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Vision

We endeavor to remain one of the leading quality ophthalmic lens manufacturers among the global supply, in terms of profitability, innovation, value creation, growth for stakeholders and social responsibility.

Mission

We dedicate to:

- We provide complete solutions of vision correction products and services at effective cost and international standard quality.
- We strive to enhance benefits to all stakeholders including: social responsibility and environmental aspects.



Financial Highlights

1. Operating Results of the Company and its Subsidiary (million Baht)

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
		(Revised)			(Revised)	
Total Revenue	1,690.85	1,579.11	1,167.20	1,149.38	1,127.51	878.14
EBITDA	337.68	218.86	71.98	135.41	25.70	(38.50)
Net Profit (Loss)	154.21	152.51	(65.87)	116.11	108.71	(19.21)

2. Statement of Financial Position of the Company and its Subsidiary (million Baht)

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
		(Revised)			(Revised)	
Total Assets	2,022.28	2,084.44	1,877.50	1,527.36	1,595.26	1,457.38
Total Liability	357.65	467.26	364.85	226.05	303.30	229.90
Shareholders' Equity	1,664.63	1,617.18	1,512.65	1,303.30	1,291.95	1,227.48
Paid-up Shares at the end of the year (Million shares)	473.28	472.28	471.10	473.28	472.28	471.10

3. Financial Ratios and Operation Efficiency (%)

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
		(Revised)			(Revised)	
EBITDA	19.97	13.86	6.17	11.78	2.28	(4.38)
Net Profit (Loss) Margin	9.46	10.65	(5.81)	11.32	11.79	(2.53)
Return on Shareholders' Equity	9.39	9.75	(4.19)	8.95	8.63	(1.51)
Return on Total Assets	9.77	10.45	(2.22)	8.42	8.50	(1.03)
Ratio of Liability to Capital (Times)	0.21	0.29	0.24	0.17	0.23	0.19

4. Share Information

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
		(Revised)			(Revised)	
Earnings (Loss) per Share (Baht)	0.33	0.32	(0.14)	0.25	0.23	(0.04)
Book Value per Share (Baht)	3.52	3.43	3.22	2.75	2.74	2.61
Weighted Average Number of Shares Issued (million shares)	472.89	471.68	470.47	472.89	471.68	470.47

Message from the Chairman

Dear Shareholders,

The year 2013 was another year of Thai Optical Group Public Company Limited (the Company) and the Subsidiary company that could generate growth of revenue and profit in regard to the plan. The Company had increased abroad customer base as well as maintaining the existing customers including acquiring new customers. In addition, the Company had joint venture projects in establishing laboratory to manufacture Rx lenses in foreign countries such as Malaysia, Singapore and Vietnam that was supporting for Thailand entering to ASEAN Economic Community (AEC) in the year 2015, together with developing new lens products to launch to market continuously.

Performance

In the year 2013, the Company's Net Profit was 154 million Baht, increased by 1.12 % as compared to operating results of the year 2012 or equivalent to 1.70 million Baht (the year 2012, net profit of 152.51 million Baht had included the compensation of property damage due to flooding of 123.25 million Baht), which results had reflected the ability to maintain growth continuously in accordance with five years plan of the Company, as a result the Company is able to consistently pay dividend to shareholders. Referring to the operating profit of the year 2013, the Company had paid dividend amounting to 118.44 million Baht or 0.25 Baht per share.

For future investment, the Company has planned to increase laboratory for producing Rx Lenses in the ASEAN countries by joint venture with business partners. Moreover, the Company plans to purchase more machines for increasing production efficiency including, reduce production cost in line with business expansion as well as focusing on development of new product continuously. The latest innovation product of the Company is High Impact Resistant Lens with ultra thin - Tribid which had been developed from High Impact Resistant Lens-Trivex.

Corporate Governance and Corporate Social Responsibility

The Board of Directors recognizes the importance of monitoring good Corporate governance, Environmental, Social responsibility to all stakeholders. In the year 2013, the Company had been awarded by various institutes such as the SET Award 2013 for "The Best Investor Relations" in two consecutive years (2012 and 2013), "The Best Corporate Social Responsibility" from SET Awards 2013, "the Rising Star" and "General" Awards from the announcement of CSRI Recognition award in two consecutive years (2012 and 2013) ,and was evaluated as "Excellent" grade from the assessment project of the Annual General Meeting of Shareholders for the year 2011, 2012 and 2013 (in three consecutive years).

The Company's Board of Directors and the Management team are adhered to conduct business under the principles of good corporate governance, constancy, transparency, ethics with environmental and corporate social responsibility in conformity with the guidelines and framework of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (S.E.C.) which shareholders, customers, employees ,business partners and all stakeholders can be assured and trusted in effectiveness and highly transparency management system of the Company and the Subsidiary company.

I, on behalf of the Board of Directors and the Management team of the Company and the Subsidiary company, would like to thank to our customers, business partners, shareholders, employees and all those involved who are the major force in contributing the success and growth continuously as well as financial institutions that have the confidence and support financial operations to the Company continuously all along.



(Mr. Sawang Prachartam)
The Chairman

TOG Information: The Company, Subsidiary Company and Associated Company

Information of the Company		Associated Company	
Company's name	: Thai Optical Group Public Company Limited (TOG)	Company's name	: M VISION OPTICAL PTE. LTD. (M-Vision)
Type of business	: Manufacturer and Distributor of Organic lenses	Type of business	: Manufacturer and Distributor of Prescription Lenses (Rx Lenses)
Head Office	: 15/5 Moo 6, Bangbuathong-Suphanburi Road, Laharn, Bangbuathong, Nonthaburi (11110) - Thailand	Head Office	: 60 Robinson Road #12-01 Bea Building, Singapore 068892
Telephone	: (662) 194 1145 to 6 (662) 925 5518 to 9	Telephone	: +65 6222 1079
Facsimile	: (662) 925 5710	Facsimile	: +65 6827 5198
	<u>Sales and Customer Services</u>	Registration No	: 201004338 W
Branches	: 77/141-142, 33rd Floor, Sinn Sathorn Tower, Krungthonburi Road, Klongtongsai, Klongsan, Bangkok (10600) - Thailand	Paid-up capital	: 4,000,000 SGD
		The proportion of the investment	: 1,320,000 SGD (33%)
Telephone	: (662) 440 0506 to 7	Company's name	: Vietnam Visibility Target Company Limited (Vina Vista)
Facsimile	: (662) 862 0701 to 2 (662) 862 0705	Type of business	: Manufacturer and Distributor of Prescription Lenses (Rx Lenses)
Registration No.	: 0107547000044	Head Office	: 9th Floor, Room 9.7A, Etown Building 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC, Viet Nam
Registered capital	: 475,000,000 Baht	Telephone	: +84 902 398 828
Paid-up capital	: 474,318,000 Baht (as at February 3, 2014)	Facsimile	: +84 838 134 950
Website	: www.thaiopticalgroup.com	Registration No	: 411022000664
		Paid-up capital	: 1,200,000 USD
		The proportion of the investment	: 350,000 USD (29.17%)
Subsidiary Company		References	
Company's name	: Thai Optical Company Limited (TOC)	Audit Office	: Ernst & Young Office Limited 33rd Floor, Lake Rachada Office Complex 193/136-137 Rachadapisek Road, Klongtoey, Klongtoey, Bangkok (10110) Thailand
Type of business	: Manufacturer and Distributor of mineral optical lenses, plastic optical lenses and glass molds	Telephone	: (662) 264-0777
Head Office	: 83 Moo 2, Ngarmwongwarn Road, Muang District, Bangkok, Nonthaburi (11000) - Thailand	Facsimile	: (662) 264-0789 to 90
Telephone	: (662) 952 6429 to 31	Registrar	: Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Klongtoey, Bangkok (10110) - Thailand
Facsimile	: (662) 952 5488	Telephone	: (662) 229-2800, (662) 654-5599
	<u>Sales and Customer services</u>	Facsimile	: (662) 359-1259
Branches	: 77/141-142, 33rd Floor, Sinn Sathorn Tower, Krungthonburi Road, Klongtongsai, Klongsan, Bangkok (10600) - Thailand		
Telephone	: (662) 440 0506 to 7		
Facsimile	: (662) 862 0705		
	<u>Production</u>		
	: 61/2 Moo 5, Bangbuathong-Suphanburi Road, Laharn, Bangbuathong, Nonthaburi (11110) - Thailand		
Telephone	: (662) 194 1126 to 30		
Facsimile	: (662) 925 5290		
Registration No.	: 0105505002039		
Paid-up capital	: 130,000,000 Baht		
Website	: www.thaiopticalgroup.com		

Nature of Business

Thai Optical Group Public Company Limited (the Company) or TOG was originally established under the name “Thai Polymer Lens Company Limited” on March 8, 1991 by the Prachartam family to produce organic lenses, to complement the existing production line of Thai Optical Company Limited (the Subsidiary Company) or TOC, mineral lenses manufacturer for more than 50 years. The Company’s products are widespread distributed in domestic market in Thailand and are exported to numerous countries around the world. TOG is located at 15/5 Moo 6, Bangbuathong-Suphanburi Rd., Laharn, Bangbuathong, Nonthaburi - Thailand, in the area of 25 Rai. For TOC, its factory consists of 2 sites; the first site located on Ngarmwongworn Road with the area of 2 Rai for manufacturing Glass Molds and Mineral Lenses and the second site located on Bangbuathong-Suphanburi Road with the area of 13 Rai for manufacturing Organic Lenses and Prescription Lenses or Rx Lenses.

In the year 2012, TOG still committed to be a leading manufacturer of optical lenses in the world-class quality standards together with continuously developing new products. TOG has succeeded in producing High-impact resistant lenses and ultra slim type which makes TOG is known as the first manufacturer to produce this kind of lenses, the product is called “Tribriid”.

Since TOG is the manufacturer for exporting around the world and the main export markets are European countries and the United States so TOG management has focused to acquire new customers in Asia and Australia for risk management. In the year 2014, TOG has set its goal in increasing the proportion of its business in Asia, Australia and New Zealand up to 50% of total sales by applying strategy to establish more laboratories to produce Prescription lenses (RX Lenses) in ASEAN countries in term of joint venture with business partners, the Company has plans to purchase more machines to increase production efficiency and reduce production costs in line with the business expansion as well as focusing on developing new products continuously.

At present, the amount of registered capital of the Company is 475 million Baht, which the paid-up capital is 474.32 million Baht (as at February 3, 2014), and the remains unpaid of 0.682 million Baht are the unexercised rights to purchase ordinary share of the Company on ESOP Program to its employee.

TOG Milestones in Ophthalmic Lenses Business

B.C.	History
1951	Started to open optical shop
1962	TOC - The first Mineral Lenses factory in Thailand was established.
1963	Exported Mineral Lenses to Asia and Europe.
1973	Installation Prescription Lenses system (RX)
1981	The prototype of CR39 Lenses manufacturing was started.
1991	TOG was established as expand branch to increase the production line of CR39.
1998	Experimentation and development the processes of Photochromic Lenses production.
2002	Experimentation and development the processes of High Refractive Index Lenses and High Impact Resistant Lenses production.
2006	Issued shares for initial Public Offering and had the first trading day on May 16, 2006.
2007	Experimentation and development the processes of High Refractive Index Lenses.
2008	Increased its capital for 68,750,000 shares and offered to Specsavers Asia Pacific Holdings Limited and 6,250,000 shares, is the reservation of 6,250,000 units for supporting the rights to exercise warrants under ESOP: Total 75,000,000 shares.
2010	1. Started to use the 'Lean' concept in manufacturing' system. 2. Joint Venture with Singapore & Malaysia to expand the market. 3. Invested to produce Freeform Lenses. 4. Additional investment in CR 39 production.
2011	Launched the new product "Tribid" Lenses.
2012	New products "Tribid" and received the certificate of International Quality Standard ISO 140001.

The Company and its Subsidiary Company manufacture and distribute optical lenses which products can be divided into 4 groups according to product types as follows:

1. Organic lenses: sub-divided into 4 categories according to the raw materials:
 - 1.1 CR-39 Lenses
 - 1.2 Photochromic Lenses
 - 1.3 High Index Lenses
 - 1.4 High Impact Resistant Lenses
2. Mineral Lenses
3. Prescription Lenses or Rx Lenses
4. Other products and services such as Glass Mold used in casting process, other trading lenses and hard coating lenses and anti reflected multi coating lenses.

The Company and its Subsidiary Company distribute to wholesalers both domestic and foreign countries on an "OEM" (Original Equipment Manufacturer) basis, and also under the Company's own brand called "Excelite™".

Product Characteristics

1. Organic Lenses

Organic lens is produced from plastic materials which is categorized by types of monomers as follows:

- 1.1 CR-39 -The lens is made of Monomer with trade names as CR-39 and has the refractive index (Index) of 1.498. At present, it has been used in common as general organic lenses which both the Company and the subsidiary company had manufactured this organic lenses lens as generic products.
- 1.2 Photochromic Lenses -plastic whose tint adapts to the changing of light conditions, becoming darker in brighter conditions and clearing once in more reduced lighting conditions.
- 1.3 High Index Lenses -more aesthetically pleasing lenses, as thickness is greatly reduced; this lens is light and therefore suitable for extreme myopia or hypermetropia, which will ordinarily require very thick lenses.
- 1.4 High Impact Resistant Lenses -with its lightness, thinness and high tensile strength, lenses of this type offer maximum safety and protection to children and adults with active lifestyles. It is also suited to rimless frames. According to U.S. Food and Drug Administration which has set the regulations for those children under the age of eighteen to use the impact resistant lenses but if parents' intention deny to use this kind of lenses for their children then, they have to sign a Limitation of Liability Letter with Optical/Eyewear shop. Moreover, several countries in European zone have prepared to launch the same regulation that children have to use high Impact-resistant lenses. The company's High Impact Resistant Lenses made from Monomer under the trade name of "TrivexTM"

At present, there are only 3 manufacturers in global who produced this kind of lenses, which are TOG, a Japanese Company and an American Company. Japanese and American companies could only produce and distribute semi-finished lenses which have to grind again to match with personal eyesight while the Company is the only one independent manufacturer which can produce High Impact Resistant Lenses from "TrivexTM" both in Finished and Semi-Finished Lenses form.

The end products of organic lenses are produced in 2 types:

- **Semi-Finish Lenses** : are optical lenses with standard outer surface curves. Customers must have their own Rx Lab for grinding to adjust the inner surface to get eyesight which match with customers' requirement.
- **Finished Lenses**: are optical lenses with standard curves on both outer and inner surfaces that can be promptly mounted on the frame as required. Finished lenses are available both with and without surface treatment coatings which is considered as Value Added product.

The coated lenses are available as follows:

- ◆ **Hard coated**, a scratch resistant finished lenses with chemical coating on optical surface.
- ◆ **Multi-coated**, the anti-reflection finished lenses which add extra qualification by coated Chemical on optical surface that reduce the light reflecting, also known as "Hard-Multicoated".

- ◆ **Water Repellent Coated**, it is finished lenses which is added extra qualification by coated Chemical on optical surface with the quality in repelling water. If there is the mist of water on the surface then it will be wiped off with ease.

There are also 3 other categories of lenses according to the usage types:

- **Single Vision Lenses:**

An optical lens for correcting either myopia or presbyopia, including oblique astigmatism correction. The standard single vision lenses ranges from ± 0.25 to ± 6.00 and/or oblique from -0.25 to -2.00 at every 0.25 steps, which means the single vision lens can be divided into 384 items depending on the ratio of visual correction.

- **Bifocal Lenses:**

An optical lens with 2 different focal lengths normally used by elderly people who have problems with far and near/reading distance vision. This kind of lenses demands advanced technology to assemble the 2 sections of lenses. Once assembled the two zones are appeared visibly marked on the lens.

- **Progressive Lenses:**

This type of lens (also known as "Progressive Addition Lenses" (or PAL)) provides a similar function as Bifocal lenses for presbyopia, but with highly advanced technology, its curve is designed to continuously adjust to the viewing of different distances with no visible markings on the finished product, so that the appearance of progressive lenses is similar to that of a single vision lenses.

2. Mineral Lenses

The mineral lens is made primarily of glass by grinding both inner and outer surfaces of the glass blank to achieve the necessary curve. Mineral lenses can be divided into 4 categories:

- 2.1 Mineral 1.523 - the most commonly used glass lens with index at 1.523
- 2.2 High Index Mineral 1.6 - the special component mineral lenses which have index at 1.6 which are higher and Thinner, lighter weight than general lenses. This kind of lens is suite with abnormal eyesight such as high myopia or high presbyopia.
- 2.3 High Index Mineral Extra 1.7- the special component mineral lenses which have index at 1.7 which is the highest index lenses, causing to produce mineral lenses with thin and light weight.

The end products of mineral lenses are delivered in 2 forms:

- Semi-Finished Lenses
- Finished Lenses

Finished Lenses are available both with and without surface treatment Multicoated which are value added product.

There are also 3 other categories of lenses derived by functional usage as follows:

- Single Vision Lenses
- Bifocal Lenses
- Progressive Lenses

In the Global market, Mineral Lenses have trended to decrease in demand and the production and distribution of Mineral Lenses in subcategory, do not have much value. As a result, the company and its subsidiaries company do not separate revenue structure and aggregate all categories of Mineral Lenses into one group. Hence, Mineral Lenses are totally produced by the subsidiary company.

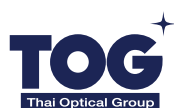
3. Prescription / Rx Lenses

Prescription Lenses or Rx Lenses are value added products of both the Company and its Subsidiary. This type of lens is made by grinding semi-finished organic or mineral lenses to the specific needs of customers (tailor-made). Normally, buyers should grind the semi-finish Lenses by themselves but some foreign Customers of the subsidiary company have limitation to set up Rx Lab for grinding semi-finish Lenses because it is high cost of investment in machines and grinding equipments. Notwithstanding, professional employees have to employ and their salary are also high therefore buyers hire Lens Manufacturer to produce this kind of lens instead. Prescription Lenses are totally produced by the subsidiary company.

4. Other products and services

- Glass mold used in the process of casting organic lenses production consisting of 2 pieces of glass molds: the out front mold and the inner back mold which are ground with the specific required curves as designed for each type of specific lenses conformed with the types of raw materials being produced. Moreover, the Subsidiary Company had exported its glass mold since 2004.
- Trading Goods purchased for resale, which are raw materials, consuming materials and other Lens products.
- Surface treatments of hard coatings and anti-reflection coating service for organic lenses.

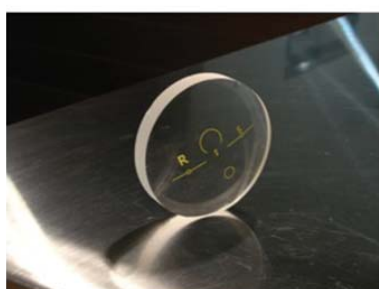
The main products and services of the Company, the Subsidiary Company and Associated Company are summarized in the table below:



The Company	The Subsidiary Company
Organic lenses (CR-39)	Organic lenses (CR-39)
Photochromic Lenses	Mineral Lenses
High Index Lenses	Prescription or Rx Lenses
High Impact Resistant Lenses	Glass Mold
Hard Coated and Anti-reflection Coated Services	Hard Coated and Anti-reflection Coated Services



The Associated Company	The Associated Company
Organic lenses (CR-39)	Organic lenses (CR-39)
Prescription /RX Lenses	Prescription /RX Lenses



Revenue Structure

Revenue structure of the Company and the Subsidiary company can be distinguished by product types as shown in the table below:

Product Types by Value		Manufacturer	Consolidated 2013 (%)	Consolidated 2012 (%)	Consolidated 2011 (%)
1.	Standard Lenses	The Company & Sub. Company	36.06	37.13	41.99
2.	Value-added Lenses*	The Company	27.31	30.76	28.35
3.	Rx /Prescription Lenses	Sub. Company	30.36	25.32	21.89
4.	Mineral Lenses	The Company & Sub. Company	6.27	6.79	7.77
Total			100	100	100

Product Types by Amount		Manufacturer	Consolidated 2013 (%)	Consolidated 2012 (%)	Consolidated 2011 (%)
1.	Standard Lenses	The Company & Sub. Company	71.73	78.04	82.77
2.	Value-added Lenses*	The Company	12.76	14.64	9.68
3.	Rx /Prescription Lenses	Sub. Company	6.47	5.62	4.22
4.	Mineral Lenses	The Company & Sub. Company	9.04	1.70	3.32
Other Products and Services					
Total			100	100	100

* Value-added Lenses consist of High Refractive Index Lenses, Photochromic Lenses and High Impact Resistant Lenses.



Industrial Conditions and Competitions

The volume of lenses exported from Thailand to foreign countries is as follows. (Data from, the Customs Department of Thailand, as at December 31, 2013).

	Year 2013	Year 2012	Change increase/ (decrease) (%)
Value (million Baht)			
Optical Plastic Lenses	26,440	20,802	27.11
Optical Glass Lenses	96	94	2.13
Volume (million Piece)			
Optical Plastic Lenses	193	171	12.87
Optical Glass Lenses	0.98	1.07	(8.42)
Average Price (Baht /Piece)			
Optical Plastic Lenses	137	121	13.23
Optical Glass Lenses	98	88	11.37

Investment trends and Market expansion.

In the year 2013, economic in Europe and the United States had started to be recovered, resulting exports statistics of the lens industry be better than the year 2012, since Europe and the United States were the major consumer market. In addition, the depreciation in value of Thai Baht during the second half of the year had benefit to the income of the Company to be increased as well. However, the Company focuses on Prescription/Rx lenses group as this market is more likely to be expanded due to the rising of the age of population in the world year by year so the Company has invested in Prescription/ Rx lenses machines for producing and serving on time service to customers. At the same time, the product quality of optical lenses is also the Company's concern for delivery the best product that suited the trust of customers consistently. As a result, the Company has invested to support Research & Development that will develop products of more various types of lenses to meet the need of consumers in the optical lens market and to meet TOG's plan in expanding its business by increase market share of its business in ASEAN country, Australia and New Zealand to 50 percent of sales.

Policy and the Nature of Marketing

1. Competitive Strategy

The Company and its Subsidiary do not focus on pricing competition but concentrate on awareness of price effectiveness to quality which will ensure the satisfaction of customers with the Company's products. Also, the Company uses three main key strategies of the competition which are the quality of products and services and completely providing variety of products in optical lenses which can be summarized as follows:

- **Quality of Products**

The utmost important strategy of The Company and its Subsidiary are to manufacture quality products. Every step of production is strictly controlled by a quality control.

Every lens is inspected for quality of visual index, thickness, color and free of any imperfection. Every batch of products is produced with the same high standard, ensuring quality and long shelf life that customers can rely on, resulting in long term customer relationship. At the same time, the Company and its Subsidiary can use this focus on quality to develop relationship with premium customers and acquire new customers who demand high quality products. The Company and its Subsidiary's factory have recently received ISO 14001 by TUV CERT in the production standard, and all products are certified under international standards of U.S. Food and Drug Administration and the European Union which can be sold worldwide.

- **Services**

By maintaining a good production plan and product inventory, the Company and its Subsidiary are able to supply large customers' orders and makes delivery on time. The Company and its Subsidiary provide information on the Internet via the Company's website as well as E-mail contact. The Company and its Subsidiary accept all of customers' opinion in order to develop and improve products and services, including with providing more other products to meet customer's needs. This service is provided for every customer and is account for the important strategy which can bring customers satisfaction towards the Company and its Subsidiary.

- **Products Category**

The Company and its Subsidiary provide variety of products covering all types of optical lenses needed in the market including Prescription Lenses (Rx lenses) which is not produced by any independent optical manufacturers. The Company and its Subsidiary are the sole manufacturers who have the capability to produce all type of products in-house. With the "One Stop Shop" service, customers can get convenience and save their budget as well as control their orders easily. This strategy makes the Company and its Subsidiary prevails over other competitors. The Company had launched a new product named " Tribrid " : a kind of high-impact lenses and thinness which TOG was the first manufacturer of this lenses in the world.

2. Target Customers

Target customers of the Company and its Subsidiary are wholesale distributors, group of large chain stores and finishing factories that use semi-finished lenses as raw materials. The target customers are customers who wish to market their own brands but do not have their own factories or any suppliers in their countries. The Company and its Subsidiary play the role of original equipment manufacturer that produce high quality lens under customers' brand names. These customers do not source their branded products from the major branded producers as they are considered as threat and competitors.

3. Channel of Distribution

The Company and its Subsidiary distribute products to both domestic and foreign markets, which can be summarized the proportion of revenue and services based on financial statements as follows:

Distribution	Consolidated financial statements 2013	Consolidated financial statements 2012	Consolidated financial statements 2011
Domestic	4.71%	6.30%	6.22%
Foreign	95.29%	93.70%	93.78%

Most of the domestic sales and services of the Company and its Subsidiary are made to a related company, Nam Silp Thai Co., Ltd., as the sole representative distributor in Thailand. The detail of connected transactions is shown in 'Note to Consolidated Financial Statement', in the Annual report.

For distribution channel of the Company in foreign market, a proportion in each region of the world is as follows;

Distribution	Consolidated financial statements 2013	Consolidated financial statements 2012	Consolidated financial statements 2011
European Union	78.15%	74.28%	67.96%
The United States	6.82%	9.09%	12.49%
Others	15.03%	16.63%	19.55%

The Company and its Subsidiary do not have any customer who holds more than 30% of total revenue gaining from product sales and services except the major shareholders of the Company which sale price is the market price and also is presented to the Audit Committee for approval at the beginning of each year.

Product Provision

1. Production

At present, the Company and its Subsidiary can produce lenses 300 days per year, working 1-2 shifts /day (8 hours per shift) which depend on production line and products delivery time. With the awareness of the capacity of the Company and its Subsidiary's machines to produce each type of products , the Company has moved the production line of Organic lenses(CR39) from the old place to the new 4-storey building and bring the Lean Manufacturing System for production management. At the same time, the Company is also aware of labor costs which will continue to rise so the Company has invested more automated machines to reduce labor shortages in the future. The old building has been modified to suit the production line with the customer's demand.

2. Raw materials

The Company and its Subsidiary use all raw materials purchasing from abroad. The price of raw materials does not depend on the fluctuation of oil price. In case that the prices of raw material have been changed, the suppliers will inform the case in advance, so that it will not affect the customer's production. From the past, the change in raw materials prices affected the cost of production a little.

Environment Impact

The Company and its Subsidiary have been carrying great awareness on the environmental impact, employee's health, and its neighboring premises. Enforcement being compelled for the production process, particularly to wear rubber gloves and boots, protective gown, and nose and mouth guards for hygiene and safety. In the factories, there are the installation of powder tracking device for the grinding process, and the waste-water treatment to eliminate refuse and sewage. The Company has been certified to qualify the standard sewage treatment from the Ministry of Industrial. Since establishing, The Company and its Subsidiary have never conducted any disputes or do receiving law suits in connection with the environmental issues.

In the year 2013, the Company has been awarded" the Best Corporate Social Responsibility"

(SET Awards 2013: CSR), which organized by the Stock Exchange of Thailand and Monetary and Banking magazine. And CSR-Recognition 2012 and 2013 Awards organized by Corporate Social Responsibility Institute (CSRI) under operation of The Stock Exchange of Thailand, Etc.

Research and Development

In Optical lenses industry, whenever the new material that suitable for producing lens is discovered, each manufacturer will bring that material to experiment and develop the production process with customized technology. The Company has the Research and Development Department that is responsible for experiment new technology and new material that changed accordingly to the market demand. After developing researches, some kind of thinness High-impact resistant lenses which named "Tribrid " has been launched to market.



Business Objectives and Future Plans

Thai Optical Group PCL.(the Company)and its Subsidiary Company are committed to continually produce optical lenses to the highest international quality standards, with attention to details in all areas of production. Moreover, by focusing on Research & Development as well as stringent controls and sound business practices, customers can be assured of the efficiency, cost-effectiveness and quality of the Company's products and services. The Company aims to maximize growth opportunities and enhance profitability to the benefit of shareholders and business partners, while optimizing its product offering, to suit all customers demand, meanwhile conduct social and environmental responsibility.

Future Plans

The Company realizes on the importance of producing quality products and follow standards deemed to be acceptable at the global level through the prime strategies includes the enhancement on potential and consistency to the business with the objectives of achieving extensive high returns that would yield long term benefits to the investors. Therefore the Company and its Subsidiary Company set business objectives as follows:

Marketing

- Increasing sales volume and market shares both domestically and globally especially in Asia and Australia by enhancing the quality and diversity of products such as the provision of optical services for customers in abroad, in connection with their prescription(Rx) lenses orders of the Subsidiary company. This can reflect an impressive and premium services as well as delivering the most convenient and rapid means to the customers.
- Build up profits by emphasizing efficient work force development as well as establishing an effective expenditure controlling system.
- Expanding Rx Lens Laboratories for fast delivery to customers.

Human Resource

Emphasize the continuity of human resource development by progressive training, and modification to become a learning organization in its professional fields.

Research and Development

- Focus on Research and Development in order to create new products to meet market demands as well as develops the quality of existing products of the Company.
- Emphasize value added products by increasing greater qualities to the high impact resistant lenses. The Company has been acknowledged to be the first Ophthalmic lenses manufacturer of High impact resistant lenses - Excellite TVX TM, in finished single vision, and Progressive lenses. The Company has jointed the agreement with Transitions Optical Inc., the world-leading producer of photochromic lenses, to add the quality to change color for 2 kinds of lenses, i.e. High impact resistance lenses and High index lenses. These lenses have their quality in being darken immediately when exposed to light, and can be

turned into clear lenses when they are in shade. Besides, they prevent 100% UV, both UV-A and UV-B and serve to prevent risk from the ultraviolet ray. Popular colors among customers are gray and brown.

- TOG has joined with PPG Industries which is a chemical manufacturing in the United States in launching super thin High-Impact Resistant Lenses (TRIBRID). TRIBRID material was developed with advanced technology by hybrid combination that a research in the optical lens production process with this material had been studied for more than one year. In addition, the lens had been launched on October, 2011 at International Eyewear Exhibition (SILMO)-Paris, France and International Eyewear Exhibition (MIDO)-Italy which had received high interest from optical wholesalers in various countries

Corporate Social and Environmental Responsibility

- Maintain standard procedures of efficient operations in accordance with the international standard of ISO 9001: 2008 and ISO 9002: 1994 certified by TUV CERT in order to enhance its capability in the global market competition.
- Maintain and Develop in accordance with ISO 14001 certification.
- Continuing to implement the Corporate Social Responsibility (CSR) and CSR-DIW 2012 both inside and outside organization.

(See more: The Company Policy and Report regarding to Social Responsibility (CSR))





iCSR REPORT

Thai Optical Group Public Company Limited

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This report prepared for use in the development listed companies of Corporate Social Responsibility Report Project as well guidelines for preparation of Corporate Social Responsibility Report (CSR Report) based on reporting framework for CSR report standard or Integrated CSR Report (iCSR) and the report was not mandatory for listed companies.

Message from the Chairman

Corporate Governance and Corporate Social Responsibility

Throughout the past years, Thai Optical Group PCL. and its subsidiaries (the Company) recognized the importance of developing products and services of the Company by promoting the development of good corporate governance and social responsibility within the organization and other stakeholders. As a result of collaboration with all sectors, the Company had been ranked for the good Corporate Governance level in 4 stars with Top Quartile in the year 2012 and 2013 from The Thai Institute of Directors Association (IOD). In addition, the year 2012 and 2013 the Company had been awarded "SET Awards" of the Best and Outstanding Investor Relations and the Best of Corporate Social Responsibility that organized by the Stock Exchange of Thailand and Money and Banking Magazine, as well as being awarded in the field of good Corporate Social Responsibility for the year 2012 and 2013 from Corporate Social Responsibility Institute (CSRI), etc.

The Company continues to enhance its performance and business operations with social responsibility and the environment under carefully supervision to reinforce value added to the organization and increase the competitiveness of its business. Nowadays, more foreign investors give priority to consider their investment in companies that have social responsibility and the environment.

As to Social responsibility aspect, the Company and its subsidiaries had proceed Eyeglasses to Community to provide assistance in vision healthcare to local community in association with three schools in communities surrounding the Company and its subsidiaries. In the year 2013, the Company had service project in measuring vision and donated eyeglasses to students and staffs of the school, Etc.

For operations within the organization, the Company and its subsidiaries have focused on implementation of good corporate governance practices together with social responsibility, as well as providing care and respect to employees by emphasizing on better quality of life in the workplace of employees. Moreover, the Company has improved employees' knowledge, skills, and providing appropriate welfares align with change in economic and society for employees to work happily. Besides, the Company not only instilled the idea of responsibility into employees for their responsible to stakeholders and social community but also set the objective plan for future business operations together with social responsibility in all processes (CSR in process) which are the heart and basis to meet business growth and mission in taking care of social community together with environmental sustainability.



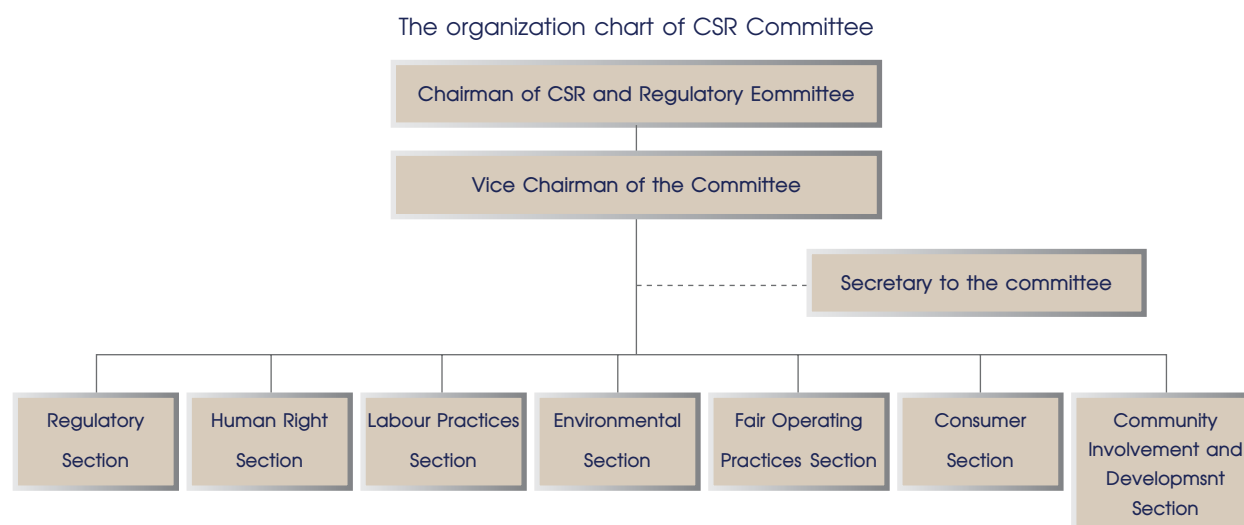
Mr. Sawang Prachartam
The Chairman
Thai Optical Group PCL.

The Corporate Social Responsibility Policy. (CSR: Corporate Social Responsibility)

Thai Optical Group Public Company Limited (the Company) and its subsidiaries endure in the philosophy of doing commercial business complied with social responsibility. The Company determines to create balance between industry, environment, and community. In addition, the Company is persist to run business with transparency, accountability, ethics, respect for human rights and the interests of stakeholders in compliance with the law and other requirements or related international practice for continuing to develop the basis of social responsibility and sustainability.

The Company and its subsidiaries have undertaken the social responsibility strategy in order to define the operational framework and set target operation in accordance with its vision, mission and the social responsibility policy by operating both internal and external business together. The Company is seriously committed to create sustainable prosperity through all stakeholders of the Company as well as doing under good corporate governance and the quality standards of safety, social , environmental and transparency in comply with guidelines of sustainable development.

Corporate Social Responsibility Strategy



The Company and its subsidiaries organize the CSR committee to oversee activities in comply with its policy. The said committee will include representatives from various departments within the organization.

Identify Stakeholders

With a diverse group of stakeholders to the business , TOG has applied diverse tools to search of the expectations of each stakeholder group, such as open public hearing forums to gather employees dialogues /communities dialogues and arrange meetings with government /business partners / customers / shareholders, and then bring suggestions to use as guidelines for improving operations to meet the expectations of all stakeholders with properly and consistently, which will result in sustainable business growth on the basis of involvement and good corporate governance in TOGs' business.



Stakeholder	Practices and Strategies
Shareholders	Conduct business in compliance with good Corporate governance.
Employees	Knowledge development as well as treat fairly on human rights and safety.
Customers	Product development together with provide services to meet diverse needs and production with quality control standard.
Business partner	Comply with the competition honestly trade, contracts and ethics.
Distributor	Treat with equality, fairness, transparency in accordance with terms and contract.
Government	Transactions Practices with the government, Code of Conduct, Academically and Techniques cooperation.
Creditor	Treat to creditor with equality, fairness, transparency in accordance with terms and contract.
Community	Conduct business with integrity as well as supporting activities to improve the quality of life.

Define the issues of corporate social responsibility

TOG has conducted survey from communities around factory and open public hearing forum to gather opinions, exchanging and talking with all stakeholders such as government, education and non-profit organization to bring about the exchange of ideas. TOG will acknowledge the expectations that will lead to continuous development by reviewing the significance issues and develop to make sustainable plan of the Corporate Social Responsibility Committee further.

Conduct business with fairness and Anti-corruption

To achieve fairness in business Thai Optical Group Public Company Limited and its subsidiaries, have define practices to take care of stakeholders in Code of Conducts with regard to stakeholders responsibility such as shareholders, employees , customers, business partners, communities and environment. It is not only abide by law but also not engage in any violation, deprivation of the rights of those stakeholders. The Business Ethics Practices are as follow;

Corporate Social Responsibility Policy

TOG is committed to create balance between industrial, safety, environmental ,community and take a stand to conduct business with transparency, accountability, ethical, respect to human rights, the interests of stakeholders and comply with law and other regulations or relevant international practice to develop of ongoing social responsibility and sustainable.

Anti Corruption Policy

1. All directors, management team, employees of TOG are required to comply with anti-corruption policy and ethics of TOG, by not getting involve in corruption whether directly or indirectly.
2. Management team and employees of TOG have to well communicate thoroughly with all parties that have mutual benefit such as business partners, alliances and all other agencies properly.
After that managers at all levels are responsible to ensure that the policy will be transmitted to cover all groups with acknowledging and understanding of this policy adequately.
3. Violations of this policy will be considered as serious offense in practice and may lead to disciplinary action or termination of the contract or relationship with TOG.
4. Those who get involve in corruption are unethical act to TOG, which shall be considered disciplinary action in accordance with the regulations as prescribed.

Code of ethics for Investor Relations

Thai Optical Group Public Company Limited or TOG has set ethical business practices for Chairman, Managing Director, Directors, Executives and all employees, that have to comply with the policy. Besides the said code, Investor Relations shall also comply with relevant ethical of investor relations that is objective to prevent and restrain to break the law and regulation.

Ethical Practices for Employees

This ethical practice is intended to protect the Company, employees, customers and distributors from any action that recognize illegal or inappropriate behavior. All employees shall abide by this practices in their work and behave with integrity together with ethical manner at all working times. In addition, it is individual responsibility to follow this practices that designed for Thai Optical Group Public Company Limited, the Subsidiary companies and any company that is involved. In order that, departments or distinguished companies may have set out more details of this practices that are able to behave consistently with each environment.

Company Fraud Policy

The Company adheres to the business ethics which is important. The Company conducts business with employees, customers and shareholders with integrity and strongly adheres to moral as a result the Company is expected any business and person to treat to the Company as well. Any behavior that is not comply with the ethics, it shall not be accepted, whenever, the fraud behavior occurs then the Company will investigate immediately, and if it has proven that such act is wrongful then the company will be punished to the utmost including with termination of employment or cuts all trade relationships and legal litigation.

The Copyright (Computer Program/Software) Regulations

Computer Programs/Software classify as copyright in works of literature that is protected by the Copyright Act B.E. 2537, so the Company will not allow users to arbitrarily install computer program on the Company's computer which is invalid and copyright infringement ,if any user violates such action, the Company will punish and can claim for damages in full with the user.

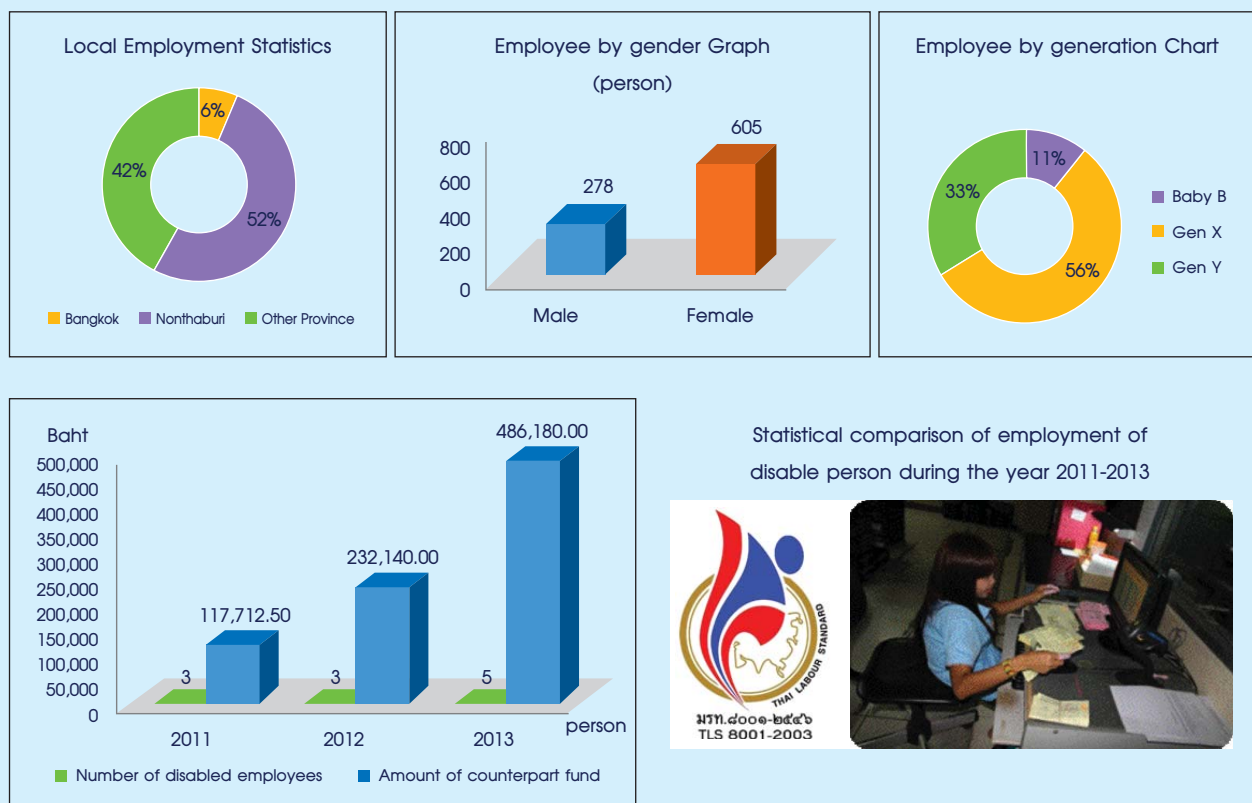
Treating Employees Fairly

Thai Optical Group Public Company Limited and its Subsidiaries recognize the value of human resources and intend to persuade employees to take pride in their organization together with have better quality of life so the Company has promoted participatory working atmosphere and provide career advancement opportunities equally. Employees will be encouraged to develop their knowledge and ability together with receive remuneration and welfare fairly under TLS. 8001-2010 and Human Resource Management System.

Recruitment and Selection

The recruitment and selection of employee of the Company and the Subsidiary companies are systematically operate based on ISO 9001: 2008 and TLS 8001-2010 for acquiring competent employees who have attitude conform to the culture of organization by providing opportunity for local labors to join the organization. And ,the selection process will be conducted by the committee that will select with transparency according to worker's ability as well as meeting the needs of each section. The committee will select base on fairness and regardless of gender, race, religion, disability and expression of personal attitudes.

Charts showing statistics of employee for the year 2013



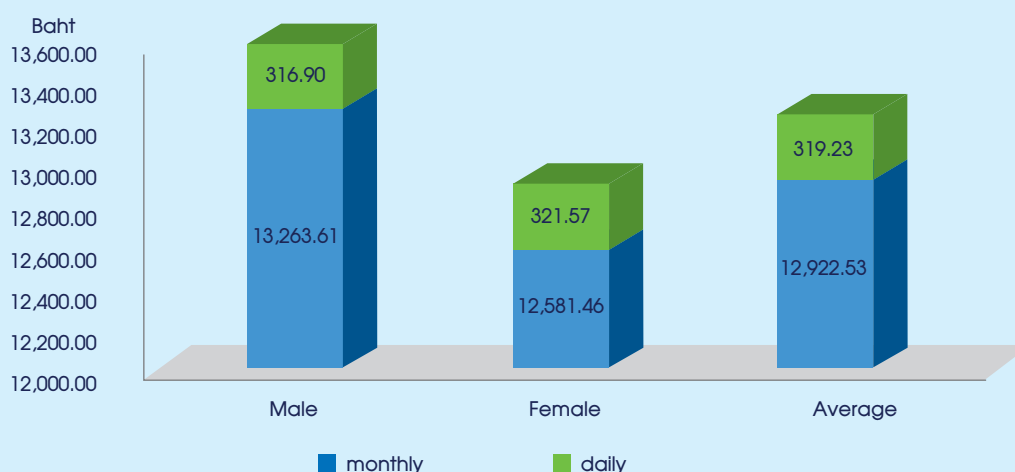
Practices on Employment of People with Disabilities

The Company and its subsidiaries are committed to treat employees fairly and equally together with opening the opportunity to disable person to join the organization. Disabled employees will be encouraged to develop their skills and better quality of life as well as receiving welfare, benefit and join activities without discrimination. In the year 2013, employment of disable person of Thai Optical Group PLC., has increased from previous year but it is also below threshold of labor law in Article 33 about 4 persons, however the Company has fulfilled by remitting to "A FUND FOR EMPOWERMENT OF PERSONS WITH DISABILITIES" under Article 34. As a result, recruitment section has increased channel to recruit disabled people such as website, educational institutions, open booth for recruiting disabled people. The Company is continuously recruiting people with disabilities, as in the year 2014 the company set the goal to recruit disable persons to reach threshold of labor law in Article 33 which shall not less than 9 persons.

Compensation Management

The Company and its subsidiaries have focused on human resources that are important to drive the Company, therefore it is necessary to maintain competent employee in order to achieve excellence business. KPI (Key Performance Indicator) is an important measuring tool of effective compensation management that reflects the quantity and quality of work (Performance - Based Pay) as well as provides fairness remuneration to motivate and encourage efficiency in the performance of employees further.

The Chart shows the salary comparison ratio of man and woman (Classified by employees of the year 2013)



Welfare and Benefits

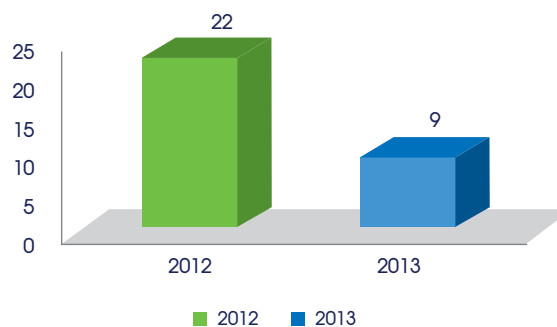
The Company and its subsidiaries emphasize on the quality of life of all employees, with the balance of both private life and working life so the Company has provided welfare and promoted qualities of lives of employees hereto;



Labor Relations

Thai Optical Group PLC., considers the importance to manage labor relations effectively as well as taking care of benefit of all employees with equality by treating them as members in family such as providing consultation, fairness to solve problem, etc.

Statistical comparison of complaint during the year 2012-2013 from the complaint cabinet of Thai Optical Group Plc.



Complaints Management

Thai Optical Group PLC., is always willing to listen to opinion of all employees by providing various channels such as employee dialogue hearing, complaint cabinet, the welfare committee as well as employees can directly send complaint letter with seal to Deputy Managing Director or the Company's directors. And, the Company is also set complaint system including employee and witness who send complaint will have been justified in all cases, together with an inspection Committee which has been set up as a case. In addition, employees can report complaint to their supervisor directly or supervisor at higher level which is based on the concept that supervisors at all level must be dependable for employees.

Building relation and Involvement activities

The Company and its subsidiaries consider the importance of building relationship and involvement among employees by arranging activities that creates unity and relation and emphasis on the involvement of employees at all levels such as New Year Party, Exhibition week, etc. As a result, all employees have the opportunity to join activities both working and over hours time for their personal development, community and social development which shall be supervised under "The CSR committee". Employees can join various activities such as Sports, Entertainment, Recreation and CSR activities supported from management. Other than the said statement, employees are also encourage to create teamwork effectively among employees. In the year 2014, the Company has set goals that employee participating in CSR activities shall not be less than 10 % of employees in the organization.



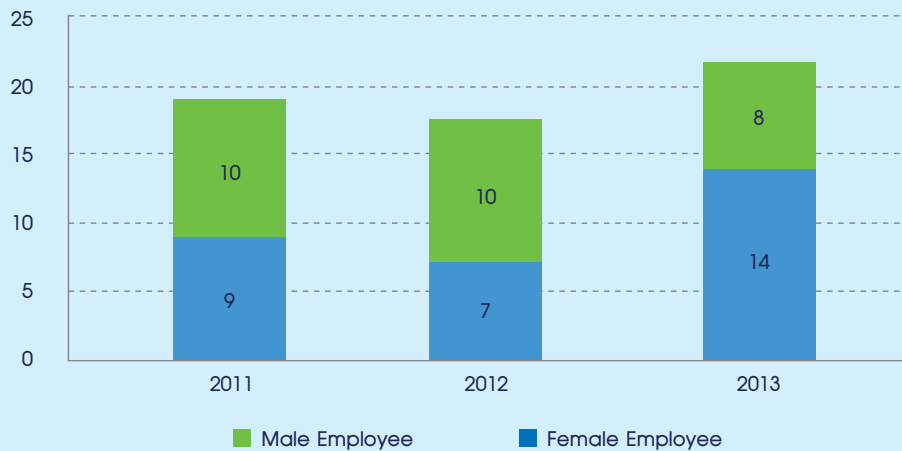
Developing and Promoting employees

To build readiness in physical, mind and knowledge of employees in order to have potential that will lead TOG to achieve sustainable business excellence, TOG is always dedicated to develop knowledge, consciousness, mental and health of employees by various training courses such as classroom training, on-site training, pass-on experience, organize activities and etc.

- **Functional Training course**
Focus on developing skills, knowledge, and abilities of employees in accordance with functional Competency that employees are able to apply knowledge in their work such as Sales promotion, Human Resources, Purchasing, Accounting, Sales and Marketing, increasing production efficiency, Information Technology(IT),and etc.
- **Business Management course**
Employees at supervisor level will learn and develop their skills in comply with Managerial Competency such as development program of Leadership, Development Others, Planning & Organizing, etc.



Statistical comparison of average training hours per person per year which separated by gender during the year 2011-2013



Management Approach

All new employees have to attend orientation course for new employees, the course will be conducted as integrated activity such as Walk Rally including with intervene knowledge in activity for ice breaking behaviors and to improve knowledge about Company's policies, rules , organization culture as well as provide knowledge to employees , such as ISO 9001:2008, ISO 14001 Version 2004, Energy management systems, and so on. In addition, Thai Optical Group Public Company Limited and its subsidiaries have defined five "Core Values" or ACTIF which is the organizations' values that employees should have commitment to perform for achieving success (Budget / Time / Quality), to standardize work system , sympathize, collaboration and believe in teamwork, initiative to present new idea for improving performance, acceptable and flexible with organization changing and sustainability.



Operation safety, occupational health and working environment.

Management Approach

Safety is an important priority in all employees of the organization while they are working in the workplace all the time. As a result, the Company organizes various activities to promote safety and conscious mind among employees. In addition, the Company is enhanced performance from safety in the workplace by organizing project to promote the safety and operational security as follow;

- **Wire Broadcasting Project**

This project provides knowledge about safety such as safety at work, off work and healthcare.

The activity is to create awareness of safety to all areas.

- **Safety Exhibition Activities**

In order to create conscious mind and educate about safety through activities, exhibition and playing games about the knowledge that has been arranged.

- **Safety Patrol**

To walk in the workplace for inspecting risks that may occur while working and improve it further, together with checking individual in wearing protective equipments of workers.

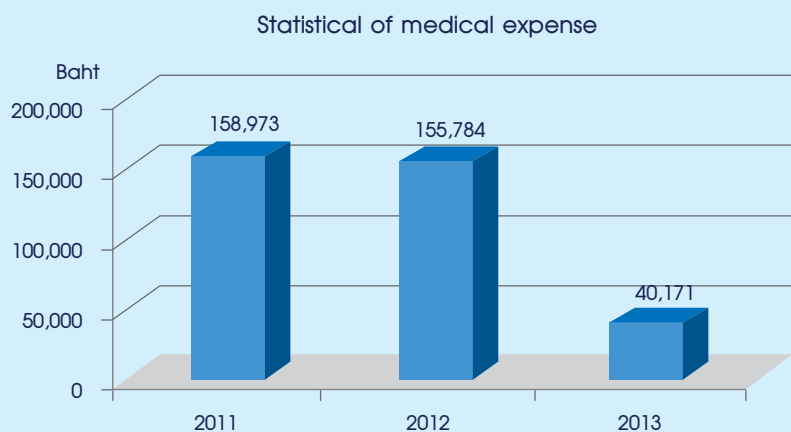
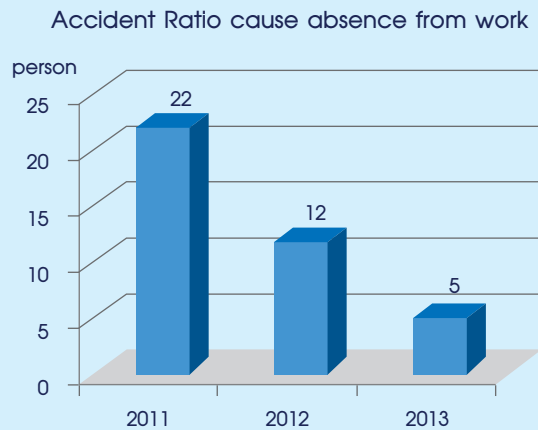
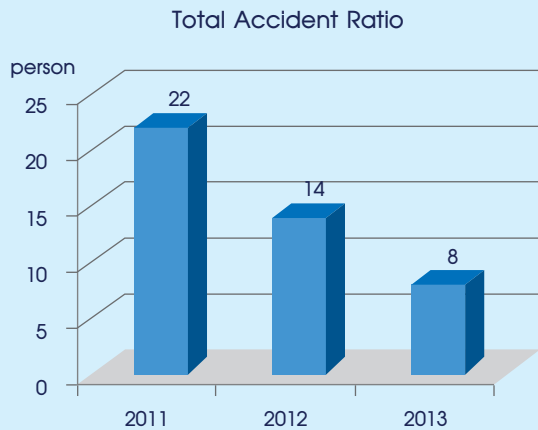


- **Compliance with laws**

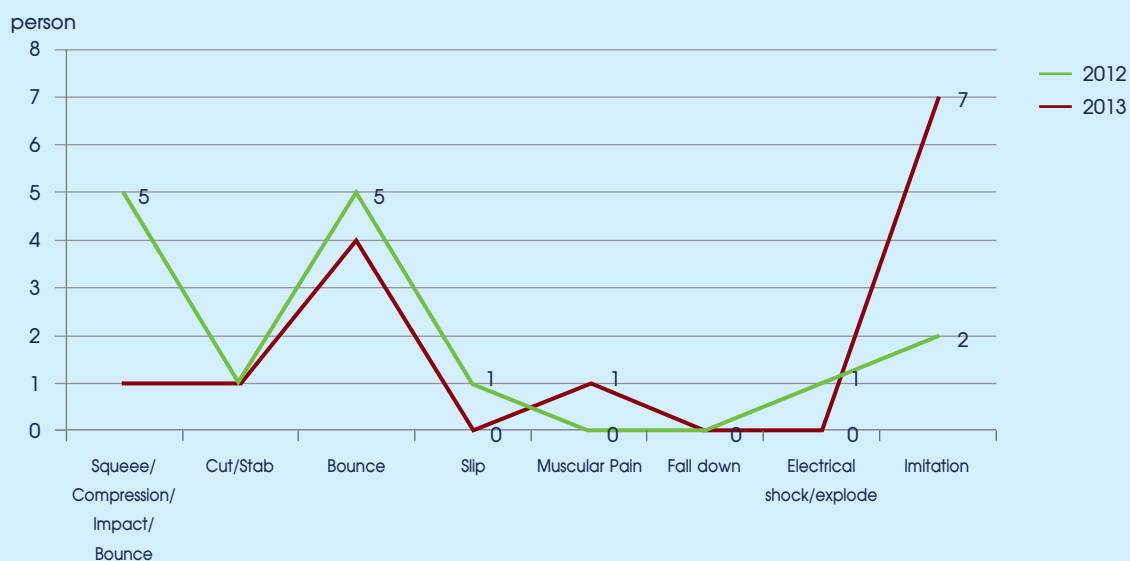
1. To measure the environment and the intensity of chemical in the workplace.
2. To check emergency equipment such as Fire extinguishers, Sprinkler systems, Fire alarms, etc.
3. To check health to employees who have risk.
4. To check system such as electrical system, building, pulley, elevator, etc.
5. To provide training and knowledge about safety such as contractor training, new employees, fire fighting, fire evacuation and driving forklift, etc.



Promoting safety and operation safety project which resulted
in decreasing in accident statistics as chart bellowing;



Statistical comparison of accident categorize by type of accident.



Regarding to the comparison of accident statistics separated by the types of accidents, it showed that the year 2012 the accident of squeeze, compression, impact and bounce, have high statistical value so the solution is to provide knowledge to prevent accident with workers as well as maintenance machines to be high safety. In the year 2013, there was adrastically increased in caused by chemical irritation among workers which made the Company to provide knowledge and set the course "Safety, Occupational health and Working environment for new employees" to be informed accuracy preventive in comply with law, together with inspect to wear personal protective equipments during operating time which the Company expects that the accident will decrease in the next year.

Customer and Business Partner Responsibility

Apart from legality, Thai Optical Group Public Company Limited and its subsidiaries have a policy that all employees have to perform in regard to business ethics which relate to customers or business partners.

Competitive strategy

The Company and its subsidiaries do not concentrate on price competition, but look on reasonable price that must suit with the quality of product, which will make customer be satisfied with the Company's products. The Company and its subsidiaries apply three main strategies in the competition hereto;

- **Product quality**
The Company and its subsidiaries give importance on the quality of products by the system of quality control at all stages of production, which will verify all lens both powers of lens and the thickness of lens, color and stain which make product of good quality and its shelf life longer together with having the same standard in every production cycle. As a result, customers trust in the product and return to continue order. In addition, it is to retain existing customers and expanding new customer base who demand product with high quality. The Company and its subsidiaries have prepared standard for product quality such as ISO 9001:2008 from TUV CERT / International standards from U.S. FDA and European Union (EU) which is able to sell products around the world.
- **Services**
Regarding to, good production planning and having adequate inventory stocks which make the Company and its subsidiaries are able to support orders in large number as well as delivery on time. Moreover, the Company is always listening to customer feedback in all aspects to develop and improve products and services.
- **Product Category**
Optical lenses of the Company and its subsidiaries will cover all type of lenses including Rx lenses (prescription lens) which do not have production by any general independent manufacturer lenses factory yet. So, the Company and its subsidiaries are sole independent optical lens manufacturer that provide a variety of products in all categories which provide customers with convenience, economical and easy to control order by One Stop Shop purchasing.

Target Customers/Business Partners

Target customers of the Company and its subsidiaries are wholesalers, group of large retailers and lens manufacturers such as semi-finished lenses in each country which those manufacturers do not own factories but demand high quality products under their trademark/brand.

- **Customers**
We strive to comply with business terms and conditions to our customers for the quality and efficiency of lens production from the Company and its subsidiaries, including with commitment to provide accuracy, timely and continue to enhance communication for building relation with customers.

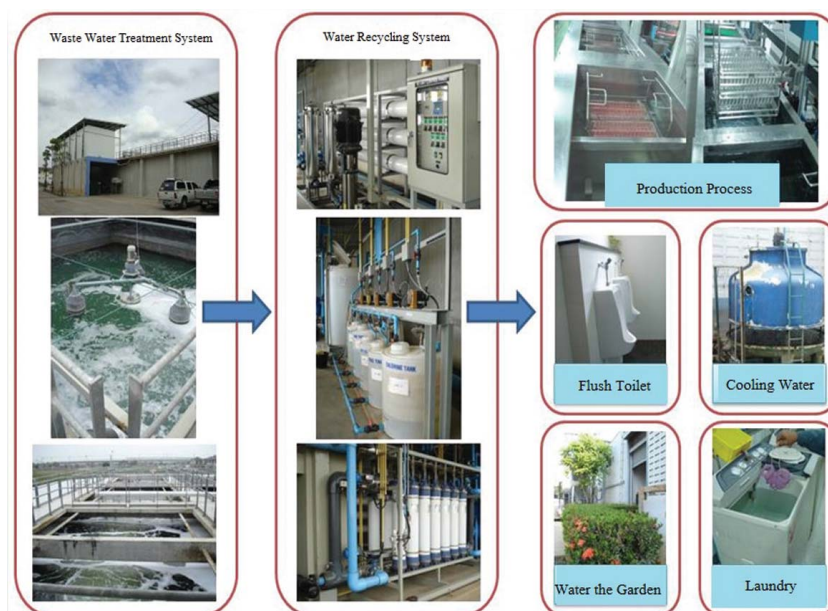
- Suppliers/ Business Partners and Contractors

1. We are committed to obtain standard goods and services which under the principle of equally competition to receive information. We have set criteria for evaluation and selection suppliers/ business partners and charter party by preparing in the appropriate contract forms. Moreover, we have provided monitoring systems to ensure that the entirely performance is in compliance with the terms and conditions of the contract as well as prevent fraud and misconduct in all stages of the procurement process. In addition, we have principle payments to suppliers/business partners and contractors on time in accordance with payment terms that has been agreed.
2. We are committed to develop and maintain sustainable relationships with suppliers/ business partners and charter party, that all parties have clearly in the quality of products or services that are worthy with value of money, technical quality and mutual trust.
3. Prohibition employees to receive any personal benefits from suppliers/business partners and charter party.

Process Development

To reduce the social impact and environmental impact from production process and business service.

The Company and its subsidiaries have intention to provide good workplace environment and well-being for the Company's employees and the surrounding communities, together with maintaining a good environment as well as focus on using natural resources efficiently including with social and environment responsibility by complying strictly with safety and environmental legislation and take measure to reduce the environmental impact from operations of the Company and its subsidiaries continuously. In addition, the Company has prepared the standard for monitoring performance seriously and consistently such as environmental standards ISO 14001 from TUV CERT / Green Industry Standard from Department of Industrial Works/ Good Environmental Governance from Industry Office of Nonthaburi, etc.



Pollution Prevention

The company is focused on the implementation and management approach to prevent spillage, leak and systematically disposal of waste as require by law that cause pollution to water and air. The Company has Waste Water Treatment system, Water Recycling system that brings waste from production to reuse. There is Air Pollution Treatment system to filter chemical vapors, dust from lenses production before it will be released to the outside. The waste for disposal outside will be done by the outsourcing company which has the legal license. In the past year, the Company had not received complaint or litigation in any way.



Guidelines for Sustainable Energy Management

Thai Optical Group Public Company Limited and its subsidiaries have realized the importance of energy conservation and environmental impact by all activities of the Company that employees at all levels and all departments must be aware and give importance of energy and environmental management, the Company has also prepared energy management policy to guide employees practice.

Regarding to, proportion of energy using in the year 2013, the Company found that electrical energy is primary energy in use so in the year 2014 the Company has set target to reduce energy consumption by not less than 3% of total energy consumption. In the year 2013, the Company had begun to measure, improve and development of data collection continuously.

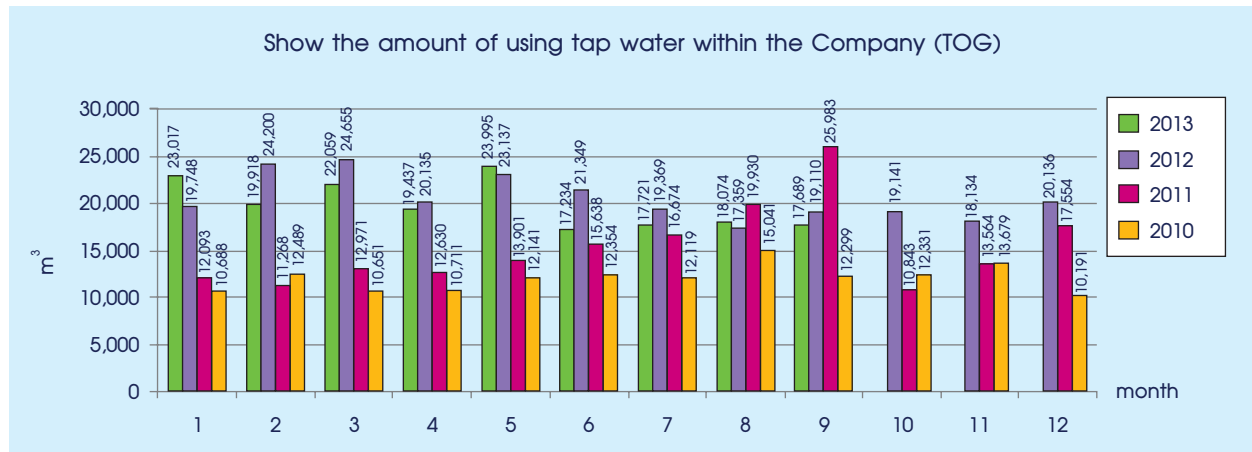
Efficiency Energy Consumption Management.

- The Company has used energy consumption data collection system with Energy Management Software for recording and analyzing energy capacity. The Company is also provides the opportunity for employees to participate in the formulation of energy conservation practices in the area of operations continuously.
- Set up pressure regulator to adjust pressure suitability for using in the production line that use wind system to reduce air leakage.
- To adjust time for open/close CHILLER and repair Max machine by changing the new compressor to withstand the tropical conditions and the machine can maintain the temperature automatically.
- Set Principles in purchasing equipments and machines that are Eco-friendly and Energy saving.
- Cleaning the evaporator coil both heating and cooling together with inspection its performance in every 2 months.
- Installation blower's sensor machine to save energy.
- To supply of electrical equipments that save energy.
- The second page paper project: 3R (Reduce Reuse Recycle) Project that bring consumables from production to reuse.
- Increasing green space to reduce CO2 gas.

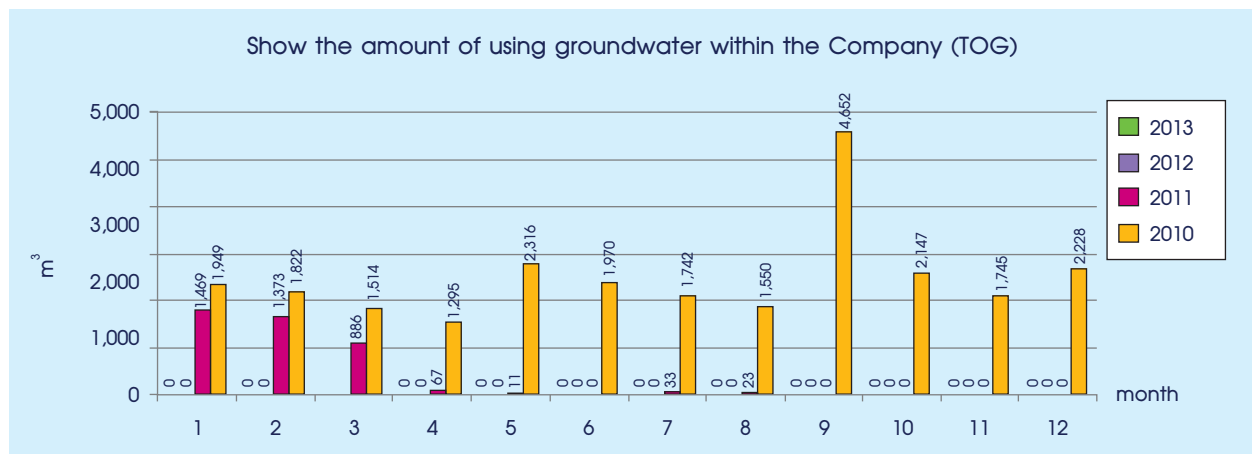


The Company has set a goal to improve operation and development the project for energy consumption efficiency and environmentally friendly by not less than 6 projects in one year.

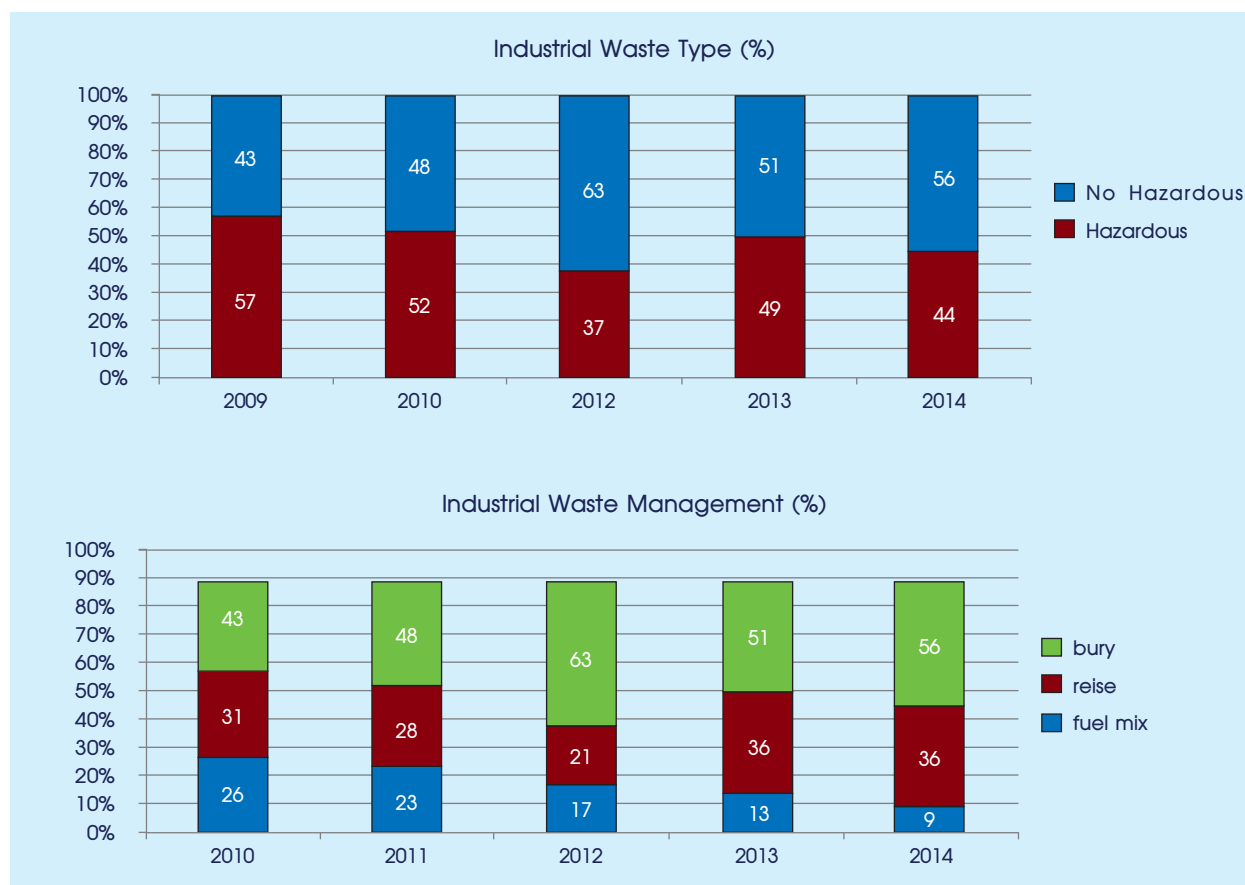
- Water resource that Thai Optical Group PLC. had used since 2009 to 2013 came from two sources, i.e. tap water and groundwater, since the year 2012 the groundwater was not used any more but only tap water is completely used.



- Waste that can not be treated by the Company in the entire production preocess that will be delivered to be eliminated by domestic waste management company who have authorized by Department of Industrial Works, there is no export waste to be eliminated outside the country.



From the year 2013 to present, the Company carried waste total of 385 tons which classified as hazardous waste 172 tons, representing 44 percent of all waste that were contained used solvents, contaminated chemical materials, contaminated sulfuric acid, chemical deterioration, and waste packaging as well as carried disposal of non-hazardous waste of 214 ton, representing 44 percent of all waste that were contained reject lenses, Glass mold and Sludge. The disposal of such waste were treated and eliminated by properties of those waste with technical basis for 56 percent of all waste that was taken to the landfill and 36 percent of all waste that brought back to reuse again while the remaining waste of 9 percent was used to make the fuel mix.



Mutual Social Development

The Company and its subsidiaries focus on promoting and engaging with various sectors such as government, local organizations, communities, civil society with guidelines to build cooperation with other organizations for developing economics ,social relations and activities that will develop communities in aspects under the guidelines of CSR-DIW of Department of Industrial Works such as improving Income, Education, Religion and Culture, Health and Safety and Environment for well-being of the community and society.



Improving income to the community (data of the year 2013)

• Paid local tax	713,822	Baht
• Supporting products and service of the community		
- Food, snacks, drinks for receptions	75,000	Baht
- Gardening	96,000	Baht
- Pest control	31,030	Baht
- Contracting for the construction	3,480,000	Baht
- Allow people from communities to sell food in the factory	626,600	Baht
- Shuttle Employees Bus	483,600	Baht



Education

The Company and its subsidiaries are committed to support and develop knowledge to improve the ability of employees and community with Pho-Rak school Project with schools around the factory and in Nonthaburi province that the Company 'employee will provide various knowledge to groups of Housewife and Community group. The Company can draw capabilities of its employees to help and benefit to the surrounding community such as Environmental management, Energy conservation, Intellectual property rights, Threat of drug, Growing Hydroponics vegetables, Sufficiency Economy and etc. In addition, the Company provides scholarship to students in each school both near and far from the factory, including opening house to government unit, other organizations, educational institutions to visit production process of the Company and environmental management.

Religion and Culture

The Company and its subsidiaries are intended to instill ethics and morality to all employees especially in implement to conduct in daily life on what is good and right by supporting activities both within factory and cooperation with the surrounding communities such as make merit and give food to the monks on the Buddhist day, donation for preserving Buddhism and Islam including with join “Buddhist Lent Day” activity of the community, etc.

Environmental

The Company and its subsidiaries are committed to knowledge dissemination and campaigning on environmental by persuading the Company’s employee and the surrounding communities took part in the activity by setting up the environment team of the Company and its subsidiaries to provide knowledge about Care for environment, Energy Conservation, Generating income from garbage, Garbage bank, Sorting of waste, Opening house to allow representatives from government unit, community leaders and community representatives to visit environment management within the factory, etc..

Health

The Company and its subsidiaries are committed to promoting good eye health to employees and people in both near and far communities, as a result the Company has provided various projects such as “Eyeglasses to community project” to educate and eyesight care to members in the community, “Happy Family Day”, to reduce the cost of living in the field of eye care by cooperating with business partners to sell special price products for employees and members of the community.

Social

The Company and its subsidiaries are committed to support drug prevention and solving drug problems in the workplace and the community as a result the Company has to follow the guidelines approach of Standards to prevent and resolve the problem of drug in organization, together with being received certified standards by the Department of Labor Protection and Welfare, Nonthaburi province (DLPW). Moreover, the Company is also support for the Sports anti-drug project within the factory and cooperate with Sub district Administrative Organization (SAO) to organize sports against drugs activities in the community.



Risk Factors

The Company and its Subsidiary have assessed the potential risks that may significantly affect the operations and investors hereto;

1. Business Risk

1.1 Risks from Substituted Products

The optical lenses of the Company and its Subsidiary are internationally considered as medical products that are used to correct visual disorders, such as myopia, hypermetropia and oblique astigmatism. At present, there are two alternative technologies that are considered to be substituted for optical lenses, namely contact lenses, and a laser eye surgery method including Laser Assisted In-Situ Keratomileusis (Lasik).

However, the detractions of contact lenses are their relatively shorter lifespan, special care required and the continual expenses of cleaning solutions. It can be uncomfortable for people with parched eyes as contact lenses sit directly on their cornea, which may also lead to other eyes diseases that can easily be infected due to unsanitary conditions. As for LASIK, this method now can cure only one type of myopia or hypermetropia and cannot cure presbyopia in elderly people. Lasik is also very costly and cannot guarantee that the eye disorder will not return. Therefore, the aforementioned product and method have inherent limitations, which prohibit them from replacing the use of eyeglasses.

1.2 Risks from Competition

In Thailand, the Ophthalmic Lenses Industry is mainly an export industry. Aside from domestic competition, the Company has to compete globally with manufacturers from many other countries, especially China, whose manufacturers can produce CR39 (basic plastic lenses) at very low cost. Therefore, the competition for pricing CR39 is very aggressive.

Due to the change of economic condition, customers want to save money as well as get good quality of products. Thus, the Company has coped with price competition by implementing 'Lean manufacturing' system to use for the production. This system helps produce the best quality of products and requires the lowest production cost and shortest production time. Therefore the Company can fulfill customers' requirements and also compete with other channel partners /related companies.

2. Production Risk

2.1 Risks over Price and Raw Material Procurement

The Company and its Subsidiary import main raw materials such as glass blanks, monomer and other chemicals from only a few main producers and distributors. Approximately 70% of the raw materials used in the production of organic lenses are plastic monomer, which account for approximately 50% of the total production costs. Each plastic monomer is proprietary and owned by certain producers. The risk of this factor stems from having to

depend on a sole supplier, and consequently being unable to control the cost. In case that such supplier has a problem in production, the Company and its Subsidiary can have potential on shortage of raw materials. However, for more than 10 years, the Company and its Subsidiary have never encountered a problem over price or shortage of raw materials.

3. Financial Risk

3.1 Financial risk management

Due to the fact that all raw materials, monomer and other chemicals are imported from overseas, the Company and its Subsidiary have to pay suppliers in foreign currency. In light of this, the risk from fluctuation of foreign currency exchange rates is unavoidable. Therefore, the Company and its Subsidiary have hedged by setting Foreign Currencies Exchange Forward Contract (Fx Forward) which term is not more than 1 year as Risk Management Tools. Risk in audited financial statements as of December 31, 2013, the Company and its subsidiary have balanced of financial assets and liabilities denominated in foreign currencies are summarised below;

The Company and its subsidiary have the balance of assets and liabilities in foreign currency as at December 31, 2013 as follows:

Unit: Baht

Currency	Assets	Liabilities	Different of Asset and Liabilities	Average Exchange Rate As at December 31,2013	Different of Asset and Liabilities in Thai Baht
US Dollar	9,521,850	3,443,368	6,078,482	32.7645	199,158,423.49
SG Dollar	348,466	4,368	344,098	25.8419	8,892,146.11
EURO	397,782	363,819	33,963	44.9602	1,526,983.28
JPY	49,760,487	35,085,322	14,675,165	0.3126	4,587,456.58
MYR	59,133	-	59,133	9.9428	587,947.6
GBP	-	116	(116)	53.8318	(6,244.49)

3.2 Risk from related parties guarantees

As at 31 December 2013, the Company has contingent liabilities in respect of the guarantees of subsidiary's credit facility amounting to Baht 23.2 million (2012: Baht 66.1 million and USD 0.03 million or equivalent to Baht 67.3 million) provided to banks.

As at 31 December 2013, its subsidiary has contingent liabilities in respect of the guarantees of the Company's credit facility amounting to Baht 44.8 million, JPY 32 million and USD 0.2 million or equivalent to Baht 60.6 million (2012: Baht 156.7 million, JPY 7.2 million USD 0.2 million and EUR 0.1 million or equivalent to Baht 165.9 million) provided to banks.

These guarantees are effective for as long as the underlying obligation has not been discharged. Guarantee fee has been charged by the Company and its subsidiary at the rate of 1.5 percent per annum.

4. Management Risk

4.1 Risks from the Major Shareholder with more than 50% of Shares

The Prachartam Family holds 53.89% (at December 31, 2013) of the Company's paid-up capital. With the majority of shares, the Prachartam Family can control the resolutions of all shareholders, such as appointing committee members and voting on business matters, except where governed by laws or company regulations, stipulating the necessity of not less than 3 forth of all shareholders in attendance with vote entitlement. Therefore, the minority may not gather sufficient votes to audit or ensure balance of power of the majority.

However, according to the management structure, the Company is supervised by the Board of Directors and the Audit Committee with Independent Directors. The directors are all knowledgeable, competent and experienced in operating and managing business. The scope of authority has been clearly and transparently established. In case of having any connected transactions, the majority of shareholders, persons who have power to control the business, and persons who may cause a conflict of interest do not have the rights to approve the said matter.

4.2 Risks from Distributing Domestic Sales via an Affiliated Company

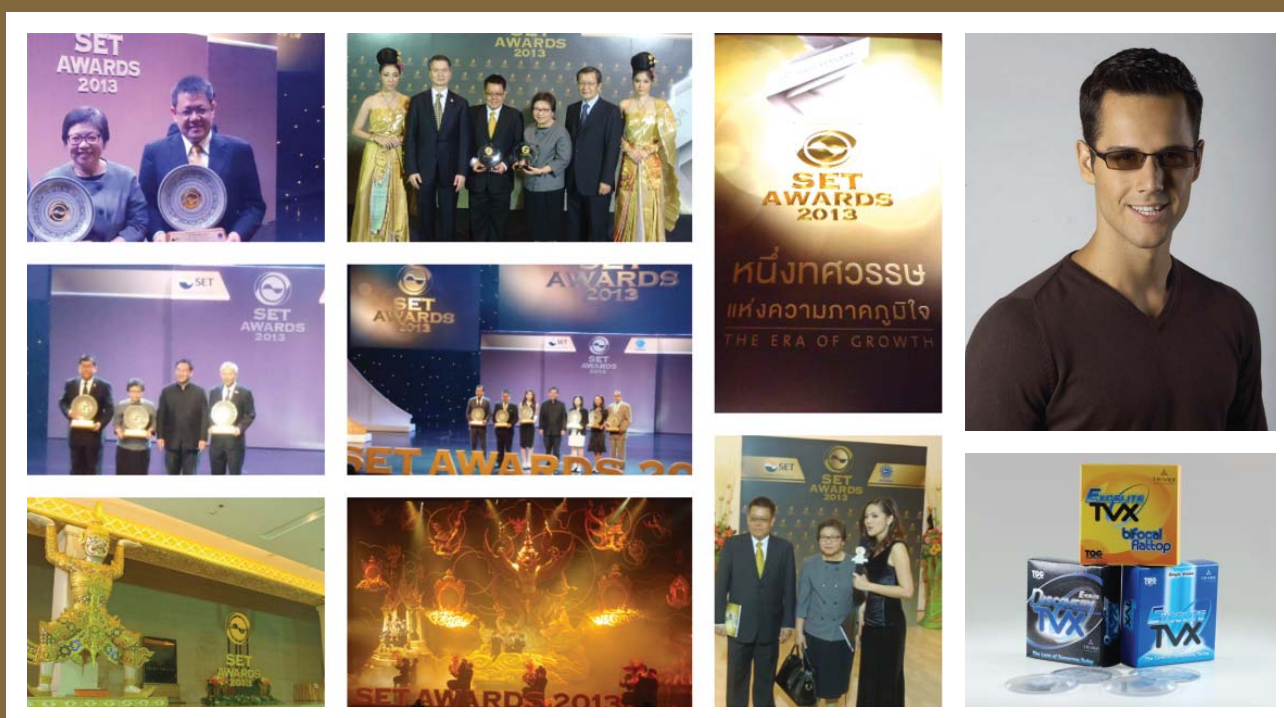
The sole domestic distributor of products manufactured by the Company and its Subsidiary is Nam Silp Thai Co., Ltd., an affiliated Company that may have a potential conflict of interest.

The products of the Company and its Subsidiary are mainly exported, whereas only 6.30% of sales in total are the domestic market where the selling prices are set on the same basis as exports. For clarity and transparency in price setting, the Company and its Subsidiary have product pricing policies controlled by the Board of Directors and the Audit Committee. In case of selling products to person or related company, a report on such matter must be sent to the Audit Committee in every quarter for its clarity and transparency.

Dividend Payout Policy

The dividend payout at any period and its amount (if any) will be based on the results of the Company's performance, financial status, available cash flow and the need of cash investment, and other related factors in accordance with an agreement of the Board of Directors. The Company runs its own business as well as holding shares in its Subsidiary Company, thus the Company's capability to pay dividend to Shareholders will depend on profits and cash flow of the Company and its Subsidiary. In addition, the Board of Directors Meeting No.49 (1/2555) held on February 22nd ,2012 had a resolution to approve in regard to the new dividend payout policy since 2012 that "Pay dividend not less than 40 percent of Net Profit of Consolidated financial statements after less of all reserved fund required by law and the Company"

The dividend payout announcement will comply with the rule of Civil and Commercial Code which is under discretion of the Shareholders' meeting in accordance with the proposal from the Board of Directors. And, the Interim dividend payment, the discretion will be made by the Board of Directors. In addition, in compliance with Thailand laws, the Company is required to pay dividend only from profits (i.e. Net profit including accumulated Income and is deducted with any accumulated Loss). Besides, the Company is required to appropriate reserved fund until it has reached one-tenth of the Company's registered capital or more than the said amount regarding to the Company's Articles of Association. For the Subsidiary Company, dividend will be paid to the Company with not less than 90 percent of the Net profit of the Subsidiary Company.



Shareholder Structure and Management

As at December 31, 2013 (the recent closing date), Thai Optical Group Public Company Limited has 1,197 shareholders. The first 10 major shareholders (counted from paid-up capitals of 473,283,700 shares) are;

No.	Name of Shareholders	Number of Shares	Stockholder Proportion (%)
1.	The Prachartam Family	255,071,300	53.89
2.	Specsavers Asia Pacific Holding Limited	118,767,600	25.09
3.	Mrs. Supatra Charnsangawech	6,202,100	1.31
4.	Thai NVDR Co.,Ltd.	5,550,900	1.17
5.	Sin Kwang Optical Pte Ltd. (Singapore)	5,000,000	1.06
6.	Mrs. Sauwapa Punwattanawitr	4,700,000	0.99
7.	Mr. Sarath Teganjanavanich	4,687,500	0.99
8.	Mr. Kriangsak Isarayangyuen	4,593,400	0.97
9.	Mr. Siriyoth Chaiaumnuay	3,000,000	0.63
10	Mrs. Srisamorn Ussawanik	2,587,400	0.55
	Other shareholders	63,123,500	13.34
	Total shares	473,283,700	100

The major shareholder, the Prachartam Family is comprised of 22 persons as follows;

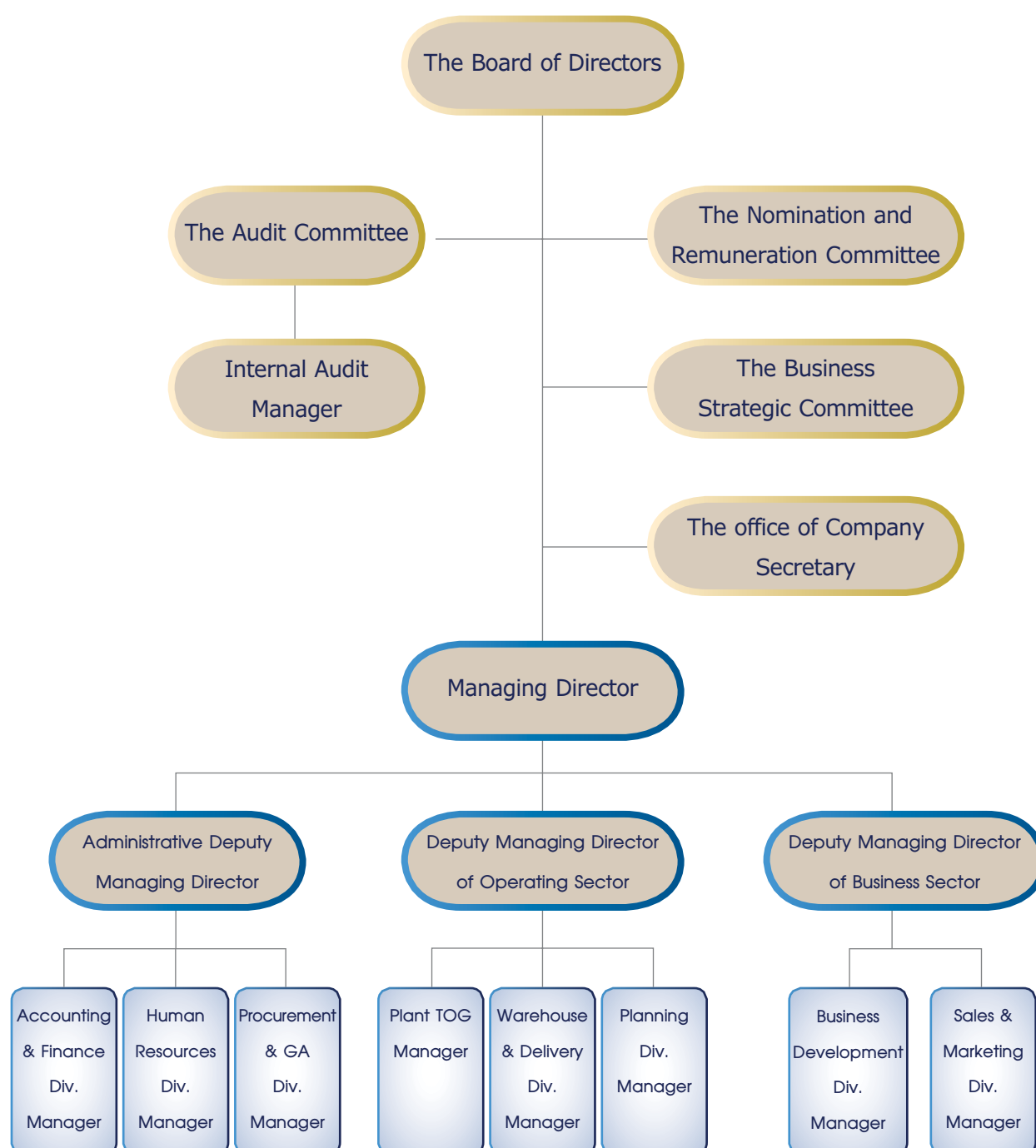
No.	Name of Shareholders	Relation with Mr. Sawang Prachartam	Number of Shares (%)	Stock holder Proportion (%)
1	Mr. Prateep Prachartam	Brother	39,200,000	8.28
2	Mr. Kamron Prachartam	Brother	37,076,200	7.83
3	Mr. Samrit Prachartam	Brother	14,840,000	3.14
4	Mr. Sawang Prchartam	-	21,992,200	4.65
5	Mr. Sarote Prachaktam	Brother	10,000,000	2.11
6	Miss Walnapa Prachartam	Sister	4,637,500	0.98
7	Miss. Roongnapa Prachartam	Sister	9,390,000	1.98
8	Lieut. Col. Ketnapa Teganjanavanich	Sister	5,869,100	1.24
9	Miss Prinda Prchartam	Daughter	935,100	0.20
10	Mrs. Rattana Prachartam	Sister-in-law (The wife of Mr. Prateep)	8,201,200	1.73
11	Mr. Wirach Prachartam	Nephew (The son of Mr. Prateep)	10,400,000	2.20
12	Mr. Witoon Prachartam	Nephew (The son of Mr. Prateep)	9,830,000	2.08
13	Mrs. Pompun Thotrakul	Niece (The daughter of Mr. Prateep)	4,880,000	1.03
14	Miss Pompen Prachartam	Niece (The daughter of Mr. Prateep)	2,920,000	0.62
15	Miss Pornthip Prachartam	Niece (The daughter of Mr.Prateep)	4,730,000	1.00
16	Mrs. Chalinee Laosuwan	Niece (The daughter of Mr.Prateep)	5,350,000	1.13
17	Mrs. Nonglak Somboontam	Niece (The daughter of Mr.Prateep)	4,730,000	1.00
18	Mrs. Amolrat Prachartam	Niece (The daughter of Mr.Prateep)	4,830,000	1.02
19	Mr. Pakee Prachartam	Nephew (The son of Mr. Kamron)	21,800,000	4.61
20	Mr. Torn Prachartam	Nephew (The son of Mr. Kamron)	20,100,000	4.25
21	Mr. Yosanan Prachaktam	Nephew (The son of Mr. Sarote)	13,300,000	2.81
22	Mr. Bancha Yongrithikul	Nephew (The son of Miss Walnapa)	60,000	0.01
	Total of shares held by the Prachartam Family		255,071,300	53.89

Foreign Shareholders Limitation

Foreign shareholders are not allowed to hold more than 49 % of the total paid- up capitals. As of December 31, 2013, there were 26.93 % of the total shares of the Company held by foreign shareholders.

The Organization Structure

The Organization Structure of Thai Optical Group Public Company Limited as at December 31, 2013



Board of Directors and Management



Mr. Sawang Prachartam

The Chairman/

Chairman of the Business Strategic Committee

Age : 69 Years

Shareholding : 4.65%

Education :

- 1966 BSCE, Chulalongkorn University
- 1970 MSCE The University of Akron, Ohio, U.S.A.
- 1974 Ph.D. University of Akron, Ohio, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DAP Class 18/2004 - FND Class 31/3/2005
- Chairman 2000 Class 14/6/2005
- UFS Class 2/2006 - CG Class 1/2006
- DCP Class 83/2007

Other Current Position :

- Director Consultant, Thai Optometric Association.
- Member of the Engineering Institute of Thailand Under H.M. the King's Patronage.
- Director, Thai - Italian Chamber of Commerce (TICC)

Work Experience :

- | | |
|--------------|--|
| 1966-1967 | Engineer, Universal Engineering Consultants Co., Ltd. |
| 1967-1968 | Engineer, Soil Testing Service Co., Ltd. |
| 1968-1969 | Engineer, Aisun & Associates Co., Ltd. |
| 1970-1974 | Engineer, Hale & Kullgren, Akron, Ohio, U.S.A. and Structural Analysis System, Kent, Ohio, U.S.A. |
| 1974-1976 | Research Associate, Civil Engineering Dept., The University of Akron, Ohio, U.S.A. |
| 1976-1978 | Structural Engineer, Department of Applied Science, Brookhaven National Lab, NY, U.S.A. |
| 1979-1981 | Director and Engineer, Architect 110 Co., Ltd. Senior Structural Engineer, Thai Group Consultants Co., Ltd. |
| 1982-2003 | Executive Directors in Sales and Marketing
- Thai Optical Co., Ltd.
- Better Vision Group Co., Ltd.
- Nam Silp Thai Eyewear Co., Ltd. |
| 2004-2008 | Managing Director, Thai Optical Group PCL. |
| 2009-Present | The Chairman, Thai Optical Group PCL. |



Mr. Wirach Prachartam

Director/Member of the Business Strategic Committee/

Managing Director/Deputy Managing Director of Business Sector

Age : 52 Years

Shareholding : 2.20%

Education :

- Bachelor Degree of Electronic Generating and Power Engineering, Chulalongkorn University
- MBA, University of Lowell, MA. U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DAP Class 15/2004 - DCP Class 135/2010
- SFE Class 15/2012
(Successful Formulation and Execution of Strategy)

Other Current Position :

- Director, Thai Optical Co., Ltd.
- Director, Nam Silp Thai Eyewear Co., Ltd.
- Director, Thai Optical Eyewear Distribution Co., Ltd.
- 2005-Present Counselor, Thai Optometric Association

Work Experience :

- | | |
|--------------|---|
| 1985-1992 | Assistant Sales Directors, Nam Silp Thai Registered Ordinary Partnership |
| 1992-2002 | Sales Directors, Nam Silp Thai Registered Ordinary Partnership |
| 2002-2008 | Managing Director, Nam Silp Thai Eyewears Co., Ltd. |
| 1992-1994 | Member of the Central Committee, Thai Optometric Association |
| 1994-1996 | Executive Director, Thai Optometric Association |
| 1996-2000 | Treasurer and Director, Thai Optometric Association |
| 2000-2002 | Secretary, Thai Optometric Association |
| 2002-2004 | Executive Director and Counselor to the Secretary, Thai Optometric Association |
| 2008-Present | Director/Deputy Managing Director of Business Sector/Member of the Business Strategic Committee Thai Optical Group PCL. |
| 2012-Present | Managing Director, Thai Optical Group PCL. |



Mr. Sarote Prachaktam

Director /Member of the Business Strategic Committee/
Member of the Nomination and Remuneration
Committee

Age : 66 Years

Shareholding : 2.11%

Education :

- Bachelor Degree of Mechanical Engineering,
Chulalongkorn University
- Master of Industrial Engineering, North Carolina State
University, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DAP Class 18/2004 - FND Class 31/2005
- DCP Class 86/2007

Other Current Position :

- Managing Director, Thai Optical Co., Ltd.

Work Experience :

- 1972-2003 Director and Factory Manager,
 - Thai Optical Co., Ltd.
 - Thai Polymer Lens Co., Ltd.
- 2004-2008 Deputy Managing Director of Operation
 Sector, Thai Optical Group PCL.
- 2009-2011 Managing Director, Thai Optical Group
 PCL.
- 2006-Present Director /Member of the Business Strategic
 Committee, Thai Optical Group PCL.
- 2012-Present Member of the Nomination and
 Remuneration Committee, Thai Optical
 Group PCL.



Mrs. Pornpun Thotrakul

Director /Administrative Deputy Managing Director/
Procurement and General Affair Manager

Age : 59 Years

Shareholding : 1.03%

Education :

- Bachelor Degree of Science (Chemical Engineering),
Chulalongkorn University
- Master Degree of Science (Chemical Engineering),
The University of Akron, Ohio, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DAP Class 15/2004 - FND Class 31/3/2005
- EMT Class 2/2006 - DCP Class 90/2007
- RRC Class 2/2007

Other Current Position : None

Work Experience :

- 1975-1979 Special Instructors in Chemical Engineering
 Department, King Mongkut Institute of
 Technology, Bangmod, Thonburi
- 1977-2004 International Trade Manager, Thai Optical
 Co., Ltd.
- 2004-Present Director/Administrative Deputy Managing
 Director, Thai Optical Group PCL.
- 2012-Present Procurement and General Affair Manager,
 Thai Optical Group PCL.



Mr. Torn Prachartam

Director/ Member of the Business Strategic Committee/
Deputy Managing Director of Operating Sector

Age : 46 Years

Shareholding : 4.25%

Education :

- Bachelor Degree of Chemical Engineering,
King Mongkut's University of Technology Thonburi
- M.S.C. Industrial and Systems Engineering,
Ohio University, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DCP Class 149/2011 - SFE Class 14/2011
(Successful Formulation and Execution of Strategy)

Other Current Position : None

Work Experience :

1994-1995	Glass Mold Manufacturing Manager, Thai Optical Co., Ltd.
1995-2001	Planning and Quality Control Manager, Thai Polymer Lens Co., Ltd.
2001-2003	Production and Quality Control Manager, Thai Polymer Lens Co., Ltd.
2004-2012	Plant TOG Manager, Thai Optical Group PCL.
2010-Present	Director/ Member of the Business Strategic Committee, Thai Optical Group PCL.
2012-Present	Deputy Managing Director of Operating Sector, Thai Optical Group PCL.



Mr. Trevor Paul Blatchford

Director/ Member of the Business Strategic Committee

Age : 63 Years

Shareholding : None

Education :

- Fellow (1982)/Associate (1976) of the Institute of
Chartered Accountants in England and Wales.
- BSc. (Econ) - Economics & Business Studies (Aberystwyth
University, Wales - 1972)

Management Developments :

Thai Institute of Directors (IOD):

- DCP class 145/2011
- Fellow (2012)/Graduate (2011)

Other Current Position :

- Director of Hong Kong and Shanghai Operations,
Specsavers Procurement Asia Ltd.

Work Experience :

1973 - 1976	Coopers & Lybrand
1976 - 1979	Finance Director, Eagle Development Group
1979 - 1983	Financial Controller Europe, Dynatech Data Communications
1983 - 1988	VP Finance Europe, Dynatech Data Communications
1988 - 1990	CFO, Dynatech Corporation Communications and Information Processing Division
1990 - 1992	Finance Director, Blue Diamond Group
1992 - 1993	VP Finance Europe, Scientific Atlanta
1993 - 1995	Finance Director Europe, Dynatech Data Communications
1995 - 2002	Finance/Commercial Director, Specsavers Optical Group
2002 - 2006	Commercial/Strategic Development Director, Specsavers Optical Group
2006 - 2008	Director, 88 Ltd.
2008-Present	Director/ Member of the Business Strategic Committee, Thai Optical Group PCL.



Mr. David Andrew Cross

Director/Member of the Business Strategic Committee

Age : 58 Years

Shareholding : None

Education :

- Graduate of Australian Institute of Company Directors (2008)
- Chartered Accountant (since 1979)
- Bachelor of Economics (Adelaide University 1977)

Management Developments :

- Australian Institute of Company Directors
- The Chairman (2013)

Other Current Position :

- 2007-Present President and Chairman of Board/Member of Audit Committee/Member of Mergers and Acquisitions Committee/Member of Public Policy Committee/Member of Remuneration Committee/Member of Investment Committee
Royal Automobile Association of South Australia Inc. (RAA Group)
- 2009-Present Director of Operations (Supply Chain) Asia Pacific, Specsavers Pty Ltd.
- 2010-Present Chairman of Board/Member of Audit Committee /Member of Governance and Remuneration Committee
RAA Insurance Ltd. and RAA Insurance Holdings Limited
- 2013-Present Non Executive Director, Automobile Association of Australia (AAA)

Work Experience :

- 1976-1980 Hungerfords/KPMG
- 1980-1993 Commercial Director, Clarks Shoes Australia LTD.
- 1993-1996 Finance Director, SOLA Australia
- 1996-1999 Commercial Director, SOLA Australia
- 1999-2002 Vice President Finance Global Operations, SOLA International Inc.
- 2002-2004 Vice President Business Planning and Development, SOLA International Inc.
- 2004-2007 Non Executive Director, Optical Distributors and Manufacturers Association of Australia (ODMA)
- 2004-2007 Managing Director Asia Pacific,
- SOLA International Inc.
- Carl Zeiss Vision-AG
- 2007 Vice President Strategic Business Development, Carl Zeiss Vision-AG
- 2009-Present Director/ Member of the Business Strategic Committee, Thai Optical Group PCL.



Mr. Singh Tangtatswas

Independent Director/Chairman of the Audit Committee

Age : 71 Years

Shareholding : None

Education :

- Bachelor Degree of Economics, Thammasart University
- Master of Business Administration (Finance and Banking), Wharton School of Finance and Commerce, University of Pennsylvania, U.S.A.

Management Developments :

Wharton School: Certificate of Management Development Program

Harvard Business School: Certificate of Executive Development Program

Thai Institute of Directors (IOD):

- DCP Class 0/2000 -MIA Class 6/2009

Other Current Position :

- Director, Thai Institute of Directors(IOD)
- Executive Director/Chairman of the Risk Management committee, Bangkok Bank PLC.
- Director/Chairman of the Nomination and Remuneration Committee, Bangkok Insurance PLC.

Work Experience :

- 1968-1978 Economist, Fiscal Policy Office, Ministry of Finance
- 1978-1980 Director, Fiscal Planning Division, Fiscal Policy Office, Ministry of Finance
- 1980-1986 Finance and Planning Manager, Siam Cement PLC.
- 1986-1996 Deputy Managing Director, The Siam Pulp and Paper PLC.
- 1991-1996 Managing Director, Siam Cellulose Co., Ltd.
- 1986-1996 Director, Siam Industrial Finance and Securities Company

- 1986-1996 Director/Treasurer, Thai Pulp and Paper Industry Association
- 1996-1998 President, The Stock Exchange of Thailand
- 1999-2001 President and Chief Executive Officer, Krung Thai Bank PLC.
- 2006-2010 Director, Bangkok Bank PLC.
- 2002-2009 Adviser, Corporate Governance Center of The Stock Exchange of Thailand
- 2013 Independent Director, TWZ Corporation PLC.
- 2004-Present Independent Director/Chairman of the Audit Committee, Thai Optical Group PCL.



Mr. Wicha Jiwalai

Independent Director/Member of the Audit Committee

Age : 69 Years

Shareholding : None

Education :

- Bachelor Degree of Civil Engineering, Chulalongkorn University
- Master of Science (Engineering), ITC, The Netherlands
- Master of Science (Geodetic Science), The Ohio State University, U.S.A.
- Ph.D. (Geodetic Science), The Ohio State University, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- Chairman 2000 - DAP Class 8/2004
- ACP Class 11/2006 - DCP Class 14 - CDC Class 1

Other Current Position :

- Chairman, Salintara Co., Ltd.
- Chairman of the Audit Committee, STP & I PLC.
- Chairman of the Audit Committee, TNDT PLC.
- Director, World Resort Co., Ltd.
- President, Surveying and Mapping Society of Thailand
- Civil Engineering Technical Board, The Engineering Institute of Thailand Under H.M. The King's Patronage

Work Experience :

- | | |
|--------------|---|
| 1966-1979 | Lecturer at Faculty of Engineering, Chulalongkorn University |
| 1979-1985 | Associate Professor and Head of Survey Engineering Department, Faculty of Engineering, Chulalongkorn University |
| 1986 | Visiting Professor, Ghajamadha University, Indonesia (under the MUCIA - World Bank Project) |
| 1985-1989 | Deputy Governor of Bangkok, Metropolitan Administration |
| 1993-1998 | President, Thai Condominium Association |
| 1994-1995 | Committee, the Sub-Committee for National Housing Policy |
| 2000- 2005 | Chairman of Executive Board, Geo-Informatics and Space Technology Development Agency (Public Organization) |
| 2013 | The first former Director, The Asean Federation of Land Surveying and Geomatic |
| 2004-Present | Independent Director/Member of the Audit Committee, Thai Optical Group PCL. |



Police General Pakorn Sappakit

Independent Director/ Member of the Audit Committee

Age : 69 Years

Shareholding : None

Education :

- Bachelor of Public Administration, Police Cadet Academy (Class 19), Sampran
- 10th Senior police Management Course, Police Development Institute, Bangkok
- 25th Senior Management Training Course, Civil Servant Training Institute, Bangkok
- 40th National Defense Course, National Defense College, Bangkok
- International Police Academy Washington D.C., U.S.A.
- Psychological Operation Control, Fort Bragg, North Carolina, U.S.A.
- The Major case Management Course, FBI National Academy, Quantico, Virginia, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DAP Class 10/2004 - ACP Class 11/2006
- QFR Class 4/2006

Other Current Position : None

Work Experience :

- | | |
|--------------|---|
| 1966 | Deputy Inspector for Investigation, Bang Sue Police Station, Bangkok Metropolitan Police Region |
| 1974 | Inspector for Administration and Crime Prevention, Bang Lamung Police Station, Chonburi |
| 1983-1984 | Superintendent for Human Resource Management Provincial Police Region 3 |
| 1987-1989 | Superintendent, Lamphun Provincial Police |
| 1992-1994 | Commander, Police Welfare Division, Royal Thai Police Department |
| 2000-2003 | Commissioner, Provincial Police Region 2 |
| 2004-Present | Independent Director /Member of the Audit Committee, Thai Optical Group PCL. |



Mr. Phairuch Mekarporn

Independent Director/Chairman of the Nomination and Remuneration Committee/Member of the Business Strategic Committee

Age : 68 Years

Shareholding : None

Education :

- B.S.M.E, Chulalongkorn University
- M.S.M.E, California State University, Long Beach, California, U.S.A.

Management Developments :

Harvard Business School: 1995 Advanced Management Program

Thai Institute of Directors (IOD):

- DCP Class 81/2006
- ACP Class 17/2007
- Advance ACP Class 1/2009

Other Current Position :

- Independent Director/the Audit Committee/ the Corporate Governance Committee/Chairman of Nomination and Remuneration Committee Thai Tap Water Supply PCL.
- Chairman of the Board of Directors, Pathum Thani Water Co., Ltd.

Work Experience :

- | | |
|--------------|--|
| 1989-1996 | Managing Director |
| | - Thai Paper Co., Ltd. |
| | - Thai Union Paper Co., Ltd. |
| 1996-2003 | Managing Director |
| | - Siam Kraft Industry Co., Ltd. |
| | - Thai Kraft Paper Industry Co., Ltd. |
| | - Thai Union Paper Industry Co., Ltd. |
| 2004-Present | Independent Director/Chairman of the Nomination and Remuneration Committee/ Member of the Business Strategic Committee Thai Optical Group PCL. |



Mr. Banchong Chittchang

Independent Director/Member of the Nomination and Remuneration Committee/Member of the Business Strategic Committee

Age : 65 Years

Shareholding : None

Education :

- B.Eng.-Mechanical (Second Class Honors), Chulalongkorn University
- MS. Mechanical Engineering, University of Akron, U.S.A.

Management Developments :

Thai Institute of Directors (IOD):

- DCP Class 7/2001 (Fellow Member)
- Chartered Director Class 1/2007

2005-Present: Facilitator of Strategic, Management Program Courses at IOD

Other Current Position :

- Independent Director/Member of the Audit Committee/ Member of Remuneration Committee/Member of Nomination committee Lam Soon (Thailand) PLC.
- Consultant, C.P. All PLC.
- Director, Thai Investors Association

Work Experience :

- | | |
|--------------|---|
| 1995- 2004 | President, Malee Sampran PLC. |
| 1989- 1994 | Managing Director, Inchcape Manufacturing Co., Ltd. |
| 1981-1989 | Operations Manager, Foremost Dairies (Bangkok) Co., Ltd. |
| | - Former Vice Chairman Food Processing Industry Club, Federation of Thai Industries |
| | - Former Councillor, Thailand Management Association (TMA) |
| 2008-Present | Independent Director/Member of the Nomination and Remuneration Committee/ Member of the Business Strategic Committee, Thai Optical Group PCL. |



Mr. Don Pramudwinai

Independent Director/Member of the Nomination and Remuneration Committee

Age : 63 Years

Shareholding : None

Education :

- B.A. Political Science (Hons.), University of California, Los Angeles, U.S.A.
- M.A.
 - International Relations, University of California, Los Angeles, U.S.A.
 - International Relations, The Fletcher School of Law and Diplomacy, Tufts University, U.S.A.
- The National Defense College, (Joint State-Private Sectors Course, 1993 - National Defense College Class 366)

Management Developments : None

Other Current Position :

- Independent Director/Member of the Audit Committee/ Chairman of the CSR Committee, CH-Karnchang PLC.
- Director, Thai Institute of Directors (IOD)
- Director, Sasin Institute for Global Affairs (SIGA) that operates as part of the Sasin Graduate Institute of Business Administration (Sasin) of Chulalongkorn University
- Director and President, Young Ambassadors of Virtue Foundation, Ministry of Foreign Affairs

Work Experience :

- 1974-1990 Joined the Ministry of Foreign Affairs
2010 Left Foreign Service after serving for 36 years in various posts and positions. The last 10 years of career were spent overseas as Ambassador to China, Ambassador to Belgium and European Union, Ambassador & Permanent Representative of Thailand to the United Nations in New York and lastly the Ambassador to the United States of America.
- 2011-Present Independent Director/Member of the Nomination and Remuneration Committee Thai Optical Group PCL.

Decorations :

Retired with highest decoration from the Government of Thailand: Knight Grand Cordon of the Most Exalted Order of the White Elephant in 2003. And was bestowed Knight Commander of the Most Illustrious Order of Chula Chom Klao in 2004 by His Majesty the King of Thailand. Foreign Decorations were from: Germany, the Vatican and the Kingdom of Belgium



Miss Wicit Thaveeprechachat

Director / The Company Secretary

Age : 53 Years

Shareholding : 1.03%

Education :

- B.B.A. (Accounting), Ramkamhaeng University
- M.B.A. (Money and Banking), Ramkamhaeng University

Management Developments :

Chulalongkorn University: MMP Class 27

Thai Institute of Directors (IOD):

- CSP Class 6/2004 - EMT Class 2/2006
- DAP Class 76/2008 - BRP Class 2/2010
- DCP Class 138/2010 - ACPG Class 7/2013

Other Current Position : None

Work Experience :

- 1984-1985 Accountant, Nana Condominium Co., Ltd.
- 1985-1987 Treasury, Khumsappaisal Co., Ltd.
- 1987-1989 Treasury, Kiatpaisal Co., Ltd.
- 1989-1993 Assistant Accounting Manager, Thai Central Steel Co., Ltd.
- 1993-2004 Accounting Manager, Sin Thai Estate Co., Ltd.
- 2005-Present The Company Secretary, Thai Optical Group PCL.
- 2008-Present Director ,Thai Optical Group PCL.

Board of Directors and Top Executives



Mrs. Anuruk Rattanasansuntorn

Internal Audit Manager

Age : 46 Years

Shareholding : None

Education :

- B.S. (Accounting), Kasetsart University
- M.B.A., Kasetsart University

Other Current Position : None

Work Experience :

1991-1995	Internal Auditor, The Siam Pulp and Paper PLC.
1995-1998	Senior Accountant Budgeting and Reporting section to the SEC and SET of Thailand, The Siam Pulp and Paper PLC.
1998-2003	Accounting and Budgeting Section Manager, The Thai Containers Industry Company Limited
2003-2004	Reporting and Budgeting Section Manager, Industrial Paper Business
2004-2005	Consultant /Internal Auditor (Independent), Thai Optical Group PCL
2005-Present	Internal Audit Manager, Thai Optical Group PCL.



Mr. Bancha Yongrithikul

Warehouse and Delivery Division Manager

Age : 43 Years

Shareholding : 0.01%

Education :

- Bachelor Degree of Electronics Engineer,
King Mongkut's Institute of Technology Ladkrabang
- M.B.A, University of Tennessee at Chattanooga, U.S.A.

Other Current Position : None

Work Experience :

1992-1994	Customer Engineer, Datamat PLC.
1996-2003	System Development Section Manager, Thai Polymer Lens Co., Ltd.
2004-Present	Warehouse and Delivery Manager, Thai Optical Group PLC.



Mrs. Amolrat Prachartam

Business Development Division Manager

Age : 46 Years

Shareholding : 1.02%

Education :

- Bachelor Degree of Civil Distribution and Marketing, Faculty of Commerce, Waseda University, Tokyo, Japan

Other Current Position : None

Work Experience :

1991	Trainee, Asahi Glass Co., Ltd. , Japan
1991-1994	Export Section Chief, Bangkok Float Glass Co., Ltd.
1994-2002	Export Sales Manager, Thai Polymer Lens Co., Ltd.
2002-2003	Purchasing & Logistics Manager, Thai Polymer Lens Co., Ltd.
2004-2007	Sales and Marketing Manager, Thai Optical Group PCL.
2008-Present	Business Development Manager, Thai Optical Group PCL.



Mrs. Narueporn Prachartam

Accounting and Finance Division Manager

Age : 49 Years

Shareholding : None

Education :

- Bachelor Degree of Accountancy, Chulalongkorn University
- Master Degree (M.B.A) Major in Controllerships, Kasetsart University

Other Current Position :

- Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
- Certified Public Accountant (Thailand)

Work Experience :

1987-1990	Assistant Chief Accountant - Laemthong Corporation Co., Ltd. - Pang Laemthong Co., Ltd.
1990-1991	Programmer Analyst, Glaxo (Thailand) Co., Ltd.
1991-1993	Senior Accountant - Philips Electrical of Thailand Co., Ltd. - Digital Solution Services Co., Ltd.
1993-2001	Accounting Manager, - Thai Optical Co., Ltd. - Polymer Lens Co., Ltd. - Asian Vacuum Coating Co., Ltd.
2004-Present	Accounting and Finance Manager, Thai Optical Group PCL.



Miss Porntip Prachartam

Planning Division Manager

Age : 56 Years

Shareholding : 1.00%

Education :

- Bachelor Degree of Pharmacology, Mahidol University
- Bachelor Degree of Public Health, Sukhothai Thammathiraj University
- Certificate of Manufacturing Management, The Sanno Institute of Management
(Organized by technological promotion association Thai-Japan)

Other Current Position : None

Work Experience :

1980-1986	Pharmacist 5, Siriraj Hospital
1986-2000	CR 39 Planning Department Manager, Thai Polymer Lens Co., Ltd.
2000-2001	CR 39 Planning Department Manager, Thai Optical Co., Ltd.
2001-2003	CR 39 Planning Department Manager, Thai Polymer Lens Co., Ltd.
2003-2006	Planning Department Manager, Thai Optical Group PLC.
2006-Present	Planning Division Manager, Thai Optical Group PCL.



Mr. Choochart Mahawansu

Human Resources Division Manager

Age : 53 Years

Shareholding : None

Education :

- Bachelor Public Administration - Major Personnel Management, Sukhothai Thammathiraj University
- Master of Science : Human Resource & Organization Development, National Institute of Development Administration (NIDA)

Other Current Position : None

Work Experience :

1980-1986	Personnel Coordinator - Ambassador Hotel And - Convention Center Hotel
1986-1988	Personnel Coordinator, United Hotels Company Limited
1988-1989	Personnel Manager, The Menam Hotel
1989-1990	Personnel Manager, Siam City Hotel
1990-1997	Human Resources Director, Marriott Royal Garden Riverside Bangkok Hotel
1997-2000	Human Resources Director, President Park (SPI), LTD.
2000-2004	Human Resource Director, Food Lion (Thailand) LTD.
2005-2006	Assistant Managing Director - Human Resources, PICNIC Corporation PCL. - Head Office
2004-2006	Human Resources Director, PICNIC Corporation PCL. - (GROUP)
2007-2009	Human Resources Director, Boots Retail (Thailand) LTD.
2010	Human Resources and Administration Director, TV Direct Co., LTD.
2011-Present	Human Resources Manager, Thai Optical Group PCL.



Miss Michelle Hsieh

Sales and Marketing Division Manager

Age : 36 Years

Shareholding : None

Education :

- Bachelor Degree of Business, Johnson & Wales University, U.S.A.

Other Current Position : None

Work Experience :

2000 - 2003 International Sales Representative,
Nitring Enterprise Inc., Taiwan

2003 - 2005 International Sales Representative,
Free-Free Industrial Corp., Taiwan

2005 - 2009 Sales & Frame Business Manager,
Rodenstock Asia Limited, Thailand

2009- 2011 Sales Division Manager,
Yongta Technology Printing Co. Ltd., China

2011-2012 Deputy Sales and Marketing Division
Manager, Thai Optical Group PCL.

2012-Present Sales and Marketing Division Manager,
Thai Optical Group PCL.



Mr. Danupun Nitisombat

Pant TOG Manager

Age : 57 Years

Shareholding : None

Education :

- Faculty of Engineering(Power Electronics),
King Mongkut's University of Technology Thonburi

Other Current Position : None

Work Experience :

1982 ASIAN VACUUM COATING

1986 Thai Polymer Lens Co., Ltd.

1992-Pesent Thai Optical Group PCL.

Changing in Directors' Shareholding of Thai Optical Group Public Company Limited Report (as at December 31, 2013)

		Thai Optical Group PCL.			Subsidiary Company			
		Common Shares (Shares)			Common Shares (Shares)		Debenture (Shares)	
No.	Name	Own	Spouse or Underage Child	Increase (Less) During Jan-Dec. 2013	Own	Increase (Less) During Jan-Dec. 2013	Own	Increase (Less) During Jan-Dec. 2013
1	Mr. Sawang Pracharktam	21,992,900	--	21,992,900	1			
2	Mr. Sarote Prachaktam	10,000,000	--	7,800	1			
3	Mr. Wirach Pracharktam	10,160,000	240,000	--	1			
4	Mrs. Pornpun Thotrakul	4,880,000	--	--	None			
5	Mr. Torn Pracharktam	19,100,000	1,000,000	--	None			
6	Mr. Phairuch Mekarporn	None	-	-	None			
7	Mr. Singh Tangtatswas	None	-	-	None			
8	Mr. Wicha Jiwalai	None	-	-	None			
9	Pol.Gen. Pakorn Sappakit	None	-	-	None			
10	Mr. Banchong Chittchang	None	-	-	None			
11	Mr. Don Pramudwinai	None	-	-	None			
12	Mr. Trevor Paul Blatchford	None	-	-	None			
13	Mr. David Andrew Cross	None	-	-	None			
14	Ms. Wichit Thaveeprechachat	None	-	-	None			

- Remarks:
- TOG has registered capital of 475,000,000 Baht, paid-up capital 473,283,700 Baht (as at December 31, 2013) and total common share 473,283,700 shares.
 - According to Public Limited Company Act, "Company's Subsidiary" means a public company limited which has connected with a private company or a public corporation or multiple companies as follows :
 - a company which has the power to appoint and deprive directors who have totally or majority control of one company.
 - a company which holds more than 50% of issued shares of one company.
 - The information of shareholding may change, if any director, spouse or underage child buys stock after the date as said.

Changing in Managements' Shareholding of Thai Optical Group Public Company Limited Report
(as at December 31, 2013)

		Thai Optical Group PCL.			Subsidiary Company			
		Common Shares (Shares)			Common Shares (Shares)		Debenture (Shares)	
No.	Name	Own	Sponse or Underage Child	Increase (Less) During Jan-Dec, 2013	Own	Increase (Less) During Jan-Dec, 2013	Own	Increase (Less) During Jan-Dec, 2013
1	Mr. Wirach Prachartam	10,160,000	240,000	--	1			
2	Mr. Torn Prachartam	19,100,000	1,000,000	--	None			
3	Mrs. Pornpun Thotrakul	4,880,000	--	--	None			
4	Mrs. Amolrat Prachartam	4,830,000	--	--	None			
5	Miss Porntip Prachartam	4,730,000	--	--	None			
6	Mrs. Narueporn Prachartam	None	9,830,000	--	None			
7	Mr. Bancha Yongrithikul	60,000	--	--	None			
8	Mrs. Anuruk Rattanasansuntorn	None	--	--	None			
9	Mr. Choochart Mahawansu	None	--	--	None			
10	Miss Michelle Hsieh	None	--	--	None			
11	Mr. Danupun Nitisombat	None	--	--	None			

The Nomination of Directors and Executives

1. The Nomination of Directors

With reference to the Company's Articles of Association, the selections for the Company's Directors are indicated that:

1. The Company requires a Board of Directors comprising at least five members. Not less than a half of the members are to be residents of the Kingdom of Thailand. The qualifications of the directors have to be in accordance with the law. The directors may be Company shareholders, or not.
2. The election of the Company directors is to be made at the Company shareholders' meeting, with respect to the following rules:
 - (a) A shareholder has 1 vote per share held.
 - (b) The election can be made individually, person by person or by any other method chosen at the meeting. But each shareholder has to give all votes he/she has in (a) to one candidate only, and he/she cannot split his/her votes among any other candidate(s).
 - (c) The candidates will be ranked in descending order of votes received, and will be appointed as Directors, until all positions are filled. If there is a tie of votes for candidates in descending order, which cause an excess in total number of directors; the Chairman of the meeting will has the casting vote.
3. At the Annual General Meeting, one-third of directors have to resign in the first and second year. If the number of the Board of Directors cannot be separated into three parts, the number of resigning directors should be vicinal to one-third. In subsequent years, the ones holding the longest term on the Board will be requested to stand down, and may be elected back to the Board.
4. Other than expire by rotation, Directors shall retire under the following conditions:
 - (a) Death
 - (b) Resignation
 - (c) The directors are unqualified or discovered to have any forbidden characteristics, in accordance with the law and regulations of Public Company Limited.
 - (d) The shareholders' meeting has a resolution vote to resign.
 - (e) A Court of Law orders the directors to resign.
5. The directors can submit their resignation letter to the Company and it is effective immediately. The directors, themselves, can also inform their resignation to the registrar.
6. In case of any vacancy due to other reasons, aside from the director's expiry term, the Board of Directors will choose a person who has completely qualifications and not disqualified by the law and regulations of Public Company Limited to replace, unless the remaining term of membership is less than two months. The newly appointed director will only hold the remaining term of directorship that he/she replaced. The replacement shall obtain at least three quarters of votes from the remaining directors.

7. The shareholders' meeting may make a resolution vote to remove any directors from the Board before their expiry term, with three quarters of shareholders in attendance and being eligible to vote. Furthermore, the number of shares held by those voting at the meeting should exceed half of the total shares held by all shareholders entitled to vote.
8. The shareholders' meeting will determine the number of authorized directors to legally bind the Company with affix its seal. Under the first section, the Board has authority to reset or amend the list of authorized directors to legally bind the Company.

As at December 31, 2013, the Board of Directors of the Company consists of 14 members as follows:

Name	Position
1. Mr. Sawang Prachartam	Chairman of the Board of Directors
2. Mr. Singh Tangtatswas	Independent Director
3. Mr. Wicha Jiwalai	Independent Director
4. POL. GEN. Pakorn Sappakit	Independent Director
5. Mr. Phairuch Mekarporn	Independent Director
6. Mr. Banchong Chittchang	Independent Director
7. Mr. Don Pramudwinai	Independent Director
8. Mr. Wirach Prachartam	Director
9. Mr. Trevor Paul Blatchford	Director
10. Mr. David Andrew Cross	Director
11. Mr. Sarote Prachaktam	Director
12. Mrs. Pornpun Thotrakul	Director
13. Mr. Torn Prachartam	Director
14. Miss Wichit Thaveeprechachat	Director /The Company Secretary

The Directors Authorized to sign on behalf of the Company

The following 5 directors have the authority to sign on behalf of the company.

Name	Position
1. Mr. Sawang Prachartam	Chairman of the Board of Directors
2. Mr. Sarote Prachaktam	Director
3. Mr. Wirach Prachartam	Director
4. Mrs. Pornpun Thotrakul	Director
5. Mr. Torn Prachartam	Director

Note: To bind the Company, two of these five directors are required to co-sign, and stamped with the Company's corporate seal.

Regarding to, the resolution of the Board of Directors' Meeting No.59 (1/2014), held on February 19, 2014, the approval as proposed by The Nomination and Remuneration Committee, was granted to reappoint five directors whose term had expired as follows;

1. Mr. Wicha Jiwalai
2. Mr.Banchong Chittchang
3. Mr.Don Pramudwinai
4. Mr. Trevor Paul Blatchford
5. Mr. David Andrew Cross

The five directors who had been re-elected to be the members of the Boards for another term as well as they shall also maintain to take their position in the Sub-committee, and will be propose to the Annual General Meeting of Shareholders for approval further. In addition, the Company provided the opportunity for shareholders to propose nominee directors during October 1 to December 31, 2013, however, no person was proposed.

2. The Nomination of the Audit Committee

The Company has determined condition to elect members of the Audit Committee in accordance with the Securities and Exchange Act, item No.4, B.E. 2551, hereto:

1. Members of the Audit Committee must be the Independence Director.
2. Members of the Audit Committee must be appointed by the Company's Board of Directors or by a resolution of the shareholders' meeting.
3. The Audit Committee shall have at least three members, accounting for one- third of the total members and at least one of them must have appropriate knowledge and experience in finance and accounting.
4. The qualifications of members of the Audit Committee are as follows:
 - (a) Have qualifications in accordance with the related laws, especially The Securities and Exchange Act and regulations of the Stock Exchange of Thailand.
 - (b) Not hold more than 0.5 % of paid-up capital of the Company, the Subsidiary Company, the Associated Company or the Affiliates Company. (shares that held by relatives or related persons are also included in this account).
 - (c) Not be involved in the management of the Company, the Subsidiary Company, the Associated Company, the Affiliates Company or major shareholders. He/She must not be the Company's employees or consultants who receive salary from the Company, the Subsidiary and related companies or the major shareholder. Plus, they must not be the authorized person in the Company dating back two years before appointment to be members of the Audit Committee of the Company.
 - (d) Have no directly or indirectly benefits or gain and loss from the Company's finance and management, the Company, the Subsidiary Company, the Associated Company, the Affiliates Company or major shareholders in two years before his/her appointment, except on the condition that those benefits or gain and loss are considered by the Board of Directors that not affect on the Audit Committee's work and opinions.
 - (e) Not be a related person or a relative of the Company's executives or major shareholders.
 - (f) Not be appointed as representatives to protect benefits of the Company's Directors, major shareholders, and other shareholders who are related to the majority shareholders.
 - (g) Be able to perform their duties and report on the performance which assigned by the Board of Directors independently. He/She must not be under the control of the Company's executives, major shareholders, and their relatives.

5. Term the member of the Audit Committee will not be longer than the term of the Company's Directors, as mentioned in the Company's Article of Association, and each term for member of the Audit Committee are three years.
6. The member of Audit Committee shall removal from the position under the following conditions:
 - (a) The Audit Committee resigns by informing the Chairman at least 30 days in advance with stated reasons, in order that the Board or shareholders can process the appointment of a replacement with complete qualifications to fill the vacancy.
 - (b) The Audit Committee members are unqualified according to the rules and regulations of the Audit Committee, the Securities and Exchange Act or regulations of the Stock Exchange of Thailand.
 - (c) The term of Audit Committee members expires, as indicated in item 5. Those whose term has expired can be reappointed.
 - (d) In case the expiry of term of the Company's Directors causes the status of the Audit Committee, while the term of the Audit Committee still remains, and if the Audit Committee is voted to be the Director again, that person will automatically be the Company's Audit Committee until the expiry of the Audit Committee's term.
 - (e) The member of Audit Committee passes away.

In case of any vacancy due to any other reasons than the expiry of the Audit Committee's term, the replacement will replace only the remaining period of term of the resigned members.

The Audit Committee of the Company consists of 3 Independent Directors as follows;

Name	Position
1. Mr. Singh Tangtatswas *	Chairman of the Audit Committee
2. Mr. Wicha Jiwalai	Member of Audit Committee
3. POL. GEN. Pakorn Sappakit	Member of Audit Committee

Remark: * Mr. Singh Tangtatswas is knowledgeable and experienced to review the Company's financial statements. Mrs. Anuruk Rattanasansuntorn, Internal Audit Manager appointed as an the Secretary to the Audit Committee.

Scope and authority of the Audit Committee

1. To review the Company's financial report accurately and adequately;
2. To review the Company's internal control and internal audit system to ensure that they are appropriately and efficiently, as well as to approve the appointment, transfer and dismissal of the head of internal audit or any other parties which responsible for the internal audit.
3. To review the Company's compliance with The Securities and Exchange Act, The Stock Exchange of Thailand regulations, and the laws that relate to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To consider the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are incompliance with the laws and The Stock Exchange of Thailand regulations, are reasonable and for the maximum benefit of the Company;

6. To prepare and disclose in the Company's annual report, about the Audit Committee's minutes which must be signed by Chairman of the Audit Committee.
7. To perform any other act assigned by the Board of Directors, with the approval of the Audit committee.

3. The Business Strategic Committee

The Business Strategic Committee consists of 8 directors as follows:

Name	Position
1. Mr. Sawang Prachartam	Chairman of the Business Strategic Committee
2. Mr. Sarote Prachaktam	Member of Business Strategic Committee
3. Mr. Wirach Prachartam	Member of Business Strategic Committee
4. Mr. Torn Prachartam	Member of Business Strategic Committee
5. Mr. Trevor Paul Blatchford	Member of Business Strategic Committee
6. Mr. David Andrew Cross	Member of Business Strategic Committee
7. Mr. Phairuch Mekarporn	Member of Business Strategic Committee
8. Mr. Banchong Chittchang	Member of Business Strategic Committee

Mrs. Amolrat Prachartam, Business Development Division Manager was appointed as the Secretary to Business Strategic Committee.

Scope and authority of the Business Strategic Committee

1. To be responsible in study of the significant business matters that need close attention.
2. To propose the new strategies of production and new innovation trends as well as expand the distribution channels.
3. To consider on projects of investments so that the business can run effectively.
4. To provide advice and suggest other related business strategies, and also reports to the Board of Directors.

4. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consist of 4 directors as follows;

Name	Position
1. Mr. Phairuch Mekarporn	Chairman of the Nomination and Remuneration Committee
2. Mr. Banchong Chittchang	Member of the Nomination and Remuneration Committee
3. Mr. Don Pramudwinai	Member of the Nomination and Remuneration Committee
4. Mr. Sarote Prachaktam	Member of the Nomination and Remuneration Committee

Mr.Choochart Mahawansu, Human Resource Division Manager, was appointed as the Secretary to the Nomination and Remuneration Committee.

Scope and Authority of the Nomination and Remuneration Committee

1. To perform duties in selection and elect qualified persons to be director in the Company's Board of Directors.
2. To follow up succession plan.
3. To evaluate the performance of Managing Director.
4. To propose remunerations and other fringe benefits policy of the Board of Directors, the Sub Committees, Managing Director and Deputy Managing Director.
5. To consider and review the appropriate remuneration structure for the Company's directors and executives in accordance to their responsibility and the Company's performance.

5. The Company's Executives

The Nomination and Remuneration Committee is responsible to recruit and select persons who are suitable to be the Company's executives, and then propose to be appointed by the Board of Directors further.

The Company's Executives as at December 31, 2013 consists of 10 persons as follows;

Name	Position
1. Mr. Wirach Prachartam	Managing Director/ Deputy Managing Director of Business Sector
2. Mrs. Pornpun Thotrakul	Administrative Deputy Managing Director/ Procurement and General Affair Manager
3. Mr. Torn Prachartam	Deputy Managing Director of Operating Sector
4. Ms. Porntip Prachartam	Planning Division Manager
5. Mr. Bancha Yongrithikul	Warehouse and Delivery Division Manager
6. Mrs. Amolrat Prachartam	Business Development Division Manager
7. Mrs. Narueporn Prachartam	Accounting and Finance Division Manager
8. Mr. Choochart Mahawansu	Human Resource Division Manager
9. Miss. Michelle Hsieh	Sales and Marketing Division Manager
10. Mr. Danupun Nitisombat	Plant TOG Manager

Delegation of executive power to Managing Director

Regarding to, the resolution of the Board of Directors' Meeting on April 20, 2004 and on April 8, 2005, the scope of authority of Managing Director was clearly stated as follows; Managing Director is responsible for managing normal business operations of the Company and perform in regarding to the Company's Board of Directors has assigned under the rules and regulations of the Company as well.

1. Sets the Company's missions, objectives, methods and policy, including conducting and controlling business operations to accomplish the Company's objectives.
2. Recruits, employs, appoints, dismisses, revokes, fires, as well as sets wages and rewards, adjusts salary, remuneration and bonuses for all Company employees in the positions lower than Managing Director, including with appoint a person as employer's representative in the Company's Provident Fund Committee.

3. Considers and approves payments for expenses of ordinary business operations, such as purchasing goods and services to the extent of 20 Million Baht per time, or authorizes another person to perform this task.
4. Issues instructions, orders, regulations, announcements, and memos to control business operations of the Company for profit and objective achievement, including maintaining discipline in the organization.
5. Acts and appears as the Company representative to contact external parties or sectors related to and advantageous for the Company's business.
6. Carefully considers the Company investment before proposing to the Board of Directors.
7. Considers appointing any consultant that necessary for the operations of the Company before proposing to the Board of Directors.
8. Considers and approves general commercial conditions related to market price offering for sales and credit terms to general customers, which are set for commercial standard policy, reviewed by the Audit Committee and approved by the Board of Directors.
9. Manages Company's general activities.
10. Performs other duties assigned by the Board of Directors.
11. Considers funding activities in order to propose to the Board of Directors.

In addition, the Managing Director can authorize a suitable person to perform some of his/her duties under the authorization of the Board of Directors.

However, Managing Director does not has any power to approve the connected transactions which are not considered as normal commercial conditions of the Company and its Subsidiary's related parties for assets acquired and/or sold, and/or transactions in which Managing Director has a conflict of interest with other parties or in any other conditions.(according to the rules, regulations and announcements of the Company, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand), except transactions in accordance with normal commercial conditions, which are reviewed by the Audit Committee and approved by the Board of Directors, and/or the Company and its Subsidiary's related party transactions and the Company's acquired and sold assets which have been approved by the Board of Directors and agreed by the Shareholders. This rule must comply with the regulations of the Stock Exchange of Thailand.

Delegation of Power

Managing Director delegates his power to the descendant executives, in ranking order as his representative to perform such as approving payment for the expense of purchasing raw materials, consumable materials, etc. The delegated individual can sign on cheque for withdrawal cash from the Company's account within the limits and conditions of payment, agreed upon corresponding to their levels and under agreement of the Board of Directors.

The Remunerations of Directors and Executives

1. Directors Remuneration

The Board of Directors of the Company had conducted total 5 meetings in each year since 2011, 2012, and 2013. Each Director attended the meetings and obtained the remuneration as follows:

Names of The Company's Directors	2013		2012		2011	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Sawang Prachartam	5/5	365,000	5/5	347,000	5/5	347,000
2. Mr. Sarote Prachaktam	5/5	244,000	5/5	232,000	5/5	232,000
3. Mr. Wirach Prachartam	5/5	244,000	5/5	232,000	5/5	232,000
4. Mrs. Pompun Thotrakul	5/5	244,000	5/5	232,000	5/5	232,000
5. Mr. Torn Prachartam	5/5	244,000	5/5	232,000	5/5	232,000
6. Mr. Phairach Mekarporn	5/5	244,000	5/5	232,000	5/5	232,000
7. Mr. Singh Tangtatswas	5/5	244,000	4/5	232,000	5/5	232,000
8. Mr. Wicha Jiwalai	5/5	244,000	5/5	232,000	5/5	232,000
9. POL.GEN. Pakorn Sappakit	5/5	244,000	4/5	232,000	5/5	232,000
10. Mr. Banchong Chittchang	5/5	244,000	5/5	232,000	5/5	232,000
11. Mr. Don Pramudwinai	4/5	244,000	3/5	232,000	4/5	174,000
12. Mr. Trevor Paul Blatchford	5/5	244,000	3/5	232,000	3/5	232,000
13. Mr. David Andrew Cross	4/5	244,000	3/5	232,000	3/5	232,000
14. Ms. Wichit Thaveeprechachat	5/5	244,000	5/5	232,000	5/5	232,000

The Audit Committee of the Company conducted total 4 meetings in each year since 2011, 2012 and 2013. Each director attended the meetings and obtained the remuneration as follows:

Names of The Audit Committee	2013		2012		2011	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Singh Tangtatswas	4/4	300,000	4/4	300,000	4/4	300,000
2. Mr. Wicha Jiwalai	4/4	200,000	4/4	200,000	3/4	200,000
3. POL.GEN. Pakorn Sappakit	4/4	200,000	4/4	200,000	4/4	200,000

The Business Strategic Committee (BSC) of the Company conducted a total 3, 3 and 4 meetings in 2011, 2012 and 2013 respectively. Each director attended the meetings and obtained the remunerations as follows;

Names of The Business Strategic Committee	2013		2012		2011	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Sawang Prachartam	4/4	175,000	3/3	166,000	3/3	166,000
2. Mr. Sarote Prachaktam	4/4	116,000	3/3	110,000	3/3	110,000
3. Mr. Wirach Prachartam	4/4	116,000	3/3	110,000	3/3	110,000
4. Mr. Torn Prachartam	4/4	116,000	3/3	110,000	3/3	110,000
5. Mr. Phairuch Mekarporn	4/4	116,000	3/3	110,000	2/3	110,000
6. Mr. Banchong Chittchang	4/4	116,000	3/3	110,000	2/3	110,000
7. Mr. Trevor Paul Blatchford	4/4	116,000	1/3	110,000	3/3	110,000
8. Mr. David Andrew Cross	3/4	116,000	2/3	110,000	3/3	110,000

The Nomination and Remuneration Committee conducted 4 meetings in each year since 2011, 2012 and 2013. Each director attended the meetings and obtained the remunerations as follows;

Names of The Audit Committee	2013		2012		2011	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Phairuch Mekarporn	4/4	175,000	4/4	166,000	4/4	166,000
2. Mr. Banchong Chittchang	4/4	116,000	4/4	110,000	4/4	110,000
3. Mr. Don Pramudwinai	3/4	116,000	3/4	110,000	3/4	82,500
4. Mr. Sarote Prachaktam	4/4	116,000	4/4	110,000	-	-

Hence the remuneration of the Board of Directors and the Sub committees has to be approved by The Annual General Meeting of Shareholders on an annual basis. The annual remuneration would be paid per person per year and do not receive any other payment from the Company, as detailed in the table above.

The remuneration of the Company's directors in year 2013 can be summarized in the table below;

Type of Remuneration	Total number (person)	Remuneration (Baht/person year)	Total Remuneration (Baht/year)
The remuneration of Chairman of the Board of Directors	1	365,000	365,000
The remuneration of member of the Board of Directors	13	244,000	3,172,000
The remuneration of Chairman of the Audit Committee	1	300,000	300,000
The remuneration of member of the Audit Committee	2	200,000	400,000
The remuneration of Chairman of the Business Strategic Committee	1	175,000	175,000
The remuneration of member of the Business Strategic Committee	7	116,000	812,000
The remuneration of Chairman of the Nomination and Remuneration Committee	1	175,000	175,000
The remuneration of member of the Nomination and Remuneration Committee	3	116,000	348,000
Total			5,747,000

2. Remunerations of the Executives

The Company's executives had the remuneration in year 2011-2013 as in the table below;

Type of Remunerations	2013		2012		2011	
	Total number (person)	Total Remuneration (Baht/year)	Total number (person)	Total Remuneration (Baht/year)	Total number (person)	Total Remuneration (Baht/year)
Executives Salary	10	20,098,080	9	17,153,830	10	18,205,485
Executives Bonus	10	2,785,109	9	1,339,740	10	-
Provident Fund	10	921,096	9	785,706	10	819,104
Total Remunerations		23,804,285		19,279,276		19,024,589

Remark: Directors who received remunerations as being the Company's executives are Mrs. Pornpun Thotrakul, Mr. Wirach Prachartam, and Mr. Torn Prachartam.

Report of Good Corporate Governance



Companies with Very Good CG Scoring



The Company's Board of Directors has strong intention to administrate the Company in accordance with Practice and guidelines of the Stock Exchange of Thailand, and also aims to develop the good corporate governance policy of the Company in order to bring out the best practice for the organization.

Therefore, the Board of Directors has resolved, in the meeting held on February 18th, 2009, to implement "Corporate Governance Policy" as the good practice for directors, executive directors and employees as well as to make the corporate governance policy in a good quality standard to cover all of any practices and also meet expectations of shareholders, investors, and stakeholders. The Board of Directors of Thai Optical Group PLC., (the Company) is responsible to supervise the stringent use of policy and practice in order to achieve the Company's goals and lead to the strength and sustainability growth of the Company and shareholders.

The Principles of Corporate Governance of the "Organization for Economic Co-operation and Development" ("OECD").

The principles were presented in 5 categories namely:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

In 2013, the Company had received Awards on assessment relating to good corporate governance activities as follows:

- CSRI Recognition Award from CSRI under the operation of the Stock Exchange of Thailand, the Company had received The Rising Star Award and General Award for outstanding among small to medium sized companies in regarding to Corporate Social Responsibility of the year 2012 and 2013 respectively.
- TOG had received "The Best Investor Relations" award in the year 2012 and 2013 which was one of project in the SET Awards that were organized by the Stock Exchange of Thailand and Money& Banking Magazine.
- The assessment resulted two consecutive years on "The Corporate Governance Report" (CGR), TOG was ranked in 4-stars including rank in "Top Quartile" from Thai Institute of Directors (IOD) :the year 2012 and 2013.
- The Company had been assessed by the Securities and Exchange Commission, in cooperation with Thai Investors Association and Thai Listed Companies Association, on the quality of The Annual General Meeting: AGM for the year 2013. The meeting was rated "Excellent", the same result as that for the year 2010 to 2012.

1. Rights of Shareholders

Every shareholder occupies the ownership right of controlling the Company through the appointment of the Board of Directors to act as their representatives. Shareholders have rights and are eligible to make decision on any of significant corporate changes. Therefore the Company should encourage shareholders to exercise their rights as follows:

- 1) Right to exercise their ownership to control the Company through the appointment the Board of Directors to act as their representatives.
- 2) Right to sell, buy, or transfer the Company's shares.
- 3) Right to obtain adequate information of the Company in a timely manner.
- 4) Right to attend and vote in the shareholders' meetings.
- 5) Right to have proxy holder to attend and vote on their behalf at the shareholders' meeting.
- 6) Right to be informed of the criteria and procedures governing the shareholders' meeting.
- 7) Right to express their opinions and ask questions at the shareholders' meeting.
- 8) Right to appoint or remove the members of the board of directors and considering the remunerations to members of the board of directors.
- 9) Right to vote for appointing the Company's auditors and considering service fee.
- 10) Right to be provided dividend payment.
- 11) Right to vote in approving or amending the Company's articles of associations or the Company's Memorandum of Association by law.
- 12) Right to vote for the increases or decreases of the capital of the Company.
- 13) Right to vote for an approval of any extraordinary transactions.

In addition, the Company has reported and disclosed any transactions of the Company correctly, completely, adequately, transparently and timely, to all shareholders, investors, and others through the Company's website at <http://www.thaiopticalgroup.com>., in both Thai and English languages.

Moreover, the Company has set the shareholders ordinary meeting within 4 months after the accounting period. For other meetings, the Board of Directors can hold the extraordinary meeting as when is necessary. The Company requires all of directors and executives to attend the shareholders' meetings in order to provide information to any shareholders who give opinions and enquire questions equitably. The minutes of the meeting must be noted correctly and completely to report and request for approval on the significant matters, or related to the principles of law that such a matter has to be approved in the shareholders' meetings. In order to let the shareholders get the information needed for the meeting in advance, the Company will send the relevant information to the shareholders, at least 7 days or 21 days prior to the meeting date, according to the agenda that is required by the principles of law. On the day of the shareholders' meeting (AGM), the Company assign its staffs to facilitate the meeting registration of the shareholders or the proxy holders.

2. Equitable treatment of Shareholders

The Board of Directors of the Company has set the policy to enable shareholders to take part of the business as well as express their opinions. Thus the Company sets equitable treatment of shareholders as follows:

1. The Company has the policy to facilitate shareholders to present candidates for director nomination and propose the Annual General Meeting of Shareholders' meeting (AGM) agenda according to the criteria publicized on the Company's website (<http://www.thaiopticalgroup.com>.) The proposal should be delivered in December every year through the following channels:

E- mail: ir@thaiopticalgroup.com Fax : (662) 862 0705

Post: The Office of Company Secretary

Thai Optical Group Public Company Limited

77/ 141-142 Sinn Sathorn Tower, 33rd floor, Krungthonburi Rd., KlongTonsai, KlongSarn, Bangkok (10600) Thailand

For shareholders and interested investors to get comprehensive information, the Company has set the Investor Relations Section which included Miss Wichit Thaveeprechachat - Director and The Company Secretary, to provide information to shareholders, investors and analysts through the following channels;

E-mail : ir@thaiopticalgroup.com Tel.: (662) 440 0506

2. After the Company has completely prepared the Minutes of Annual General Meeting of Shareholders (AGM) then it will be distributed through the Company's website at <http://www.thaiopticalgroup.com> within 14 days from the date of the meeting.
3. The Company provides opportunities to shareholders who are unable to participate the meeting to exercise their rights by proxy. The Company encourages the use of proxy forms on which shareholders are able to specify their votes and also provides an option to shareholders whereby they may appoint an independent director as their proxy and for the shareholders equitable treatment, the Company has disclosed information completely, transparency and sufficiently for shareholders in a manner that encourages and provides opportunities for the shareholders equally to express opinions and ask questions by paying attention to the recommendation of shareholders and clearly fixing the rights to votes of shareholders in the Annual General Meeting of Shareholders (AGM).
4. In the year 2013, the company participated in "Opportunity Day" event for one time(June 12,2013) which were hosted by the Stock Exchange of Thailand, to provide an opportunity for shareholders, investors and analysts to ask directly about the Company's operating results with executives including with presenting the Company's operating results in quarterly and also has been live broadcast via the website of the Stock Exchange of Thailand which allow shareholders and other interested persons who were unable to attend the seminar, had an opportunity to inquire directly with the Company's executives as well.
5. In the year 2013, the Company had welcomed the groups of analyst, investors and parties hereto;
 - March 19,2013 : "The Company Visit" that included investors and staffs from the SET and Thai Investors Association.
 - April 10,2013 : "Top Executives" from Bangkok Bank PLC.
 - Representatives from Funding Institutes both domestic and abroad.

6. The Company sets procedures to prevent the use of inside information for abusive self-dealing by directors and management team. The Company informs the policy and practice to all of them and also has the regularly follow-up check. For all directors and executives, they are prohibited to sell- buy their shares during 20 days after the closing date of each quarter of financial statements and during 2 days after the disclosure of financial statements to the public. Moreover, it is the duty of all directors and management to regularly submit to the Board of Directors a report on their ownership of the Company's shares.

3. Right of Stakeholders

Beside the duties to perform achievement of business goals and objectives, the Company also treats all stakeholders who have gain and loss from its operations with equality according to the principles of morality and ethical practices under the following categories;

The Company's stakeholders are customers, employees, business partners, shareholders or investors, creditors, competitors, the communities where the company is located, society or government sectors.

Employees:

The Company and its Subsidiary provide them with good and complete welfare including with set provident fund, organizing safety working environment for both physically and mentally, and also has the policy to provide them better quality living and safety in work. Regarding to, accident statistics for the year 2013, there was 1.85 % (or 27 employees of 1,463 employees)

Society and Communities:

The Company and its Subsidiary have waste treatment and industrial savage treatment without causing any pollution to the communities around the factories. Moreover, the Company and its Subsidiary also participate and support beneficial social activities to the communities around the factory.

Business partners and Creditors:

The Company and its Subsidiary will strictly and equally follow commercial terms and conditions bonded with other parties. In case of any deficiency, the Company will hold a negotiation meeting with them to find the best solution.

Competitors:

The Company and its Subsidiary will run business fair and square, under the laws and orders, business common practices, and will not take any advantage to demolish its competitors.

Customers:

The Company and its Subsidiary have strong willingness to serve, help and treat customers equitably. In case of having any problems, the Company will listen to the customers, give advice, and help them find solution. The Company will not disclose any information of the customers unless having their written permission or being under the condition by law.

The channels for any suggestions or complaints: Customers, shareholders, and stakeholders can send their suggestions or any complaints to the Company Secretary through these following channels:

Telephone: (662) 440 0506 to 7

Fax: (662) 862 0705

Website: <http://www.thaiopticalgroup.com> E-mail: ir@thaiopticalgroup.com

For employees of the Company and its Subsidiary, they can submit any suggestions or complaints to the Boards and Management directly.

1. The company's Board of Directors and Management must disclose information of stakeholders and related persons to the Board. It is the duty of the Board to consider any transactions that may cause conflict of interest. Anyhow, directors and executives who are stakeholders must not taking part in making decision on such transactions. Besides, the consideration must follow the steps and policy of the Company's approval of transactions.
2. The Company has set clearly written policy and steps of approval for the related matter that the Board of Directors must approve the item, which may cause any conflict of interest. Any practice that may cause conflict of interest, the Board will hold directors meeting to consider such matter. In case that it needs an approval from the Shareholders, an extraordinary general meeting will be held before starting the project. However, the consideration of the Board must be made carefully, faithfully and reasonably for the best benefit of the Company and shareholders as a whole.
3. Regarding to the Board of Directors Meeting No.54 (1/2013) which held on February 20, 2013, the meeting had agreed with the Securities and Exchange Commission (SEC) that encouraged listed companies to involve in anti-corruption policy. Moreover, the Boards assigned the responsible person to summary the rules and set as the policy then propose to the Boards for consideration further. In order that, the Boards had assigned the Company Secretary to take training course "Anti-Corruption: The Practical Guide", held on 21 and 22 November, 2013, organized by the Thai Institute of Directors as in the Board of Directors meeting No.59 (1/2557) on February 19, 2014 had passed a resolution declaring its intention to join the Collective Action Coalition Project organized by Thailand private sector in anti-corruption issue. (For more information, please visit : www.thaiopticalgroup.com)
4. The Company had set training for employees in accordance with Skill Development Promotion Act BE. 2555, the implementation of the policy about human resource development. In 2013, the Company had in-house training within the organization for employees and management 52 courses, and outside training 14 courses.

4. Disclosure and Transparency

The Board of Directors of the Company discloses the financial information and other related information about the Company's performance correctly, adequately, regularly, and timely. Therefore the Company has set the strictly control of using regulations as follows:

- (1) The Company discloses all specified information in relevant regulations through the channel of the SET, in the annual statement (form 56-1), and the annual report (form 56-2) including on the website (<http://www.thaiopticalgroup.com>) in both Thai and English languages.
- (2) The Board of Directors reports the Company's performance in accordance with the corporate governance in the annual statement (form 56-1), and the annual report (form 56- 2).
- (3) The Board of Directors explains its responsibilities in providing the Company's financial statement parallel with the reports of financial auditor and presents the report on the corporate governance of the internal audit committee in the annual report (form 56- 2).
- (4) The Board of Directors discloses the name list and roles of the board and subcommittees, the frequency of meeting held, and the number of meeting attendance of the Board in each year.

- (5) The Board of Directors discloses service fee that each director has received in every categories including remuneration from being the director of its Subsidiary or any other position, such as a consultant. The first four directors according to the name list of the Board (starting from the managing director) will disclose their service fee in the annual report (form 56- 2) and the annual statement (form 56-1).
- (6) The Company has set the Investors Relations section in order to communicate equitably with the outsiders such as, shareholders, institutional investors and investors, analysts including with related government sectors. The detailed communication will be disclosed in the annual report and on the Company's website.
- (7) The Board of Directors and Executives have reported on the holding and having transaction of the Company's assets in accordance with the regulations of The Securities and Exchange Commission (SEC.).
- (8) The Company discloses the structure of the Company's shares in the annual report (form 56- 2) and the annual statement (form 56-1).
- (9) The Company sets the risk management which covers all of the risks related to the missions, business strategic plans, financial, productions, securities, and information as well as considers the tentative and degree of effectiveness that can be occurred including with setting the rules and regulations to prevent any incidents. The clearly responsibilities will be stated to the concerned people. Moreover, the Company sets the policy to report and assess performance by appointing manager to be in charge of its responsibilities and also presents the plan and performance to the Management.
- (10) The Board of Directors sets the internal control system for financial management, the operation and procedures in accordance with the rules and regulations stipulated by law. The Company arranges the efficiency audit system to prevent, protect, and manage the shareholders' investment and the Company's assets regularly. The rules and regulations are clearly written as manual and it is the duty of an independent internal audit unit to check up the performance of every connected department and send reports to the Audit Committee directly.

5. Responsibilities of the Directors

The Board of Directors has crucial role in the corporate governance so that the Company and its Subsidiary can gain the highest profit. The Board of Directors is responsible to perform their duties for shareholders and is independently from the management.

5.1 Structures of the Board of Directors

(1) Independence and Neutrality of the Directors

The Board of Directors works and makes any decisions independently from the administrative team and major shareholders. Every director can perform duty and be independent to ask questions, express opinions, or opposes to any conflict matter relating to the benefit of shareholders or stakeholders.

(2) Qualifications of the Board of Directors

The Board of Directors consists of members who have skills, knowledge and performance, and specialization, that are useful for the Company. Directors should be the person who adheres to the virtue and morality and can fully devote much and enough time to work in such position.

(3) Qualifications of Independent Director

In addition to the qualification specified in item No. (2), then the Board of Directors has set the qualification of "Independent Director" in accordance with the requirements of the Stock Exchange of Thailand as follows;

1. Cannot hold more than 0.5 % of the Company and its Subsidiary paid- up shares. The shares held by relatives or related persons are included into this account.
2. At least 2 years prior to be appointed as the Independent directors, they must have no responsibility in the management of the Company and its Subsidiary, partnerships or related companies and have no authority to sign their name in any business matters or work as a consultant who receives salary from the Company and its Subsidiary, partnerships, related companies, major shareholders or is under control of any stakeholders.
3. Not be stakeholders dealing with the financial and administrative work directly or indirectly.
4. Not be the Audit Committee for the Company and its Subsidiary, partnerships or any juristic persons that may cause the conflicts.
5. Not gain more than 2 million Bath per year in giving any professional services to the Company and its Subsidiary, Affiliated company or any juristic person that may cause the conflicts.
6. Not have relationships with the executives, shareholders or major shareholders of the Company.
7. Must not be appointed as representatives to protect assets of the Company's directors or shareholders.
8. Be capable of performing their duties, express opinions or report independently to the Boards.

(4) Structure of the Board of Directors

The Company determines 14 members as the Board of Directors which is appropriate to the business size of the Company. The Board consists of the Chairman and Directors. There are independent directors accounting not less than one- third of the Board members. They must be independent from the administrative team and have no business relationship or any other relationship that can influence on their consideration. Independent directors have a term of 3 years. At present, the Company had six Independent Directors.

- (5) The Board of Directors can have an agreement to appoint the new director to continue working instead of the resigned director, until his/her expiry of term. The number of companies that any director can be in directorships should be considered according to the principle of the good corporate governance.
- (6) Managing Director and top management can served as directors in the other companies but it have to approve by the Board of Directors.
- (7) The Board of Directors fixed that the Chairman and Managing Director have to be different persons in order to monitor and balancing power in the management. Their duties and responsibilities are separately clarified as follows;

Responsibility of Chairman of the Board of Directors:

1. To perform as the Chairman in the Company's Board of Directors meeting;
2. To have a casting vote if there is a tie vote case;
3. To call for the meetings of the Board of Directors; and
4. To perform as the Chairman in the Annual General Meeting of Shareholders.

Responsibilities of Managing Director:

1. To set policies, strategic guidelines and plans, business' goals and the yearly budget of the Company and its Subsidiary to propose for an approval from the Board of Directors;
2. To perform duties in accordance with the policies, strategic guidelines and plans, business' goals and the yearly budget approved by the Board of Directors;
3. To report to the Board of Directors about the performance and the revenue of the Company and its Subsidiary in quarterly basis by comparing to the business plan along with suggestions;
4. To perform other duties assigning by the Board of Directors.

The Company Secretary:

The Board of Directors determines the appropriate qualification of the Company Secretary as follows:

1. To be competent and understands well in the Company's business and other related work which concern the duties of the secretary, the board of the directors, and the management;
2. To have good knowledge about the relevant rules, regulations and laws;
3. To work carefully with high responsibility and honesty;
4. To have good relationship with other people that is needed for dealing with many sectors.

Duties and Responsibilities of the Company Secretary:

1. To produce and keep filing the following documents:
 - (a) Registration records of the members of the Board of Directors.
 - (b) Meeting invitation letters to the Board of Directors, the minutes of the Board of Directors' meeting and the annual report of the Company.
 - (c) Meeting invitation letters to the Shareholders and the minutes of the Shareholders' meetings.
2. To keep filing reports on any important matters dealing with gain and loss that are reported by directors or executive directors, and delivers the copy of the said reports to the Chairman of the Board and the Chairman of the Audit Committee within 7 days after the first date in receiving those reports.
3. To perform duties on other matters in accordance with the regulations of the Stock Exchange of Thailand.
4. To communicate to shareholders, take care of them appropriately and give sufficient information to investors as doing such is a part of reports on the Company's progress.
5. To coordinate with other related sectors.

5.2. The Sub Committees of the Company.

The Board of Directors of the Company appointed these following 3 groups of the sub committees;

- (1) The Audit Committee
- (2) The Business Strategic Committee
- (3) The Nomination and Remuneration Committee

Terms for each group of the sub-committees are three years and can be reappointed. The Sub-committees must work according to the Board of Directors' assignments. They also have authorization to inform the management to attend the meetings notify matters or do reports in order to give suggestions or recommendation as necessary.

(1) The Audit Committee:

The Audit Committee consists of at least 3 independent directors who are responsible to verify the accuracy and adequacy of the financial statement and the effectiveness of internal control system and the internal audit including the practices regarding the related laws. They also elect and appoint the auditor and consider the related transactions or any transactions which may cause the conflict of interest to be in accordance with the criteria. Moreover, they create and are in charge of doing reports, determine and set policies and the guideline practices for the corporate governance and the ethical business as well as control the use of the practices with morality.

(2) The Business Strategic Committee

The Strategic Committee consists of 4 executive directors, 2 independent directors and 2 experts in running businesses, who are representatives from the major shareholders. This committee has duty to study the important matter that needed for close supervision, proposes strategy for producing new products and trends of new innovations, expand distribution channels as well as scrutinizing the matters related to investment in order to run the business effectively. Moreover, they also give advice and launch other related business strategies.

(3) The Nomination and Remuneration Committee:

The committee consists of 2 out of 3 independent directors. They perform duty to search and elect qualified persons to be the Company's directors. They set the succession plan and evaluate the performance of the Board of Directors, propose policies of remunerations and other payments to the Board of Directors, The Sub-committees, Managing Director and Deputy Managing Director. Besides, they consider and review the remuneration system to be suitable for directors and executives' responsibility and be in accordance with the Company's performance.

5.3 Responsibilities of the Board of Directors

The Board of Directors is responsible to the Shareholders in term of management and controlling the administration following the business plans and goals in order to create the highest profit for the Shareholders on the basis of morality and consideration on the benefit of every stakeholder.

(1) The Board of Directors has the duty to determine and is authorized to approve these following issues:

1. Policies and business strategic guidelines, goals, plans, and the yearly budget of the Company and its Subsidiary.
2. The Company performance and the quarterly Company operating performance comparing to the budgets and plans including tentative performance in the next phase.
3. The investment in any project that is not included in the budget year plan.
4. The use of budget which is over the expense proposed in the investment plan and over the other investment which is not investment budget.

5. Buying and selling asset, corporation, and being a partnership in the business which is not against the regulations of the Stock Exchange of Thailand and its cost is exceeded the scope of authority of Managing Director.
 6. Transactions or any acts that can affect the financial status, liability, the business strategies and reputation of the Company.
 7. Any contract which is not related to the ordinary business operation and contract which is related to the important ordinary business operation.
 8. The related transactions between the Company and its Subsidiary and connected person that are not followed regulations of the Stock Exchange of Thailand.
 9. The interim dividend payments.
 10. Change of policies and practices which are significantly related to the account, the risk management and the internal control of the Company.
 11. Hire of the Managing Director and Top Executives.
 12. Determination and change of the approving authorization of Managing Director and Top Executives.
 13. Approval of the budget, the reformulation of payments, bonus or remunerations for the management and employees.
 14. Proposal of appointment and the expiry of the status of the Company's directors.
 15. Allowing and change authority to any one of the Chairman, Managing Director, or directors that is not against the regulation of the Stock Exchange of Thailand.
 16. Appointment and determination of the scope of authority of The Sub-committees.
 17. Providing and controlling the management in accordance with the good corporate governance.
 18. Appointment directors in the Subsidiary company.
 19. Other acts that target to follow the laws, objectives, rules and regulations and the approval from the Shareholders' meetings.
- (2) The Board of Directors sets policy for the corporate governance of the Company and makes them as a written manual. The evaluation on the performance and revision of such policy will be set at least once a year.
 - (3) The Board of Directors creates a manual for running the ethical business in order to be the practice guidelines for directors and employees including the rules of punishment and review such policies at least once a year.
 - (4) The Board of Directors will carefully consider any matter that may cause conflict of interest and keeps control of the regulations of operation procedures and discloses the accurate and adequate information.
 - (5) The Board of Directors provides the internal audit department to perform duty independently. The internal audit department reports directly to the Audit Committee and is responsible for auditing the control system in management of the financial report as well as operation following the policy. The Board has revision and evaluation of an adequacy of the control system at least once a year.
 - (6) The Board of Directors assigns the administrative team to have the risk management covering the whole organization. The management must report to the Board regularly as well as review and evaluate the effectiveness of the risk management at least once a year.

5.4 The Board of Directors' Meetings

The Board of Directors performs their duties through the meetings as follows:

- (1) The Company conducts the meetings at least four times a year and schedules the whole year meetings of the Board of Directors in advance and also inform each director accordingly.
- (2) The Board of Directors had arranged the meetings of the year 2013 total 5 times.
- (3) The Chairman of the Board of Directors and/ or Managing Director considers the matters to put on the agenda of meetings and each director can propose the matters independently.
- (4) There must be clearly agenda, complete and adequate related documents for each meeting. The documents must be delivered to the Board of Director at least 7 days before the date of meeting.
- (5) The Chairman provides enough time for the administrative team to propose the matters and every director can discuss the important issue carefully. The detail of meeting must be noted as manual and be available for the directors and related persons.
- (6) All directors can get more necessary information from the Managing Director, the Secretary, the Board of Director and other Administrative Sections.
- (7) The Company set the policy for Non-Executive Director (NED) to have a chance to conduct an inside meeting once a year without attending of the management team in order to discuss any problem that is in their interest. The meeting minutes must be reported to Managing Director. For the year 2013, the said meeting had arranged on December 19, 2013.
- (8) The Board of Directors assigns the Company Secretary to provide the meeting agendas, write the Invitation letters, manage and facilitate the meetings, keep filings of related documents and produce the meeting minutes to ask for an agreement of the Chairman before proposing to the Board for an approval.
- (9) The Board of Directors encourages the Executive Directors of the Company to attend the meeting of the Board. For the year 2013, the said meeting had arranged on September 2, 2013.

5.5 Performance Evaluation of the Board of Directors and the Managing Director

The Board of Directors determines to have an evaluation on the performance of the Board of Directors and Managing Director every year in order to considerate the operation performance and or improve its adequately.

According to, the Board of Directors Meeting No.58 (5/2556), held on November 13, 2013, there was the Board self-assessment (The whole Board) for the year 2013, in accordance with the sample of Board Self- Assessment Form of the Stock Exchange of Thailand which was divided into six categories. The whole Boards evaluated and mainly agreed or performed well following those categories

5.6 Remunerations of the Directors

- (1) Consideration on remunerations of the Directors will be made by comparing with the standard of the same industries, the same business size, the Company's operating performance, and the scope of responsibilities of the Directors. This consideration is an authorized approval from the Shareholders' meeting.
- (2) Remuneration of the Executives bases on the criteria and policy stated by the Board of Directors, relating to the Company' operating performance as well as each person's performance.
- (3) The Directors who are also appointed to be the subcommittee shall receive their remuneration according to their responsibility.
- (4) The Nomination and Remuneration Committee consider the remuneration for Managing Director every year in accordance with the earlier agreement on criteria. Managing Director will be informed about the result by the Chairman of the Boards.

5.7 Developments of Directors and Executives

- (1) The Board of Directors has duty to promote and facilitate Directors and Executives with trainings in order to improve their performance continuously.
- (2) The Board of Directors assigns the administrative team to have an orientation for the new director, invite them to the meeting and participate in the operation plan's presentation of the Company and its Subsidiary.
- (3) The Board of Directors determines the plan to improve the competency of Managing Director and Deputy Managing Director by assigning the administrative team to make the continuing plan and report to the Board of Directors.

5.8 Performance Evaluation of the Managing Director

The Nomination and Remuneration Committee consider and give opinions to the Board on criteria for a yearly performance evaluation of Managing Director. The criteria must be relevant to the Company's goals for both short- term and long- term.

5.9 Communication with the administrative team

The Board of Directors encourages Managing Director and Deputy Managing Director to attend the Board's meeting in order to propose their agenda so that the Board can be informed and get any suggestions from the responsible person directly meanwhile the management can learn and have understanding in the Board of Directors' points of view.

Aside from the general meeting of the Board of Directors, the Board encourages provision of opportunities to meet and exchanges opinions among the Directors, Managing Director, and Deputy Managing Director. This can create the good relationships for them and help the Directors can communicate to each administrative person directly without the sense of work interference. However, this should be prior informed to Managing Director.

Ethics for Business Operation and Ethical Practices for Employees.

- 1) Adhere to the virtue and morality.
- 2) Behave in accordance with rules and regulations, acquaint and respect own rights and duties and of others by realizing that the rules and regulations are not set for punishment but as guidelines of good behaviors.
- 3) Perform duties delegated by the Company, upon lawful rules and regulations, with honesty, in good faith and discretion to prevent any disgrace to the Company's image.
- 4) Not to intend to do any harm, damage or distort the reputation, progress or business of others, both directly and indirectly.
- 5) Use leadership, abilities and knowledge in performing success to the Company rather than personal benefits.
- 6) Reveal to the Company immediately if there is any personal interest, aside from the Company's. Moreover, avoid involving in other business, which may create conflict of interest or affect the efficiency of work.
- 7) Create an open working environment for opinion exchange, creative ideas, new initiative proposal and reasonable decision with justice and without discrimination.
- 8) Neither reveals inside concealed information getting from duties nor uses it for personal benefit, which may cause damages to the Company.
- 9) Keep in conscious that performing in business is not only duties or obligation to business owner but also is responsible to buyers, sellers, shareholders, and other employees. Then the benefit for all stakeholders is the first priority to be concerned.
- 10) Be responsible to own achievement and subordinates.
- 11) Aspire, improve and increase own knowledge and working ability, and perform standard of work as assigned by the Company with attention and responsibility for self- progress and for prosperity of the Company.
- 12) Planning, determine and analyze goals of missions to achieve Company's objectives with consideration on virtue, professional ethics and culture of involved persons within the Company.
- 13) Take good care for health and safety, maintain good environment for everyone in the Company and maintain all the Company's assets such as buildings and offices to be orderly, fine, and hygienic.
- 14) Use the Company's assets efficiently and effectively.

Control of the use of Internal Information

Thai Optical Group Public Company Limited (the Company) has required Directors and Management to send the securities trading report of the Company on the same date as sending the report of securities holding to the Securities and Exchange Commission (SEC) and compliance with SEC's regulation about reports on the holding of securities. Also, the Company shall comply with the Stock Exchange of Thailand (SET) practice guideline for securities trading of listed companies on the use of internal information. Directors and Management of the Company shall not do any securities trading during the period before having disclosures of financial statements or any important information that may influence securities prices.

Please go through the part of 'Report of Good Corporate Governance' for more details.



ฝ่ายบริหาร TOG GROUP แสดงจุดยืน
ต่อต้านการคอร์รัปชันทุกรูปแบบ



**TOG's executives are firmly opposed to corruption in all forms
and are committed to doing business in accordance with
the highest ethical standards.**

Internal Control and Internal Audit Systems

The Board of Directors emphasizes on the importance of the internal control system assessment efficiency to ensure that all of Company's financial statements and information for the decision are accurate, complete and reliable. Regarding to, the resolutions of the Board of Directors' Meeting No. 59 (1/2557) on February 19th, 2014, the Company appointed 2 Audit Committee's members to undertake and supervise the internal control system of the Company. The Committee has to report to the Board and supervise the management team to perform duties in accordance with Company's policy and assignments, follow the plan that guided by the Board of Directors and related to rules and regulations of the Stock Exchange of Thailand and Office of Securities and Exchange Commission. The committee has assessed the internal control system of the Company regarding 5 issues: organization structure and working environment, risk management, management control, information technology and communication system, and follow-up system and it can be concluded that the Company had monitored internal control system of each issue in a sufficient level.

Organization Structure and Working Environment

The organization structure and working environment of the Company and its Subsidiary are organized to be conducive, efficient and appropriate according to the internal control systems. The Company had organized and defined clearly the duties and responsibilities separately according to the line functions and conform to the business strategy and the internal audit department will work independently and report directly to the Audit Committee.

The Company had set annual reasonably and sufficiently goals and budgeting to be measured and used as the guidance in operation for motivating its employees. For the year 2013, the Company has improved personnel management system by developing pay-on-performance to motivate employees reasonably and adequately. Ethical rules are written clearly stated in Company's policy and mission plan where the management and employees must not be involved in any matter, which causes conflict of interest to the Company and its Subsidiary. The Company and its Subsidiary have rules and regulations in comply with the principles and operation guidelines of the Stock exchange of Thailand as disclosure in the Annual Report. In addition, the Company has defined the best general practices regulation, quality control manual and systematically process to approve in each level manual. The Company is required to treat its business partners and its competitors with fairly and ethically.

Risk Management

The Company and its Subsidiary require all departments to assess systematically any possible risks, effects, mitigations, solutions and follow-up procedures taking into account internal factors and external factors such as production process, marketing, exchange rates and personnel, etc. In particular, in the year 2013 the Company has reviewed and prepared medium-term-plan which would analyze the risk of business related to economic conditions including marketing and procurement of raw materials to prevent and

respond the risk that may occur in the future, including setting proactive strategy to manage the problems. Each department is required to perform the assessment and report to the superior in accordance to the organization structure. In the case of a realization of any risk, all departments and management must jointly address and execute the required mitigation measure and report to the Board of Directors to establish the risk mitigation measure policy accordingly. Risk mitigation measures will be announced guidelines for employees to prevent or mitigate future reoccurrences, which may affect the Company and its Subsidiary's business.

Management Control

The Company and its Subsidiary have clear scope of job descriptions and precise authority delegation to facilitate management in accordance to the Company's rules and regulations, which have been announced to all employees. Moreover, the Company handles its businesses in accordance to related laws and is assessed through the internal audit control. Hence, the Audit Committee has monitored and reviewed the annual internal audit plan of each year carefully in order to cover every high risk level operation.

The Company has always made closely monitoring to make sure that every section has sufficient internal control of risk management in operation including financial issue and operation in compliance to relevant laws and regulations and also, the important issues that are found by the internal and external auditors to be reported to management team for close encounter of the problems and prevention. In the past, the Company and its subsidiary have never had such a case that was against the law.

In conducting any affairs with related company or related persons, the Company and its Subsidiary place the highest interest and priority to the Company or its Subsidiary. The Company shall follow the rules and regulations of the Stock Exchange of Thailand and Office of Securities and Exchange Commission in its treatment of related companies or related persons as external parties. Moreover, the Company also has the internal audit to verify every transaction and report to the Audit Committee to consider and acknowledge every quarter.

IT System with Information and Communication Management

The company and its Subsidiary have managed an efficient internal and external information and communication management system. SAP software has been implemented with good and complete documentation system according to standard accounting policy in accounting recording to support the human resources planning and the data management in accounting, financing, purchasing, selling, inventory control and production planning for more correct, accuracy, and speedy information report to management. Also, the IT system has been set risk management standard for securities.

In every Annual General Meeting of Shareholders, the Company shall prepare complete information with documents sufficiently to make the decision and propose to the Board of Directors and shareholders not less than 7 days before a meeting. The Company's Secretary will provide the advice in rules and regulations to the Board of Directors and coordinate with the related section to operate as the resolution of the Board of Directors and will be the center in providing all documentations and procure all important documents such as directors' list, invitation letters, minutes of meetings, invitation letter to shareholders and the minutes of shareholders' meeting (AGM).

The Audit Committee will join the Company's external Auditors, internal auditor and related financial report sections at least once a year to ensure that the Company has completed its finance and accounting report in comply with the standard of general Thai accounting principles and appropriate to its business as well as sufficient disclosing information.

Follow-up System

In 2013, the Company had held total 5 meetings of the Board of Directors. The management team and its Subsidiary had assessed the follow-up business operation system comparing with the target planning and budgeting system through meetings held monthly which may be adjusted to accommodate the current situations as well as arranged managers in middle level to present the performance on a quarterly basis.

For the year 2013, the management had revised and updated the medium-term plan then present to the Board of Directors for setting strategy to do business more clearly, moreover, the medium-term plan will be reviewed every year to conform to the changing situation.

Also, the Audit Committee had held total 4 meetings together with 1 extra-meeting with the auditor. Also, the Office of Internal Audit performs independently audit to report significant defect which has detected to the Audit Committee and the Board of Directors for considering to be resolved within suitable time. The Company has authorized the Internal Audit to review operations regularly with annual plan and report to the Audit Committee immediately on any matters that will have material impact to the Company's operations, such as production process, business management, fraud, or rules violation by employee or involved management that may affect the Company's reputation.

Regarding to, the review of the above 5 issues concerning the Internal Control Systems of the Company and its Subsidiary, the Audit Committee can concluded that the Company and its Subsidiary has sufficient Internal Control Systems. Moreover, the Board of Directors also realized that there will be no guarantee to any internal control systems to be sufficient to prevent all risk that may arise from the important errors but can only prevent or guarantee to only a certain reasonable level.

Connected Transactions

1. Nature and Policies of Connected Party's Transactions

In the past, the nature of connected transactions was the business agreement under normal business practices of the Company and its Subsidiary in doing the transactions with Directors, Executives, or related persons. As, The Board of Directors' meeting No. 5/2551 which held on August 13, 2008, resolved with the assigned practice that "the Company and its Subsidiary may have future connected transactions (such as purchasing of raw materials, trading products, employment, or services ,etc.) with Directors, Executives, or related persons. Therefore, the Board approved on the basic practices in allowing the management team to approve the said transactions according to their scope of authority stated in the Company's operating guidelines. With this authority, those connected transactions must base on the same basis of commercial terms as the Company shall agree with any unrelated counterparty under the similar circumstances. In addition, commercial negotiations must occur without controls by anyone due to his/her position in as Directors or Executives, or being as a related person. The Company shall do a report for any transactions with over one million Baht presenting to the Board of Directors' meeting in quarterly basis", and this, managed by the Internal Audit Manager who is in a position of an Secretary to the Audit Committee, and shall be reported to the Audit Committee for consideration in each quarter.

To follow the good corporate governance practice and reflect morality of the Company's Directors, any transactions which is not under normal business practices will not be approved by executives or stakeholders in that transactions. In case, there is appraised requirement, the Company will use the service from the appraisal company which registered with the Securities and Exchange Commission (SEC) for approval the transactions. All, transactions, the Company and its Subsidiary will online disclosure of such information via Set Portal System within the time which require by The Stock Exchange of Thailand. In the year 2013, the Company had significant business transactions with its Subsidiary and related companies/persons (related by the mutual shareholders and / or directors.), the said transactions are on commercial terms and bases agreed upon between the Company and those related parties which is normal business. The Company has the policy on pricing for its related parties.

Pricing policy for a group of subsidiary companies and related companies which have the mutual shareholders or directors in Thailand.

1. Price for purchases/sales of raw materials, supplies and other items are determined based on the cost of the goods plus a services fee for not less than 10 percent of such cost.
2. Purchases/sales prices of finished goods are determining at agreed rate. However, the pricing policy is subjected to change depending on market competition at the time being.
3. Service income and service expenses are charged at a mutually agreed price.
4. In the year 2012, loan to/from the Subsidiary company is charged interest at rate of 3.85 percent per year.
5. Guarantee fee income and expenses are charged at rate of 1.5 percent per annum.
6. Co-purchase/sell fixed assets are at agreed rate.

Pricing policy for foreign company which are major shareholders.

1. Selling finished goods is determined based on market price.
2. Service charge bases on market price.
3. Loans to the Associated Company bear interest at a rate of 3.5 percent per year.

The Subsidiary Company:

1. Thai Optical Company Limited
Line of business: Produce optical Lenses, Prescription /Rx lenses, and Glass molds
Relation: Thai Optical Group Public Company Limited holds 99.99 % of shares of Thai Optical Company Limited.

The Associated Company:

1. M VISION OPTICAL PTE. LTD.
Line of business: Wholesaler, Manufacturer and Distributor of Prescription/Rx Lenses.
Relation: Thai Optical Group Public Company Limited holds 33 % of shares of M Vision Optical Pte., Ltd.
2. Vietnam Visibility Target Company Limited. (Vina Vista)
Line of business: Wholesaler, Manufacturer and Distributor of Prescription/Rx Lenses
Relation: Thai Optical Group Public Company Limited holds 29% of shares of Vina Vista.

Related Companies:

1. Nam Silp Thai Company Limited (Nam Silp)
Line of Business: Wholesaler of optical lenses, Optical frames, Contact lenses, Optometric equipment and tools.
Relation: Shareholders of Nam Silp are common shareholders of the Company.
2. Poly Sun Company Limited (Poly Sun)
Line of Business: Manufacturer of sunscreen lenses
Relation: Shareholders of Poly Sun comprised of 50% are the same shareholders of the Company.
3. Better Vision Group Company Limited (BTV)
Line of Business: Retail business with chain stores, Provider of retail optometric services of measuring eyesight and prescribing corrective lenses relating to vision or optics, supply optical frames, contact lenses, and other related accessories.
Relation: Shareholders group of BTV are common shareholders of the Company.
4. Specsaver Asia Pacific Holding Limited.
Line of Business: Retail business with chain stores of glasses composing, supply optical lenses and contact lenses.
Relation: Specsavers Asia Pacific Holding Limited is the major shareholder of the Company with two directors who involve in consideration and setting policy for the Company and its Subsidiary.
5. NLRX Services Ltd.
Line of Business: Wholesaler of optical lenses.
Relation: Specsavers Asia Pacific Holding Limited is the major shareholder of NLRX Services Ltd.

The details of connected transactions in 2013 and 2012 are shown in Note of Consolidated Financial Statements, item no. 11 (Connected Party Transactions) including transactions between the Company, Subsidiary Companies, and related companies both domestic and international, the balance of trade account receivable and payable of the Company, Subsidiary Companies and Related Companies.

2. Necessity and Rationality of Transactions

The Company and its Subsidiary have a policy in conducting any the connected transactions with transparency manner by emphasis on fairness and achieving maximum benefits to the Company and its Subsidiary company in the same manner as general practice applied to external parties in accordance with the rules and regulations of the Office of Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand. The connected transactions are summarized as follows:

1. Selling and Purchasing of products, raw materials, and others

1.1 Trading with Optical Lenses Wholesalers

The Company and its Subsidiary have a policy of selling products to one or a limited number of wholesalers and distributors in each country to minimize potential conflict among the Company's customers as well as simplifying logistics and administration of the Company's customers. The Company has dealt with Nam Silp Thai Co., Ltd. and NLRX Services Ltd. who are wholesalers supplying products to their domestic retail customers further. Regarding to, the past record, there were no late payments or bad debts caused by these related companies. These business activities were carried out under normal business basis according to the general commercial conditions, with the same manner as sales to other customers in the overseas market and were conducted for the highest benefits of the Company and its Subsidiary company.

Since transactions with wholesalers and distributors will continue to exist in the future, the Company and its Subsidiary have set a standard product pricing policy to ensure transparency according to Board of Directors Meeting No. 15/2551 dated August 13, 2008. The policy must be used for product pricing to all wholesalers and distributors of the Company and its Subsidiary. The significant issue of the policy enforcing those said wholesalers is that the Company and its Subsidiary use the same price list standard both in domestic and exports.

However, the Company and its Subsidiary may give discount from that price list depending on local competition but the profit must not be lower than fixed profit standard. The Company and its Subsidiary will not provide benefits to any individuals or related companies, the transactions will be summarized and reported to the Audit Committee in quarterly basis. In addition, this policy will be applied with individuals or related companies (if any) in future.

1.2 Trading with Retail Business as 'Chain Store'

The Company and its Subsidiary have the policy for selling products to retailers who do chain store business, in order to be able to deliver products to customers rapidly as well as benefit in spreading out information of any new product launching to the market. The existing retail companies who deal with the Company and its Subsidiary are Better Vision Group Company Limited/ Specsaver Asia Pacific Holding Limited. From the past, there were no late payments or bad debts caused by these retail companies. These business activities were carried out under normal business basis according to the general commercial conditions, with the same manner as sales to other customers in the overseas market and were conducted for the highest benefits of the Company and its Subsidiary.

1.3 Purchase of Products with Related Companies

The Company and its Subsidiary purchased some products from related companies for supplying to customers who needed certain products that were not produced by the Company or its Subsidiary. This is the Company's strategy of providing a wide breath of services to develop and sustain loyal customers' base. As a manufacturer, the Company cannot purchase certain products directly from other manufacturers. For these products, the purchase prices are set based on market prices under the commercial terms and conditions that the Company and its Subsidiary must be able to make profit from the subsequent sales. The Company and its Subsidiary constituted policy to minimize the sales of such products at the least quantity as possible, however price setting was implemented at the market rate in order to control such trade. The quarterly reports pertaining details of trading transactions shall be submitted to the Audit Committee and the Board of Directors for consideration.

2. Leasing, Services and Others

Lease of Assets: Lease of Property for the Factory 1 of the Subsidiary Company

The Factory 1 of the Subsidiary company is located on the land property owned by the Company's executive and shareholders. The Subsidiary company was formerly allowed to utilize the land property for production line without any rental fees. For transparency and good corporate governance, the Company entered into a lease agreement with the terms summarized as follows:

Lease of Assets	: Lease of Land Property for the Factory 1 of the Subsidiary Company
Issued date	: December 1, 2012
Property Description	: - 3 Titles Deeds No. 173, 14676, and 14767 owned by Mr. Prateep Prachartam. - 3 Titles Deeds No. 14679, 14680, and 14682 owned by Mr. Sawang Prachartam. - 2 Titles Deeds No. 14678, 14681 owned by Mr. Sarote Prachaktam. Total 8 Title Deeds, with total area of 2-1-59 Rai, located at 83 Moo2, Ngamwongwan Road, Bangkok, Nonthaburi, Thailand
Lessor	: Mr. Prateep Prachartam., Mr. Sawang Prachartam and Mr. Sarote Prachaktam.
Lessee	: Thai Optical Company Limited
Lease Term	: 3 years, since January 1, 2013 - December 31, 2015.
Rental Fee	: 1 st year since January 1, 2013 to December 31, 2013. 500,000 Baht/ year (Fifty Thousand Baht) 2 nd year since January 1, 2014 to December 31, 2014. 550,000 Baht/ year (Fifty-Five Thousand Baht) 3 rd year since January 1, 2015 to December 31, 2015. 600,000 Baht/ year (Sixty Thousand Baht) The Lessee agree to pay rental fee to the lessor in quarterly by fixing payable on date 25 th of March, June, September and December of each year.

The lease rate was based on the Appraisal Report prepared by American Appraisal (Thailand) Co., Ltd., regarding to Report No. 2003/ 1492T dated November 3, 2003. Besides; the Board of Directors had considered that the production line shall not be moved from Kae Rai to Bangbuathong due to the decreasing trend in the demand of mineral lenses. The Company only keeps continuing production just to support the existing customers' orders, as a result, the Company has extended lease agreement for another three(3) years.

3. Loan Transactions

For purpose of transparency, the Company and its Subsidiary will use credit lines from financial institutes instead of borrowing from related parties. However, the Company and its Subsidiary may occasionally borrow from one another when necessary.

4. Collateral Transactions

The collateral for related parties must be applied for the Company and its Subsidiary only.

Criteria for Approval Connected Transactions

The Managing Director is authorized by the Board of Directors to approve transactions of the Company and its Subsidiary with related parties that is considered normal business practice and in compliance with laws and regulations of the Stock Exchange of Thailand. The Company and its Subsidiary have set a standard product pricing policy and a normal term of sales to ensure transparency regarding to the Board of Directors' Meeting No.15/ 2551 as at August 13, 2008.

Any matters that may have potential of conflict of interest with related parties or individuals will be referred to the Audit Committee and the Board of Directors for reviewing and considering, except for directors who have the conflict of interest in the matter, will not have the right to consider and vote. In case of the Audit Committee does not have expertise to consider any particular issues, the Company shall acquire specialist or the Company's auditors prior to express opinions to the Board of Directors or shareholders for consideration. It is also required that the Company prepares quarterly report of connected transactions to the Audit Committee and the Board of Directors for acknowledgement and consideration. The related parties' transactions will be disclosed and appended in the financial statements of the Company. Apart from the mentioned transactions, the Company and its Subsidiary do not have a policy of financial support to any juristic persons or individuals who may have conflict of interest.

Explanation and Analysis of the 2013 Financial Status and Operating Performance

Operating Performance

Overall Past Performance

The opinion of the Management towards the 2013 operating performance of the Company and its subsidiary company was that total revenue from sales and services of the Company and its Subsidiary earned 1,690.85 million Baht which was increased by 111.74 million Baht , or 7.08% from the previous year, and net profit earned 154.21 million Baht which was increased by 1.70 million Baht ,or 1.12% from the previous year. The net profit of this year had been included compensation due to business interruption from flood situation in the year 2011 amounting 11.89 million Baht. While net profit of the last year was 152.51 million baht comprising the profit from operation of 29.26 million Baht and the compensation of property damage from flood situation in the year 2011 amounting 123.25 million Baht, so that the performance of this year is better than the last year(2012). In conclusion, the Company and its Subsidiary have completely received all compensation from the insurance company .

	Consolidated Financial Statements (million Baht)			Separated Financial Statements (million Baht)		
	Year 2013	Year 2012	Year 2011	Year 2013	Year 2012	Year 2011
Total Income	1,690.85	1,579.11	1,167.20	1,149.38	1,127.51	878.14
Net Profit (Loss)	154.21	152.51	(65.87)	116.11	108.71	(19.21)

Operating Performance of each Production Line or Business Sector

1. Income

In 2013, the Company and its Subsidiary had total income of 1,690.85 million Baht comparing with total income of 1,579.11 million Baht gained in the year 2012 which was increased by 111.74 million Baht or 7.08 %. The increased in revenue was caused by the increased in sales including receipt compensation from business interruption from flood situation in the year 2011 of 11.89 million Baht.

2. Cost of Goods Sold

The proportion on cost of goods sold to sales revenue of the Company and its Subsidiary in 2013 and 2012 were 78.99 % and 82.64 %, respectively. The decrease in revenue of 3.65% in 2013 was due to the fact that, there were repaired machines after the floods until the current situation was normal. The Cost of Goods Sold of the Company and its Subsidiary are approximately 75 to 80 percent depending on the products sold.

3. Selling, General and Administrative Expenses (SG&A)

The Company and its subsidiary had expensed in SG&A amounting 197.71 and 182.96 million Baht in the year 2013 and 2012 respectively which were increased by 14.75 million Baht due to adjustment in increasing of labor and utility cost.

4. Gaining from Exchange Rate

As, Finance Department had opened the Foreign Currency Deposit Account for depositing export income and had made the risk management control by hedging and making the forward contract rate. As a result, the gain from foreign exchange rate swapping was 20.61 million Baht.

5. Interest Expense

In 2013, the interest expense of the Company and its Subsidiary were decreased from the year 2012 by 1.42 million Baht resulting from the payment of interest on loans for investment.

6. Net Profit

In 2013, the Company and its Subsidiary had gained net profit of 154.21 million Baht which increased from the year 2012 by 1.70 million Baht, or 1.12% as net profit of this year had included compensation due to business interruption from flood situation in the year 2011 of 11.89 million Baht and net profit of the last year was 152.51 million baht that was comprised of the profit from operation of 29.26 million Baht and the compensation of property damage from flood situation in the year 2011 amounting 123.25 million Baht.

7. Dividend per Share

Dividend Payout Policy was hereto;

“Pay dividend not less than 40 percent of Net Profit of Consolidated financial statements after less of all reserved fund required by law and the Company”

According to, the Board of Director’s Meeting No. 56 (3/2013), held on August 7, 2013, the Board had a resolution on approval to pay interim dividend from the six-months operating results of consolidated financial statements since January 1 to June 30 ,2013 at Baht 0.08 per share from paid-up shares of 473,283,700 shares in total of 37,862,696 Baht (Thirty-Seven Million Eight Hundred And Sixty-Two Thousand Six Hundred And Ninety-Six Baht Only).

Operating results of the year 2013, the Board of Director’s Meeting No.57(1/2014), held on February 19, 2014 had a resolution approval to pay dividend of the year 2013 at Baht 0.28 per share which interim dividend had already been paid at Baht 0.08 per share so the remaining dividend payment of this period will be at Baht 0.20 per share to shareholders (operating period July 1 to December 31, 2013) and will propose for approval in the next 2014 Annual General Meeting of Shareholders (AGM) which will be held on Wednesday, April 2, 2014 further.

Financial Status

In the year 2013, the Company and its Subsidiary had total asset in the amount of 2,022.28 million Baht, decreased by 62.16 million Baht from the year 2012. Details are as follows:

1. Current assets increased by 5.92 million Baht as follows;

- Cash and cash equivalents increased by 38.97 million Baht.
- Temporary cash investment increased by 10.10 million Baht.
- Account receivable and others decreased by 13.71 million Baht resulting from the related accounts receivable increased by 31.64 million Baht. And, unrelated account receivable increased by 22.70 million Baht and other unrelated account receivable decreased by 68.05 million Baht.
- Short term loan lent to related company increased by 4.88 million Baht. (Note to financial statements 11)
- Net Inventories decreased by 20.42 million Baht consisting of glass mold by 45.38 million Baht, raw materials by 7.27 million Baht, goods in transit by 7.07 million Baht,

work in - process by 0.77 million Baht and factory supplies by 2.74 million Baht as a result total decreased by 63.23 million Baht but finished goods was increased by 42.81 million Baht.

- Other current assets decreased by 13.90 million Baht.

2. Non-current assets decreased by 0.39 million Baht with details as follows;

- The investment in associated company increased by 5.86 million Baht which was invested in Vietnam.
- Net Land, Building and Equipment decreased by 54.74 million Baht due to these result:
 1. Building and land development increased by 6.86 million Baht.
 2. Investment on machinery decreased by 57.76 million Baht.
 3. Furnishing and setting equipments in the office decreased by 1.18 million Baht.
 4. Vehicles decreased by 1.36 million Baht.
 5. Assets in - process decreased by 1.30 million Baht.
- Intangible assets were decreased by 16.87 million Baht due to the amortization deduction.

3. Liabilities

In the year 2013, the Company and its Subsidiary had total liabilities of 357.65 million Baht, decreased by 109.61 million Baht as compare to the year 2012 as follow;

- Current liabilities decreased by 111.18 million Baht with details as follows:
 1. Overdrawn and short term loan from bank decreased by 113.29 million Baht.
 2. Trade payable and other account payable increased by 35.01 million Baht, which can be separated into Trade account payable of 24.75 million Baht and other account payable of 10.26 million Baht.
 3. Long term loan with maturity date within 1 year decreased by 38 million Baht.
 4. Other current liabilities increased by 5.10 million Baht.
- Non-current liabilities increased by 1.57 million Baht with details as follows:
 1. Financial lease payable decreased by 0.67 million Baht.
 2. Employees' pension fund reservation increased by 2.24 million Baht.

4. Shareholders' Equity

In the year 2013, the Company and its Subsidiary shareholders' equity increased from the year 2012 by 47.45 million Baht due to the increase of retained earnings.

Liquidity

1. In the year 2013, the Company and its Subsidiary had net cash increased by 82.34 million Baht resulted from increasing in operations of 290.50 million Baht and use in financing activities 263.52 million Baht and earnings from Investments of 55.36 million Baht.

2. Capital Structure

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
Debt to equity ratio (times)	0.21	0.29	0.25	0.17	0.24	0.19

The above ratios show that the Company had a strong capital structure that lower than the last year as the debt to equity ratio of 0.21 times only.

3. Liquidity Ratio

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
Current ratio (times)	3.49	2.54	2.64	3.56	2.62	2.83
Quick ratio (times)	1.16	0.61	0.67	1.07	0.44	0.69
Cash ratio (times)	0.18	0.04	0.19	0.18	0.03	0.21
Cash flow increase (decrease) from operation (million Baht)	38.97	(43.37)	(29.20)	29.90	(37.75)	9.90

The above details show that in the year 2013, liquidity of the Company and its Subsidiary was lower than the previous year (2012), because the efficiency of debt collection which made cash balance from operations increased.

4. Profitability ratio

	Consolidated financial statements			Separated financial statements		
	2013	2012	2011	2013	2012	2011
Operational profit margin (%)	11.58	5.85	(3.81)	4.73	(5.60)	(13.00)
Net profit margin (%)	9.46	10.65	(5.81)	11.32	11.79	(2.53)
Return on assets (%)	9.77	10.45	(2.22)	8.42	8.50	(1.03)
Return on equity (%)	9.39	9.75	(4.19)	8.95	8.63	(1.51)

The above ratios presented that the year 2013 the Company and its Subsidiary had ability to make profit. However, since the year 2012 there was revenue from compensation of the insurance company that made the yield of ROA and ROE were higher than the year 2013.

Report of the Board of Directors on the Responsibility for the Financial Statements

The Board of Directors is responsible for the financial statements of the Thai Optical Group Public Company Limited and its Subsidiary. The financial statements are prepared in accordance with generally accepted accounting standard in Thailand, using appropriate and consistent accounting policies that sufficient information is disclosed in the notes to financial statements.

The Board of Directors has appointed the Audit Committee of independent directors to be responsible for the quality of financial statements and the internal control system in order to ensure that the Company has kept the accounting record accurately, adequately and timely as well as prevent fraud and any irregularities in the operation. The Audit Committee's opinion is stated in the Audit Committee report in this Annual Report.

According to the practices and supervision mentioned above, the Board of Directors agrees that the internal control system of the Company can create the reliability of the financial statements of Thai Optical Group Public Company Limited as at December 31, 2013 due to the accurate disclosure of financial status, operating performance and Statement of Cash Flow, which are prepared in accordance with generally accepted accounting standard.



(Mr. Sawang Prachartam)
The Chairman



(Mr. Wirach Prachartam)
Managing Director

Report of the Audit Committee

To Shareholders of Thai Optical Group Public Company Limited:

The Board of Directors approved the appointment of three Independent directors of the Board to be the members of the Audit Committee. Mr. Singh Tangtatswas who is the chairman of this subcommittee, was joined by Mr. Wicha Jiwalai and POL. GEN. Pakorn Sappakit as members of the Audit Committee. In addition, Mrs. Anuruk Rattanasansuntorn, the Company's Internal Audit Manager was appointed to be the Secretary to the Audit Committee.

In 2013, the Audit Committee held a total of four meetings and an additional meeting with the Company's Auditor. The meetings concerned the following important matters:

1. Considering the annual internal audit plan and result of quarterly internal audit in order to evaluate the results in the operation system and the internal control systems. Also, to give advice to the internal audit control in order to correct and improve the said systems in accordance with standards and regulations of the Securities and Exchange Commission, Thailand, and the Stock Exchange of Thailand.
2. Reviewing practices according to laws, rules and regulations of related outside organizations and of the Company.
3. Reviewing risk management in asset management, especially on accounts receivable and inventory.
4. Reviewing the connected transactions to assure that the Company has the normal business operations without providing benefits for any relevant parties.
5. Reviewing quarterly and annual financial statements compliance with accounting standards, the connected and relevant transactions before proposing to the Board of Directors, and also reviewed and expressed its opinion on asset management conducted by the Company's management team to ensure that they were carried out with a view of giving the utmost benefit to the Company.
6. Attending the meetings with external auditors and internal auditors in exchanging opinions on financial reports and internal audit control systems.

The Company has prepared the medium-term plan to set business direction, goal and strategy of the Company, as well as follow up and analyze condition that caused differentiation from plan. In addition, the Company has improved human resource management system by starting to implement Employee Competency Development Program to develop personnel in comply with the business development plan including setting Performance-Based-Pay system to remunerate reasonably and adequately according to employee's performance as motivation. The Audit committee had opinion that the Company's internal control in various aspects is being developed continuously.

For the year 2014, the Audit Committee proposed to the Board of Directors to appoint Miss Siriwan Suratepin, Certified Public Accountant (Thailand) No.4604, or Miss Kamontip Lertwitworatep, , Certified Public Accountant (Thailand) No.4377, or Mr. Wichart Lokatekrawee, Certified Public Accountant (Thailand) No.4451 of Ernst & Young Office Limited as the auditor of the Company and the Subsidiary Company for another two years(year 2014-2015), including fix audit fee limited to 1,700,000 Baht which is increased by 4.6 % from the year 2013 and to be proposed further to the Annual General Meeting of Shareholders for approval.



(Mr. Singh Tangtatswas)

Chairman of the Audit Committee

February 19, 2014

Audit Fee

1. Audit fee

In the audit year of 2013, both the Company and the Subsidiary company had paid audit fee in total amount of 1,625,000 Baht. (One Million Six Hundred and Twenty Five Thousand Baht only). The amount was separated by 1,100,000 Baht of the Company and 525,000 Baht of the Subsidiary company.

2. Non-Audit fee

In the previous audit year period, the Company and the Subsidiary company did not pay any Non-audit fee to the said audit firm.

Independent Auditor's Report

To the Shareholders of Thai Optical Group Public Company Limited

I have audited the accompanying consolidated financial statement of Thai Optical Group Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thai Optical Group Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Optical Group Public Company Limited and its subsidiary and of Thai Optical Group Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

Ernst & Young Office Limited

Bangkok: 13 February 2014

Statement of financial position

Thai Optical Group Public Company Limited and its subsidiary

(Unit : Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	54,836,754	15,861,782	59,227,984	37,023,304	7,127,362	44,875,416
Short-term investment - trading securities	9	10,923,927	827,403	805,387	10,923,927	827,403	805,387
Trade and other receivables	10	290,978,663	304,685,628	155,088,412	168,162,544	183,155,793	99,103,906
Short-term loans to related party	11	12,888,367	8,008,368	-	12,888,367	8,008,368	-
Inventories	12	684,575,608	704,992,949	610,502,785	480,728,216	513,547,780	431,728,043
Other current assets		15,120,407	29,023,883	16,555,201	11,575,017	25,750,771	14,492,133
Total current assets		1,069,323,726	1,063,400,013	842,179,769	721,301,375	738,417,477	591,004,885
Non-current assets							
Investment in subsidiary	13	-	-	-	130,000,000	130,000,000	130,000,000
Investments in associates	14	19,161,278	13,298,745	18,935,990	42,208,730	31,020,000	31,020,000
Property, plant and equipment	15	871,091,640	925,829,660	906,303,733	584,718,367	627,515,404	610,938,960
Intangible assets	16	40,738,125	57,604,565	70,077,376	36,650,320	52,891,283	63,927,227
Deferred income tax	28	21,884,348	24,225,304	38,114,111	12,405,543	15,340,222	28,613,999
Other non-current assets		81,800	81,800	1,885,350	72,800	72,800	1,876,350
Total non-current assets		952,957,191	1,021,040,074	1,035,316,560	806,055,760	856,839,709	866,376,536
Total assets		2,022,280,917	2,084,440,087	1,877,496,329	1,527,357,135	1,595,257,186	1,457,381,421

The accompanying notes are an integral part of the financial statements.

Statement of financial position (continued)

Thai Optical Group Public Company Limited and its subsidiary

(Unit : Baht)

Note		Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012 (Restated)	2012	2013	2012 (Restated)	2012
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans from banks	17	57,588,618	170,875,643	136,494,848	56,085,298	161,072,365	121,494,848
Trade and other payables	18	205,962,919	170,950,538	130,523,612	139,839,938	120,064,001	84,826,109
Current portion of long-term loan from bank	19	17,356,933	55,356,933	38,570,000	-	-	-
Current portion of finance lease payable	22	667,367	945,218	2,896,022	401,992	569,358	2,545,221
Provision for short-term employee benefits	20	1,974,053	1,302,102	6,497,795	-	-	-
Income tax payable		23,123,717	18,419,360	3,851,073	6,048,532	-	-
Total current liabilities		306,673,607	417,849,794	318,833,350	202,375,760	281,705,724	208,866,178
Non-current liabilities							
Finance lease payable - net of current portion	22	-	667,367	1,612,585	-	401,992	971,350
Provision for long-term employee benefits	20	50,976,203	48,740,649	44,405,100	23,678,705	21,196,183	20,065,820
Total non-current liabilities		50,976,203	49,408,016	46,017,685	23,678,705	21,598,175	21,037,170
Total liabilities		357,649,810	467,257,810	364,851,035	226,054,465	303,303,899	229,903,348
Liabilities and shareholders' equity (continued)							
Shareholders' equity							
Share capital							
Registered							
475,000,000 ordinary shares of Baht 1 each		475,000,000	475,000,000	475,000,000	475,000,000	475,000,000	475,000,000
Issued and fully paid up							
473,283,700 ordinary shares of Baht 1 each							
(31 December 2012: 472,283,100 ordinary shares of Baht 1 each)							
(1 January 2012: 471,098,400 ordinary shares of Baht 1 each)		473,283,700	472,283,100	471,098,400	473,283,700	472,283,100	471,098,400
Ordinary share premium		480,715,528	479,714,928	478,530,228	480,715,528	479,714,928	478,530,228
Retained earnings							
Appropriated - statutory reserve	24	60,500,000	58,630,235	52,531,145	47,500,000	45,630,235	39,531,145
Unappropriated		482,339,808	438,761,943	342,693,450	299,803,442	294,325,024	238,318,300
Other components of shareholders' equity	13	167,792,071	167,792,071	167,792,071	-	-	-
Total shareholders' equity		1,664,631,107	1,617,182,277	1,512,645,294	1,301,302,670	1,291,953,287	1,227,478,073
Total liabilities and shareholders' equity		2,022,280,917	2,084,440,087	1,877,496,329	1,527,357,135	1,595,257,186	1,457,381,421

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2013 (Restated)
Profit or loss:					
Revenues					
Sales	11	1,556,967,987	1,362,878,435	1,023,766,369	920,537,273
Service income	11	72,720,230	69,214,302	1,580,153	1,871,153
Freight income		17,866,837	16,289,652	5,334,384	5,223,547
Other income	26	22,686,139	123,539,930	30,882,549	131,534,708
Dividend income	11, 13	-	-	75,400,000	62,400,000
Gain on exchange		20,613,625	7,189,729	12,414,740	5,938,876
Total revenues		1,690,854,818	1,579,112,048	1,149,378,195	1,127,505,557
Expenses	27				
Cost of sales	11	1,252,741,388	1,150,229,929	879,562,220	871,607,240
Cost of service	11	34,548,011	33,293,446	915,329	1,508,099
Selling expenses		24,874,054	29,244,206	12,431,786	16,779,636
Administrative expenses		172,837,555	153,716,403	125,005,147	107,892,240
Total expenses		1,485,001,008	1,366,483,984	1,017,914,482	997,787,215
Profit before share of loss from investment in associates, finance cost and income tax expenses		205,853,810	212,628,064	131,463,713	129,718,342
Share of loss from investment in associates	14	(5,326,197)	(5,637,245)	-	-
Profit before finance cost and income tax expenses		200,527,613	206,990,819	131,463,713	129,718,342
Finance cost		(7,275,325)	(8,698,286)	(5,842,531)	(7,736,516)
Profit before income tax expenses		193,252,288	198,292,533	125,621,182	121,981,826
Income tax expenses	28	(39,044,600)	(45,787,037)	(9,512,941)	(13,273,777)
Profit for the year		154,207,688	152,505,496	116,108,241	108,708,049
Other comprehensive income:					
Actuarial (gain) loss		-	(3,109,613)	-	626,065
Other comprehensive income for the year		-	(3,109,613)	-	626,065
Total comprehensive income for the year		154,207,688	149,395,883	116,108,241	109,334,114

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income (continued)

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2013 (Restated)
Earnings per share (Baht)	30				
Basic earnings per share					
Profit	0.33	0.32	0.25	0.23	
Weighted average number of ordinary shares (shares)		472,885,612	471,678,407	472,885,612	471,678,407
Diluted earnings per share					
Profit	0.33	0.32	0.25	0.23	
Weighted average number of ordinary shares (shares)		473,884,228	473,062,548	473,884,228	473,062,548

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

Note	Consolidated financial statements					
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated		
Balance as at 31 December 2011 - as previously reported	471,098,400	478,530,228	52,531,145	304,579,339	167,792,071	1,474,531,183
Cumulative effect of change in accounting policy for deferred tax	-	-	-	38,114,111	-	38,114,111
Balance as at 31 December 2011 - as restated	471,098,400	478,530,228	52,531,145	342,693,450	167,792,071	1,512,645,294
Additional ordinary shares issued from warrants exercised	1,184,700	1,184,700	-	-	-	2,369,400
Total comprehensive income for the year (restated)	-	-	-	149,395,883	-	149,395,883
Dividend paid	-	-	-	(47,228,300)	-	(47,228,300)
Unappropriated retained earnings transferred to statutory reserve	-	-	6,099,090	(6,099,090)	-	-
Balance as at 31 December 2012 - as restated	472,283,100	479,714,928	58,630,235	438,761,943	167,792,071	1,617,182,277

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

Consolidated financial statements							
Note	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated			
Balance as at 31 December 2012 - as previously reported	472,283,100	479,714,928	58,630,235	414,536,639	167,792,071	1,592,956,973	
Cumulative effect of change in accounting policy for deferred tax	-	-	-	24,225,304	-	24,225,304	
Balance as at 31 December 2012 - as restated	472,283,100	479,714,928	58,630,235	438,761,943	167,792,071	1,617,182,277	
Additional ordinary shares issued from warrants exercised	1,000,600	1,000,600	-	-	-	2,001,200	
Total comprehensive income for the year	-	-	-	154,207,688	-	154,207,688	
Dividend paid	-	-	-	(108,760,058)	-	(108,760,058)	
Unappropriated retained earnings transferred to statutory reserve	-	-	1,869,765	(1,869,765)	-	-	
Balance as at 31 December 2013	473,283,700	480,715,528	60,500,000	482,339,808	167,792,071	1,664,631,107	

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Note	Separate financial statements				
		Issued and full paid-up share capital	Share premium	Retained earnings		Total Shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2011 - as previously reported		471,098,400	478,530,228	39,531,145	209,704,301	1,198,864,074
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	28,613,999	28,613,999
Balance as at 31 December 2011 - as restated		471,098,400	478,530,228	39,531,145	238,318,300	1,227,478,073
Additional ordinary shares issued from warrants exercised	21	1,184,700	1,184,700	-	-	2,369,400
Total comprehensive income for the year (restated)		-	-	-	109,334,114	109,334,114
Dividend paid	23	-	-	-	(47,228,300)	(47,228,300)
Unappropriated retained earnings transferred to statutory reserve ²⁴		-	-	6,099,090	(6,099,090)	-
Balance as at 31 December 2012 - as restated		472,283,100	479,714,928	45,630,235	294,325,024	1,291,953,287

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Note	Separate financial statements				
		Issued and full paid-up share capital	Share premium	Retained earnings	Unappropriated	Total Shareholders' equity
				Appropriated - statutory reserve		
Balance as at 31 December 2012 - as previously reported		472,283,100	479,714,928	45,630,235	278,984,802	1,276,613,065
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	15,340,222	15,340,222
Balance as at 31 December 2012 - as restated		472,283,100	479,714,928	45,630,235	294,325,024	1,291,953,287
Additional ordinary shares issued from warrants exercised	21	1,000,600	1,000,600	-	-	2,001,200
Total comprehensive income for the year		-	-	-	116,108,241	116,108,241
Dividend paid	23	-	-	-	(108,760,058)	(108,760,058)
Unappropriated retained earnings transferred to statutory reserve	24	-	-	1,869,765	(1,869,765)	-
Balance as at 31 December 2013		473,283,700	480,715,528	47,500,000	299,803,442	1,301,302,670

The accompanying notes are an integral part of the financial statements.

Statement of cash flow

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2013 (Restated)
Cash flows from operating activities				
Profit before tax	193,252,288	198,292,533	125,621,182	121,981,826
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of loss from investment in associate	5,326,197	5,637,245	-	-
Unrealised gain on short - term investment	(96,524)	(22,016)	(96,524)	(22,016)
Unrealised gain on exchange	(5,082,348)	(199,145)	(4,747,779)	(646,332)
Loss(gain) from sales of property, plant and equipments	(390,854)	31,088	(113,835)	185,531
Dividend income	-	-	(75,400,000)	(62,400,000)
Depreciation and amortisation	159,124,865	144,836,435	101,896,766	92,377,187
Reversal of allowance for impairment loss on assets	-	(13,197,958)	-	(13,197,958)
Doubtful accounts (reversal)	1,894,677	2,532,886	(65,603)	(597,397)
Reduce cost to net realisable value of inventory (reversal)	1,042,196	(72,658,310)	429,432	(70,576,028)
Provision for long-term employee benefits	5,373,826	5,044,595	2,591,122	1,756,428
Interest income	(496,449)	(247,229)	(444,168)	(195,501)
Interest expenses	6,317,168	8,101,994	3,945,965	5,333,409
Profit from operating activities before changes in operating assets and liabilities	366,265,042	278,152,118	153,616,558	73,999,149

The accompanying notes are an integral part of the financial statements.

Statement of cash flow (continued)

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2013 (Restated)
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Short-term investment	(10,000,000)	-	(10,000,000)	-
Trade and other receivables	16,136,645	(154,320,223)	17,911,316	(84,586,035)
Inventories	19,375,145	(21,831,855)	32,390,132	(11,243,709)
Other current assets	13,903,476	(5,258,854)	14,175,754	(4,048,779)
Other assets	-	3,550	-	3,550
Operating liabilities increase (decrease)				
Trade and other payables	27,823,681	45,346,497	13,878,559	37,234,620
Cash flows from operating activities	433,503,989	142,091,233	221,972,319	11,358,796
Cash paid for long-term employee benefits	(2,466,321)	(9,014,352)	(108,600)	-
Cash paid for corporate income tax	(31,999,287)	(24,539,769)	(529,730)	(7,209,826)
Net cash from operating activities	399,038,381	108,537,112	221,333,989	4,148,970
Cash flows from investing activities				
Cash paid for investment in a newly associate	(11,188,730)	-	(11,188,730)	-
Short-term loans to related party	(3,915,000)	(8,191,511)	(3,915,000)	(8,191,511)
Dividend received from subsidiary	-	-	75,400,000	62,400,000
Purchase of property, plant and equipments	(73,957,718)	(134,477,936)	(29,947,085)	(77,724,000)
Purchase of intangible assets	(6,854,422)	(9,397,762)	(5,584,261)	(9,188,212)
Interest income	175,113	247,229	122,832	195,501
Cash received from sales of property, plant and equipments	1,257,411	1,980,019	175,000	1,158,879
Net cash used in investing activities	(94,483,346)	(149,839,961)	25,062,756	(31,349,343)

The accompanying notes are an integral part of the financial statements.

Statement of cash flow (continued)

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2013 (Restated)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from banks	(121,299,957)	32,615,138	(113,000,000)	37,811,862
Increase in trust receipt	7,783,438	2,650,741	7,783,438	2,650,741
Cash received of short-term loans from related party	-	-	-	5,200,000
Repayment of short-term loans from related party	-	-	-	(5,200,000)
Cash received of long-term loan from bank	25,000,000	69,286,933	-	-
Repayment of long-term loan from bank	(63,000,000)	(52,500,000)	-	-
Repayment of finance lease payable	(945,218)	(1,096,022)	(569,358)	(745,221)
Cash received from additional ordinary share from warrants exercised	2,001,200	2,369,400	2,001,200	2,369,400
Cash paid for interest expenses	(6,359,468)	(8,161,243)	(3,956,025)	(5,406,163)
Cash paid for dividend	(108,760,058)	(47,228,300)	(108,760,058)	(47,228,300)
Net cash from (used in) financing activities	(265,580,063)	(2,063,353)	(216,500,803)	(10,547,681)
Net increase (decrease) in cash and cash equivalents	38,974,972	(43,366,202)	29,895,942	(37,748,054)
Cash and cash equivalents at beginning of the year	15,861,782	59,227,984	7,127,362	44,875,416
Cash and cash equivalents at end of the year	54,836,754	15,861,782	37,023,304	7,127,362

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

Thai Optical Group Public Company Limited and its subsidiary

For the year ended 31 December 2013

1. General information

Thai Optical Group Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of plastic lens and related products. Its registered address is No. 15/5 Moo 6 Laharn, Bangbuathong, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Thai Optical Group Public Company Limited ("the Company") and its subsidiary ("the Subsidiary") as detailed below.

Subsidiary	Nature of business	Percentage of shareholding	
		2013 Percent	2012 Percent
Thai Optical Company Limited	Manufacturing and selling of glasses lens	100	100

b) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.

d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

e) Investment in the subsidiary as recorded in the Company's books of account has been eliminated against shareholders' equity of the subsidiary as at the acquisition date. The retained earnings of subsidiary company arising as a result of the Company's purchase of the subsidiary company at a price lower than the net book value of the subsidiary company at the acquisition date has been presented in shareholders' equity in the consolidated statements of financial position.

- 2.3 The separate financial statements, which present investment in subsidiary and associate presented under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting period

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiary have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiary had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014

		<u>Effective date</u>
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

Except TAS 1 (revised 2012), 7 (revised 2012), 12 (revised 2012), 17 (revised 2012), 18 (revised 2012), 19 (revised 2012), 21 (revised 2012), 24 (revised 2012), 28 (revised 2012), 34 (revised 2012) and 38 (revised 2012), TFRS 8 (revised 2012) and TFRIC 10 which the Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, the management of the Company has assessed the effect of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company.

4. Cumulative effect of the change in accounting policy due to the adoption of new accounting standard

During the current year, the Company and its subsidiary made the change described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Statements of financial position						
Increase in deferred tax assets	21,884	24,225	38,114	12,406	15,340	28,614
Increase in unappropriated retained earnings	21,884	24,225	38,114	12,406	15,340	28,614

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012	2013	2012
Statements of comprehensive income				
Profit or loss				
Increase in income tax expenses	2,341	13,889	2,934	13,274
Decrease in basic earnings per share (Baht)	(0.01)	(0.03)	(0.01)	(0.03)
Decrease in diluted earnings per share (Baht)	(0.01)	(0.03)	(0.01)	(0.03)

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials, supplies, mold and finished goods for sale are valued at the lower of cost (weighted average method) and net realizable value and are charged to production costs whenever consumed.

The net realizable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale.

Reduce cost of inventories for obsolete inventories are set up for obsolete, slow-moving and deteriorated inventories.

5.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiary and associate are accounted for in the separate financial statements using the cost method.

5.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Land improvements	-	10 , 20 years
Structure	-	10 , 20 years
Machinery and equipment	-	5, 10 years
Furniture, fixtures, tools and office equipment	-	3, 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided for land, assets in transit and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

5.7 Intangible assets

Expenses incurred as a result of development or at the development phase of an internal project are recognised as intangible assets, providing that the project is technically feasible, that the Company both intends and has the ability to complete it, and that adequate technical, financial and other resources are available to complete the development of the asset to the point where it can be put it into use or sold.

Other acquired intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	3, 5, 10 years
Deferred product development cost	5 years
Licenses	5 years

5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.9 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiary have obligations in respect of the severance payments, it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan. In addition, the Subsidiary provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

The defined benefits liability and other long-term benefit liabilities comprise the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also and measured using the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.12 Forward foreign exchange contracts

The Company and its subsidiary company use forward exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rates.

The differences between the spot rate of the undue forward foreign exchange contract and the reference exchange rates of the Bank of Thailand at the end of year are recorded as revenue and expense for the year.

Differences between the forward rate and the spot rate in forward foreign exchange contracts are amortised into revenue and expenses over the contract-period.

5.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.15 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduce cost of inventory value

The determination of reduce cost of inventory value, requires management to make judgments and estimates. The reduce cost to net realisable value is estimated based on the selling price expected in the ordinary course of business; and reduce cost for obsolete, slow-moving and deteriorated inventories, that is estimated based on the approximate useful life of each type of inventory and the results of inspections conducted by the quality control department.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangibles assets, and subsequent impairment testing, require management to make estimates cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Additional cash flows information

Non-cash related transactions for investing activity for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Purchase of property, plant and equipment and intangible assets	12,929	6,298	12,270	5,451
Less: Other payable from purchases of property, plant and equipment and intangible assets	(12,261)	(4,686)	(11,868)	(4,480)
Finance lease payable	(668)	(1,612)	(402)	(971)
	-	-	-	-

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	180	180	85	85
Bank deposits	54,657	15,682	36,938	7,042
Total	54,837	15,862	37,023	7,127

As at 31 December 2013, bank deposits in saving accounts carried interests between 0.5 and 0.625 percent per annum (2012: 0.65 and 0.75 percent per annum).

9. Short-term investments - trading security

As at 31 December 2013 and 2012, short-term investments - trading security were as follows:

	Consolidated and separate financial statements					
	2013			2012		
	Number of Cost (Thousand unit)	Fair value (Thousand Baht)	Number of units (Thousand Baht)	Cost (Thousand unit)	Fair value (Thousand Baht)	(Thousand Baht)
Short-term investments:						
Trading securities						
TMB Treasury Money Fund	66	781	847	66	781	827
UOB Sure Daily	843	10,000	10,077	-	-	-
Total short-term investments - trading securities	909	10,781	10,924	66	781	827

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	121,954	81,164	76,150	48,376
Overdue not over 30 days	49,170	31,318	3,784	-
Overdue 31 - 90 days	1,209	28,315	-	-
Overdue 91 - 180 days	106	2	-	-
Total trade accounts receivable - related parties (Note 11)	172,439	140,799	79,934	48,376
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	76,953	63,529	63,731	50,172
Overdue not over 30 days	31,275	22,680	23,734	14,696
Overdue 31 - 90 days	7,682	5,280	733	1,642
Overdue 91 - 180 days	1,397	2,893	-	7
Overdue 181 - 365 days	1,908	2,110	-	191
Overdue more than 365 days	7,863	5,987	3,169	3,168
Total trade accounts receivable - unrelated parties	127,078	102,479	91,367	69,876
Less: Allowance for doubtful debts	(8,538)	(6,643)	(3,169)	(3,234)
Net	118,540	95,836	88,198	66,642
Total trade accounts receivable - net	290,979	236,635	168,132	115,018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other receivables				
Other receivables - related party	-	-	30	87
Other receivables - unrelated parties	-	68,051	-	68,051
Total other receivables	-	68,051	30	68,138
Total trade and other receivables - net	290,979	304,686	168,162	183,156

11. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with its individual and related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

The Company has the following policy on pricing for its related transactions.

Policy on pricing for domestic subsidiary company and related companies related by the way of common shareholders and/or common directors.

1. Price for purchases/sales of raw materials, supplies and other items are determined based on the cost of the goods plus a services fee of not more than 10 percent of such cost.
2. Purchases/sales prices of finished goods are determined at agreed rate. However, the pricing policy is subject to change depending on market competition at the time being.
3. Service income and service expenses are charged at a mutually agreed price.
4. Loans to and loan from subsidiary company in 2012 was charged interest at rate of 3.85 percent per annum.
5. Guarantee fee income and expenses are charged at rate of 1.5 percent per annum.
6. Purchases/sales prices of fixed assets are determined at agreed rate.

Policy on pricing for foreign companies which are the associate and related companies.

1. Sales prices of finished goods are determined at market price.
2. Service income is charged at market price.
3. Loans to associated company is charged interest at rate of 3.5 percent per annum.

Significant transactions between the Company and those companies, are summarized below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Transactions with subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	86,547	52,656
Service income	-	-	1,112	1,487
Other sales	-	-	1,580	408
Document service income	-	-	14,880	14,880
Cost of sales	-	-	81,959	51,295
Purchase of goods and raw materials	-	-	101,549	146,387
Service expense	-	-	14,492	25,994
Interest expense	-	-	-	17
Guarantee fee income	-	-	772	901
Guarantee fee expenses	-	-	1,752	2,218
Purchase of parts	-	-	18	-
Dividend income	-	-	75,400	62,400
Other purchases	-	-	43	93
<u>Transactions with associates</u>				
Sales of goods	6,648	4,562	3,318	475
Other services revenues	503	326	61	7
Sales of assets	108	-	-	-
Interest income	287	-	287	-
<u>Transactions with domestic related companies related by the way of common shareholders and/or common directors</u>				
Sales of goods and raw materials	65,880	74,438	6,147	8,090
Service income	16	48	-	9
Other sales	252	423	51	150
Other service income	-	527	-	527
Sales of assets	900	545	-	545
Purchase of goods and raw materials	486	1,177	260	889
Others purchases	1,989	1,758	20	92
Service expenses	117	2	-	2
Purchase of assets	2,849	14,027	6	164
<u>Transactions with foreign related companies</u>				
Sales of goods	911,982	680,565	450,973	366,471
Other sales	2,122	2,917	605	1,624

The outstanding balances of the above transactions have been separately shown in the statements of financial position with the details as at 31 December 2013 and 2012 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade accounts receivable - related parties</u>				
Subsidiary company	-	-	8,159	5,770
Associate companies	3,197	1,623	598	177
Related companies	169,242	139,176	71,177	42,429
Total trade accounts receivable - related parties (Note 10)	172,439	140,799	79,934	48,376
<u>Other receivables-related parties</u>				
Subsidiary company	-	-	30	87
Total other receivables - related parties	-	-	30	87
<u>Short-term loan to related party</u>				
Associate company	12,888	8,008	12,888	8,008
Total short-term loan to related party	12,888	8,008	12,888	8,008
<u>Trade accounts payable - related parties</u>				
Subsidiary company	-	-	8,595	21,991
Related companies	127	115	-	-
Total trade accounts payable - related parties (Note 18)	127	115	8,595	21,991
<u>Other payables - related parties</u>				
Subsidiary company	-	-	77	419
Related company	198	-	-	-
Total other payables - related parties	198	-	77	419

As at 31 December 2013 and 2012, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2012	During the year		Balance as at 31 December 2013
		Increase	Decrease	
<u>Short-term loans to associated companies</u>				
M Vision Optical Pte.Ltd.	8,008	773	-	8,781
Vietnam Visibility Target Co., Ltd.	-	4,107	-	4,107
Total	8,008	4,880	-	12,888

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	32,316	30,345	29,551	27,441
Post-employment benefits	1,058	738	668	289
Total	33,374	31,083	30,219	27,730

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 33 to the financial statements.

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	216,145	171,446	(9,770)	(7,877)	206,375	163,569
Work in process	13,279	14,050	-	-	13,279	14,050
Raw materials	122,562	129,958	(251)	(379)	122,311	129,579
Spare parts and factory supplies	25,786	28,528	-	-	25,786	28,528
Supplies - Glass mould	283,337	329,435	(4,606)	(5,329)	278,731	324,106
Goods in transit	38,094	45,161	-	-	38,094	45,161
Total	699,203	718,578	(14,627)	(13,585)	684,576	704,993

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	132,871	107,295	(1,909)	(1,479)	130,962	105,816
Work in process	4,018	4,862	-	-	4,018	4,862
Raw materials	77,717	89,447	-	-	77,717	89,447
Spare parts and factory supplies	10,359	12,065	-	-	10,359	12,065
Supplies - Glass mould	225,338	265,295	-	-	225,338	265,295
Goods in transit	32,334	36,063	-	-	32,334	36,063
Total	482,637	515,027	(1,909)	(1,479)	480,728	513,548

13. Investment in subsidiary

The Company had 12,999,994 ordinary shares of Thai Optical Company Limited (which operates in manufacturing and selling of glasses lens with the registered and paid up share capital of Baht 130 million) at a price of Baht 10 per share, or a total of approximately Baht 130 million. The Company's shareholding in such company is 100 percent. The Company and Thai Optical Company Limited share the same shareholders and management team as before, and the acquisition was made in order to restructure shareholdings within the group of companies. The Company therefore recorded the excess of the fair value of the assets acquired over the cost of acquisition approximately Baht 168 million in shareholders' equity in the consolidated statements of financial position under the caption "Surplus from business combination under common control".

As at 31 December 2013 and 2012, investment in subsidiary company accounted for under cost method of the Company is as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received for the year	
	2013	2012	2013 (%)	2012 (%)	2013	2012	2013	2012
Thai Optical Company Limited	130,000	130,000	100	100	130,000	130,000	75,400	62,400
Total					130,000	130,000	75,400	62,400

14. Investments in associates

14.1 Details of investments in associates

Company's name	Nature of business	Relationship	Paid-up Capital		Shareholding percentage		Consolidated financial statement		Separate financial statement	
			2013	2012	2013 (%)	2012 (%)	2013 Thousand Baht	2012 Thousand Baht	2013 Thousand Baht	2012 Thousand Baht
M Vision Optical Pte.Ltd. (Incorporated in Singapore)	Manufacturing of Rx lenses	Direct holding and common directors	SGD 4 million	SGD 4 million	33	33	8,982	13,299	31,020	31,020
Vietnam Visibility Target Company Limited (Incorporated in Vietnam)	Manufacturing of Rx lens	Direct holding and common directors	USD 1.2 million	-	29	-	10,180	-	11,189	-
Total							19,162	13,299	42,209	31,020

In the second quarter of 2013, the Company provided an interest free short-term loan of USD 0.35 million, to Viet Nam Visibility Target Company Limited which was incorporated in Vietnam, since the Company planned to make a joint investment in and purchase share capital of this company. Later, on 27 August 2013, the Company purchased additional share capital of this company amounting to USD 0.35 million, or equivalent to Baht 11.19 million, equivalent to a shareholding of 29.17 percent. The Company settled the short-term loan against the amount payable for the investment purchased in this company.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investments in associated companies for the year	
	2013	2012
M Vision Optical Pte. Ltd.	4,317	5,637
Vietnam Visibility Target Company Limited	1,009	-
Total	5,326	5,637

The Company recorded share of loss from investment in Vietnam Visibility Target Company Limited under the equity method amounting to Baht 1 million for the period as from 1 September 2013 to 31 December 2013. The amount would have been similar if the Company had recorded share of loss from investment from 27 August 2013 to 31 December 2013 in the consolidated financial statements.

14.2 Summarised financial information of associated company

Financial information of the associated companies are summarised below.

Company's name	Consolidated financial statements					
	Paid-up capital as at		Total assets as at		Total liabilities as at	
	31 December		31 December		31 December	
	2013	2012	2013	2012	2013	2012
		(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
MVision Optical Pte. Ltd.	SGD 4 million	SGD 4 million	80	88	51	45
Vietnam Visibility Target Company Limited	USD 1.2 million	-	60	-	30	-

(Unit: Million Baht)

Company's name	Consolidated financial statements			
	Total revenues for the year		Net gain (loss) for the year	
	2013	2012	2013	2012
MVision Optical Pte. Ltd.	99	88	(13)	(17)
Vietnam Visibility Target Company Limited	23	-	(4)	-

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Building and land improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Asset in progress	
Cost amount:							
1 January 2012	137,471	446,950	1,308,493	96,730	42,103	97,687	2,129,434
Additions	-	178	15,935	2,744	2,376	109,423	130,656
Transferred in/(out)	650	49,213	116,773	2,275	952	(169,863)	-
Disposals	-	(3,117)	(10,542)	(1,759)	(6,601)	(127)	(22,146)
31 December 2012	138,121	493,224	1,430,659	99,990	38,830	37,120	2,237,944
Additions	-	-	4,424	2,048	78	74,982	81,532
Transferred in/(out)	-	36,782	34,593	4,401	485	(76,261)	-
Disposals	-	(8,546)	(108,666)	(14,044)	(903)	(24)	(132,183)
31 December 2013	138,121	521,460	1,361,010	92,395	38,490	35,817	2,187,293
Accumulated depreciation:							
1 January 2012	-	191,183	904,704	79,698	34,347	-	1,209,932
Depreciation for the year	-	25,900	87,664	7,706	1,697	-	122,967
Depreciation on disposals	-	(2,091)	(10,487)	(1,606)	(6,601)	-	(20,785)
31 December 2012	-	214,992	981,881	85,798	29,443	-	1,312,114
Depreciation for the year	-	29,907	96,000	7,577	1,919	-	135,403
Depreciation on disposals	-	(8,533)	(107,886)	(13,994)	(903)	-	(131,316)
31 December 2013	-	236,366	969,995	79,381	30,459	-	1,316,201
Allowance for impairment loss:							
1 January 2012	-	-	(12,936)	(262)	-	-	(13,198)
Decrease during the year	-	-	12,936	262	-	-	13,198
31 December 2012	-	-	-	-	-	-	-
31 December 2013	-	-	-	-	-	-	-
Net book value:							
31 December 2012	138,121	278,232	448,778	14,192	9,387	37,120	925,830
31 December 2013	138,121	285,094	391,015	13,014	8,031	35,817	871,092
Depreciation for the year							
2012 (Baht 116 million included in manufacturing cost, and the balance in administrative expenses)							122,967
2013 (Baht 128 million included in manufacturing cost, and the balance in administrative expenses)							135,403

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Building and land improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Asset in progress	Total
Cost amount:							
1 January 2012	84,494	357,448	724,920	60,838	31,133	77,641	1,336,474
Additions	-	-	1,024	1,046	1,546	73,261	76,877
Transferred in/(out)	650	47,372	68,833	1,683	951	(119,489)	-
Disposals	-	(3,117)	(1,295)	(1,436)	(6,082)	(127)	(12,057)
31 December 2012	85,144	401,703	793,482	62,131	27,548	31,286	1,401,294
Additions	-	-	1,374	876	3	35,083	37,336
Transferred in/(out)	-	29,210	11,238	455	-	(40,903)	-
Disposals	-	(8,373)	(89,771)	(12,710)	(396)	-	(111,250)
31 December 2013	85,144	422,540	716,323	50,752	27,155	25,466	1,327,380
Accumulated depreciation:							
1 January 2012	-	125,621	511,495	48,264	26,958	-	712,338
Depreciation for the year	-	22,606	43,047	5,486	1,014	-	72,153
Depreciation on disposals	-	(2,091)	(1,253)	(1,286)	(6,082)	-	(10,712)
31 December 2012	-	146,136	553,289	52,464	21,890	-	773,779
Depreciation for the year	-	26,346	47,763	4,797	1,166	-	80,072
Depreciation on disposals	-	(8,373)	(89,720)	(12,701)	(396)	-	(111,190)
31 December 2013	-	164,109	511,332	44,560	22,660	-	742,661
Allowance for impairment loss:							
1 January 2012	-	-	(12,936)	(262)	-	-	(13,198)
Decrease during the year	-	-	12,936	262	-	-	13,198
31 December 2012	-	-	-	-	-	-	-
31 December 2013	-	-	-	-	-	-	-
Net book value:							
31 December 2012	85,144	255,567	240,193	9,667	5,658	31,286	627,515
31 December 2013	85,144	258,431	204,991	6,192	4,495	25,466	584,719
Depreciation for the year							
2012 (Baht 67 million included in manufacturing cost, and the balance in administrative expenses)							72,153
2013 (Baht 76 million included in manufacturing cost, and the balance in administrative expenses)							80,072

As at 31 December 2013, the Company and its subsidiary have office equipment under finance lease agreement with net book values amounting to Baht 0.6 million (2012: Baht 1.5 million) and the Company only amounted to Baht 0.4 Million (2012: Baht 0.9 million).

As at 31 December 2013, certain plant and equipment items of the Company and subsidiary company have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 775.58 million (2012: Baht 827.72 million) and the Company only amounted to Baht 453.66 million (2012: Baht 518.82 million).

During the year 2012, the Company reversed allowance for impairment of machinery and equipment due to received a compensation letter from a insurance company as discussed in Note 26 to the financial statements.

16. Intangible assets

The net book value of intangible assets as at 31 December 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	Deferred product development	License	Total
As at 31 December 2013				
Cost	42,204	30,851	76,392	149,447
Less Accumulated amortisation	(28,385)	(18,914)	(61,410)	(108,709)
Net book value	13,819	11,937	14,982	40,738
As at 31 December 2012				
Cost	39,685	26,524	76,392	142,601
Less Accumulated amortisation	(22,978)	(15,590)	(46,428)	(84,996)
Net book value	16,707	10,934	29,964	57,605

(Unit: Thousand Baht)

	Separate financial statements			
	Computer software	Deferred product development	License	Total
As at 31 December 2013				
Cost	27,325	30,851	74,911	133,087
Less Accumulated amortisation	(17,594)	(18,914)	(59,929)	(96,437)
Net book value	9,731	11,937	14,982	36,650
As at 31 December 2012				
Cost	26,076	26,524	74,911	127,511
Less Accumulated amortisation	(14,083)	(15,590)	(44,947)	(74,620)
Net book value	11,993	10,934	29,964	52,891

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	57,605	70,077	52,891	63,927
Acquisition of computer software	2,519	7,074	1,249	6,864
Increase of deferred product development	4,327	2,324	4,327	2,324
Amortisation	(23,713)	(21,870)	(21,817)	(20,224)
Net book value at end of year	40,738	57,605	36,650	52,891

17. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Bank overdrafts	1,504	4,804	-	-
Trust receipt	15,085	7,072	15,085	7,072
Short-term loans from banks	41,000	159,000	41,000	154,000
Total	57,589	170,876	56,085	161,072

Bank overdrafts, trust receipt and short-term loans from banks bear interests at the rate determined under the agreements. Under the terms of the above agreements, the Company and its subsidiary must comply with certain conditions and restrictions stipulated in the agreements.

Bank overdrafts, trust receipt and short-term loans from banks of the Company are guaranteed by a subsidiary company.

Bank overdrafts, trust receipt and short-term loans from banks of the subsidiary company are guaranteed by the Company.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts payable - related parties (Note 11)	127	115	8,595	21,991
Trade accounts payable - unrelated parties	127,836	103,086	78,528	55,984
Amounts due to and short-term loan from related parties	198	-	77	419
Accrued expenses	54,250	50,182	31,577	26,675
Other payables	21,522	10,189	20,442	9,189
Others	2,030	7,379	621	5,806
Total trade and other payables	205,963	170,951	139,840	120,064

19. Long-term loan from bank/current portion of long-term loan from bank

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
The subsidiary company entered in loan agreement with a local commercial bank to obtain a long-term loan of Baht 320 million. The loan is repayable monthly in 64 installments commencing as from September 2011, and subject to interest at rate determined under the agreement.	17,357	55,357
Total	17,357	55,357
Less: Current portion of long-term loan	(17,357)	(55,357)
Long-term loan - net of current portion	-	-

Movements in the long-term loan account during the year ended 31 December 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Balance at beginning of year	55,357	38,570
Add : Cash receipt from long-term loan	25,000	69,287
Less : Repayment during the year	(63,000)	(52,500)
Balance at end of year	17,357	55,357

The Company has provided guarantee for the subsidiary company's loan.

The loan agreement contains certain covenants, pertaining to matters such as the maintenance of a certain financial ratio.

As at 31 December 2013, the outstanding balance of long-term credit facilities of its subsidiary, which has yet withdrawn, is totaling Baht 167.14 million (2012: Baht 192.14 million).

20. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2013 and 2012, which is compensations on employees' retirement and other long-term employee benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Balance at beginning of year	50,043	50,903	21,196	20,066
Current service cost	3,565	2,466	1,828	1,044
Interest cost	1,809	2,112	763	712
Benefits paid during the year	(2,467)	(9,014)	(109)	-
Actuarial (gain) loss	-	3,576	-	(626)
Balance at end of year	52,950	50,043	23,678	21,196

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Provision for employee benefits				
Current	1,974	1,302	-	-
Non-current	50,976	48,741	23,678	21,196
	52,950	50,043	63,678	21,196

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	3,565	2,466	1,828	1,044
Interest cost	1,809	2,112	763	712
Actuarial loss recognised during the year	-	466	-	-
Total expenses recognized in profit or loss	5,374	5,044	2,591	1,756
Line items under which such expenses are included in profit or loss				
Cost of sales	3,793	3,086	1,563	806
Selling and administrative expenses	1,581	1,958	1,028	950
	5,374	5,044	2,591	1,756

The cumulative amount of actuarial gain or losses recognised in the other comprehensive income and taken as part of retained earnings of the Company and its subsidiary as at 31 December 2012 amounted to Baht 3.1 million (The Company only: gain Baht 0.63 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013 (% per annum)	2012 (% per annum)	2013 (% per annum)	2012 (% per annum)
Discount rate	3.6%	3.6%	3.6%	3.6%
Future salary increase rate (depending on position)	5%	5%	5%	5%
Staff turnover rate	26.4%	26.4%	26.4%	26.4%

Amounts of defined benefit obligation for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	52,950	23,678	-	-
Year 2012	50,043	21,196	10,938	-
Year 2011	50,903	20,066	-	-
Year 2010	48,410	18,098	-	-
Year 2009	47,055	16,200	-	-

21. ESOP warrants

On 16 September 2008, the Extraordinary General Meeting of shareholders of the Company passed the resolution to approve the issuance of 6,250,000 warrants to the employees of the Company and the subsidiary company, free of charge. The exercise ratio is to be 1 warrant per 1 ordinary share and exercise price is Baht 2 per share and the warrants are to be exercisable every 1 February and 1 August, with a term of no more than 5 years from the first offering date (8 April 2009). The warrants are not allowed to be exercised during the first year after the issuing date and the holders are eligible to exercise their rights starting within the second year to the fifth year with the portion of 25 percent of total allocated warrants each year. Any warrants that have not been exercised within the specific exercise period can be accumulated and exercised on the next exercise period within the life of ESOP-Warrant.

Movement of share warrant during the year are summarised below.

	Number of units (units)	
	2013	2012
Warrants issued at beginning of the year	2,716,900	3,901,600
Less: Exercised during the year	(1,000,600)	(1,184,700)
Warrants issued at end of the year	1,716,300	2,716,900

22. Finance leases payable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Finance leases payable	686	1,713	412	1,031
Less: Deferred interest expenses	(18)	(100)	(10)	(60)
	668	1,613	402	971
Less: Portion due within one year	(668)	(945)	(402)	(569)
Finance leases payable - net of current portion	-	668	-	402

The Company and its subsidiary have entered into the finance lease agreements with leasing company for lease the office equipment for use in its operation and committed to pay rental fee on a monthly basis. The term of the agreements is 5 years. Finance lease agreements are non-cancelable.

As at 31 December 2013 and 2012, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2013					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	686	-	686	412	-	412
Deferred interest expenses	(18)	-	(18)	(10)	-	(10)
Present value of future minimum lease payments	668	-	668	402	-	402

(Unit: Thousand Baht)

	As at 31 December 2012					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,027	686	1,713	619	412	1,031
Deferred interest expenses	(82)	(18)	(100)	(50)	(10)	(60)
Present value of future minimum lease payments	945	668	1,613	569	402	971

23. Dividend paid

Dividends declared in 2013 and 2012 consist of the following:

Approved by		Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>The Company</u>				
<u>2013</u>				
Final dividend on 2012 earnings	Annual Ordinary Meeting of the shareholders on 3 April 2013	70.90	0.15	30 April 2013
Interim dividend of earnings for the period as from 1 January 2013 to 30 June 2013	The Meeting of the Board of Directors of the Company on 7 August 2013	37.86	0.08	5 September 2013
Total for 2013		108.76	0.23	
<u>2012</u>				
Interim dividend of earnings for the period as from 1 January 2012 to 30 June 2012	The meeting of the Board of Directors of the Company on 8 August 2012	47.23	0.10	5 September 2012
Total for 2012		47.23	0.10	

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. During 2013, the Company and its subsidiary set aside an additional statutory reserve by amount of Baht 1.9 million (2012: Baht 6 million), the Company only Baht 1.9 million (2012: Baht 6 million). The statutory reserve could not be used for dividend payment. As at 31 December 2013, the statutory reserve has fully been set aside.

25. Provident fund

The Company and its subsidiary and its employees jointly established a provident fund in accordance with the Provident Fund Act (B.E. 2530). The fund is contributed to by both employees and the Company and its subsidiary at the rate of 3-5 percent of their basic salaries. The fund is managed by BankThai Public Company Limited and will be paid to the employees upon retirement or cessation of employment in accordance with the rules of the fund. Total contributions of the Company and its subsidiary for the current year amounted to approximately Baht 8.6 million (2012: Baht 8.2 million), the Company only approximately Baht 4.7 million (2012: Baht 4.5 million).

26. Other income

During the fourth quarter of 2011, there was flooding in Thailand. The factories of the Company and its subsidiary in Bangbuathong district were inundated, forcing the Company and that subsidiary to temporarily cease production and causing damage to the Company's property. The Company and its subsidiary had all risk insurance that covers disaster risk.

During the year 2012, the Company and its subsidiary received a letter from the insurance company confirming settlement of claims for losses totaling Baht 112 million (the Company only: Baht 108 million). The Company and its subsidiary therefore recognised the above insurance compensation in profit or loss for the year of 2012. The Company and its subsidiary received each settlement of the insurance compensation of Baht 44 million (the Company only: Baht 40 million) during the year 2012 and Baht 68 million (the Company only: Baht 68 million) during the first quarter of 2013.

Later in the year 2013, the Company and its subsidiary negotiated the compensation claim for business interruption and received insurance compensation for these losses of Baht 11.9 million (the Company only: Baht 7.6 million). The Company and its subsidiary therefore recognised these amounts of insurance compensation in profit or loss for the year ended 31 December 2013.

27. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salaries and wages and other employee benefits	349,161	342,347	193,876	184,835
Depreciation	134,970	122,967	80,072	72,153
Amortisation expenses	23,721	21,870	21,825	20,224
Raw materials and consumables used	512,491	521,177	388,467	394,651
Changes in inventories of finished goods and work in progress	(24,968)	6,430	(24,732)	4,885
Reduce cost of inventory value (reversal)	1,042	(72,659)	429	(70,576)
Reversal of allowance for impairment loss on fixed assets	-	(13,198)	-	(13,198)

During the year 2012, the Company reversed allowance for impairment of machinery and equipment which had been damaged by the floods due to received a compensation letter from insurance company, as described in Note 26 to the financial statements.

28. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax:				
Current income tax charge for the year	36,704	31,898	6,579	-
Deferred tax:				
Relating to origination and reversal of temporary differences	2,341	13,889	2,934	13,274
Income tax expense reported in the statement of comprehensive income	39,045	45,787	9,513	13,274

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
Accounting profit before tax	193,252	198,293	125,621	121,982
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	38,650	45,607	25,124	28,056
Effects of:				
Add back expenses not deductible for tax purposes	1,195	2,240	12	1,295
Additional expense deductions allowed	(800)	(1,695)	(543)	(1,360)
Income not subject to tax	-	(365)	(15,080)	(14,717)
Total	395	180	(15,611)	(14,782)
Income tax expenses reported in the statement of comprehensive income	39,045	45,787	9,513	13,274

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax assets			
Allowance for doubtful accounts	1,708	1,329	822
Allowance for diminution in value of inventories	2,925	2,717	19,836
Allowance for asset impairment	-	-	3,035
Accumulated depreciation - Computer software	6,644	4,803	3,094
Provision for long-term employee benefits	10,590	10,008	10,181
Net loss carried forward not over 5 fiscal years	-	5,336	1,109
Finance leases payable	17	32	37
Total	21,884	24,225	38,114

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax assets			
Allowance for doubtful accounts	634	647	766
Allowance for diminution in value of inventories	382	296	16,573
Allowance for asset impairment	-	-	3,036
Accumulated depreciation - Computer software	6,644	4,803	3,094
Provision for long-term employee benefits	4,736	4,239	4,013
Net loss carried forward not over 5 fiscal years	-	5,336	1,109
Finance leases payable	10	19	23
Total	12,406	15,340	28,614

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2013, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

29. Promotion privileges

The Company has received promotional privileges under the Investment Promotion Act B.E. 2520 from the Board of Investment as following:

- 29.1 Under Promotion Certificate No. 4392/2547 (11-1162/สข/2534) dated 13 February 2004 for the manufacture of lens or glasses or components, subject to certain imposed conditions the privileges include exemption from import duty on raw materials and necessary materials imported for export manufacturing and import duty on articles that the Company imports for re-export from 2 May 2004 to 1 May 2008. Presently, an extension of the privileges until 30 June 2015 was granted.
- 29.2 Under Promotion Certificate No. 4391/2547 (6-1343/2542) dated 13 February 2004 for the manufacture of lens or glasses or components, subject to certain imposed conditions the privileges include exemption from import duty on raw materials and necessary materials imported for export manufacturing and import duty on articles that the Company imports for re-export from 1 July 2005 to 30 June 2009. Presently, an extension of the privileges until 30 June 2015 was granted.
- 29.3 Under Promotion Certificate No. 4022/2547 (4-1578/2543) dated 5 January 2004 for the manufacture of lens or glasses or components, subject to certain imposed conditions the privileges include exemption from import duty on raw materials and necessary materials imported for export manufacturing and import duty on articles that the Company imports for re-export from 7 December 2005 to 6 December 2009. Presently, an extension of the privileges until 6 December 2015 was granted.
- 29.4 Under Promotion Certificate No. 1310/2546 dated 30 June 2003 for the manufacture of lens or glasses or components, subject to certain imposed conditions the privileges include the following:
 - 29.4.1 Reduction of half of import duty on machinery as approved by the Board, except to machinery on which the import duty is lower than 10 percent of the cost.
 - 29.4.2 Exemption from import duty on raw materials and necessary materials imported for export manufacturing from 30 July 2004 to 29 July 2010. During the year 2012, an extension of the privileges until 29 July 2014 was granted.
 - 29.4.3 Exemption from import duty on articles that the Company import for re-export from 30 July 2004 to 29 July 2010. Presently, an extension of the privileges until 29 July 2014 was granted.

The Company has to comply with certain conditions and restrictions specified under the promotion certificate.

30. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Reconciliation between basic earnings per share and diluted earnings per share is presented below.

	For the years ended 31 December					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013 (Thousand Baht)	2012 (Thousand Baht) (Restated)	2013 (Thousand shares)	2012 (Thousand shares)	2013 (Baht)	2012 (Baht) (Restated)
<u>Consolidated financial statement:</u>						
Basic earnings per share						
Profit	154,208	152,505	472,885	471,678	0.33	0.32
Effect of dilutive potential ordinary shares						
Warrants - ESOP: 1,716,300 units (2012: 2,716,900 units)	-	-	999	1,385		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	154,208	152,505	473,884	473,063	0.33	0.32
<u>Separate financial statement:</u>						
Basic earnings per share						
Profit	116,108	108,708	472,885	471,678	0.25	0.23
Effect of dilutive potential ordinary shares						
Warrants - ESOP: 1,716,300 units (2012: 2,716,900 units)	-	-	999	1,385		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	116,108	108,708	473,884	473,063	0.25	0.23

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiary are organised into business units based on their products and services with production facilities in Thailand and operates in both local and overseas markets, and have two reportable segments as follows:

1. Plastic and glass lens, which produces and sells of optical lenses.
2. Other products and services i.e. sale of glass mold, trading goods purchased for resale, glasses assembly services and surface treatments of hard coatings and anti-reflection coating service for organic lenses.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

Transfer prices between operating segments are concluded on commercial terms and based agreed upon between the operating segments as described in Note 11 to the financial statements.

Inter-segment revenues are eliminated on consolidation.

The following table presents revenue and profit information regarding the Company and its subsidiary's operating segments for the year ended 31 December 2013 and 2012:

(Unit: Million Baht)

Consolidated financial statements												
For the year ended 31 December												
	Concentrated, Plastic and								Eliminated			
	glasses	lens	Service	income	Others		Total segments		transactions		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
Sales and service income												
Inter-segment	161	127	16	28	28	72	205	227	(205)	(227)	-	-
External customers												
- Local	71	84	2	3	4	3	77	90	-	-	77	90
- Export	1,477	1,274	71	65	5	3	1,553	1,342	-	-	1,553	1,342
	1,709	1,485	89	96	37	78	1,835	1,659	(205)	(227)	1,630	1,432
Gross profit margin	321	189	28	40	(7)	21	342	250	-	(1)	342	249
Other income							79	165	(17)	(18)	62	147
Dividend income							75	62	(75)	(62)	-	-
Selling expenses							(25)	(29)	-	-	(25)	(29)
Administrative expenses							(188)	(169)	15	15	(173)	(154)
Share of loss of associated companies							-	-	(6)	(6)	(6)	(6)
Financial expenses							(10)	(12)	3	3	(7)	(9)
Income tax expenses							(39)	(46)	-	-	(39)	(46)
Profit for the year							234	221	(80)	(69)	154	152
Segment total assets							2,200	2,268	(178)	(184)	2,022	2,084
Investment in associates accounted for by the equity method							-	-	19	13	19	13
Additions (reductions) to non-current assets other than deferred tax assets							(59)	6	(6)	(6)	(65)	-

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2013	2012
Revenue from external customers		
Local		
Thailand	76,827	90,162
Export		
Europe	1,273,644	1,063,820
America	111,094	130,099
Others	168,123	148,012
Total	1,629,688	1,432,093

The Company and its subsidiary are operated in Thailand. As a result, all of the assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the year 2013, the Company and its subsidiary had revenue from two major customers (2012: three major customers) with revenue of more than 10 percent of an entity's revenues, arising from sales by Concentrated, Plastic and glasses lens and service income segments.

32. Commitments and contingent liabilities

As at 31 December 2013, the Company and its subsidiary had commitments and contingent liabilities other than those disclosed in other notes were as follows:

- 32.1 The Company and its subsidiary had commitments to purchase raw materials amounting to Baht 11.4 million, JPY 8.4 million, USD 3.5 million and EUR 0.4 million or equivalent to Baht 147.2 million (2012: 11.8 million, JPY 14.3 million, USD 1.9 million and EUR 0.2 million or equivalent to Baht 82.4 million), the Company only amounting to Baht 7.8 million, JPY 8.1 million and USD 2.6 million or equivalent to Baht 97.7 million (2012: Baht 0.5 million, JPY 13.4 million and USD 1.5 million or equivalent to Baht 50.4 million).
- 32.2 There were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiary of approximately Baht 34.8 million (2012: Baht 33.6 million), the Company only Baht 17.8 million (2012: Baht 16.7 million) in respect of certain performance bonds as required in the ordinary course of business for the Company and its subsidiary. These included letters of guarantee as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Payments of tax to the Customs Department	19.6	18.4	8.8	7.7
Electricity use	15.2	15.2	9.0	9.0
	34.8	33.6	17.8	16.7

32.3 The Company and its subsidiary had outstanding commitments with respect to service contract totaling approximately Baht 2.4 million per month (2012: Baht 2.5 million), the Company only approximately Baht 0.6 million (2012: Baht 0.6 million).

32.4 The Company had outstanding commitments totaling Baht 2.7 million with respect to software maintenance agreement (2012: EUR 0.02 million or equivalent to Baht 0.9 million).

32.5 The subsidiary company had outstanding commitment totaling approximately Baht 1.2 million with respect to land rental agreement with its related company (2012: Baht 0.4 million).

32.6 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of motor vehicles. The terms of the agreements are generally 5 years.

As at 31 December 2013 and 2012, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Payable within:				
Less than 1 year	1.9	1.9	1.5	1.5
1 to 5 years	2.7	4.6	2.4	3.9

During the year 2013, the Company and its subsidiary recognised rental expenses of Baht 1.9 million (2012: Baht 1.7 million), the Company only Baht 1.5 Million (2012: Baht 1.3 million).

33. Related parties guarantees

As at 31 December 2013, the Company has contingent liabilities in respect of the guarantees of subsidiary's credit facility amounting to Baht 23.2 million (2012: Baht 66.1 million and USD 0.03 million or equivalent to Baht 67.3 million) provided to banks.

As at 31 December 2013, its subsidiary has contingent liabilities in respect of the guarantees of the Company's credit facility amounting to Baht 44.8 million, JPY 32 million and USD 0.2 million or equivalent to Baht 60.6 million (2012: Baht 156.7 million, JPY 7.2 million USD 0.2 million and EUR 0.1 million or equivalent to Baht 165.9 million) provided to banks.

These guarantees are effective for as long as the underlying obligation has not been discharged. Guarantee fee has been charged by the Company and its subsidiary at the rate of 1.5 percent per annum.

34. Financial instruments

34.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. They manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, they do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary exposure to interest rate risk relates primarily to their deposits with banks, bank overdrafts and loan from banks. However, since most of their financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2013 and 2012 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

As at 31 December 2013										
	Consolidated financial statements				Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Fixed interest rates		Floating interest rate	Non-interest bearing		
	Within 1 year	1-5 years			Within 1 year	1-5 years			Total	Total
Financial Assets										
Cash and cash equivalent	-	-	54.84	-	-	-	37.02	-	37.02	37.02
Current investments	-	-	-	10.92	-	-	-	10.92	10.92	10.92
Trade and other receivables	-	-	-	290.98	-	-	-	168.16	168.16	168.16
Short-term loan to related party	-	-	12.89	-	-	-	12.89	-	12.89	12.89
	-	-	67.73	301.90	-	-	49.91	179.08	228.99	228.99
Financial liabilities										
Short-term loans from bank	57.59	-	-	-	56.09	-	-	-	56.09	56.09
Trade and other payables	-	-	-	205.96	-	-	-	139.84	139.84	139.84
Finance lease payable	0.67	-	-	-	0.40	-	-	-	0.40	0.40
Long-term loan from bank	17.36	-	-	-	-	-	-	-	-	-
	75.62	-	-	205.96	56.49	-	-	139.84	196.33	196.33

(Unit : Million Baht)

As at 31 December 2012									
	Consolidated financial statements				Separate financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years			Within 1 year	1-5 years			
Financial Assets									
Cash and cash equivalent	-	-	15.86	-	-	-	7.13	-	7.13
Current investments	-	-	-	0.83	-	-	-	0.83	0.83
Trade and other receivables	-	-	-	304.69	-	-	-	183.16	183.16
Short-term loan to related party	-	-	8.01	-	-	-	8.01	-	8.01
	-	-	23.87	305.52	-	-	15.14	183.99	199.13
Financial liabilities									
Short-term loans from bank	170.87	-	-	-	161.07	-	-	-	161.07
Trade and other payables	-	-	-	170.95	-	-	-	120.06	120.06
Finance lease payable	-	1.61	-	-	-	0.97	-	-	0.97
Long-term loan from bank	-	-	55.36	-	-	-	-	-	-
	170.87	1.61	55.36	170.95	161.07	0.97	-	120.06	282.10

Foreign currency risk

The Company and its subsidiary are exposed to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. They seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Currency	As at 31 December 2013				
	Consolidated		Separate financial statements		Average exchange rate as at 31 December 2013 (Baht per one foreign currency unit)
	Assets	Liabilities	Assets	Liabilities	
MYR	59,133	-	-	-	9.9428
USD	9,521,850	3,443,368	5,350,034	2,340,780	32.7645
SGD	348,466	4,368	348,117	4,368	25.8419
EUR	397,782	363,819	210,851	223,917	44.9602
JPY	49,760,487	35,085,322	28,520,495	33,221,470	0.3126
GBP	-	116	-	-	53.8318

Currency	As at 31 December 2012				
	Consolidated		Separate financial statements		Average exchange rate as at 31 December 2012 (Baht per one foreign currency unit)
	Assets	Liabilities	Assets	Liabilities	
MYR	51,684	-	-	-	9.9863
USD	7,236,286	2,744,673	3,511,991	1,670,191	30.5824
SGD	332,349	3,992	331,646	3,992	24.9916
EUR	393,296	381,353	171,803	164,094	40.4974
JPY	19,649,960	15,814,215	4,171,356	14,303,440	0.3540
GBP	410	14,412	-	-	49.2681

The Company and its subsidiary's foreign exchange contracts outstanding are summarised below:

Foreign currency	As at 31 December 2013		
	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
<u>Consolidated financial statements</u>			
US dollar	600,000	32.2596 - 33.0664	30 May 2014 - 24 June 2014
Euro	40,589	38.9700 - 41.7200	24 January 2014 - 7 February 2014
<u>Separate financial statements</u>			
US dollar	200,000	32.8110 - 33.0664	18 June 2014 - 24 June 2014
Euro	40,589	38.9700 - 41.7200	24 January 2014 - 7 February 2014

The Company and its subsidiary had no outstanding of foreign exchange contracts as at 31 December 2012.

34.2 Fair values of financial instruments

Since the majority of the Company's financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in the subsidiary's long-term loan agreement with a financial institution, which requires the Company to maintain a debt-to-equity ratio of not more than 2:1.

As at 31 December 2013, the Group's debt-to-equity ratio was 0.21:1 (2012: 0.29:1) and the Company's was 0.17:1 (2012: 0.24:1).

36. Event after the reporting period

On 3 February 2014, 1,034,300 warrants were exercised to purchase 1,034,300 ordinary shares at a price of Baht 2 per share. The Company registered the increase in its paid-up share capital from Baht 473,283,700 (473,283,700 ordinary shares of Baht 1 each) to Baht 474,318,000 (474,318,000 ordinary shares of Baht 1 each) with the Ministry of Commerce in February 2014.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's authorized directors on 13 February 2014.