer order at certain time. Also, in 2014, the Company started a consignment stock with one of its suppliers, by allowing the supplier to place his stock of raw material at the Company to reduce the lead time in purchasing the raw materials and reduce the risk of delivery delay, which would affect the production and delivery to customers.

The purchasing policy of the Company is not to depend on a single supplier, rather sourcing from quotations of at least two suppliers for bargaining purposes. Raw material sourcing does not depend only on the pricing; the Company also considers other factors all together such as quality, service, delivery, as well as payment term to ensure the standard of products and cost saving. An appropriate production plan is determined to allocate raw materials, labor and machine for the production of products according to the batch size and time requirement on an efficient basis. The Company's raw materials and products are classified as follows:

1. Raw Materials for Customized Cutting Tools

Raw materials for the production of special cutting tools consist of carbide, PCD, blank Insert, etc. In 2014, raw materials were purchased from the following sources:

- HTECH purchased raw materials from local supplier and imported in the approximate proportion of 76% and 24% respectively. Imported raw materials are from Singapore, China, Japan, United States, Italy, Germany, etc.
- HP purchased raw materials from local suppliers and overseas in the proportion of 13% and 87% respectively. Such imported raw materials are from Singapore, Japan and Thailand.

2. Raw Materials for Metal Fabricated Products

Raw materials for productions of tooling and other metal fabricated include steel, carbide, aluminum, stainless steel, plastic, etc. of which most are sourced locally.

3. Products for Sale

Products for sale in the category of special cutting tools are sourced from the Company's manufacturing companies in Thailand and the Philippines. Standard cutting tools and other supporting products are sourced from many different suppliers in various countries. In 2014, products for sale are purchased from the following sources:

- ATEK Phils. purchased the products for sale from local supplier and imported in the proportion of 8% and 92% respectively, where such products are imported mainly from Singapore.
- FDM purchased almost all of its products for sale from local distributor in the proportion of 99%.
- HS purchased the products for sale from local supplier and imported in the proportion of 30% and 70% respectively, where such products are imported from Thailand, United States, China, Germany, Portugal, Israel, etc. Customized cutting tools products are only purchased from the Company in Thailand.
- HY purchased almost all of its products for sale from overseas suppliers from Taiwan, Singapore etc. Customized cutting tools products are only purchased from the Company in Thailand.

Privileges from the Board of Investment (BOI)

The Company's business activity is granted the BOI privileges under Type 4.2 concerning the manufacturer of machinery and equipment under the benefits stated in the Investment Promotion Act for the period of 8 years. The date of BOI approval is July 8, 2008 and the date at which the Company commenced the use of the BOI benefits is August 5, 2008.

In addition, the Company's subsidiary (HM) business activity is granted the BOI privileges under Type 4.2 concerning the manufacturer of machinery, equipment, and parts; and Type 4.3 concerning the manufacturer of metal and metal fabrication under the benefits stated in the Investment Promotion Act for the period of 8 years. The date of BOI approval is March 21, 2011 and the date at which the company commenced the use of the BOI benefits is April 22, 2011.

Halcyon Technology (Philippines) Inc., the Company's subsidiary, is granted the tax exemption for imports and exports from the Philippine Economic Zone Authority (PEZA). The period HP is granted such benefits is during September 2, 2010 – September 2, 2014; extension can be applied for when it is due. HP is also granted an exemption for VAT by purchasing from local suppliers, which extension can be applied for when it is due.

Risk Factors

(1) Risk Associated with the Dependence on Hard-Disk Drive Industry

The Company's total revenue was attributable to the key customers in the manufacturing of hard-disk drive products. Although such industry had shown continuous growth in the past, the competitions of the hard-disk drive market from the development of new information storage of flash memory. It may affect the HDD industry which increases the Company risk from relying solely on the hard disk industry, However, In long-term, smart phones need to transfer the data to the server of which hard disk is an important component.

However, the Company plans to reduce such risk through the development plan to expand the customer base to increase the services to other industries such as automotive parts, mechanical related industry, medical parts and other metal fabrication manufacturing by developing new types of cutting tools such as PCD Drill and Carbide Cutting Tools (as detail in product lines of cutting tools), through the utilization of new machines. The Company invested in subsidiaries in foreign countries such as Singapore, Malaysia, and Vietnam (finalizing) to expand new customer base and distribution channel. In 2014, the percentage of sales from customers in the manufacturing of HDD and non-HDD were 56% and 44% of total sales, respectively, comparing to those of 66% and 34% of total sales in 2013, respectively.

(2) Risk Associated with Small Customer Base

As the products of the Company are custom made to order, its customer base is limited, and the Company's revenue is concentrated on a few major customers. The Company may have a risk of having revenue concentration to a limited customer base and, therefore, its future revenue may be adversely affected if such major customers no longer make purchase from the Company. However, the Company has a policy to reduce such risk by making effort to increase the customer base in the existing hard-disk drive segment, as well as the automotive parts, the mechanical related industry, the medical products and other metal fabrication manufacturing, through utilizing its research and development capability and launching new products. In 2014, the top five unrelated customers (not including the Company's subsidiaries) have accumulative sales of 50% of the total sales, where sales to subsidiaries accounted for another 19% of the total sales amount.

(3) Risk Associated with the Dependence on Personnel

The businesses of the Company and its subsidiaries require knowledge, skill and experience of the personnel in order to produce products with high standard and precision to serve various requirements of the customers. Therefore, the Company relies on key personnel both in the production line, which utilizes high and complicated technology, and in the marketing area to market and distribute products locally and overseas.

Therefore, one of the Company's policies is to develop its staff through training and learning the transfer of production technology from machine suppliers. In addition, the Company has arranged for job rotation to allow the staff to work with various types of machines to be able to work in substitution to reduce the risk of relying on a single person. The Company also supports the qualified staff to become the management and shareholders to create the ownership participation and increase the morale to keep their royalty.

(4) Risk Associated with the Fluctuation of Foreign Exchange Rates

The Company shares the risk associated with the fluctuation of foreign exchange rates from both import and export in foreign currencies. In 2013, the proportion of sale transactions which were dominated in foreign currency was 24.48% of total sale. If Thai baht is appreciated, revenue would be adjusted down. While those of foreign-currency purchase transactions was 33.79% of total cost of sale. If Thai baht is depreciated, cost would be adjusted up. In addition, the Company also imported machines and equipments from overseas so that the fluctuation of foreign exchange rates would have an effect to the Company's financial status and performance.

The Company may confront with risk of the fluctuation of foreign exchange rates. However, partial import of raw materials in USD, SGD, JPY, EUR, GBP and CHF currencies and partial export of products in USD, SGD and EUR currencies. So, it is partial offset through Natural Hedge. In the past, the foreign exchange rate did not have a significant effect to the Company's overall performance. In 2014, the Company has a gain from exchange rate in the amount of 32,764.72 baht or 0.01% of the total sales.

Shareholders' Structure

As of December 31, 2014, the Company has the registered capital of Baht 300,000,000 and paid-up capital of Baht 260,804,340, divided into 260,804,340 shares with par value at Baht 1 per share. The Company is listed in MAI.

Top 10 Major Shareholders of the Company are as follows:

Shareholders' Name	As of 17 March 2015	
	Shares	%
1. Rimchala Family	58,330,100	22.37%
Mr. Pete Rimchala	25,000,000	9.59%
Ms. Petra Rimchala	11,655,300	4.47%
Mr. Chris Rimchala	11,099,200	4.26%
Ms. Joyce Rimchala	10,575,600	4.05%
2. Mr.Kobkhun Thienpreecha	22,664,700	8.69%
3. Mr.Viboon Rujireksathorn	16,300,000	6.25%
4. Mr.Rattipat Aramwatanapong	15,500,000	5.94%
5. Mr.Chua Cheng Khuan	12,000,000	4.60%
6. Thai NVDR Co., Ltd.	8,103,900	3.11%
7. Mr.Anan Raweesangsoon	8,100,000	3.11%
8. Mr.Norawee Changlum	5,666,700	2.17%
9. Mr.Punya Chatpunya	5,000,000	1.92%
10. Mrs.Ampai Harnkraiwilai	4,800,000	1.84%
11. Other Shareholders	104,338,940	40.00%
Total	260,804,340	100.00%

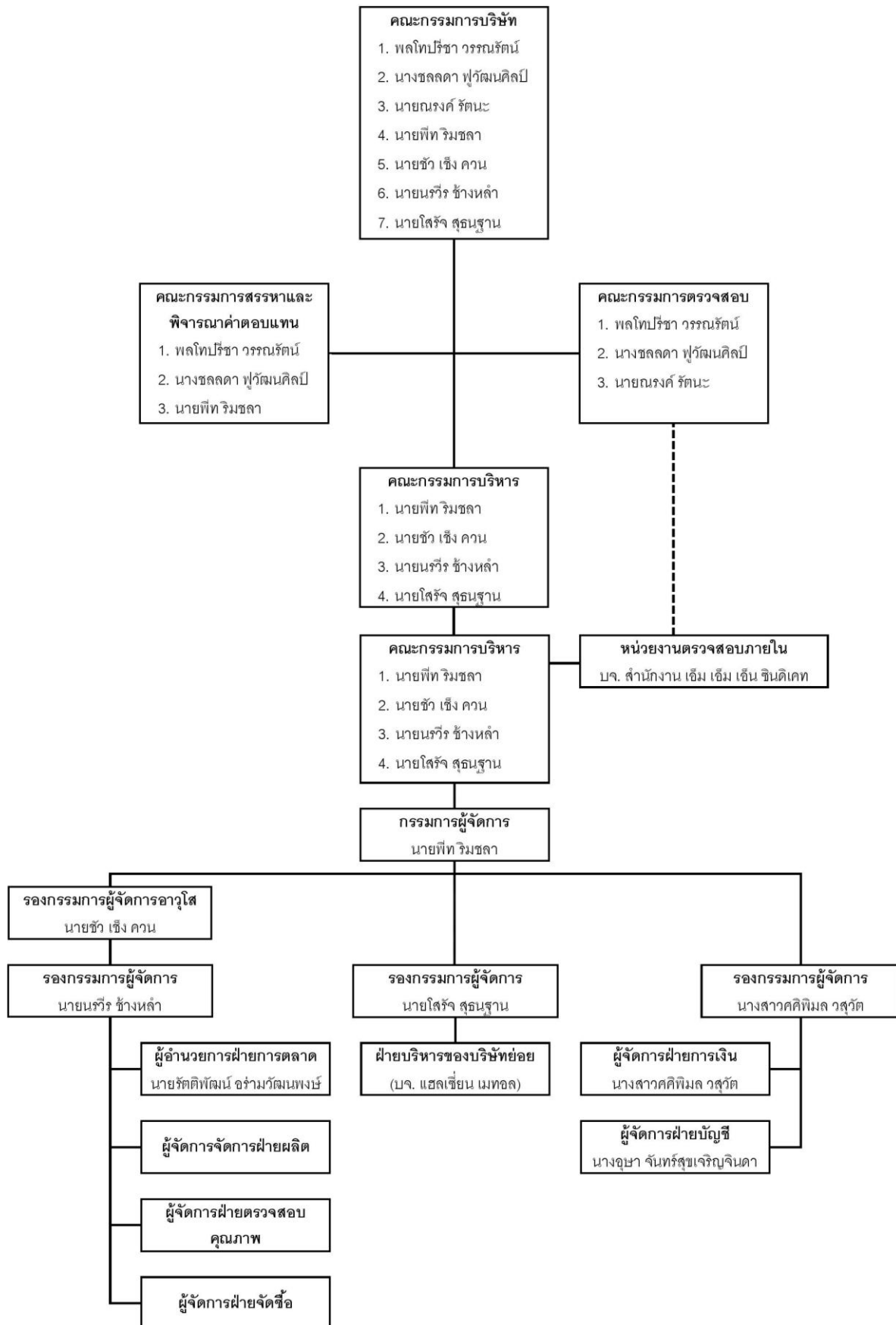
Dividend Policy

The Company has a policy to pay dividends to shareholders at least twice a year at the rate of not less than 40% of net profit after deduction of corporate income tax and reserves according to the law. The Company's subsidiary has a policy to pay out dividends to shareholders at the rate of 40% of net profit after deduction of corporate income tax and reserves according to the law. However, the Company and its subsidiaries may pay out dividend at the rate lower than mentioned above if it is necessary for the Company to use such net profit for expansion of business.

Year	2014	2013	2012
Net profit attributable for the owner of the Company (baht)	67,786,681	49,877,593	82,982,237
Dividend Payout*	28,688,473	20,863,539	43,484,349
Dividend per Share	0.11	0.08	0.17
Dividend per Net Profit (%)	42.32%	41.83%	52.39%

* Dividends for the performance of year 2012 were paid on 3/9/12 and 17/5/13 / Dividends for the performance of year 2013 were paid on 9/9/13 and 7/5/14 / Dividends for the year 2014 was paid on 9/9/14 and the Board of Directors' Meeting No. 1/2015 has approved for additional 0.065 baht per share to be paid on 8/5/15

Organization Chart of Halcyon Technology Public Company Limited





Management

Board of Directors

The Company consists of 4 committees, which are Board of Directors, Audit Committee, Executive Committee, and Nomination and Remuneration Committee as follows:

(1) Board of Directors

The Company's Board of Directors consists of 7 directors as follows:

- | | | |
|----|---------------------------|--|
| 1. | Lt. Gen. Preecha Wanarat | Chairman of the Board / Independent Director |
| 2. | Mrs. Chollda Fuvatanasilp | Director / Independent Director |
| 3. | Mr. Narong Rattana | Director / Independent Director |
| 4. | Mr. Pete Rimchala | Director |
| 5. | Mr. Chua Cheng Khuan | Director |
| 6. | Mr. Norawee Changlum | Director |
| 7. | Mr. Soraj Sotanadhan | Director |

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors has authority and duties and responsibilities in management of the Company according to the laws, purposes, and articles of the Company. In summary, essential authorities and responsibilities are as follows:

1. To hold the annual shareholders meeting within 4 months from the end of accounting period of the Company.
2. To hold the Board of Directors' meeting at least once every three months.
3. To prepare balance sheet and income statements of the Company at the end of accounting period of the Company for which the auditor audited and present to shareholders assembly to consider and approve.
4. The Board may delegate its power to one or more directors or any other person to act on behalf of the Board under the Board's control; or delegates its power to such person for other things that the Board regards as appropriate and within a certain period. The Board may revoke or alter or change the delegate when it sees proper.

In addition, the Board may delegate its power to the Executive Board to have power to conduct any thing which has details according to the scope of power and duties of the Executive Board. Nevertheless, such delegation must not have a feature that allow the Executive Board to consider or approve anything that the Executive Board or other persons may have conflict, interest, or any conflict of interest with the Company or its subsidiary, except for approvals of normal trade practice in accordance with policies and rules that the Board of Directors or Shareholders has considered and approved as prescribed by laws.

5. To set up targets, directions, policies, plans, and budgets of the Company, oversee management of the Executive Board to conform with the assigned policy except for these following matters, which the Board must obtain an approval from the shareholders meeting in advance, i.e. a matter that an approval from the shareholders meeting is required by laws such as increasing or decreasing of capital, debenture issuing,



whole or partial selling or transfer of the business of the Company to other persons, acquiring or receiving of other company's business, revision of Memorandum or Articles of Association, etc.

In addition, The Board of Directors has duty to oversee the Company to conform with laws regarding securities and securities exchange, regulations of the stock exchange such as related transactions, acquisition or disposal of assets according to the rules of the Stock Exchange of Thailand, or laws relating to the Company's business.

6. To consider management structure, appoint the Executive Board, Managing Director, or other committees as appropriate.
7. To continuously follow up the operation to be in accordance with plans and budgets.
8. the Board neither operates any business that has similar nature and competes with the Company's business, nor be a partner in any ordinary partnership, a general partner in any limited liability partnership, a director of a private company, nor other companies that involved in the business of similar nature and compete with business of the Company, whether for themselves or for other persons, except the shareholders' meetings has been informed of that fact prior to the appointment.
9. The director has to inform the Company immediately when he or she has an interest, whether direct or indirect, in a contract that the Company has concluded, or has more or less shares or other forms of securities of the Company or associated company.

(2) Audit Committee

The Company's Audit Committee consists of 3 persons as follows:

- | | |
|-------------------------------|--|
| 1. Lt. Gen. Preecha Wanarat | Chairman of the Board / Independent Director |
| 2. Mrs. Chollada Fuvatanasilp | Director / Independent Director |
| 3. Mr. Narong Rattana | Director / Independent Director |

Mrs. Chollada Fuvatanasilp has knowledge and adequate experiences to verify the credibility of financial statements. Mr. Norawee Changlum acts as the Audit Committee's Secretary.

Scope of Duties and Responsibilities of the Audit Committee

1. To verify that the Company has an accurate and adequate disclosure on financial statements by coordinating with the external auditor and the management responsible for the disclosure of quarterly and yearly financial statements. The Audit Committee may propose to the auditor to review or audit any transaction deemed necessary or importance during financial statement auditing.
2. To verify that the Company has proper and effective internal control and internal audit system.
3. To verify that the Company conforms with laws regarding securities and stock exchange, regulations of the stock exchange, or laws regarding businesses of the Company.
4. To consider, select, propose an appointment, and propose remuneration to auditors of the Company to be approved by the shareholders' meeting.
5. To disclose the Company's information when there is a related transaction or transaction that may have conflict of interest correctly and completely, including approval of such transaction in order to propose to the Board of Directors and/or the shareholders' meeting.



6. To review the financial management and risk management policies assigned by the Board of Director with consent from the Audit Committee.
7. To prepare corporate governance report of the Audit Committee for disclosure in the annual report of the Company which such report must be signed by the Audit Committee Chairman.
8. To conduct any other works as assigned by the Board of Directors with consent from the Audit Committee.

(3) Executive Board

The Executive Board consists of 4 persons as following:

- | | |
|-------------------------|---------------------------------|
| 1. Mr. Pete Rimchala | Chairman of the Executive Board |
| 2. Mr. Chua Cheng Khuan | Executive Director |
| 3. Mr. Norawee Changlum | Executive Director |
| 4. Mr. Soraj Sutanadhan | Executive Director |

Scope of Duties and Responsibilities of the Executive Board

The Executive Board have the authority, duties and responsibilities in the normal operation and administration of the Company, establishing policies, business plan, budget, administrative structure and any the Company's administrative authority and direction in operating business of the Company in line with the prevailing economic situations for proposing to the Board of Directors' meeting for consideration and approval and/or ratification as well as verifying and monitoring the operation of the Company according to the specified policies. The key authority, duties and responsibilities can be summarized as following:

1. Operating and administering the Company according to the objectives, regulations, policies, rules, limitations, directions and resolutions of the Board of Directors and/or resolutions of the shareholders' meetings according to the rules and regulations of the Executive Board's meeting.
2. Considering the establishment of the policy, direction and strategy of operating the business of the Company, financial budgeting plan, human resource management, investment, expansion of the business, public relations according to the scope that the Board of Directors' pre-approved, and monitoring the process of the operation of the appointed working group.
3. Considering the allocation of annual budget as proposed by the management before proposing the Board of Directors to consider and approve, including considering and approving the change and addition of the annual budget when there is no Board of Directors' meeting to propose to the next Board of Directors' meeting.
4. Approving the expenditure on the purchasing of raw materials, according to the Company's normal operation, of no more than Baht 30 million (Baht Thirty Million) per transaction.
5. Approving the expenditure on the purchasing of the equipment or fixed assets, according to the Company's normal operation, of no more than Baht 50 million (Baht Fifty Million) per transaction.
6. Approving of selling, according to the Company's normal operation, such as selling of goods, made to order contracts, etc, of no more than Baht 50 million (Baht Fifty Million) per transaction.



7. Approving the opening and closing of any bank or financial institution accounts, including the terms and conditions on the withdrawal or any juristic acts related to such accounts.
8. Approving the lending, procuring credit line, issuing of debentures, overdraft contracts or any loans from bank or financial institution or general persons according to normal business conditions, of no more than Baht 60 million (Baht Sixty Million) per transaction, including approving of bank guarantee for beneficial of the Company's business of no more than Baht 50 million (Baht Fifty Million) per transaction.
9. Approving of the pledging and mortgage of the Company's assets to warrantee the Company's debts, whether existing debts or debts to be incurred in the future, of no more than Baht 60 million (Baht Sixty Million) per transaction.
10. Approving of the significant expenditure, this is already set in the annual budget assigned or approved in principle by the Board of Directors.
11. Acting as the advisory body on policies concerning finance, marketing, personnel management and other operations.
12. Specifying the organization structure, administrative authority of the organization as well as appointing, hiring, removing, determining the wages, payment, bonus of the executives and layoff.
13. Authorizing mandate of one or more directors or any person to perform any act under the supervision of the Executive Board or to authorize such person to perform acts as deemed appropriate by the Executive Board within a certain period. The Executive Board may repeal, withdraw, change or amend the authorized person or the authority as it deems appropriate. However, such authorization shall not be given to persons who may have conflicts of interest.
14. Performing any act authorized by the Board of Directors from time to time.

The Executive Board shall not approve any conflicting transaction or any transaction the Executive Board has interests in or any other benefits which is contrary to the interests of the Company and its subsidiary, except such transactions that the Company's Board of Directors or shareholders' meeting has considered and pre-approved and in accordance with the law. The Board of Directors authorizes to repeal, withdraw, change or amend the Executive Board's authorization.

Scope of Duties and Responsibilities of the Managing Director

1. Managing and supervising daily operations and/or administration of the Company.
2. Managing and operating in accordance with the policy, plan and budget approved by the Board of Directors and/or Executive Board of the Company.
3. Acting as the authorized person of the Company in operating the Company's business in compliance with the objectives, regulations, policies, rules, limitations, directions and resolutions of the shareholders' meetings and/or resolutions of the Board of Directors' meetings and/or the Executive Board.
4. Being authorized to sub-authorize and/or mandate other person to perform certain acts. The aforesaid sub-authorization or mandatory shall be under the scope of the authorization as specified herein and/or in accordance with the regulation, limitation or order which the Board of Directors and/or the Company has specified, whereas the sub-authorization shall not be given to persons who may have conflicts of interest.



5. Monitoring and evaluating the operation of the Company at all time in order to minimize the risk arising from internal or external factors.
6. Considering the entry into agreements regarding Company's business and any agreement which is in the interest of the Company including specifying the procedures and process of such agreement for proposing to the Executive Board and/or the Board of Directors.
7. Approving of the expenditure on normal business operation such as purchasing of raw materials, equipment or fix assets, excluding machines, of no more than Baht 5 million (Baht Five Million) per transaction.
8. Approving of the purchasing of operating machines of no more than Baht 20 million (Baht Twenty Million) per transaction.
9. Approving of selling, according to the Company's normal operation, such as selling of goods, made to order contracts, etc, of no more than Baht 15 million (Baht Fifteen Million) per transaction.
10. Considering the allocation on pension, bonus or any remuneration as approved by the Board of Directors to the employees or workers of the Company or any person performed any act for the Company.
11. Considering the employment and appointment as well as removal, relocation between the field/department/division or layoff, determining wage rate, remuneration, bonus including welfare regarding all employee of the Company except those employees at the management level.
12. Specifying the orders, regulations, notifications, memorandum in order to operate the business according to the policy and in the interests of the Company and to maintain the internal discipline of the organization.
13. Performing other functions authorized by the Board of Directors from time to time.

The Managing Director shall not approve any conflicting transaction or any transaction the Managing Director has interests in or any other benefits which is contrary to the interests of the Company and its subsidiary, except such transactions that the Company's Board of Directors or shareholders' meeting has considered and pre-approved and in accordance with the law. The Board of Directors authorizes to repeal, withdraw, change or amend the Managing Director's authorization.

(4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consist of 3 persons as follows:

- | | |
|-------------------------------|---|
| 1. Lt. Gen. Preecha Wanarat | Chairman of the Nomination and Remuneration Committee |
| 2. Mrs. Chollada Fuvatanaslip | Nomination and Remuneration Committee |
| 3. Mr. Pete Rimchala | Nomination and Remuneration Committee |

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. To express opinion to the Board of Directors with respect to the rate of remuneration of Chairman of the Board of Directors, Directors, Chairman of the Audit Committee, Audit Committee and any Sub-Committee (if any) (Such matter shall be proposed to the Shareholders' meeting for consideration and approval afterward).
2. To nominate and propose the name list of person, who has the suitable qualifications to be a director at the first time and to monitor the performance and suitability of the director who will be retired by rotation and re-



elected, to the Board of Directors for consideration and approval and propose to the Shareholders' meeting for appointment to be the director.

3. To consider and give an opinion to the Board of Directors and to follow up the operation regarding vision and strategy of human resource including management development plan.
4. To assess the Company's overall performance in order to determine the bonus and salary increase by using a suitable industrial standard for consideration.
5. To propose the salary structure and other benefits.

Name	Meeting statistic (number of meeting / number of time that join the meeting)			
	The Board of Directors' Meetings	The Audit Committee's Meeting	The Nomination and Remuneration Committee Meetings	The Shareholders' Meeting
1. Lt. Gen. Preecha Wanarat	4/4	4/4	1/1	1/1
2. Mrs. Chollada Fuvatanasilp	4/4	4/4	1/1	1/1
3. Mr. Narong Rattana	4/4	4/4	-	1/1
4. Mr. Pete Rimchala	4/4	-	1/1	1/1
5. Mr. Chua Cheng Khuan	4/4	-	-	1/1
6. Mr. Norawee Changlum	4/4	-	-	1/1
7. Mr. Soraj Sutanadhan	4/4	-	-	-

Management Team

The Company's management team consists of 5 persons as follows:

1. Mr. Pete Rimchala Managing Director
2. Mr. Chua Cheng Khuan Senior Executive Vice President
3. Mr. Norawee Changlum Executive Vice President
4. Mr. Soraj Sutanadhan Executive Vice President
5. Ms. Sasipimol Wasuwat Executive Vice President

Authorized Signatory Directors

Directors who have the authority to sign on behalf of the Company are Mr. Pete Rimchala or Mr. Chua Cheng Khuan or Mr. Norawee Changlum, two of the three sign together with Company's stamp.

Remunerations of the Management

Cash Remunerations

(1) Total remunerations of the directors

Position	Meeting Allowance
<i>The Board of Director's meetings</i>	
Chairman of the Board of Directors	Baht 13,750 per one meeting
Directors	Baht 11,000 per one meeting
<i>The Audit Committee's meetings</i>	
Chairman of the Audit Committee	Baht 13,750 per one meeting
Audit Committee	Baht 11,000 per one meeting
<i>The Nomination and Remuneration Committee's meetings*</i>	
Chairman of the Nomination and Remuneration	Baht 11,000 per one meeting
Nomination and Remuneration Committee	Baht 11,000 per one meeting

In 2014, the Directors received remunerations as follows:

Name-Surname	Remuneration (Baht)				Total
	Meeting allowances			Remuneration Annually	
	The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee Meetings	The Shareholders' Meeting	
1. LT.Gen.Preecha Wanarat	55,000	55,000	11,000	140,000	261,000
2. Mrs.Chollada	44,000	44,000	11,000	105,000	204,000
3. Mr.Narong Rattana	44,000	44,000	-	105,000	193,000
4. Mr.Pete Rimchala	44,000	-	11,000	30,000	85,000
5. Mr.Chua Cheng Khuan	44,000	-	-	30,000	74,000
6. Mr.Norawee Changlum	44,000	-	-	30,000	74,000
7. Mr. Soraj Sutanadhan	33,000	-	-	-	33,000

(2) Remunerations for the Management consist of salary and bonus to management of Baht 14,486,350 in 2014.

Other Remunerations

- (1) Provident Fund: The Company established its provident funds for its management and employees since September 2008 onwards, the management and employees must contribute 2% of their basic salary and the Company will contribute at the same rate.
- (2) ESOP Warrant: At the extraordinary shareholder's meeting held on June 22, 2012, the shareholders passed the resolution to allocate the Company's stock warrants (ESOP Warrant-1) of 5,000,000 units without any consideration to the management and employees of the Company and its subsidiaries. The warrants are 3-year maturity commencing from date of issuance. The exercise price is Baht 3.32 per share under the exercise ratio of 1 warrant per 1 new share. The Company's director and management of 2 persons were allocated the stock warrant, representing 9% of total number of ESOP warrant. (In 2014, there was no employee or management exercised the right to buy ESOP shares)



Recruitment and Appointment of Directors and Senior Management Levels

(1) Independent Committee The Company must have independent directors at least one-third of total number of Board of Directors but not less than 3 persons.

Qualifications of the Independent Committee

1. Holds no more than 1% of the total voting shares of the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, including shares held by any related person.
2. Not be and have not been a director participating in management role, employee, staff, advisor who receives regular salary, or controlling person of the Company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries or a juristic person who may have conflicts of interest, unless the foregoing status has ended for more than 2 years.
3. Not being a person related by blood or legal registration, such as father, mother, spouse, sibling, and child, including spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.
4. Not having a business relationship with the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his/her independent judgment, or not being a major shareholder, non-independent director or management of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest.
5. Not being an auditor of the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his/her independent judgment, or not being a major shareholder, non-independent director or management of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest.
6. Not being an professional advisor including legal or financial advisor who receives an annual service fee of exceeding Baht 2 million from the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, or not being a major shareholder, non-independent director, management or partner of the professional advisor.
7. Not being appointed to represent the Company's Director, its major shareholders or shareholders who are related to the Company's major shareholders.
8. Not having any characteristics by which him/her independent opinion may be affected.
9. Not being a director assigned by the Company's Board of Directors to take part in the business decisions of the Company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries or a juristic person who may have conflicts of interest, and not being a director of the Company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries.
10. Having duties according to the Stock Exchange of Thailand's regulations regarding the qualifications and scope of work of the Audit Committee.



In the case that the independent director being appointed as the independent director of the parent company, its subsidiaries, its associated companies, same-level subsidiaries, the Company has to disclose such information, including the remuneration received by the independent director in the Filing, Form 56-1 and Form 56-2.

(2) Member of Audit Committee The Company must have at least 3 audit committees.

Qualifications of Audit Committee

1. Appointed by the Board of Directors or the shareholders
2. Audit Committee must be independent and
 - do not participate in decision making on the Company's operations or its subsidiaries.
 - are not a director of the Company or its subsidiaries.
3. Has at least one audit committee whom has sufficient knowledge and experience to ensure the reliability of financial statements.
4. Has served in the same manner as set forth in the Stock Exchange of Thailand on the features and scope of operations of the Audit Committee.

(3) Nomination Committee

Nomination and Remuneration Committee, consist of 2 independent committees out of 3 committees, The committees have responsibility to recruit directors based on qualification, competency, experience, and the ability to attend the Board of Directors' meetings consistently. The directors shall be appointed by a majority vote of the shareholders' meeting in accordance with the following conditions and procedures:

1. Each shareholder shall be entitled to the number of votes equivalent to the number of share held by him. One share shall have one vote.
2. Each Shareholder may exercise all the votes to elect one or several persons, as the shareholders' meeting may deem fit, as directors, but may not allot his votes to any person at any number.
3. The directors shall be appointed in accordance with the majority vote. In the event of equal votes among the persons elected in order of respective high numbers of votes, the Chairman of that meeting shall have a casting vote.

(4) Senior Management Level

In recruiting senior management level, the Executive Committee recruits senior management based on qualification, competency, and experiences related to the Company's business, ability to complete the giving tasks. Senior management will be presented to Nomination and Remuneration Committee and board of committee to approve.

Corporate Governance of subsidiaries

Corporate governance of subsidiaries and/or affiliates, the managements has been selecting qualified representative who have appropriated experiences and skills to be a representative of the Company manager and make a policy to control the subsidiaries and/ or joint venture.

For efficiency and transparency of the subsidiaries and/or affiliates governance, from 2014 onward, the Company has set rules to nominate and vote for a qualified director for subsidiaries which also need to be approved by Board of Directors. The representative director at the subsidiaries and/or affiliates must operates in the best interest of subsidiaries



and/or affiliates by controlling the operation of the subsidiaries and/or affiliates according to strategies and business plan which were approved by the Company's Board of Directors including operation under good governances. In addition, the representative shall receive an approval from the Company before voting for any issue which is significant as is required the board approval at the Company level. Nominating board the representative is based on proportions of the Company's shareholding.

In case of subsidiaries, the Company set rules for nominated representative to monitor subsidiaries to implement policy regarding related transaction, gain or dispose of assets, any other significant related transaction and disclose the above transaction in the same rule conditions as those of the Company including the need to ensure the storage and accounting of the subsidiary which can be reviews and consolidate financial statements within deadlines.



Corporate Governance Policy

The Company is aware of the significance of good governance principles. Therefore, the Board of Directors has established the Code of Conduct for the Company's directors which corresponds to the Code of Best Practices for Directors of Listed Company under the guideline of Stock Exchange of Thailand. All rules and provisions are stipulated based on actual practice. Furthermore, the Company applies the Good Corporate Governance for guideline on development of the policy of right and equality of all shareholders and stakeholders, structure, duties, responsibilities and independency of the directors, information disclosure and transparency, risk control and management, and business code of conduct for the purpose of efficiency and transparency of the Company's operation and management. The Board of Directors' Meeting No. 1/2015 held on February 28, 2015 approved the code of Company's good corporate governance consisted of 5 categories as follows.

Category 1 Rights of Shareholders

The Company is aware and pays attention to rights of shareholders. It shall avoid any actions that violate those rights and shall encourage shareholders to exercise their basic rights, which are buying, selling, or transferring shares, sharing in the profit of the Company, obtaining relevant and adequate information on the Company in a timely manner and on a regular basis and participating and voting in the shareholder meetings to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the Company such as dividends payment, amendments to the Company's articles or memorandum of association, capital increases or decreases, and the approval of extraordinary transactions, etc.

The Company shall perform things that encourage and facilitate the exercise of shareholders' rights as follows:

- The Company will mandate the directors to prepare notice of the shareholders' meeting in writing with sufficient information, to send to shareholders for at least 7 days before the actual meeting or for the certain period according to the rules and regulations of the Securities Exchange Commission or those of the Stock Exchange of Thailand.
- During each meeting, the Chairman will inform shareholders of the criteria and procedures governing the Company's shareholders meetings, including the voting procedure and allocate appropriate time for the meeting.
- Shareholders are able to send their questions and suggestions prior to the meeting date, and are able to comment or query during the meeting, whereas directors and managements will attend the meeting to answer.
- In case that the shareholders are not able to attend the shareholders' meeting, the Company will enable shareholders to appoint an independent director or any person as their proxy.
- The Company will record important queries and comments on the shareholders' meeting report, which is auditable by shareholders.

Category 2 Equitable Treatment of Shareholders

The Company shall treat all shareholders, including those with management positions, non-executive shareholders, foreign shareholders and minority shareholders in an equal way as follows:



- Facilitate minority shareholders to nominate, in advance of the meeting dates, a candidate for director position.
- The Board of Directors will not add any agenda items without notifying other shareholders in advance, especially if it is an issue that will require shareholders to spend a good deal of time to study relevant information before making their decisions.
- The Company established procedures concerning the protection of inside information that prohibit its employees to disclose the inside information to irrelevant persons. In case that its employees or management use or disclose the information for their or their related persons' behalf, the action will be considered misdeed and will be subject to take disciplinary action. In addition, the Company established the policy to audit its directors and managements of disclosure of inside information on their benefits of stock trading, which is disclosed in the section of Policy and Guidance Relating to Insider Information.
- In the shareholders' meeting, the directors and managements will disclose whether they and their related parties have any interest in any issue, in order for the Board of Directors to consider such issue entirely for the Company's benefits. Directors and managements who have such interests should not participate in the decision making process on such issues.

Category 3 Role of Stakeholders

The Company pays attention to rights of each stakeholder group and has established a policy for each group as follows:

Shareholders:	The Company aims to conduct the business using its best knowledge and management skills, with honesty and fairness to majority and minority shareholders in the best interests of all shareholders and disclose the information completely and accurately.
Staff:	The Company will pay reasonable remunerations to all staff, provide safe working environment for life and property, seriously and continuously develop the staff's potentials, strictly comply with all laws and regulations in conjunction with the staff, avoid unfair practice which could affect staff's career, and treat all staff with respect to honor them humanity.
Customers:	The Company aims to produce goods and provide services in good quality and standard with reasonable price, always and strictly maintain customer's confidence and search for more opportunity to continuously increase customer's benefits and strictly follows the terms and conditions that the Company provides to the customers.
Suppliers and Creditors:	The Company will not conduct its business with suppliers and creditors in bad faith. The Company will strictly perform all agreements between the Company and creditors whether the repayment, reimbursement, care of warrantee assets and any other agreements given to the creditors for mutual benefit.
Trade Competitors:	The Company will follow the best practices of competition, avoid using dishonest and improper methods for acquisition of the competitor's secret and avoid making baseless claims to destroy the competitor's reputation.



Public: The Company will do nothing which will have adverse affect on the public, natural resources and the environment. The Company will seek an opportunity to support social creative activity, simultaneously and seriously educate staff on social responsibility including strictly follow and monitor staff practice as required by laws or regulations issued by the relevant authority.

Category 4 Disclosure and Transparency

The Company intends to disclose information accurately, transparently, timely and in compliance with the standards and criteria set by the Stock Exchange of Thailand to ensure that each person receives information equally. The afore-mentioned includes financial and general information and other information which affect the share price and the decision making process of the investors and stakeholders. The Company posts the information on the Stock Exchange of Thailand's website and www.halcyon.co.th.

The Board of Directors is aware of the responsibility to have accurate, actual, complete and reasonable financial statements. The consolidated financial statements of the Company were made in compliance with the generally accepted accounting principles. The appropriate accounting policies have been consistently adopted. The accountancy information recording is complete in order to maintain the integrity and aware of weaknesses so that the Company can consistently prevent corruption or material crisis conducts including adequate disclosure of important information in the notes to the financial statements. Moreover, the Board of Directors has appointed Audit Committee to examine financial reports, related transactions and internal control system and the result of Audit Committee audits must be reported to each Board of Directors' meeting. The reports of the Board of Director, the Audit Committee and the Company's external auditor are disclosed in the Company's Annual Report. Currently, the Company does not intend to establish the investment relation department, but assigns Mr. Pete Rimchala, the Managing Director, to coordinate with shareholders, analyst and others.

Category 5 Responsibilities of the Board

(1) Structure of the Board of Directors

The Company's Board of Directors comprises of ones who have knowledge, ability and experiences in business operations beneficial to the Company. The Board of Directors, appointed by the shareholders' meeting, consists of 7 directors which include 3 independent directors; of which 1 of them was appointed as the Chairman of the Board of Directors and the Chairman of the Audit Committee whereas the other 2 were appointed as the Audit Committee. One of the Audit Committee has accounting background and is able to verify the credibility of the financial statements. In addition, one-third of the Board of Directors, or at least 3 directors, will be independent directors, who act as representatives of the minority shareholders in examining and balancing the Company's operation for correct and fair operation and for the best interest of shareholders.

The Chairman of the Board of Directors will not be the same person as the Chairman of the Executive Board and the Managing Director in order to create a balanced and reviewed management. In addition, the Company has clearly established the scope of authorities, duties and responsibilities of the directors, Executive Board and the Managing Director, so that the Executive Board and the managing director will not have unlimited authorities regarding management and credit line approval.

(2) Subcommittees



The subcommittees appointed by The Board of Directors to assist in monitoring the business of the Company are:

- The Executive Board, consisting of 4 persons, which facilitates the Company's operation and authorizes according to the scope of duties given by the Board of Directors.
- The Audit Committee, consisting of at least 3 persons, who examine and monitor the business of the Company authorizes according to the scope of duties given by the Board of Directors. All Audit Committee Member have qualifications as stated by the law of securities and securities exchange or the regulations, notifications or rules of the Securities and Exchange Commission or Stock Exchange of Thailand.
- The Nomination and Remuneration Committee, consisting of 3 persons, which help the Company to nominate and consider remuneration and to comply with the good corporate governance according to the scope of duties given by the Board of Directors.

However, in the future, the Company may establish subcommittees to assist the Board of Directors on the assigned business of the Company.

(3) Scope of Duties and Responsibilities of the Directors

The Board of Directors is responsible for establishing policies, visions, strategies, missions, business plans and the Company's budget including monitoring the management for effective and successful performance of the policies provided under the law, objectives, Articles of Association and resolutions of the shareholders' meeting. The Board of Directors has established:

Corporate Governance Policy

The Board of Directors has established, in written, the policy of corporate governance and reviewed the policy and its implementation at least annually

Code of Conduct

The Company has established the Code of Conduct as a guideline to the Board of Directors, Audit Committee and every staff, which mainly compresses the principles of non-disclosure of the Company's secret, honesty and compliance with the laws, respect for the right of each other and protection of the Company's internal resources and the environment. Focusing on the Code of Conduct will encourage all levels to work with honesty and support efficient internal control which will create confidence in the capital market and among the investors.

Conflicts of Interest Policy

The Company has established the policy of conflicts of interest based on the principles that all staff must work in the best interest of the Company. All acts and decisions must be made without influences of personal interest, in the interest of family, kins or other person with whom the employees have personal relationship. This policy includes 2 matters as follows:

- Related Transactions: The Company carefully considers the appropriateness of every related transaction prior to enter into such transaction, including pricing and establishing of the conditions on the related transactions on an arm's length basis. The Audit Committee will consider the necessity and reasonability of every transaction. In case the transactions are related transactions as stipulated in "Notification of Securities and Exchange Commission of Thailand on Information Disclosure and Operation of the Listed Company in the Related Transaction B.E. 2546", the Company will comply with the rules, conditions, and procedures of the Notification including disclosure of such transactions in the annual report and annual information



disclosure form (Form 56-1) for transparency of the related transactions and avoidance of the conflict of interest and other circumstances under which a conflict of interest may develop.

- Other circumstances which may give rise to conflict of interest, which are:
 1. General Investment. The Company does not allow the Company's staffs who are involved in or receive any benefits from the Company's competitors, to participate in any decisions making for any matters in conjunction with the relationship between the Company and such competitor. Unless the approval of the Company's Board of Directors or shareholders has been obtains under the requirements of Stock Exchange of Thailand.
 2. Gift. Every staff of all levels should not accept any gift, journey ticket, sport ticket, offer of vacation, accommodations or any offer of personal benefits, etc. if such acceptance entails obligations to the Company or loss to the Company's benefits.
 3. Academic work, public service work, lecturer or taking any position. Every staff of all levels may request for the approval of the director of their work line in order to engage in any academic work, public service work, and lecturer or taking any position, e.g. Company's director and consultant, which will create more visions and experience, provided that such staff must not involve the Company or his position in the Company without approval.

Internal Control

The Company has set up an internal control system in order to operate the Company's business effectively and increase the credibility of its financial statements. The Company has not had the internal audit department; therefore, the Company hired MMN Syndicate Office Co., Ltd. operated by Mr. Marnit Aongphisud, Certified Public Accountant, who is competent in accounting and internal control, as a consultant of the Company to improve the internal control system and eliminate risks and unusual transactions. The Company annually reviews its internal control system and assesses risk management. Upon the expiration of the hiring contract, the Company plans to continue the contract and at the same time training its staffs for the job.

In addition, the Company has appointed Mr. Norawee Changlum as the Audit Committee's secretary, coordinating with MMN Syndicate Office Co., Ltd. and proposing the result of internal audit to the Audit Committee at least once every 3 months.

(4) Meeting of the Board of Directors

The Board of Directors will arrange a meeting at least once every 3 months and may have special additional meetings, if necessary. The written notice of the meeting will be sent to directors for its consideration in advance at least 7 days before the meeting date except in case of an emergency or preserve the right or benefit of the Company. The directors can request any related disclosure from the Company's secretary.

The Chairman of the Board of Directors and Managing Director will set the board meeting agenda together and each director is free to propose issues for a meeting agenda. The executive managements may attend some agendas during the meeting to provide information in details.

(5) Remunerations

The Company has established a policy to set remunerations of the directors and Audit Committee as an incentive to keep quality directors who meet the Company's standard. The remuneration shall be at the same rate as paid by a



similar industry and which is based on the result of operation of the Company. The remuneration has to be proposed for approval in the shareholders' meeting.

Remuneration of the Managing Director and top executives should be in accordance with the scope of authorities and the policy of the board. For the best interest of the company, executives' salaries, bonuses, and other long-term compensation will correspond to the Company's performance and that of each executive.

(6) Director and Management Training

The Board of Director will encourage and facilitate training for all internal parties related to corporate governance such as directors, Audit Committee, managements, etc. Training will enable them to continuously improve their performances. It can be either internal or external training.

The Company's secretary will provide each new director with all documents and information useful to perform their duties, including introduction of the nature of the business and the operations.



Policy and Guidance Relating to Insider Information

The Company has a policy and ways to examine directors and executives concerning use of insider information not yet disclosed to the public for personal gains as follows:

1. The Company will educate directors and executives on the duty to report their shareholdings, shareholdings of their spouses and minor children to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand according to Section 59 and penalties in Section 275 of the Securities and Exchange Act, B.E. 2535.
2. The Company requires that the executives have to report any change in their shareholdings to the Office of the Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act, B.E. 2535 in order that the Company can monitor stock trading of each executive.
3. The Company will send circular notices to executives to advise them of the important information that could affect stock prices in order to restrain trading their shares for the 1-month period before financial statements or such information are disclosed to the public and not to disclose such important information to other people. In case the non-disclosed information was used in a way that the Company or shareholders will suffer lost or damaged and the person responsible is executive-level person, the Board of Directors will consider the punishment and if the misconduct was carried out by lower-level managers, the managing director will be responsible for meting out the punishment.



Corporate Social Responsibilities (CSR)

Policy Overview

Corporate Social Responsibilities refer to business operation with care to stakeholders, economy, society and environment with integrity, ethics and morals; as well as the corporate governance carrying out in various activities with honesty, transparency and fairness. The Company and its subsidiaries conduct business in a responsible manner to the society, environment, and stakeholders according to the guiding principle of social responsibility of 8 clauses of the Stock Exchange of Thailand. The Board of Directors' Meeting No. 1/2014 on February 20, 2014 had set policy and procedure for the Company and its subsidiaries to adopt as part of managing business processes (CSR-in-Process) as follows:

(1) Operate with Fairness

Businesses with fairness give confidence to stakeholders. The Company and its subsidiaries are committed to conduct its business with ethics to the competitors to achieve fair competition. The guidelines are as following:

1. Practice under the rules of fair competition and avoid accomplice with competitor to take out other business
2. Do not seek information that is confidential to competitors by means of dishonest or inappropriate such as the payment of remuneration to the employees of its competitors.
3. Never try to damage the reputation of competitors by a malicious accusation without basis in fact.
4. Do not support any action in the manner of intellectual property infringement, uses products and services with a valid license.

(2) Anti-Corruption

Company's policy is to conduct business with transparency, adhering to the righteousness, unsupporting the job completion by method of fraud. The Board's policy is to comply anti-corruption with the law. The guidelines comply with clause 10.5.

(3) Respect for Human Rights

Respect for human rights refer to treating stakeholders, community and peers with respect to human values and does not violate the basic human rights. The Company and its subsidiaries are committed to respect and do not violate human rights. The guidelines are as follows:

1. Supports and respects the protection of human rights by frequent monitoring to ensure that the business is not involved with human rights abuses such as forced labor support or use of child labor, etc.
2. Promote human rights compliance within the Company and encourage employees to comply with human rights standards.

(4) Treat Labor with Fairness

Company's policy is to treat all employees equally and fairly; take care of safety and hygiene in the workplace; and to promote learning experience and development organizations to leverage the work of the professional staff, development work and create innovation in organizations. The guidelines are as following:

1. Provide fair conditions of employment and ensure employees receive proper compensation.
2. Arrange for appropriate welfare to employees such as providing annual vacation leave, reasonable overtime, medical treatment as necessary and appropriate etc.
3. Promotion, Reward and punishment to employees are in good faith and neutrally which based on the capability and suitability of the staff.



4. Providing care to employees in the work environment with safety to healthcare and their properties
5. Develop staff to increase their skills and potential by offer opportunity for employees to learn thoroughly and regularly.
6. Strictly cope with legal and regulations related to employee
7. Avoid any action of unfairness which may affect the stability of the employee and treat employees with courtesy.

(5) Responsibility for Consumer

The Company is committed to delivering quality and standard products and services while the offering price is reasonable, confidentiality of its customers seriously and consistently, constantly pursuit of opportunities to add value to its customers and cope with the conditions made by the customers strictly. The guidelines are as following:

1. Delivering quality products that meet the needs of customers under the fair condition.
2. Constantly developing products and services which add value to the business and to add value to its customers.
3. Provide accurate information about products and services to customers with enough information to make decisions.
4. Maintain client confidentiality, and do not apply to own advantage or related wrongful.

(6) Responsibility for Environment

The Company recognizes the importance of environmental preservation not to cause pollution problems including global warming which affects the quality of human life and the ecosystem. The Company has a policy of not taking any action to result in damage to natural resources and the environment. The guidelines are as following:

1. Use resources more efficiently by means of energy saving and recycling resources
2. Develop products and services that do not affect the environment and is safe to use.
3. Use technology and production process with standards by taking into account of the reduction of pollutants and waste treatment before being released to the environment.
4. Support activities that will contribute to social and environmental regularly.

(7) Community and Society Development

The Company has a policy to promote the use of business processes to benefit the quality of life, create a stronger economy, community and society. The guidelines are as following:

1. Supporting employment in the community.
2. Seeking opportunities to support social and community activities.
3. Building awareness about social and environmental responsibility among employees at all levels.
4. Strictly controlling practices to comply with laws and regulations issued by regulatory agencies

(8) Dissemination of Innovation for Responsibility of Social, Environmental and Stakeholders

The Company recognizes that all stakeholders have an important role in determining the direction of the business. It is important to take care of and take into account all stakeholders, both internally and externally. The Company has a policy to encourage the participation of stakeholders (Co-Creation) in developing innovations that create a balance between value and benefits to the community, society and the environment, coupled with the growth of sustainable businesses. The guidelines are as following:

1. Analyzing operating processes in details, which may lead opportunities to discover business innovation



2. Creating opportunities to invent new products with stakeholders, to grow with stakeholder while creating sustainable profit.

3. Collaborating with government agencies in the development of products to help the disadvantaged in society

To have everyone notice the corporate social responsibility policy in the organization, the Company will publish such policies over the communication channels, such as email newsletters, annual report disclosures (56-1) and annual reports (56-2). The policy will be reviewed on a yearly basis.

Implementation and Report Preparation

Social responsibility policies and guidelines above are parts of the Company's business which the Company and its subsidiaries have been followed along. The Company has operations in accordance with policies and guidelines from source of supply (high raw materials quality at reasonable prices), to achieve fairly competitive and avoid accomplice with competitor to take out other business. The Company has no intention of purchasing raw material from any suppliers in particular. The purchasing orders of raw material are made from several suppliers so that the Company can compare prices and increased bargaining power.

For the production process, the Company checks and ensures quality control from the beginning of the production process until the last step before delivering to customers, including providing advice in bringing its products to the customer's production processes to reduce cycle time in manufacturing as well as marketing to follow up after sales to listen to the feedback from customers and improve, develop new products to meet the needs of the customers even more.

The business of the Company and its subsidiaries rely on knowledge, skill, and experience employees. The Company management realized the importance of human resources and promoting new personnel with the knowledge and capability to keep pace with changes in technology by arrange a training seminar for employees which give an opportunity for employees to learn new technology from direct oversea manufacturer.

Business Operation that Impacts the Social Responsibility

-none-

Corporate Social Responsibilities After Process

The Company has a policy to support the society and the environment activities when there is a reasonable opportunity.

Prevention in Involvement with Corruptions

"Corruption" means use of power or use of property that is in an inappropriate way, such as the benefit for own self, families, friends, acquaintances or any other advantage possible which caused damage to the interests of others. Corruption can occur in several ways, such as bribery by providing either money or goods, money laundering, embezzlement, concealment of facts and obstruction of justice etc.

The Company and its subsidiaries have been aware of the importance of anti-corruption. In the past, the Company establishes guidelines for the proper conduct of the Board of Directors, management and employees in business ethics and corporate governance. The Company has to take into account the damage caused by corruption. The Board of Directors' Meeting No. 1/2014 on February 20, 2014 has implemented anti-corruption by preventing directors, executive officers and employees of the Company and its subsidiaries to act related to all forms of corruption to directly or



indirectly gain benefits for themselves, their family, friends and acquaintances whether they are as a recipient or provider, either in monetary or non-monetary form to the state agency or private agency that conducts businesses with the Company or its subsidiary. The Company and its subsidiaries conduct business by the following guidelines:

1. Create a corporate culture of integrity and fairness.
2. Do not receive or provide bribery from/to stakeholders in their own responsibility either directly or indirectly in order to obtain benefits in any way.
3. Procurement / commissioning must be taken through the steps by regulations of the Company with transparency.
4. Avoid conflicts of interest which could lead to corruption, such as holding shares in the competitors company, avoiding the use of inside information for own advantage to buy or sell shares of the Company, or giving inside information to others.
5. Responsible for the preparation of financial reports with accurate and complete in accordance with generally accepted accounting standards.
6. Providing a strong effective internal control system and evaluate internal controls each year, the Company has hired an outside company (Outsource) to serve as an internal auditor to evaluate the risks and unusual transactions which will present to the Audit Committee at least every 3 months.
7. If witness any action related to the corruption associated with the Company either directly or indirectly, the person should inform the committee immediately. The Company will maintain the confidentiality of the reporter.

To have everyone notice the anti-corruption policy in the organization, The Company will publish such policies over the communication channels such as email newsletters, annual report disclosures (56-1) and annual reports (56-2). The policy will be reviewed on a yearly basis.



Internal Control and Risk Management

(1) Adequacy of Internal Control System Assessment by Board of Directors

At the meeting of Board of Directors No. 1/2015 dated February 28, 2015 with participation of Audit Committee. The Board of Directors had assessed internal control system by inquiring information from management on the adequacy of internal control system of the Company in 5 areas consisting of organization and environment, risk management, management control, information system and data communications, and monitoring system. After the assessment, the Board of Directors believed that the Company has the adequate internal control system for transactions with major shareholders, directors, executives or related persons and the Company had sufficient internal control in all 5 areas which are appropriate and sufficient to protect its assets from misuse or unauthorized use by the management. Also, the Company has an independent internal control system, which can be tracked and assessed including the storage system of important documents for examination as in appropriate by directors, auditors and person in authority.

(2) Auditor Observations on the Company's Systems of Internal Control

From review of the Company's internal control system for the year 2014, the auditor reported to Audit Committee' s Meeting No.1/2015 dated February 28, 2015 that there was no significant issue of internal control system so that there was no report of auditor observations on the Company's systems of internal control in 2014.

(3) Observation of Internal Auditor on the Internal Control Systems

At the meeting of Committee No. 1/2014 dated February 20, 2014 the Company hired MMN Syndicate Co., Ltd. to audit internal control in 2014. MMN Syndicate Co., Ltd. assigned Mr. Marnit Aongphisud to audit internal control of the Company

The Audit Committee has considered qualification of the MMN Syndicate Co., Ltd. and Mr. Marnit Aongphisud, believe that they are qualify for the giving tasks. Mr. Marnit Aongphisud is a certify auditor who has knowledge and experience in accounting system and internal control as well, to be the consultant of the Company's internal control system including with assesses risks and directly report about the irregular transactions to Audit Committee. The Company's internal control department has responsibilities for cooperating and being the Audit Committee's secretary including with learning with the expert in order to apply in the future. The internal auditor assesses risks, makes annual internal audit program, audits, follows up with the system improvement and directly report to the Audit Committee at least every quarter. The main objective is to evaluate the effectiveness and adequacy of the internal control system, compliance with policies and regulations Including the suitability and reliability of financial reporting of the Company. In the past, auditors have audited the operations of the Company. The management realized that important of system and adjusted as auditor recommended. The appointment, transfer and dismissal of internal auditor must be approved by the Audit Committee.



The Related Transactions

(1) The Related Transaction in 2014

Detail as describe in the Notes to Financial Statements, Subject: Transactions with related parties, such transactions are related to subsidiaries or affiliates which directors, major shareholders and controlling person of the Company hold shares less than 10%.

(2) Measures or Procedures for Related Transaction Approval

The enter of any related transaction with the person who may have a conflict of interest must be submitted to the Audit Committee to consider and approve in the best interest of the Company and to protect investors and persons related to the Company. Such related transactions shall be in accordance with the rules regarding securities and the stock exchange and regulations, notifications, orders or rules of the Stock Exchange of Thailand. A person who may have any conflict of interest in the related transactions shall not be allowed to participate in an approval of such transactions.

For the regular traded transactions such as purchases or sales of products from a related company, the Company has the policy to comply such transactions with the normal trade practice with appropriate prices and conditions. However, the price shall not be higher than the price that the Company can purchase from other distributors. Such transactions will be examined by the Audit Committee every quarter and the reasonable of the transactions will be considered through market price, condition, and the necessity of the effect on Company businesses such as delivery period or qualification of product. This is for the best interest of the Company.

(3) Trend of Related Transactions in the Future

Related transactions that may occur in the future will have similar conditions with the normal trade practice with reference to appropriate prices and market conditions. However, the Company and/or the Company group shall invite the Audit Committee and/or independent directors to comment on the price including the necessity and appropriateness of such transaction. If there is any transaction related to any person who might has a conflict of interest with the Company in the future, the Company shall perform in accordance with regulations, notifications, and/or rules of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Company may invite an independent specialist or an auditor of the Company to make a comment on such transaction to supplement the Board of Directors or shareholders determination, depending on the circumstance. At all events, the Company group will disclose related transactions in the supplementary notes to the financial statement which is audited by the auditor of the Company.



Financial Status and Operating Results

Balance Sheet

Unit: Baht

Balance Sheet	Consolidated Financial Statements					
	As of 31/12/2012		As of 31/12/2013		As of 31/12/2014	
	Amount	%	Amount	%	Amount	%
Assets						
Current Assets						
Cash and cash equivalents	56,104,883	7.07	100,025,426	10.95	90,292,379	9.34
Trade account receivable - net	120,377,726	13.87	169,708,289	18.58	188,966,637	19.56
Inventory	122,131,961	15.38	143,891,439	15.76	149,668,118	15.49
Total current assets	298,614,570	37.61	413,625,154	45.29	428,927,134	44.39
Non-Current Assets						
Property, plant and equipment	442,888,318	55.79	416,002,401	45.55	457,734,181	47.37
Intangible assets – net	50,070,854	6.31	74,329,056	8.14	66,274,276	6.86
Advance for acquisition of machineries	2,330,200	0.29	9,236,312	1.01	13,288,672	1.38
Other non-current assets	495,289,372	62.39	499,567,769	54.71	537,297,129	55.61
Total non-current assets	793,903,942	100.00	913,192,923	100.00	966,224,263	100.00
Liabilities and shareholders' equity						
Current Liabilities						
Overdrafts and short-term loans from financial institution	63,168,095	7.96	99,763,260	10.92	106,607,215	11.03
Payable and Advances	56,389,716	7.10	77,650,092	8.50	74,867,353	7.75
Current portion of long-term loan from related parties	-	-	7,951,598	0.87	12,722,262	1.32
Payable from fixed asset acquisition	8,730,673	1.10	14,226,990	1.56	16,810,673	1.74
Current portion of liabilities under financial lease	1,744,928	0.22	1,082,012	0.12	966,539	0.10
Current portion of long-term loan from financial institution	18,735,682	2.36	29,473,272	3.23	11,907,570	1.23
Other current liabilities						
Accrued corporate income tax	4,393,047	0.55	3,175,359	0.35	3,637,377	0.38
Dividend payable	3,582,967	0.45	3,011,600	0.33	-	-
Others	1,730,322	0.22	1,624,999	0.18	1,148,252	0.12
Total current liabilities	158,475,430	19.96	237,959,182	26.06	228,667,241	23.67
Non-Current Liabilities						
Payable from business acquisition	9,322,000	1.17	-	-	-	-
Liabilities under financial lease agreements - net	712,635	0.09	1,827,299	0.20	2,104,447	0.22
Deferred tax	5,576,668	0.70	4,515,506	0.49	4,181,735	0.43
Retirement benefit obligations	8,603,318	1.08	9,523,154	1.04	14,321,941	1.48
Long-term loan from financial institution	18,398,152	2.32	3,744,000	0.41	9,182,978	0.95
Total Non-Current Liabilities	42,612,773	5.37	19,609,959	2.15	29,791,101	3.08
Total Liabilities	201,088,202	25.33	257,569,141	28.21	258,458,342	26.75
Shareholders' Equity						
Authorized share capital	300,000,000	37.79	300,000,000	32.85	300,000,000	31.05
Issued and paid up share capital	256,209,000	32.27	260,804,340	28.56	260,804,340	26.99
Premium on share capital	84,354,431	10.63	94,627,588	10.36	94,627,588	9.79
Remaining unvested stock warrant under ESOP	30,216	0.00	30,216	0.00	30,216	0.00
Retained Earning:						
Appropriated for legal reserve	18,762,606	2.36	20,862,606	2.28	23,262,606	2.41
Unappropriated	189,826,784	23.91	214,347,846	23.47	256,185,487	26.51
Adjustment from the combination of entity under common	823,339	0.10	(1,034,595)	(0.11)	(1,951,641)	(0.20)
Total equity attributable to parent company	555,006,376	69.98	589,638,001	64.57	632,958,596	65.51
Non-controlling interests	42,809,364	5.39	65,985,781	7.23	74,807,325	7.74
Total Shareholders' Equity	598,392,407	74.67	655,623,782	71.79	707,765,921	73.25
Total Liabilities and Shareholders' Equity	793,903,942	100.00	913,192,923	100.00	966,224,263	100.00



Statement of Income

Unit: Baht

Statement of Income	Consolidated Financial Statement					
	2012		2013		2014	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from sales and services	528,581,495	99.15	566,585,259	98.42	695,973,620	99.28
Profit (Loss) distributed to the owners from disposal of investments in subsidiary	(515,774)	(0.10)	-	-	-	-
Other income	5,043,715	0.95	9,097,090	1.58	5,027,452	0.72
Total Revenues	533,109,436	100.00	575,682,349	100.00		
Expenses						
Cost of sales and services	313,568,599	58.82	371,399,386	64.51	454,369,896	64.82
Selling and administrative expenses	101,749,045	19.09	127,194,579	22.09	149,961,827	21.39
Total Expenses	415,317,644	77.90	498,593,965	86.61	604,331,723	86.21
Profit before interest and tax	117,791,792	22.10	77,088,384	13.39	96,669,349	13.79
Interest expenses	(6,383,938)	(1.20)	(6,921,117)	(1.20)	(8,137,023)	(1.16)
Income tax	(10,841,621)	(1.97)	(5,900,148)	(1.02)	(7,089,023)	(1.01)
Net Profit	100,926,233	18.93	64,267,119	11.16	81,443,303	11.62

Net profit (loss) attributable to:

Owner of the Company	82,982,237	15.57	49,877,593	8.66	67,786,681	9.67
Non-controlling interests	17,943,996	3.37	14,389,526	2.50	13,656,622	1.95
Net profit	100,926,233	18.93	64,267,119	11.16	81,443,303	11.62

Basic Earning per share

Net profit attributable to owner of the Company	0.33	0.19	0.26
Weighted average number of share			
(Thousand shares)	248,032,000	258,684,000	260,804,340

Statement of Comprehensive Income

Unit: Baht

Statement of Comprehensive Income	Consolidated Financial Statement					
	2012		2013		2014	
	Amount	%	Amount	%	Amount	%
Net Profit for the year	100,926,233	18.93	64,267,119	11.16	81,443,303	11.62
Loss from Actuarial for post-employment benefits	-	-	-	-	(1,381,479)	(0.20)
Foreign currency transaction difference for foreign operations	3,843,994	0.72	(1,857,934)	(0.32)	(917,046)	(0.13)
Total comprehensive income for the year	104,761,227	19.65	62,409,185	10.84	79,144,778	11.29

Net profit (loss) attributable to:

Owner of the Company	86,817,231	16.29	48,019,659	8.34	65,488,156	9.34%
Non-controlling interests	17,943,996	3.37	14,389,526	2.50	13,656,622	1.95%
Total comprehensive income for the year	104,761,227	19.65	62,409,185	10.84	79,144,778	11.29%



Statements of Cash Flow

Statements of Cash Flow	Consolidated Financial Statement		
	2012	2013	2014
Cash Flows from Operating Activities			
Net Profit before income tax	111,407,854	70,167,267	88,532,326
รายการปรับกระทบยอดกำไรสุทธิเป็นเงินสดได้มา			
Unrealized (gain) loss on foreign exchange rate	349,023	(139,605)	(703,275)
Depreciation & Amortization	58,471,240	63,331,920	74,500,183
Deferred Intangible asset written off	3,260,328	6,785,503	1,704,126
Intangible asset written off	1,000,000	-	-
Doubtful accounts (reversal)	(125,887)	1,506,095	(218,008)
(Gain) loss on disposal of equipment	59,786	(1,060,197)	(2,765,570)
Loss from Exchange of Fixed Assets	-	-	806,230
Loss (Gain) from Reducing Inventory Value	5,543,173	(2,206,408)	6,610,667
Loss (Gain) distributed to the owners from disposal of investments in	515,774	-	-
Foreign currency transaction difference	3,834,994	(1,857,934)	(917,046)
Retirement benefit obligations	1,120,720	919,836	3,417,308
Employee benefit expenses under Employee Stock-Ownership Program	1,241,188	475,371	-
Gain from acquiring Fair value of acquired identifiable net assets of	(1,375)	-	-
Interest expense	6,383,307	6,921,117	8,149,798
Profit from operating activities before change in operational assets and liabilities	193,060,125	144,842,965	179,116,739
Decrease (Increase) in operational assets:			
Trade account receivable – Other companies	32,160,640	(49,892,261)	(18,454,523)
Inventories	(24,965,226)	(11,317,775)	(12,387,346)
Other non-current assets	(2,135,900)	(6,906,112)	(4,052,361)
Trade account payable – Other companies			
Other current liabilities	(50,226,645)	21,098,601	5,151,996
Other current assets Cash provided by operations activities	(4,808,731)	(105,322)	(4,022,012)
Decrease (Increase) in operational assets:	143,084,263	97,720,096	145,352,493
Interest paid	(6,383,307)	(6,921,117)	(8,138,143)
Income taxes paid	(5,951,384)	(8,178,998)	(6,984,532)
Net cash provided by operating activities	130,749,572	82,619,981	130,229,818
Cash Flow from Investing activities			
Cash paid for purchase of property, plant and equipment	(104,783,764)	(31,259,468)	(117,309,757)
Cash paid for intangible asset acquisition	-	(9,322,000)	-
Proceeds from disposal of fixed assets	9,074,677	1,178,710	17,938,352
Cash distributed to the owners from disposal of investments in HC	7,430,769	-	-
Cash paid for acquisition of FDM	(11,000,000)	(39,279,000)	-
Change in equity – non-controlling interest	-	-	(76,582)
Net Cash Used in Investing Activities	(99,278,318)	(78,681,758)	(99,447,987)
Cash Flow from Financing Activities			
Increase (Decrease) in bank overdrafts and short-term loans from	(2,880,286)	36,595,165	6,843,953
Proceeds from share capital issued under ESOP program	2,353,880	924,024	-
Proceeds from short-term loan from related parties	-	-	(8,325,564)
Proceeds from long-term loan from financial institution		7,951,598	-
Payments for long-term loan from financial institution	4,056,190	12,200,000	19,223,486
Dividend paid	(13,936,549)	(16,116,562)	(31,350,210)
Proceeds from share subscription from minority interest	(47,459,981)	(23,256,531)	(22,167,561)
Dividend paid from subsidiary to non-controlling interest	-	17,344,497	-
Proceeds from issue of share capital	239,109	(9,128,973)	(4,758,496)
Increase (Decrease) in bank overdrafts and short-term loans from	-	13,469,102	-
Net Cash Provided by (Used in) financial activities	(57,627,637)	39,982,320	(40,534,392)
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	19,514
Cash and Cash Equivalents, Beginning of the year	(26,156,383)	43,920,543	(9,733,047)
Add : Cash and cash equivalents of the subsidiary as at the acquisition date	73,400,919	56,104,883	100,025,426
Less : Cash and cash equivalents including in disposal subsidiary	16,047,125	-	-
Cash and Cash Equivalents, End of the year	(7,186,778)	-	-
Net Cash Provided by (Used in) financial activities	56,104,883	100,025,426	90,292,379



Financial Ratios

Unit: Baht

Financial Ratios		Consolidated Financial Statements		
		2012	2013	2014
Liquidity Ratios				
Current Ratio	(Times)	1.88	1.74	1.88
Quick Ratio	(Times)	1.11	1.13	1.22
Operating Cash Flow to Current Liabilities Ratios	(Times)	0.82	0.42	0.56
Accounts Receivable Turnover	(Times)	4.65	3.91	3.88
Average Collection Period	(Days)	79	93	94
Inventory Turnover	(Times)	3.25	2.79	3.10
Average Day's Sales in Inventory	(Days)	112	131	118
Accounts Payable Turnover	(Times)	6.30	5.54	5.96
Average Payment Period	(Days)	58	66	61
Cash Cycle	(Days)	133	158	151
Profitability Ratios				
Gross Profit Margin	(%)	40.68%	34.45%	34.71%
Operation Profit Margin	(%)	22.28%	13.39%	13.79%
Operating Cash Flow to Operating Profit Ratio	(%)	111.00%	107.18%	134.72%
Net Profit Margin	(%)	18.93%	11.16%	11.62%
Comprehensive Income Margin	(%)	15.57%	8.66%	9.67%
Return on Equity	(%)	16.50%	8.75%	11.09%
Efficiency Ratios				
Return on Total Assets	(%)	11.30%	5.84%	7.21%
Return on Fixed Assets	(%)	32.80%	39.98%	39.98%
Total Asset Turnover	(Times)	0.73	0.67	0.75
Financial Policy Ratios				
Debt to Equity Ratio	(Times)	0.37	0.44	0.41
Interest Coverage Ratio	(Times)	22.42	14.12	17.86
Fixed Charged Coverage Ratio (cash basis)	(Times)	0.73	0.64	0.71
Dividend Payout Ratio	(%)	52.39%	41.83%	42.32%
Earning Per Share	(Baht)	0.32	0.19	0.26



Management Discussion and Analysis: MD&A

Analysis of Operating Results for the Year of 2014

Revenue

Revenue for the Company and its subsidiaries mainly came from customers in the electronic components and hard disk drives industry, and the automotive industry. The demand for hard disk drive has made a recovery in the second half of 2014 after the political situation in Thailand had settled, after orders dropped in the first half of the year. The automotive industry slowed down in 2014, since the delivery for the previous government's first car policy has been completed, while the local economy also slowed down, so the revenue from the Company and subsidiaries in Thailand grew less than the revenue from subsidiaries overseas. Revenue from local companies increased 6.8% from 371.70 million baht in 2013 to 397.16 million baht in 2014.

However, revenue from subsidiaries overseas increased 53% from 194.89 million baht (accounted for 38.85% of the total revenue) to 298.81 million baht (accounted for 42.63% of the total revenue) due to the growth from Halcyon Technology (Singapore) Pte. Ltd. and Halcyon Technology (M) Sdn. Bhd., in which the Company invested in 2013 and recognized revenue for a full year in 2014. Consolidated total revenue increased from 575.68 million baht in 2013 to 701.25 million baht in 2014, or 22% increase from previous year.

Other income in 2014 was Baht 5.03 million, representing 0.72 % of total income consisting profit on sale of assets, profit on foreign exchange rates, interest income, income from sale of scrap and the amortization of intangible creditors.

Cost of Goods Sold and Gross Profit

The Company's major costs are cost of production includes raw material cost, depreciation and labor cost. Total cost of goods sold for the Company and subsidiaries in 2014 was 454.37 million baht, representing 64.82% of the total revenue. Cost of goods sold in 2013 was 371.40 million baht, or 64.51% of the total revenue, which is approximately the same, since there is no significant change in the cost structure, and the Company has no additional investment this year that could affect the cost. The gross profit from the consolidated financial statements is 34.71% in 2014, which shows a slight increase from 34.45% in 2013.

Selling and Administrative Expenses

Selling and administrative expenses includes sales expenses, administrative expenses, and management remunerations. In 2014, the Company and its subsidiaries SG&A was 149.96 million baht, compared to 129.19 million baht in 2013. There was an 18% increase mainly due to the increase of employee expenses from salary, bonus, and commission fee.

The proportion of SG&A to total revenue slightly decrease from 22.09% in previous year to 21.39% of the total revenue in 2014, because in 2013, more expenses occurred regarding investment in subsidiaries overseas such as traveling expenses and legal fees, etc.



Net Profit

Net profit of the Company in 2014 was 81.44 million baht and net profit attributable to owner of the Company was 67.79 million baht, representing the net profit margin of 11.62% and 9.67%, respectively. Net profits margin in 2014 increased slightly since there is no significant change in the company structure, and the Company and subsidiaries focus on boosting sales, resulting in similar performance from previous year.

In 2014, the Company had actuarial loss from post-employment benefits of 1.38 million baht, and loss from foreign currency translation of 0.92 million baht, resulting in net comprehensive income for the year 2014 of 79.14 million baht and the comprehensive income attributable to owner of the Company of 65.49 million baht, representing the net profit margin of 11.29% and 9.34% respectively.

Analysis of Financial Status for the Year of 2014

Assets

Total assets at the end of 2014 were 966.22 million baht, consisting of current assets of 428.93 million baht and non-current assets of 537.30 million baht, representing 44% and 56% of total asset, respectively. The key assets were as follows:

(1) Cash and equivalent at the end of 2014 were 90.29 million baht, decreasing from 100.03 million baht at the end of 2013, mainly derived from overdrafts and short-term loans from financial institution including finance lease payment and long-term loan repayment to financial institutions. Also, fixed assets in 2014 increased due to more purchase in machineries compared to 2013.

(2) Trade account receivables at the end of 2014 were 188.96 million baht, increasing from 169.71 million baht at the end of 2013, which mainly is receivables not overdue from the increase in sales. The average collection period is the same as previous year at 94 days, while the Company's credit policy for account receivables of approximately 60 – 90 days. This is because the Company had more sales to its subsidiaries, and such subsidiaries still has low liquidity, so there is some delay in payments. However, this does not increase the Company's risk from bad debts.

(3) Inventory at the end of 2014 was 149.67 million baht, increased from 143.89 million baht of previous year, due to the stock of finished goods to support the product distribution of subsidiaries in overseas and locally. The inventories consisted of raw materials, work in process, and finished goods. The Company sets an allowance for inventory obsolescence at 100% for products aging more than 12 months, 50% for 6-12 months for manufacturing companies; and 100% for 24 months, and 50% for 12-24 months for trading companies. Most of the obsolete inventory is from cutting tools prepared for customer stock, which can be modified to be sold again.

(4) Property, plant and equipment (net) at the end of 2014 were 457.73 million baht, increased from 416.00 million baht, because the Company and HP purchased new machines to improve production capacity of existing products such as carbide grinding machine, PCD cut machine, OD grinding machine, etc. Also, there were new machines for manufacturing of new products, such as carbide for small tools (used for carbide microdrills) or shrink-fit machines (used for monoblocks), etc.

(5) Intangible assets, which are market share and relationship with customers, at the end of 2014 were 66.27 million baht, decreased from 74.33 million baht in 2013, due to amortization on a straight-line method over the useful life of 10 years from acquisitions in Singapore and Malaysia. As a result, it diversifies customer base from relying mainly in



electronic component to many various industries. In addition, the acquisitions enable the Company to sell certain products at a higher price because the Company can sell directly to the customers without going through a distributor. Moreover, the Company has acquired efficient employees with knowledge and experience in respective markets.

(6) Other non-current assets at the end of 2014 were 13.29 million baht, increased from 9.24 million baht at the end of 2013, due to purchase of new machines. Other non-current assets consists of deposit of machines and finished goods etc.

Liabilities

Most liabilities are current liabilities and these 228.67 million baht at the end of 2014, which decreased from 237.96 million baht, due to 2013 had overdrafts and short-term loans from financial institution from investing to expand customer base in foreign countries and locally, as well as increased payable from fixed asset acquisition from purchasing new machines. The Company had long term loan of 29.79 million baht, increased from 19.61 million baht in previous year.

Shareholders' Equities

At the end of 2014, the Company's shareholders' equities attributable to owners of the Company were 632.96 million baht, increased from 589.64 million baht at the end of 2013, mainly due to the net profit of the Company of 67.79 million baht. The non-controlling interest was 13.66 million baht from the investment in subsidiary, which the Company owns less than 100%.

Debt to equity ratio at the end of 2014 was 0.41 times, which decreased from the end of 2013 of 0.44 times due to the decrease in overdrafts and short-term loans from financial institution, as well as financial lease payment. Debt to equity ratio was low which indicated that the Company is stabilizing.

Liquidity

Cash flow from operating activities in 2014 was 130.23 million baht, mainly due to the increase of net profit; and cash flow from financial activities in 2014 was 40.53 million baht, mainly from financial lease payment, long-term loan repayment, and dividend payment. Cash flow used in investing activities in 2014 was 90.29 million baht, decreased from 100.03 million baht at the end of 2013.

Current ratio in 2014 was 0.56, increased from 0.42 in 2013 with cash cycle increased from 131 to 118 days. The debt collection period decreased from 61 to 66 days, resulting in decreased cash cycle from 158 days to 151 days.

The Significantly Financial Change after December 31, 2014

The Company will identify the rightful shareholders who may receive dividend on April 23, 2015 (Record Date) and will close share registration book on April 24, 2015 to determine the rightful shareholders to receive dividend 0.065 baht per share on May 8, 2014 as amount of 16.95 million baht. The dividend payment will affect the retained earnings, shareholders' equity, and book value of the Company on December 31 2014.



Report from the Board of Directors for the Responsibilities on Financial Statements

Dear Shareholders,

The Board of Directors is responsible for the financial statements of Halcyon Technology (Public) Company Limited and consolidated financial statements of the Company and its subsidiaries as well as the information shown in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles in Thailand using the appropriate accounting policies on the consistent basis. Crucial information was sufficiently disclosed in Notes to Financial Statements for the advantages of the shareholders and general investors.

The Board of Directors has appointed the Audit Committee to oversee the accounting policies and the accuracy of financial reports, including the review of the internal control system. The opinion of the Audit Committee is presented in the Audit Committee's Report, included in this annual report. Moreover, the Company's external auditor also gives opinion towards financial statements of the Company and subsidiary presented in Report of Certified Public Accountant which is also included in this annual report.

The Board of Directors has the opinion that the Company's overall internal control system is adequacy and be assured that the financial reports of the Company for the year ended December 31, 2014 are accurate and fairly stated, as well as in the compliance with the relevant laws and regulations.

(Lieutenant General Preecha Wanarat)

Chairman

(Mr. Pete Rimchala)

Managing Director



Audit Committee's Report

The Company's Audit Committee consists of the 3 independent directors in accordance with the qualification and rules stipulated by The Stock Exchange of Thailand are as following:

- | | |
|---------------------------------------|---------------------------------|
| 1. Lieutenant General Preecha Wanarat | Chairman of the Audit Committee |
| 2. Mr. Narong Rattana | Audit Committee |
| 3. Mrs. Chollada Fuvatanasilp | Audit Committee |

Mrs. Chollada Fuvatanasilp, member of the Committee who possesses knowledge and experience in the accounting field. All of the Audit Committee members do not have any vested interest in the Company. Neither are they shareholders, management, staffs, and employees of the Company.

The Audit Committee has performed its duties within scope of work authorized by the Company's Board of Directors. Its primary responsibilities have been to conduct a review in order that the Company has a financial report that is correct and transparent, to review that the Company has good corporate governance in line with the corporate governance principles. In this regard, the Audit Committee conducted 4 meetings in 2012, the content of which can be summarized as follow:

- 1. The Accuracy of Financial Statement:** The Audit Committee reviewed and provided independent opinions in respect of the quarterly and yearly financial statements prior to submission to the Company's Board of Directors for approval. A meeting with the Company's authorized financial auditor was set in order to propose clarification, observations, and recommendation. The Audit Committee had an opinion that the Company's financial statements are accurate, complete and reliable.
- 2. The Adequacy of Internal Control System:** The Audit Committee evaluated the adequacy of the Company's internal control system including the review of the internal audit report and had an opinion that the Company's internal control system is adequate and appropriate.
- 3. Corporate Governance:** The Audit Committee had an opinion that the Company complies with the principles of good corporate governance adequately and appropriately. The Audit Committee intends to perform its duty under the good corporate governance conducts and be responsible to monitor that the Company's operations and activities follow the policy of the Board of Directors on the efficient transparent and legitimate manner, and to protect the interest of all shareholders with good care and fair treatment.
- 4. Transaction that may have Potential Conflict of Interest:** The Audit Committee considered the related transactions or transaction which may have potential conflict of interest every quarter and had opinion that the related transactions for the year of 2014 were in the ordinary business condition, reasonable and most beneficial to the Company.
- 5. The Appropriateness of Auditor:** The Audit Committee made the selection of auditor by considering the independence and appropriateness of auditor and their remuneration. A resolution was made and proposed to the Company's Board of Directors for approval and to be certified by the annual general meeting of shareholders.

(Lieutenant General Preecha Wanarat)
Chairman of the Audit Committee

Attachment 1

Information of the Company's Directors and Executives



Information of the Company's Directors and Executives

(1) Lt. Preecha Wanarat

Position held	Chairman of the Board / Chairman of Audit Committee / Chairman of Nomination and Remuneration Committee / Independent Director		
Education Background	<ul style="list-style-type: none"> - Master of Arts (Military Science), Royal Thai Army Command and General Staff College - Bachelor of Science, Chulachomklao Royal Military Academy 		
Certificate Programs	Director Accreditation Program (DAP) from Thai IOD		
Work experience (within the last 5 years)	2012 – 2014	Independent Director / Audit Committee	IRPC Public Co., Ltd.
	2008 – Present	Chairman of Board of Directors/ Chairman of Audit Committee / Independent Director	Halcyon Technology Public Co., Ltd.
	2006 – Present	President	Aiyapura Resort & Spa World Residence Natural Beach Resort Co., Ltd.

(2) Mrs. Chollada Fuvatanasilp

Position held	Director / Audit Committee / Nomination and Remuneration Committee / Independent Director		
Education Background	<ul style="list-style-type: none"> - Master Degree of Political Science (MPA) , National Institute of Development Administration (NIDA) - LL.B , SukhothaiThammarat University - Bachelor Degree of Law (Accounting) (BBA), Ramkhamhaeng University 		
Certificate Programs	Director Certification Program (DCP) from Thai IOD		
Work experience (within the last 5 years)	2010 – Present	Director	Federation of Accounting Professions
	2010 – Present	Tax Committee	Board of Trade of Thailand
	2008 – Present	Director / Audit Committee / Independent Director	Halcyon Technology Public Co., Ltd.
	2007 – Present	VP. – Tax Department	PTT Public Co., Ltd.

(3) Mr. Narong Rattana

Position held	Director / Audit Committee / Independent Director		
Education Background	<ul style="list-style-type: none"> - The Master's Degree of Engineering, Urban Transportation Planning, Villanova University, USA - The Bachelor's Degree of Engineering, Chulalongkorn University 		
Certificate Programs	Director Accreditation Program (DAP) from Thai IOD		



Work experience (within the last 5 years)	2009 – Present	Independent Director	Thai Nondesctructive Testing Public Co., Ltd.
	2008 – Present	Director / Audit Committee / Independent Director	Halcyon Technology Public Co., Ltd.
	2008 – Present	Advisor, Senior Executive Program	Office of the Civil Service Commission (OCSC)
	2004 – Present	Director	High Quality Semens Co., Ltd.
	2004 – Present	Director	Thai – German Institute
	2004 – Present	Consultant	Mittraphap Product Public Co., Ltd.

(4) Mr. Pete Rimchala

Position held	Director / Nomination and Remuneration Committee / Managing Director		
Education Background	- Faculty of Technical Education and Science in Mechanical Engineering, King Mongkut's Institute of Technology North Bangkok		
Certificate Programs	- Director Accreditation Program (DAP) from Thai IOD - Financial Management for Executives from Chulalongkorn University		
Work experience (within the last 5 years)	2014 – Present	Director	Halcyon Technology Vietnam Co., Ltd.
	2013 – Present	Director	Halcyon Technology Singapore Pte. Ltd.
	2012 – Present	Director	FDM Technology Co., Ltd.
	2011 – Present	Nomination and Remuneration Committee	Halcyon Technology Public Co., Ltd.
	2011 – Present	Director	Atek Precision Tools Inc.
	2010 – Present	Director	Halcyon Technology (Philippines) Inc.
	2010 – 2012	Director	Haltek Co., Ltd.
	2002 – Present	Managing Director	Halcyon Technology Public Co., Ltd.
	1993 - Present	Managing Director	Halcyon Metal Co., Ltd.

(5) Mr. Chua Cheng Khuan

Position held	Director / Senior Executive Vice President		
Education Background	Precision Machining, Singapore Technical Institute		
Certificate Programs	- Director Accreditation Program (DAP) from Thai IOD		
Work experience (within the last 5 years)	2013 - Present	Director	Halcyon Technology (M) Sdn. Bhd.
	2013 - Present	Director	Halcyon Technology Singapore Pte. Ltd.
	2012 - Present	Director	FDM Technology Co., Ltd.
	2011 - Present	Director	Atek Precision Tools Inc.
	2010 - Present	Director	Halcyon Technology (Philippines) Inc.



	2010 – 2012	Director	Haltek Co., Ltd.
	2008 – Present	Senior Executive Vice President	Halcyon Technology Public Co., Ltd.

(6) Mr. Norawee Changlum

Position held	Director / Executive Vice President		
Education	- Master of Business Management, Bangkok University		
Background	- Bachelor of Art (Communication Design Arts), Bangkok University		
Certificate Programs	- Director Accreditation Program (DAP) from Thai IOD - Financial Management for Executives from Chulalongkorn University - Certificate Program for Thai Company Secretary		
Work experience (within the last 5 years)	2012 – Present	Director	FDM Technology Co., Ltd.
	2010 – Present	Director	Halcyon Metal Co., Ltd.
	2010 – Present	Director and Company Secretary	Halcyon Technology Public Co., Ltd.
	2008 – Present	Executive Vice President	Halcyon Technology Public Co., Ltd.

(7) Mr. Soraj Sutanadhan

Position held	Director		
Education	- Master of Information Systems, New Jersey Institute of Technology		
Background	- Faculty of Engineering, Chulalongkorn University		
Certificate Programs	- Director Accreditation Program (DAP) from Thai IOD - Financial Management for Executives from Chulalongkorn University		
Work experience (within the last 5 years)	2014 – Present	Director	Atek Precision Tools Inc.
	2014 – Present	Director	Halcyon Technology (Philippines) Inc.
	2013 – Present	Director	Halcyon Technology Public Co., Ltd.
	2010 – Present	Director	Halcyon Metal Co., Ltd.
	2010 – 2010	General Manager	Halcyon Metal Co., Ltd.
	2008 – 2010	Purchasing Manager	Halcyon Metal Co., Ltd.

(8) Ms. Sasipimol Wasuwat

Position held	Executive Vice President / Finance Manager		
Education Background	- Bachelor of Business Management (Accounting), Rajamangala Institute of Technology Phra Nakhon		
Work experience (within the last 5 years)	2011 – Present	Executive Vice President	Halcyon Technology Public Co., Ltd.
	2010 – 2011	Finance Manager	Halcyon Technology Public Co., Ltd.
	2008 – 2011	Accounting Manager	Halcyon Technology Public Co., Ltd.
	2008 - Present	Finance & Accounting Manager	Halcyon Metal Co., Ltd.

Attachment 2

List of Directors of Subsidiaries



List of Directors of Subsidiaries

Halcyon Metal Co., Ltd.

Halcyon Metal Co., Ltd. has 3 directors as follows:

- | | |
|-------------------------|-------------------------------------|
| 1. Mr. Pete Rimchala | Director / Managing Director |
| 2. Mr. Soraj Sutanadhan | Director / Executive Vice President |
| 3. Mr. Norawee Changlum | Director |

FDM Technology Co., Ltd.

FDM Technology Co., Ltd. has 5 directors as follows:

- | | |
|--------------------------------|------------------------------|
| 1. Mr. Suwan Aramwatanapong | Director / Managing Director |
| 2. Mr. Rattipat Aramwatanapong | Director |
| 3. Mr. Pete Rimchala | Director |
| 4. Mr. Chua Cheng Khuan | Director |
| 5. Mr. Norawee Changlum | Director |

Halcyon Technology (Philippines) Inc.

Halcyon Technology (Philippines) Inc. has 5 directors as follows:

- | | |
|--------------------------------|------------------------------|
| 1. Mr. Pete Rimchala | Chairman of the Board |
| 2. Mr. Hamilcar Azarias | Director / Managing Director |
| 3. Mr. Chua Cheng Khuan | Director |
| 4. Mr. Rattipat Aramwatanapong | Director |
| 5. Mr. Soraj Sutanadhan | Director |

ATEK Precision Tools Inc.

ATEK Precision Tools Inc. has 4 directors as follows:

- | | |
|-------------------------|------------------------------|
| 1. Mr. Pete Rimchala | Chairman of the Board |
| 2. Mr. Hamilcar Azarias | Director / Managing Director |
| 3. Mr. Chua Cheng Khuan | Director |
| 4. Mr. Soraj Sutanadhan | Director |

Halcyon Technology Singapore Pte. Ltd.

Halcyon Technology Singapore Pte. Ltd. has 3 directors as follows:

- | | |
|-------------------------|------------------------------|
| 1. Mr. Tian Shan Hsiang | Director / Managing Director |
| 2. Mr. Pete Rimchala | Director |
| 3. Mr. Chua Cheng Khuan | Director |



Halcyon Technology (M) Sdn. Bhd.

Halcyon Technology (M) Sdn. Bhd. has 3 directors as follows:

- | | |
|--------------------------------|------------------------------|
| 1. Mr. Chen Wai Leong | Director / Managing Director |
| 2. Mr. Chua Cheng Khuan | Director |
| 3. Mr. Rattipat Aramwatanapong | Director |

Halcyon Technology Vietnam Co., Ltd.

Halcyon Technology Vietnam Co., Ltd. has 3 directors as follows:

- | | |
|--------------------------------|------------------------------|
| 1. Mr. Wong Kean Huat | Director / Managing Director |
| 2. Mr. Pete Rimchala | Director |
| 3. Mr. Rattipat Aramwatanapong | Director |

Attachment 3

Financial Statements for the year 2014



Information Regarding the Financial Statements

The Financial Statements as of 31 December 2014 was reviewed by Mrs. Chintana Techamontrikul, CPA License No. 5131 from C&A Audit Office Co., Ltd., who was agreed that the financial statements of the Company shows the balance sheet and statement of income correctly according to general accounting practices. The auditor's remunerations for the year 2014 are as follows:

Auditor's Remunerations	Amount (baht)
Audit fee for the Company	1,000,000
Audit fees for subsidiaries in Thailand	
- Halcyon Metal Co., Ltd.	600,000
- FDM Technology Co., Ltd.	370,000
Fees for BOI Statement Review	
- Halcyon Technology Public Co., Ltd.	40,000
- Halcyon Metal Co., Ltd.	40,000
Transportation Fees	
- Halcyon Technology Public Co., Ltd.	46,400
- Halcyon Metal Co., Ltd.	4,800
- FDM Technology Co., Ltd	2,000

Shareholders can learn more about the listed company from Form 56-1 at www.sec.or.th
or the Company's website at www.halcyon.co.th