

รายงานประจำปี 2557 Annual Report 2014

EXCELITE
TVX



TOG
Thai Optical Group

บริษัท ไทยออปติคอล กรุ๊ป จำกัด (มหาชน)
Thai Optical Group Public Company Limited

Excelite™
nano**blue**

blue light reductive innovation for eye care and better vision

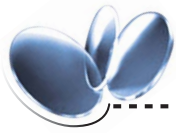


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TOG
Thai Optical Group

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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]

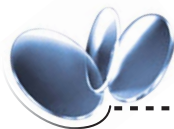
We dedicate to:

- 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

Thai Optical Group Public Company Limited and the Subsidiary Company

Detail (million Baht)	Consolidated financial statements			Separate financial statements		
	2014	2013	2012	2014	2013	2012
		(Restated)			(Restated)	
Statements of Comprehensive Income						
Total Revenues	1,869.70	1,690.85	1,579.11	1,314.80	1,149.38	1,127.51
Earnings before finance costs, income taxes, depreciation and amortization including non-operating incomes and expenses(EBITDA)	398.88	337.68	218.86	216.80	135.41	25.70
Net Profit (Loss)	203.28	154.21	152.51	195.46	116.11	108.71
Financial Position						
Total Assets	2,205.15	2,022.28	2,084.44	1,682.44	1,527.36	1,595.26
Total Liability	486.95	357.65	467.26	335.39	226.05	303.3
Shareholders’ Equity	1,718.20	1,664.63	1,617.18	1,347.05	1,301.30	1,291.95
Paid-up shares at the end of the year (million shares)	474.32	473.28	472.28	474.32	473.28	472.28
Share Information						
Earnings per Share (Baht)	0.43	0.33	0.32	0.41	0.25	0.23
Book Value per Share (Baht)	3.62	3.52	3.43	2.84	2.75	2.74
Dividend per share (Baht)	0.35	0.28	0.25	-	-	-
Dividend Payout (%)	82	87	77	-	-	-
Share Price at the end of Financial Period (Baht)	5.65	3.62	3.42	-	-	-
Weighted average number of ordinary shares (million shares)	474.22	472.89	471.68	474.22	472.89	471.68
Financial Ratios (%)						
Earnings before finance costs, income taxes, depreciation and amortization including non-operating incomes and expenses (EBITDA)	21.33	19.97	13.86	16.49	11.78	2.28
Net Profit Margin	11.10	9.46	10.65	16.51	11.32	11.79
Return on Shareholders’ Equity	12.02	9.39	9.75	14.76	8.95	8.63
Return on Total Assets	12.11	9.77	10.45	13.87	8.42	8.5
Ratio of Liability to Capital (Times)	0.28	0.21	0.29	0.25	0.17	0.23



Message from Chairman

Dear Shareholders,

Thai Optical Group Public Company Limited (the Company) and the Subsidiary company are proud to present the operating results of the year 2014 that can generate growth of revenue and earnings over the plan by reducing costs and increasing productivity under the Productivity Improvement Program. At the same time, the Company also aims to increase sales volume by maintaining existing customers as well as acquiring new customers such as in the United States. In addition, the Company has joint venture projects with local company in foreign countries such as Malaysia, Singapore and Vietnam by establishing laboratory to manufacture Prescription/Rx lenses that is prepared in supporting for Thailand to enter to ASEAN Economic Community (AEC) including with distributing products to the said countries in regard to 5 years action plan as set.

Performance

In the year 2014, the Company's Net Profit was 203.28 million Baht, increased by 31.82 % as compared to operating results of the year 2013 that earned 154.21 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. As, the operating results of the year 2014, the Company is able to pay dividend amounting to 166.01 million Baht or 0.35 Baht per share.

To increase productivity in the future in order to conform with the business expansion, the Company can use existing potential machinery and add only investment in supplementary machines, no new investment in major essential machines as well as focusing on development of new product with special quality by Research and Development Department of the Company. And, the latest innovation product of the Company is the High Impact Resistant Lens with ultra-thin - Tribid which has been developed from High Impact Resistant Lens- Trivex, including, Nano Blue Lens which has special coating to filter Blue light which frequency is above 550 Nanometers that emitted from the LCD, Flat Screen Televisions, Mobile Phone, and Smart Phones, that may cause prematurely macular degeneration.

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 2014, the Company had been awarded by various institutes such as SET Award 2014 for "The Best Corporate Social Responsibility" in two consecutive years (2013 & 2014), "The Rising Star" and "General" Awards from the announcement of The 2014 CSRI Recognition award in three consecutive years (2014, 2013, 2012), and was evaluated as "Excellent" grade from the assessment project of the Annual General Meeting of Shareholders for the year 2011, 2012, 2013 and 2014 (in four consecutive years). In addition, the Company had been certified by Private Sector Collective Action Coalition Against Corruption and the Company is also ranked in ESG100 Securities Group.

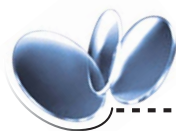


The Board of Directors and the Management Team are adhered to conduct business under the principles of good corporate governance, constancy, transparency, ethics with environmental and corporate social responsibility in conformity with the guidelines and framework of the Stock Exchange of Thailand (SET) 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)

Chairman

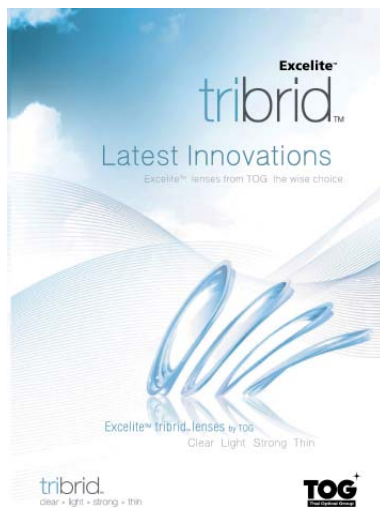


TOG Information : The Company, Subsidiary Company and Associated Company

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
Sales and Customer Services		Registration No	: 201004338 W
Branches	: 77/141-142, 33 rd Floor, Sinn Sathorn Tower, Krungthonburi Road, Klongtongsai, Klongsarn, Bangkok (10600) - Thailand	Paid-up capital	: 4,000,000 SGD
Telephone	: (662) 440 0506 to 7	The proportion of the investment	: 1,320,000 SGD (33%)
Facsimile	: (662) 862 0701 to 2 / (662) 862 0705	Company's name	: Vietnam Visibility Target Company Limited (Vina Vista)
Registration No.	: 0107547000044	Type of business	: Manufacturer and Distributor of Prescription Lenses (Rx Lenses)
Registered capital	: 475,000,000 Baht	Head Office	: Floor 8, Room 8.7, ETown Building 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC, VietNam
Paid-up capital	: 474,318,000 Baht	Telephone	: +84 902 398 828
Website	: www.thaiopticalgroup.com	Facsimile	: +84 838 134 950
Subsidiary Company		Registration No	: 411022000664
Company's name	: Thai Optical Company Limited (TOC)	Paid-up capital	: 1,450,000 USD
Type of business	: Manufacturer and Distributor of mineral optical lenses, plastic optical lenses and glass mold	The proportion of the investment	: 475,000 USD (32.76%)
Head Office	: 83 Moo 2, Ngarmwongwarn Road, Muang District, Bangkok, Nonthaburi (11000) - Thailand	References	
Telephone	: (662) 952 6429 to 31	Audit Office	: EY Office Limited
Facsimile	: (662) 952 5488	33 rd Floor, Lake Rachada Office Complex 193/136-137 Rachadapisek Road, Klongtoey, Klongtoey, Bangkok (10110) - Thailand	
Sales and Customer services		Telephone	: (662) 264 9090
Branches	: 77/141-142, 33 rd Floor, Sinn Sathorn Tower, Krungthonburi Road, Klongtongsai, Klongsarn, Bangkok (10600) - Thailand	Facsimile	: (662) 264 0789 to 90
Telephone	: (662) 440 0506 to 7	Registrar	: Thailand Securities Depository Co., Ltd.
Facsimile	: (662) 862 0705	62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Klongtoey, Bangkok (10110)-Thailand	
Production		Telephone	: (662) 229 2800 (662) 654 5599
: 61/9 Moo 5, Bangbuathong-Suphanburi Road, Laharn, Bangbuathong, Nonthaburi (11110) - Thailand		Facsimile	: (662) 359 1259
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 52 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 Ngarmwongwarn 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.



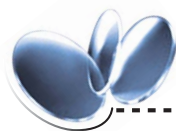
In the year 2012, TOG still committed to be a leading manufacturer of optical lenses in the world-class quality standards together with continuously developing new products. TOG has succeeded in producing High-impact resistant lenses and ultra slim type which makes TOG is known as the first manufacturer to produce this kind of lenses, the product is called "Tribrid". 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, with the paid-up capital of 474.32 million Baht (as at December 31, 2014), and the remains unpaid of 0.682 million Baht is the expired warrants.

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 an expand branch to increase the production line of CR39.
1998	Experimentation and development the processes of Photochromic Lenses production.



B.C.	History
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 "Tribrid" Lenses.
2012	New products "Tribrid" and received the certificate of International Quality Standard ISO 140001.
2014	Started Productivity Improvement Program

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 CR39® 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 CR39® - 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 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, TOG is the only one independent manufacturer which can produce High Impact Resistant Lenses from "TrivexTM" both in Finished and Semi-Finished Lenses form.

The products of Organic Lenses are produced in 2 types:

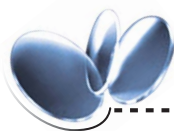
- Semi-Finish Lenses : are optical lenses with standard outer surface curves. Customers must have their own Rx Lab for grinding to adjust the inner surface to get eyesight which match with customers' requirement.
- Finished Lenses: are optical lenses with standard curves on both outer and inner surfaces 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 coating lenses are available as follows:

- ◉ Hard coated, 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 lens 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.

The above lenses can also be categorized according to the functional useage into 3 types:

- Single Vision Lenses:
An optical lens uses for correcting either myopia or presbyopia, including oblique astigmatism correction. The standard single vision lens 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 visions. 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 those 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 required curves. Mineral lenses can be divided into 4 categories:

- 2.1 Mineral 1.523 - the most commonly used glass lens with index of 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 types:

- ⊙ 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 follow:

- ⊙ Single Vision Lenses
- ⊙ Bifocal Lenses
- ⊙ Progressive Lenses

In the Global market, Mineral Lenses tend to decrease in demand and the production and distribution of Mineral Lenses in subcategory, do not have significant 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.

Excelite™ MultiFree
Multiple Freeform Digital Surfaces

LENS MATERIAL	1.67	1.67	1.67	1.67	1.67
Bifocal	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00
Cylinder	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00
ADD	+0.00 to +3.00	+0.00 to +3.00	+0.00 to +3.00	+0.00 to +3.00	+0.00 to +3.00
Transverse V	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00	-5.00 to +5.00

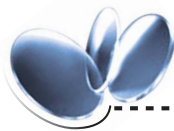
Excelite™ MultiFree
Corridor : 11 mm
Minimum Fitting Height : 15 mm
Corridor : 12 mm
Minimum Fitting Height : 17 mm
Corridor : 15 mm
Minimum Fitting Height : 19 mm

Available in 3 different types of hard multi-coating :
Zapier™ Zapier-S™ Zapier-G™

Your choice to perfect vision

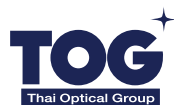


The Freeform Technology Evolution:
Re-optimization with
**Multiple Freeform
Digital Surfaces**



Annual Report 2014

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



Thai Optical Co., Ltd.

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

M-Vision



VINA-VISTA

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

Excelite lens, the wise choice



Astounding Impact Resistance

Excelite TVX™ lenses permit thin surfacing to 1.3 mm, and still surpass CEN Tests, ANSI Z87.1 Standard for Occupational Safety and astonish FDA Drop Ball Test requirements, as well as boasting good abrasion resistance.



Revenue Structure

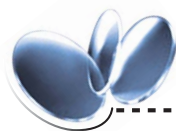
Revenue structure of the Company and the Subsidiary company can be distinguished by product types as shown in the table below:

Product Types by Value	Manufacturer	Consolidated 2014 (%)	Consolidated 2013 (%)	Consolidated 2012 (%)
1. Standard Lenses (Plastics lens)	The Company & Sub. Company	28.78	27.17	26.05
2. Value-added Lenses*	The Company	36.11	36.20	41.88
3. Rx /Prescription Lenses	Sub. Company	29.86	30.36	25.31
4. Mineral Lenses Other Products and Services	The Company &	5.25	6.27	6.76
Total		100	100	100



Product Types by Volume	Manufacturer	Consolidated 2014 (%)	Consolidated 2013 (%)	Consolidated 2012 (%)
1. Standard Lenses(Plastics lens)	The Company & Sub. Company	68.40	68.60	66.85
2. Value-added Lenses*	The Company	23.57	22.87	25.83
3. Rx /Prescription Lenses	Sub. Company	7.05	7.01	5.62
4. Mineral Lenses Other Products and Services	The Company & Sub. Company	0.98	1.52	1.70
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, 2014).

	Year 2014	Year 2013	Changing increase (decrease) (%)
Value (million Baht)			
Optical Plastic Lenses	28,444	26,440	7.57
Optical Glass Lenses	201	96	109.37
Volume (million Pieces)			
Optical Plastic Lenses	208	193	7.77
Optical Glass Lenses	1.28	0.98	30.61
Average Price (Baht /Piece)			
Optical Plastic Lenses	137	137	0
Optical Glass Lenses	157	98	60.20

Investments tend and Market expansion.

According to export statistics, it shows that Optical Lens Markets are growing steadily along with the change in consumers' behavior that have the potential to buy eyeglasses more than one pair per person. Nowadays, one consumer mostly purchased eyeglasses about 2-3 pairs as eyeglasses have become one kind of cosmetics/decorations for consumer as well as more time in using eyesight and growing older which make consumer to be more aware in eye care to choose more selection in buying eyeglasses. At the same time, the product quality of optical lenses is also the Company's concern in delivery the best product that suited the trust of customers consistently. As a result, the Company has always supported in investment in Research & Development for developing products in various types of lenses to meet the need of consumers in Optical Lens Market and provide quality optical lens to the market.

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, services and providing complete range of variety products in optical lenses, which can be summarized as follows;

Quality of Products

- ⊙ The utmost important strategy of The Company and its Subsidiary is to manufacture quality products. Every step of production is strictly controlled according to quality control process. Every lens is inspected for quality of visual power, 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. Moreover, the Company and its Subsidiary also focus on the management of using resources efficiently for high quality products. As at January 13, 2015, the Company has recently received DS / EN ISO -13485: 2012 certificate by Bureau Veritas which is an internationally standard that defines requirements within quality management systems for manufacturers of medical devices and equipment apart from 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 European Union.

◉ **Services**

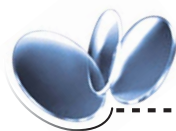
By maintaining a good production plan and product inventory, the Company and its Subsidiary are able to supply large customers' orders and makes delivery on time. The Company and its Subsidiary provide information on the Internet via the Company's website as well as E-mail contact. The Company and its 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 Year 2014	Consolidated financial statements Year 2013	Consolidated financial statements Year 2012
Domestic	4.06 %	4.71 %	6.30 %
Foreign	95.95 %	95.29 %	93.70 %

Most of 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;

Foreign Markets	Consolidated financial statements Year 2014	Consolidated financial statements Year 2013	Consolidated financial statements Year 2012
European Union	78 %	78.15 %	74.28 %
The United States	8 %	6.82 %	9.09 %
Others	14 %	15.03 %	16.63 %

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 produce lenses 300 days per year, working 1-2 shifts /day (8 hours per shift) which depend on production line and products delivery time as ordered within the production capacity of machines to produce each category products of the Company and its Subsidiary. Moreover, this year the Company has applied productivity improvement program in reducing cost and increasing productivity which make the Company can produce Casting lens about 50% up without investment in more machinery and setting plan to cost down in Prescription/Rx at 5% per year.

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.

Environmental Impact

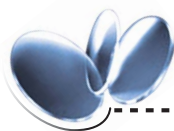
The Company and its Subsidiary have awareness on the environmental impact, employee health, and its neighbor premises. Therefore, the Company has regulation in the chemical production process, particularly to wear rubber gloves and boots, protective gown, and nose and mouth guards for and safety. In the plant, there are 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 established, the Company and its Subsidiary have never conducted any disputes or do receiving law suits in connection with the environmental issues.

In the year 2014, the Company has been awarded “the Best Corporate Social Responsibility”, in two consecutive years of SET Award which organized by the Stock Exchange of Thailand and Monetary and Banking magazine. And “CSR-Recognition Awards: Year2012/2013/2014”, in three consecutive years which was organized by Corporate Social Responsibility Institute (CSRI) under operation of The Stock Exchange of Thailand.



Research and Development

Among Ophthalmic Lens 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

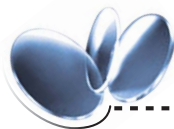
- ◉ Focus on Research and Development in order to create new products to meet market demands as well as develops the quality of existing products of the Company.
- ◉ Emphasize value added products by increasing greater qualities to the high impact resistant lenses. The Company has been acknowledged to be the first Ophthalmic lenses manufacturer of High impact resistant lenses - Excelite TVXTM, in finished single vision, and Progressive lenses. The Company has joined 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

- ◉ Build trust with DS / EN ISO -13485: 2012 Certificate which is an internationally published standard that defines requirements within quality management systems for manufacturers of medical devices and equipment.
- ◉ 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))



The Company's Policy and Report regarding to Social Responsibility (CSR)

Message from Chairman

Thai Optical Group Public Company Limited (the Company) or TOG, continues to go ahead towards sustainable growth as well as committed to good business practices together with social responsibility. In addition, the Company is also constantly looking into ways to minimize the social environmental impact including create economic value added to the country by research and development of new products to resolve vision problem and increase visibility in better seeing.

The Company emphasizes on all stakeholders and realizes that stakeholder involvement is one of the key factors to support the sustainability of the organization. In the year 2014, the Company has developed process to measure various issues as well as stakeholders' expectation by evaluating existing business process through future direction, including assess the needs of all stakeholders. Initially, the process is on processing to verify the expectation of stakeholders to sustain development of organizations in the year 2015, by moving toward social and environmental activity that may affect stakeholders and organizational environment (CSR in Process) further.

Besides, reinforcing stakeholder involvement systemically which can be measured the outcomes, the Company believes that it will enhance understanding and build sustainable relationship among each other on the basis of doing business with transparency, balance and fairness that the Company has strictly adhere to the principles on Human Rights, Labor Rights, Environment and against corruption in all its forms, as well as systemically business management with efficiency and effectiveness.

By the year 2014, the Company remained in keeping CG standard ranking at 4-stars and was awarded with "Best Corporate Social Responsibility Awards" from SET Awards 2014 for two consecutive years (2013-2014) and CSRI Recognition Award for the year 2014 for three consecutive years (2012-2014).

I, on behalf of the Board of Directors and the Management team of the Company and the Subsidiary company, would like to thank all stakeholders for their cooperation as well as communities surrounding the Company, business partners, customers, investors, employees, shareholders and all related agencies which are relevant to both business operations and value added creation together that bring the best sustainable interests to our country and society.

(Mr. Sawang Prachartam)

Chairman

As at 31 December, 2014.

Message from Managing Director

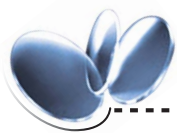


"The organization can run business with sustainable growth, the organization should be able to balance with stakeholders at all times and conditions that are continuously changed. Executive must be able to see changing including to be able to suggest and drive to maintain the new balance. All members of the organization as both stakeholders and executors, are very important. This is the duty of executive to build understanding among members in regard to changing and moving toward together then the organization will be energetic and survive in any sustainable conditions."

(Mr. Wirach Prachartam)

Managing Director

As at December 31, 2014.



Best Corporate Social Responsibility Awards

Mr. Sommai Phasee, Minister of Finance presided over the awards ceremony in “SET Awards 2014” to give award to Thai Optical Group Public Company Limited (the Company) by Mr. Wirach Prachartam, Managing Director who was the Company’s representative to receive the “Outstanding and the Best Corporate Social Responsibility Awards”, the award was given to listed companies which was outstanding in business operation together with social responsibility.

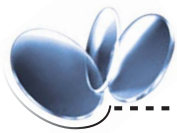
The Company had been awarded for two consecutive years (year 2013-2014) at Sangvian Indaravijaya Auditorium, 3rd Floor, at Stock Exchange of Thailand on November 27th, 2014.



CSR Recognition 2014 Award

Mr.Yuth Vorachattarn who was a member of professional working group committee to consider Thai listed companies for the best Corporate Social Responsibility Award and CSR Recognition 2014 Award, was the representative to give the Award to Thai Optical Group Public Company Limited (the Company) by Mrs. Pornpun Thotrakul, Administrative Deputy Managing Director who was the Companys' representative to receive "CSR Recognition Award" organized by The Stock Exchange of Thailand for award to the listed company that had continuing intention to promote and develop its business together with social responsibility, including with the good role model for other Thai listed companies, other agencies, at the Exhibition Hall, 1st Floor, The Stock Exchange of Thailand on November 18th, 2014.





Corporate Social Responsibility Policy

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 persists to run business with transparency, accountability, ethics, and respecting to human rights and the interests of stakeholders in compliance with the law and other requirements or related international practice for continuing development on 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.

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:

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

TOG's Value:

Achievement	Commitment to work for "succession".
Customer service	Standardize the work with sympathize system.
Team work	Collaboration and believe in teamwork.
Initiative	Initiative to present new idea for improving performance.
Flexibility	Acceptable and Flexible with organization changing for sustainability.



Stakeholders of the Company

Thai Optical Group Public Company Limited (the Company) and its subsidiaries emphasize on the importance of all stakeholders especially stakeholders who are directly related to the Company in achieving sustainable development. As a result, the Company has prioritized among stakeholders by evaluating the impact on stakeholders and the Company as well as bringing the issue to be a part of strategic planning process and communications management process with stakeholders. Direct stakeholders of the Company's business consist of Employees, Customers, Business Partners/suppliers, Shareholders, Communities and Government.



Employees	
Main	-Management meet
Channel	Employees Activity (Management Friendly) -Intranet/E-mail -Complaints box -Employees dialogues
Section	Human Resources
Report to	The Human Resources Management Committee

Customers	
Main	-To survey customer satisfaction
Channel	-Suggestion/Complaint
Section	Sales/Marketing/QMR
Report to	The Management Committee

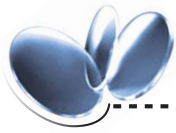
Business Partners	
Main	-Visitation and meeting
Channel	to exchange views.
Section	Sales/Marketing/Procurement
Report to	The Management Committee

Shareholders	
Main	-Annual General Meeting of
Channel	Shareholders (AGM) -Annual Report -The Company's Website /E-mail -Opportunity Day -Seminar -The SET's website
Section	-Office of the Company Secretary -Investor Relations
Report to	The Board of Directors

Communities around factory	
Main	-Plant Visit activity
Channel	-To survey need/suggestion/ Complaint -Communities dialogues
Section	Corporate Communications
Report to	The CSR Committee

Government	
Main	-Plant Visit activity
Channel	-To survey Opinions/ Suggestions/Law-abiding
Section	Corporate Communications/ Human Resources
Report to	The Management Committee

Remark: Please consider more details in Annual Report: "Good Corporate Governance".



Employees Dialogues Activity (Management Friendly)

Thai Optical Group Public Company Limited recognizes that employees are key stakeholders as well as being a part to drive succession by cooperation with other stakeholder groups. In the year 2014, the Company had organized Employees Dialogues Activity (Management Friendly) which was monthly intimate meeting between Management and employees for communicating the Company's policy such as Business Strategies Policy, HR Development Policy, Compensation Policy, CSR Policy, Welfare Suggestions and Complaints.



Framework for Sustainability Management

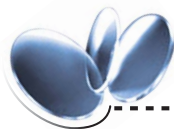
Thai Optical Group Public Company Limited has prepared frameworks for Corporate Social Responsibility which are based on the guidelines of the Global Reporting Initiative (GRI), in order to meet the needs of all stakeholders as well as developing the business along with Corporate Social Responsibility and Sustainability Management.



Framework for Sustainability Management of
Thai Optical Group Public Company Limited

The 2014 Implementation Plan of Corporate Social Responsibility and Sustainability

Issue	Practices and Strategies	Performance results
Economics		
Value Chain Management	<ul style="list-style-type: none"> Promoting sustainability development throughout the value chain. 	<ul style="list-style-type: none"> To announce the Company's Code of Conduct as guideline for partners to adapt and perform. The letter of commitment to partners in regard to Anti-Corruption Policy. To purchase products that are environmentally friendly amount to 4,500,000 Baht. To conduct meetings with partners to improve the logistic system. Received a Certified status as an entrepreneur in AEO standard level. To cooperate with partners in optical business in innovation, such as to Excelite TM , Nano Blue, Tribid. International Standard System : ISO 9001:2008 Productivity Improvement
Products and Services	<ul style="list-style-type: none"> To study and develop technology, innovation and services meet customer needs. 	<ul style="list-style-type: none"> Processing to certify ISO 13485:2012 Safety Stock to reduce risk and effect to customers. One Stop Shop: Ordering system
Environmental		
Water Management	<ul style="list-style-type: none"> To manage water resources with efficiency following 3R principle. 	<ul style="list-style-type: none"> International Standard System : ISO14001 : 2004 Zero discharge
Air Management	<ul style="list-style-type: none"> To use technology for Air Treatment. 	<ul style="list-style-type: none"> Control the quality of air which is emitted from tunnel to pass the standards.
Waste management	<ul style="list-style-type: none"> Waste Management by 3 R Principle. 	<ul style="list-style-type: none"> To increase Recycle process by 4% and decrease landfill by 9%.
Power Management	<ul style="list-style-type: none"> Sustainable Resources Management 	<ul style="list-style-type: none"> 6 measures of Energy Saving.



Social

Health and Safety	<ul style="list-style-type: none"> To enhance the safety management of employees and contractors. 	<ul style="list-style-type: none"> The accident rate decreased in the year 2013 by 6 cases. There is no accidents to contractors.
Employee Management	<ul style="list-style-type: none"> To develop knowledge, fairness treatment, human rights, quality of life based on 8 Happy Principles. 	<ul style="list-style-type: none"> Implement more 6 courses which are not required by Law. Language course preparing for the AEC. Got 72% of Satisfaction in Communication
Community and Government Development	<ul style="list-style-type: none"> To conduct business with integrity, social support, strengthening and relying on participation. 	<ul style="list-style-type: none"> No complaints from the communities. Income to communities about 7,589,030 Baht.

Corporate Governance

Thai Optical Group Public Company Limited (the Company) and its subsidiary company recognize that good corporate governance is crucial to run business and the Company believes that good corporate governance together with transparency of business operations, will make the Company successful under economic conditions with high competition and share the best benefit to all stakeholders as well as strengthening the stability and sustainability within the organization.

Anti-corruption policy

1. The Board of Directors, Management Team, and employees of the Company and the Subsidiary companies, in every level have to follow Anti-corruption Policy and the Company's Code of Conduct by avoiding involving in any course of corruption both direct and indirect manner.
2. The executives and employees of the Company and the Subsidiary companies must be communicated of this policy thoroughly as well as all mutually beneficial parties such as partners and business partners starting from the outset of a business relationship with all other agencies. After that, managers of all levels are responsible to ensure that the said policy is transferred to all departments with recognition and understanding adequately.
3. Violation to this policy shall be considered as a serious offense in practice and may lead to disciplinary action or termination of the contract or relationship with the Company and the Subsidiary companies.

Terms of Action

Thai Optical Group Public Company Limited (the Company) has declared the commitment to be against corruption. Hence, the Company's Chairman has joined to participate "Collective Action Coalition" in Anti-Corruption Policy enacted by Thai Private Sector in order to corroborate the Company's standpoint and emphasize on every anti-corruption case. In this regard, Managing Director has announced Anti-corruption Policy in written since April 1, 2014 to serve as an apparent guideline in performing business with anti-corruption to cover performance of directors, executives and employees.

Reporting of violation or non-compliance with the Code.

Channel for complaints or providing information of any corruption, contravention or non-compliance with the Code of Conduct, regulation, and Anti-Corruption policy as found, then complaint should be by verbal, letter, Email and external stakeholders can report complaints through website: www.thaiopticalgroup.com, while employees can report complaints through Intranet or directly report to the Audit Committee of the Company.

Accountability to Customers / Business Partners.

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.

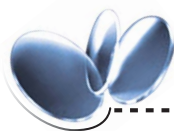
● Customers

The Company intends strictly to perform based on business condition with customers in order to provide optical lenses that are produced by the Company and the Subsidiary Companies with quality and efficiency, as well as completely providing accurate information, timely and promoting communication to build relationship.

● Business Partners

1. The Company is committed to provide goods and services as standard under the principle of equally competition in receiving information. The Company has set criteria for evaluation and selection suppliers/business partners and charter party by preparing in the appropriate contract forms. Moreover, the Company 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, the Company has principle payments to suppliers/business partners and contractors on time in accordance with payment terms that has been agreed.
2. The Company is 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. Employees are prohibited to receive any personal benefits from suppliers/business partners and charter party.

The Company and the Subsidiary Companies do not focus on price competition but the Company realizes that the price shall be reasonable for the quality of product which customers will satisfy with the Company's product. In addition, the Company and its subsidiaries apply three main strategies in the competition hereto;



- **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 products with high quality. The Company and its subsidiaries have prepared standard for products quality such as ISO 9001:2008 from TUV CERT / International standards from U.S. FDA and European Union (EU) which are able to sell products around the world.

- **Services**

According to, good production planning and having adequate inventory stocks including with Safety Stock for reducing risk and effect to customers, 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 other general independent lens manufacturer 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 more convenience, economical and easy to control order by One Stop Shop purchasing.

Productivity and Services Improvement Project

Increasing production efficiency and reducing costs Project is the concept from Management Team which lead to increase productivity without increase more labor resources, machines and other factors. Also, the project will increase the quality of the products, labor skill development which are resulted from the origin of the concept and goals of this project.

At present, Productivity Improvement Project of Thai Optical Group Public Company Limited has been started for about 1 year which benefits satisfaction results, this project creates productivity per worker increasing by 58% as compare to previous year. Also, this project is still ongoing to increase productivity and develop the quality of products.

Accountability to shareholders

Thai Optical Group Public Company Limited (the Company) was evaluated as “Excellent” level from the assessment project of the Annual General Meeting of Shareholders since the year 2012-2014. The Company and its subsidiaries operate its business with transparency, disclosure, honesty, accountable and operating results continuous growth and sustainable hereto;

- To operate business with integrity and fairness to all shareholders for their highest benefits.
- To manage business with fully capability skills as well as making all business decisions with prudence and caution.
- To avoid from any operations that may occur conflicts of interests to the Company.
- To report business updates and trends to all shareholders with equitable, regularly, and accuracy.
- To avoid from using the Company’s undisclosed information for personal gains or benefits to other related person.
- To avoid from disclosing confidential information to external parties.

Remark: Please consider more detail in Annual Report: “Good Corporate Governance”.

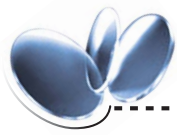


Employees Practices

Thai Optical Group Public Company Limited and its subsidiaries recognize the importance of human resource management because employees are the driving force of the organization to achieve successfully in the business by adhere to the principle of human rights and treat all employees fairly. The Company has hired expert consultants to set Human Resource Management system such as Employee Classification Structure, Compensation & Benefit Structure that will lead to other development further.

Philosophy of Human Resources Management of the Company, find the way to provide “Well — being & Happy” to employees, that is the main point of Management to consider, thus Human Resources Management shall focus on hereto;

“Well-Being” the Company will consider the need of employees both physical and mental , based on “ Happy 8” principal, the Company listens to the needs of employees by arranging dialogue activities and the Company is regularly restructured compensation and welfare at all times with the concerns over inflation and the cost of living of employees, as well as promoting the way to increasing income and building morale in employees , as a result various projects have been implemented this year as follows;



- “SuanKruaRua TOG”, the Company has adapted empty area and investing in soil improvement. The Company also encourages employees to make bio-fertilizer by food scraps from the cafeteria, including with the water from the manufacturing process which has been passed treatment to be reused in the project for reducing the cost of the employee’s household.



- Happy Money Project : most employees of the Company are in operation level and some employees have faced financial problems such as liabilities both in and outside the financial system, as a result the Company has set this project to coach as financial consultant to employee .The Company has separated the group of employees into three levels based on employees financial capability such as the group which has income over expenditure , the group which has income just cover expenditure and the group which has income less than expenditure. In addition, this project received knowledge support about basic of financial management which is supported by the Stock Exchange of Thailand.
- Sport Day Activity: In order to strengthen relationship between Management and employees for totaling over 1,700 persons in the Company and its subsidiaries, the Sport Day activity is as a channel of communication the “Core Vale” of the Company to employees for mutual learning and enhancing good health to employees.



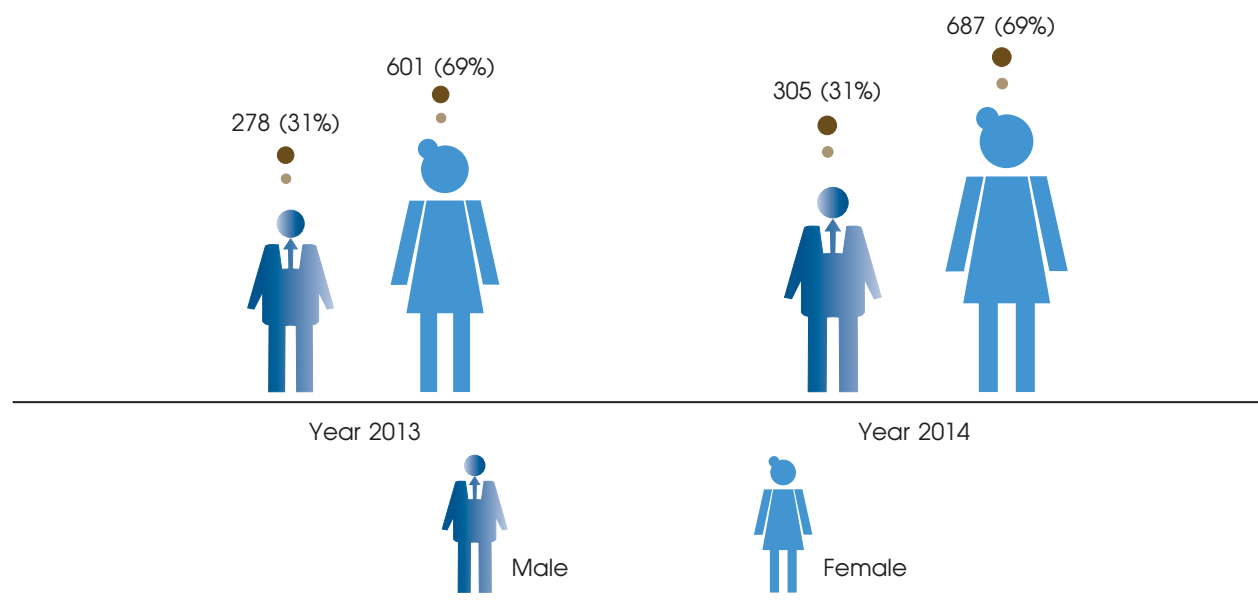
“Happy” : The Company has improved the environment, surrounding around the factory, adding more green area and relaxation area for employees, promoting sports activities, I - CARE activity, and informal meeting with Management. Also, the Company has started career development system, as previous year the Company has prepared “Competency Set” which prepared from “Core Competency” upto “Technical Competency” for extending to career development plan. In the next year, the Company plan to extend “Succession Plan” which will set training roadmap and this will build confidence and stability to all employees that they will be developed systematically and growing in their work.

To enhance readiness for expanding business to ASEAN region

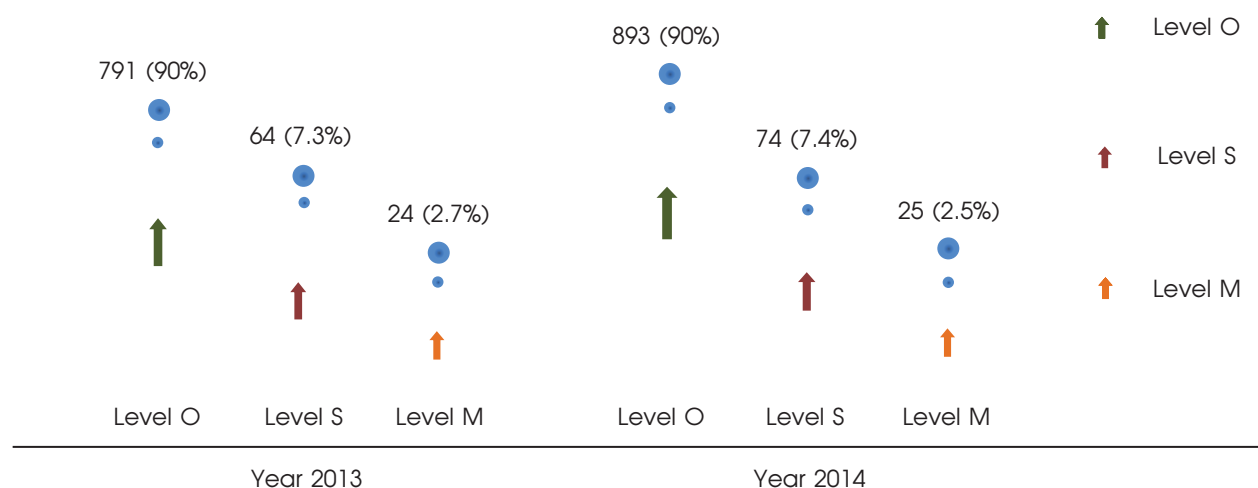
At present, Thai Optical Group Public Company Limited has joined investment as joint venture with Vietnam, Malaysia and Singapore, in order to expand the business into ASEAN so the Company has used various development systems such as "Career Development" and "Succession Plan", even Language Development, to be added in development plan. Development Systems which are in progressing throughout all Human Resources Management system, will be as the tools to prepare employees for the future, in case, the Company is fully expanding into ASEAN region.

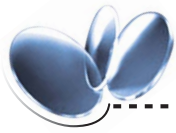
Demographic Data:

EMPLOYEE BY GENDER TYPE

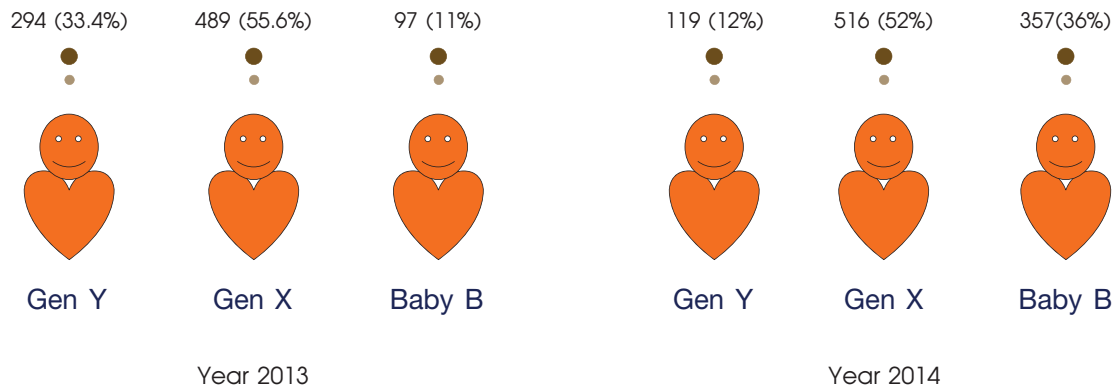


Proportion separated by Employee levels





Proportion of Employees separated by Generation



Proportion of Employees in related to local employment



Proportion of disabilities employment (person)



Disabilities employee



Amount of money that the Company contributed Disabilities Person Fund.

The Company gives precedence to disabilities employees as disabilities employees of the Company with employment rate increased from the year 2013. Recruitment section is also expanded channel to recruit disabilities person such as announce recruiting on the website, Government agencies and open booth to recruit disabilities employees.

Environmental Operation

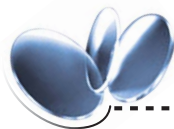
Thai Optical Group Public Company Limited has been awarded the Green Industry Level 3 from the Ministry of Industry, Thailand, this award will provide to the factory or industry that use resources with efficiency and process of waste recycled according to the 3R: Reduce /Reuse/ Recycle such as waste reduction, reuse and recycling of waste materials, prevention of pollution by using “Clean Technology” as well as production with environmentally friendly.



The Company had joined “Promotion and Development of Water Management in Industrial Factory Project”, Phase 3, North Central Province1 which organized by Industry Office of Nonthaburi in collaboration with North Central Province1(Province: Pathumthani, Nonthaburi, Saraburi, Ayutthaya).This project is focused to use “Clean Technology” to manage water in the factory which is coached and suggested by Water Conservation Expert to factory for reducing water usage within factory, waste water, waste in production process and electric power usage. Also, this project will promote to use recycle water which has been treatment. In addition, any factories which join this project, will be added their address in “Geographic Information System: GIS” that is a preventive tool in flood warning system to the factory.

Environmental Management

Thai Optical Group Public Company Limited (the Company) realizes its responsibility to conduct business that has to rely on the environment and natural resources as a result, the Company concentrates to use resources efficiently together with good environmental management and controlled side effects caused by the Company’s operation to environment, communities and society, those are one of the Company’s mission which has to pay attention to develop systemically for preventing and reducing the impact that might occur in the future. The said operation will cover environmental management in connection with the production of Organic/Plastic lens such as Water resources management , Wastewater treatment from production process, Air Pollution Management, Noise pollution Management, Waste management and Sustainable resource usage and operation process as following;



Management

The Company has Environmental policy which commits to maintain and focus on the involvement of employees, business partners as well as related persons. The Company will continuously develop the said management system and use ISO 14001 standard which is Environmental Management Systems in the Company.

Compliance with Environmental Laws and Regulations.

The Company has committed to comply with relevant legal requirements such as Notification of the Ministry of Industry, Ministerial Regulation on Factory Act, Announcement of Ministry of Science, Technology and Environment, etc. In order that, the Company is performed in comply with legal requirements including paying attention to improve environment better than legal requirements.

To prevent and reduce the impact of the manufacturing process.

- **Waste Water Treatment and improve the quality of water.**

The Company does not only develop the products and work with environmental friendly but also focus and commit to environmental conservation of surrounding communities. Building waste water treatment system for focusing on the quality of treated water that can be reused again, this system has been invested several million baht. Building waste water treatment and improving water quality system, in order to ensure that the quality of treated water, will meet standard and conform to the law. Treated water will be recycled to be reused within the plant. Also, wastewater from operating activities of the plant, will be gathered into waste water treatment process of Bio Fix Film system while treated water will be used to improve water quality through Multimedia Filter (MMF), Ultra Filtration (UF) and Reverse Osmosis (RO) to bring water for reusing in the production process, cooling system, water closet and water trees. For sludge from treatment system, will be discharged into Sludge Thickener machine and then separate dry sludge to the company who has authorized by the Ministry of Industry for removing and discharged.



Waste Water Treatment Facilities in TOG Plant (Bio Fix Film)

- Air Pollution Management**

Air Pollution from production process such as Chemical vapor and dust, will be treated by various Air treatment system up to the type of pollution such as Wet Scrubber, Bag House Filter and Activated carbon before being released to the outside atmosphere.



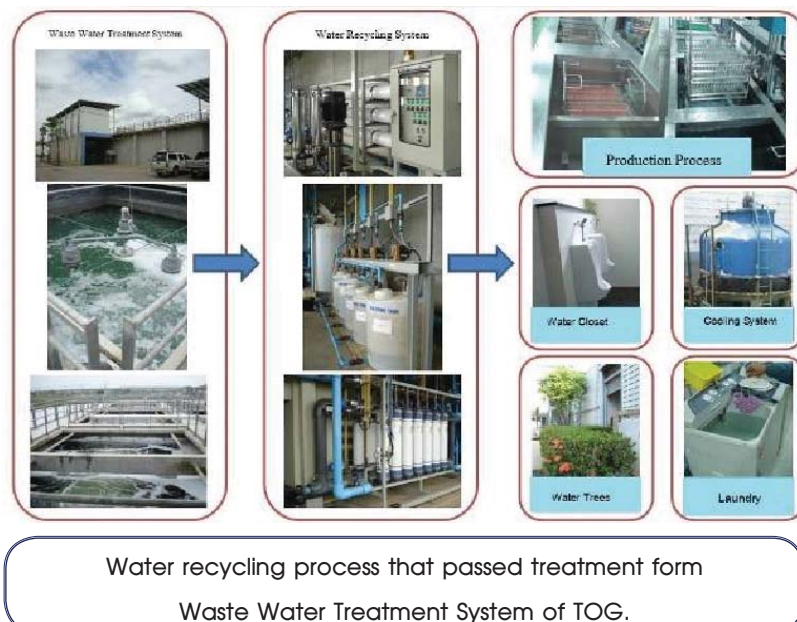
- Waste Management**

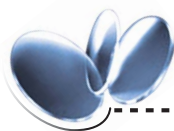
The waste from production process will be separated to eliminate by the type of waste in the proper ways as appropriately and legitimately. Non-Hazardous Waste will be eliminated by sanitary landfill while as Hazardous waste will be disposed to the company who has legitimate authorization in the specific waste treatment.

Sustainable Water Management

The Company has emphasized on environment and the balance in using natural resources efficiently with its business operation.

The Company realizes the importance of water because the production line of optical plastic lens in the plant, consumed large amount of water in its production process. As a result, the Company has clearly defined the policy about water resource management by reducing the usage of water resource in production process as much as possible and adhere to use water efficiently by reducing to use (Reduce), bringing water to reuse (Reuse) and bringing to reuse after treatment (Recycle).





Thai Optical Group Public Company Limited emphasizes to environment including with sustainable development and perform business with regard to the important of environment especially limited water resource as principles hereto;



- Reducing to use (Reduce) - minimizing waste water in production process as possible.
- Bringing water to reuse (Reuse) - reusing water from washing mold / lens, back to the erosion acid pool
- Bringing to reuse after treatment (Recycle) - bringing treated water to production process, "Cooling System" and water the tree which have been treated by "Ultra Filtration" and "Reverse Osmosis Membrane Technology"



"Succession in water management of TOG, is not due to only technology but also consciousness of the environment, in regard to TOG Environmental Management Policy.

By concentration and strictly in operating the said policy in decreaseing discharge of treated water, at present, the factory has not discharged any waste water to the public canal. (Zero Waste Water Discharged)

The Waste water treatment system can treat recycle water of 24,611 cubic meter /year that increase more than 60 % of recycle water that can be treated in the year 2012.

Sustainable Resource Management

At present high competition in the market with limited resources while population has increased dramatically, that resulted in insufficient natural resources to nearly shortage. Besides, sustainable water management, Thai Optical Group Public Company Limited has used 3R Policy such as Reduce, Reuse and Recycle to manage other resources in production process as well, by emphasizing to bring leftover material to reuse in production processes in order to increase the ability to use resources that can be recycled (Recycle Materials) and increase renewable resources (Renewable Materials) to replace the usage of natural resources and minimize waste as follows:

- **Reduce** - decrease to use raw materials and consumable materials by aiming to reduce its origin for minimizing waste.
- **Reuse** - use paper two size, reuse envelope within the organization and the subsidiary companies, reuse mold, etc.
- **Recycle** - adapt to use leftover material /waste from production process by the company which allow by law.(recycle)

Waste that cannot be treated on its own from entire production process those will send to domestic removal company which has license from Department of Industrial Works. In the year 2013, all waste, 55 percent - is taken to the landfill, 36 percent - is recycled and 9 percent is used as fuel mix.

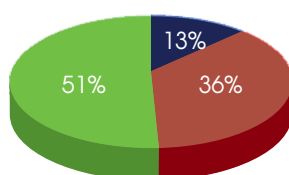
At present, all waste, 46 percent - is taken to the landfill, 40 percent - is recycled and 14 percent is used as fuel mix. This shows that recycle process is increased by 4 percent and reducing waste disposal in landfill by 9 percent.



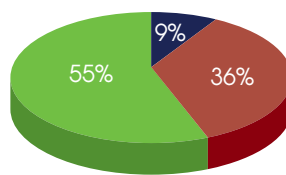
Environmental Performance for the Year 2012-2014

Recycle Resources

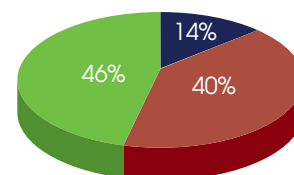
Listing/Activities	Year 2012	Year 2013	Year 2014 (JAN-OCT)
<u>Reducing water resources usage</u> <ul style="list-style-type: none"> Reuse water as much as possible. Reuse treated water as much as possible. 	The quantity of recycled water that has been treated 15,401 m ³ / year.	The quantity of recycled water that has been treated 36,423 m ³ / year, which increase more than 100% of recycled water of the year 2012.	The quantity of recycled water that has been treated 24,611 m ³ / year, which increase 60 % of recycled water of the year 2012.
<u>Reducing waste</u> Promoting to use resources efficiently in regard to 3R : Reduce /Reuse/ Recycle	Waste Management from manufacturing process <ul style="list-style-type: none"> - Landfill 51% - Fuel Mix 13% - Recycle 36% 	Waste Management from manufacturing process <ul style="list-style-type: none"> - Landfill 55 % - Fuel Mix 9% - Recycle 36% 	Waste Management from manufacturing process <ul style="list-style-type: none"> - Landfill 46 % - Fuel Mix 14% - Recycle 40% Able to increase Recycle =4%, and decrease Landfill = 9% as compare to the year 2013.



- Landfill
- Fuel Mix
- Recycle



- Landfill
- Fuel Mix
- Recycle



- Landfill
- Fuel Mix
- Recycle

Monitoring the quality of environment

Thai Optical Group Public Company Limited and the Subsidiary companies have committed to work for preventing and reducing the impact that may arise from plastic lens production process including with other related activities that may effect to the environment and surrounding communities. The Company covers in the air quality management, noise level, water quality and community attitudes, which continuously assess and monitor as a result in the year 2014, the Company has met the environmental quality standards that required by the law.

Strengthening Environmental Management

The Company has been evaluated Environmental Management System in comply with ISO 14001 for strengthen environmental management abide by the EMS: Environmental Management System. As a result, the Company does not receive any complaints and illegal file. Moreover, the Company has been annually certified for ISO 14001 by the certified auditor.

Strengthening Environmental Knowledge

To maintain and develop the environmental knowledge of employees, the Company has arranged training and environmental activities for publicizing knowledge and build consciousness about environmental to all employees.

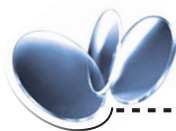
Environmental Accounting

Details of Environmental Accounting of the year, 2014.

Listing	Detail	Expense(Baht)
The expense of waste water treatment system and water quality improvement system.	<ul style="list-style-type: none"> Monitoring the quality of water and waste water. Preventive Maintenance 	1,026,812
The expense of industrial waste management.	<ul style="list-style-type: none"> Transporting and disposing of waste from production process. 	716,140
Repair and Maintenance	<ul style="list-style-type: none"> Repair and Maintenance. Air Pollution Control system. 	441,215
Environmental Staffs Wage	Staffs wage	777,404
Other Expense.	<ul style="list-style-type: none"> Monitoring Air Quality Environmental Communication Activities 	291,732
Total		3,253,303

Environmental Information

Listing	Year 2013	Year 2014	Diff.(Year 2013-2014)
Water Usage Information			
Water Usage (m3)	232,872	183,078	-49,794
Water Usage per Production (m3/Unit)	0.013	0.009	-0.004
Quantity of trash and waste in the factory			
Waste disposal used as fuel mix.(Ton)	34.56	48.99	14.43
Recycle waste (Ton)	136.59	140.63	4.04
Waste disposal by landfill (Ton)	213.51	164.97	-48.54
Total Waste (Ton)	384.66	354.59	-30.07
Proportion of waste that was disposed by landfill method (%)	56	47	-9
Waste occur per production process (kg/Unit)	0.021	0.017	-0.004



Listing	Legal Requirements*	Year2013	Year 2014
Quality of Waste Water Information			
Ph Balance	5.5-9.0	6.46	6.57
Dissolved Solid (mg/l)	<3,000	781.08	1,008.67
Suspended Solid(mg/l)	<50	9.83	8.67
COD (mg/l)	<120	52.33	34.67
BOD (mg/l)	<20	9.03	7.34
Water and Oil(mg/l)	<5	1.58	0.11
N-TKN	<100	9.58	7.37
Quality of Air Information			
Sulfuric acid	25 ppm	0.1-0.12	0.1-0.24
Dust	400 mg/m3	1-4.3	2.2- 6.6
VOC	-	2.51-203	0.5- 66.1
Cyanide	-	<0.007	0.007- 0.63

* ^{1/} Notification of the Ministry of Industry No. 2 (B.E. 2539), that issued under the Factory Act B.E. 2535; RE; To define quality of water which discharge from the factory on June 14, 1996.

/Notification of the Ministry of Industry B.E.2549, RE; To define quantity of pollution emission in the air that release from the factory.

Energy Management and Energy Conservation.

Guidelines for Sustainable Energy Management

hai Optical Group Public Company Limited and the Subsidiary companies are aimed to build consciousness about energy conservation among employees at all level, as a result the Company has defined energy conservation policy for making energy conservation as a part of the organization's policy together with providing training and promoting through activities and contest such as "Energy Saving Project Contest", which will create line of thoughts about energy savings within the Company.

Energy Consumption

Although energy consumption rate of the Company is higher than in the past, but from statistical energy consumption records of the Company, shows that "Specific Energy Consumption" is in average decreased by 20% of the consumption in the year 2013, due to reduce waste, thus resulting in energy consumption efficiency.

To appoint the committee to follow up.

The Company has appointed the Energy Committee, to supervise and responsible for the implementation of the energy measure by complying appropriately to Sustainable Energy Management Policy. Moreover, the committee is as a media for running campaign and build consciousness of employees about energy savings as well as follow up operation result for efficiency improving energy consumption closely.

Carbon Footprint

In the year 2014, the Company is continuously applying to certify for Carbon Footprint, which show information to stakeholders for awareness over the life cycle of products of the Company, how much Greenhouse Gas has been emitted since procurement of raw material process, manufacturing, transportation, usage, disposal, until it becomes as waste, that will help consumer make a decision before purchasing.

Performance in the year 2014.

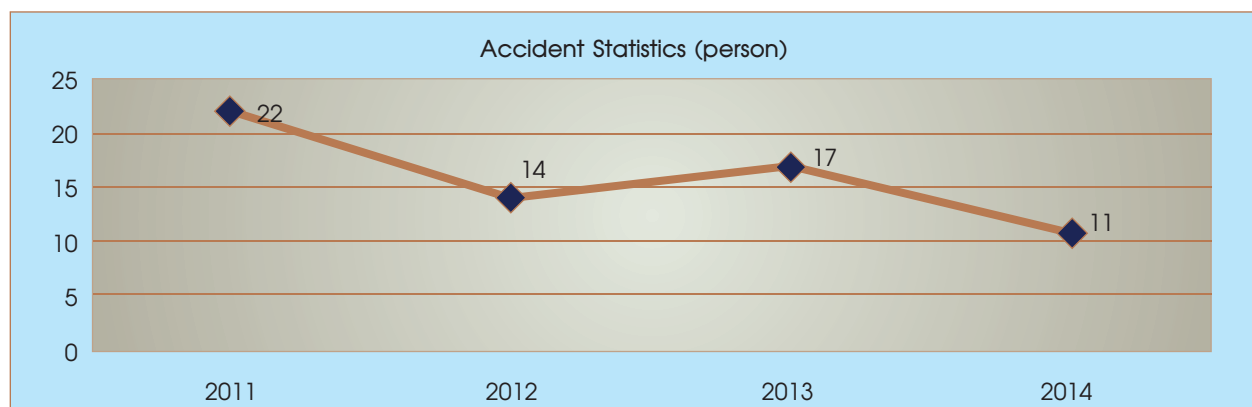
(Measures of Energy Consumption Efficiency Performance)

The Company and the Subsidiary companies are committed in continuing to reduce energy usage by improving the efficiency of machines together with the usage of new technology of machine to replace the old one and manage the quality to support expansion of the production process.

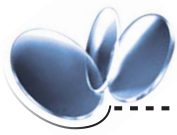
- The Company has used Energy Consumption Data System for recording and analyzing energy consumption in various departments within the Company.
- Measures to make closed system of HOT AIR ventilation of the Mold Washing Machine to reduce the work load of Heater.
- Measures to change heat ventilation of Chiller system from air cooling to water cooling.
- Measures to reduce energy usage from Heater to heat water for mold washing machine by using the hot water from the Chiller system.
- To develop the control temperature of ovens used in production process.
- Project to change fluorescent 36 W lamp in the factory to LED T8 17 Watt lamp.
- Measures to adjust pressure in the air compressor that less 1 bar equal to 7 % saving.

Operational System of Safety, Health and Working Environment

Thai Optical Group Public Company Limited has defined the policy of safety, health and working environment to guide all employees in the organization in contribution to operate work with safety. Safety at work is a duty of every employee at all level to have mutual action seriously by creating the culture of safety within organization together with raise consciousness of safety as well as reducing accident statistics and occupational disease and work together to find solution to prevent accidents and occupational disease. At present, the Company has focused to build knowledge and understanding among employees to protect themselves from the existing risks at work including with improving the safety working environment.

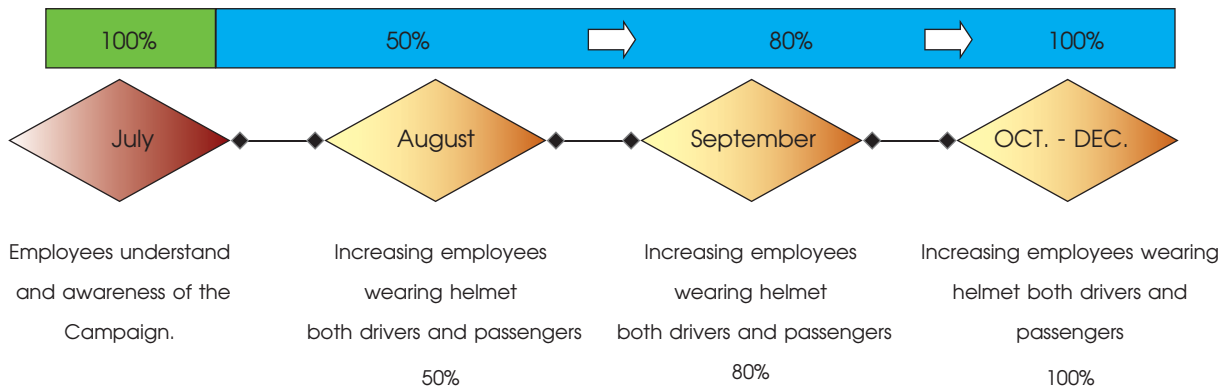


Remark: Statistics of the year 2014 has compiled since January-October.

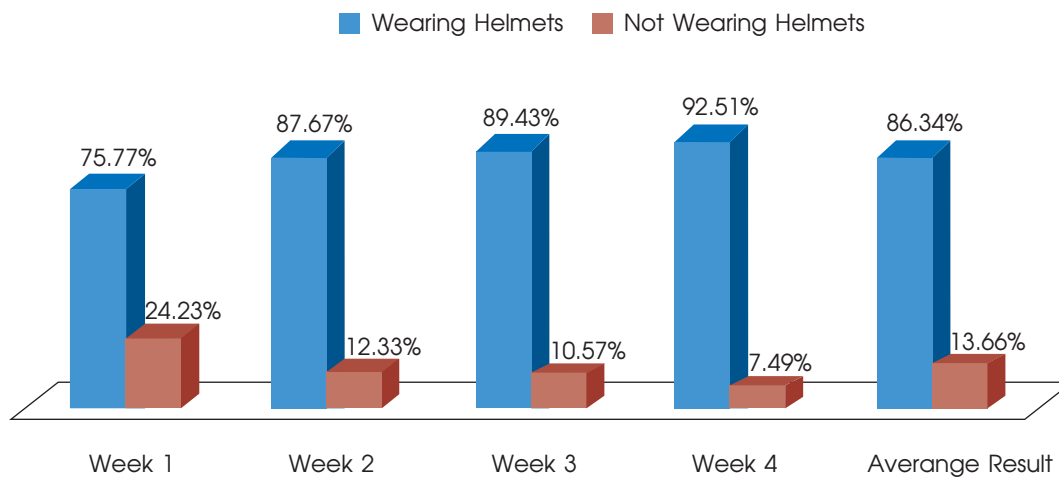


In addition to provide the safety work place, the Company is also take into account life safety of employees because the majority of employees are local population and they use motorcycles as primary vehicles so the Company has carried out the campaign "100% Wearing the Helmet" which join with the Police Station, Bang Bua Thong District, for the awareness of all employees within organization to the possible danger of accidents on the road.

The Action plan of "100% Wearing the Helmet" Drivers



Graph Showing Drivers Wearing Helmets (Motorcycle Driver)



The action plans of safety, health and working environment are complied with the related safety laws and continuing to develop to reach safety international standards further with efficiency and effectiveness in the implementation of safety further.

Community and Social Development

Thai Optical Group Public Company Limited and the Subsidiary Companies emphasize on promoting and participating with various sectors such as government sector, local organization, local communities and Civil Societies by building cooperation with other organizations to develop economic and society including activities that develop community in area such as income generation, education, religions, culture, healthy, safety environment for well-being of the community and society.

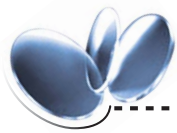
Income Generation to Community: Year

• Local Taxation Payment	845,247	Baht
• Supporting Products and Services from community		
- Food/Snack/Beverage for serving guests	180,000	Baht
- Gardening	96,000	Baht
- Pest Control	31,030	Baht
- Contracting for the construction	4,000,000	Baht
- Allowing local people to sell food in the factory	960,000	Baht
- Shuttle bus for employees	2,322,000	Baht

Education

Thai Optical Group Public Company Limited and the Subsidiary companies 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's 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, and 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 implementing 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 joining “Buddhist Lent Day” activity of the community, etc.

Environmental

The Company and its subsidiaries are committed to provide knowledge and campaign about environmental by persuading employees and the surrounding communities to take parts in the activities, as the Company sets up the environmental team of the Company and the Subsidiary companies to provide knowledge about Environment conservation, Energy Conservation, Generating income from garbage, Garbage bank, Sorting of wastes, Opening house to allow representatives from government sector, community leaders and community representatives to visit environment management within the factory, etc..

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, including with being certified protection standards by the Department of Labor Protection and Welfare, Nonthaburi province (DLPW). Moreover, the Company is also supporting for the Sports in anti-drug project within the factory and cooperate with Sub district Administrative Organization (SAO) to organize sports against drugs activities in the community.

Health

The Company and its subsidiaries are committed to promote good eye health to employees and people 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.

Value Chain Management

Value Chain Management is the guideline to reduce impact including with create value in each process from upstream to downstream, in the view of economy, social and environment for creating sustainable business in regard to the benefit of stakeholders.



Manufacturer level in AEO Certificate Standards.

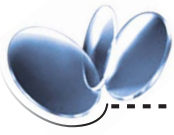
The Company and the Subsidiary companies had received manufacturer level certificate in “AEO Certificate Standards”, the certificate is provided for the company which is responsible for the movement of goods and certified by the Thai Custom Department that the Company is comply with WCO standard about safety in supply chain of goods for importing and exporting. In addition, the Company shall comply with 8 safety measures which consist of Safety of in- out of the place, Product Safety, Cargo Vehicle Safety, Employee Safety, Management and Investigation, Management in the condition of crisis or emergency and Corrective actions.



Procurement with Environmental Friendly

The Company and the Subsidiary companies have started Environmental Friendly Policy to comply with ISO 14001: 2004 since the year 2012 by starting from the packaging of products that most packages are made of paper and then expanded to consumable materials such as LED lamp and etc. The Company’s services have been certified environmental standard as well as taking raw materials to be recycled .The Company has changed and improved from previously using 100% paper documents and then switch to use electronic documents system. At present, the Company has paper usage in the process down to 60 % together with control production process and eliminating wastes in order to create less impact to the environment and at present, the Company has used supplies that are friendly to environment worth 4,500,000 Baht.

In addition, the Company has the policy to support local business partners by purchasing from business partners in the same area together with enhancing the community to be sustainability worth 4,000,000 Baht.



Promoting Safety to Contractors.

Contractors are considered as a part of the Company's business so the Company realizes on the importance in promoting safety in order to raise effectiveness in operations including preventing and decreasing accidents of contractors by informing them to comply with all safety requirements in accordance with the laws. Also, the Company provides safety training to educate contractors about safety in the workplace and explain the contractors who work within the Company of regulations which can perform the same guidelines and completely control safety at work, in the year 2014, the Company had no records of any accidents to contractors.



Risk Factors

In the year 2014, the Company and its Subsidiaries require all departments to assess systematically any possible risks, effects, prevention and solution including with appoint Risks Management Team to assess, analyze risk, set measure or action plan for risks management as well as systemically follow-up and taking into account internal factors and external factors such as production process, marketing, exchange rates and personnel, etc. The Company has reviewed and prepared medium-term-plan which will 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 to employees to prevent or mitigate future reoccurrences, which may affect the Company and its Subsidiary's business.

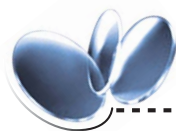
1. Business Risk

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 changing of economic condition, customers want to save money as well as getting good quality products. Thus, the Company has coped with price competition by implementing 'Lean Manufacturing' system and "Productivity Improvement program" to apply in production process. These systems help to produce the best quality of products and provide the lowest production cost and shortest production time. Therefore, the Company can fulfill customers' requirements and also compete with others.



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. Moreover, the fluctuation of oil price does not affect to the price of raw materials as well.

2.2 Labor Risk

At Present, Thailand is facing a labor shortage at operation level especially in the private sector because most people have continued their education in higher level as a result, operation labor may shortage in the future. In this issue, the Company set various measures such as investment in automatically machines as well as offer compensation and welfares to persuade employees to work with the Company.

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 management as in audited financial statements as of December 31, 2014, the Company and its subsidiary have balanced of financial assets and liabilities denominated in foreign currencies are summarized below;

The Company and its subsidiary have the balance of assets and liabilities in foreign currency as at December 31, 2014 as follows:

Unit : Baht

Currency	Assets	Liabilities	Different of Asset and Liabilities	Average Exchange Rate as at December 31,2014	Different of Asset and Liabilities in Thai Baht
US Dollar	10,293,392	6,090,426	4,202,966	32.9187	138,356,176.86
SG Dollar	354,999	4,367	350,632	24.8593	8,716,466.07
EURO	506,397	270,230	236,167	40.0017	9,447,081.48
JPY	15,107,339	17,317,950	(2,210,611)	0.2734	(604,381.04)
MYR	28,086	--	28,086	9.4045	264,134.78
GBP	--	26,715	(26,715)	51.0745	(1,364,455.26)

3.2 Risk from related parties guarantees

As at 31 December 2014, the Company has contingent liabilities in respect of the guarantees of subsidiary's credit facility amounting to Baht 39.60 million and Euro 0.1 million or total equivalent to Baht 40.70 million, provided to banks. (Year 2013: Baht 23.20 million)

As at 31 December 2014, its subsidiary has contingent liabilities in respect of the guarantees of the Company's credit facility amounting to Baht 64.30 million, and USD 0.1 million or total equivalent to Baht 65.40 million (Year 2013: Baht 44.80 million, JPY 32 million and USD 0.2 million or equivalent to Baht 60.60 million) provided to banks. These guarantees are still effective 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 Pracharktam Family holds 52.48 %(at December 31 ,2014) of the Company's paid-up capital. With the majority of shares, the Pracharktam 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.

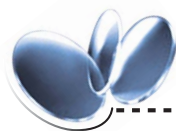
4.2 Risks from Distributing Domestic Sales via an Affiliated Company

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 5 % of sales in total are in 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.

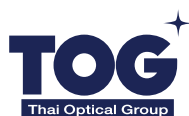
4.3 Risks from Information Technology (IT)

The Company and its Subsidiary have the policy to use copyright product for reducing risks hereto;

1. The risk of software piracy
2. The risk of information hacking.



Dividend Payout Policy



Thai Optical Co., Ltd.

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.

Year	Earnings (Loss) Per Share (Baht)	Dividend Per Share (Baht)	Dividend Payout Ratio (%)
2014	0.43	0.35	82
2013	0.33	0.26	86
2012	0.32	0.25	77
2011	(0.14)	0.05	(36)
2010	0.30	0.25	83
2009	0.28	0.25	89
2008	0.34	0.25	82
2007	0.34	0.20	59
2006	0.24	0.16	71

Shareholders Structure and Management

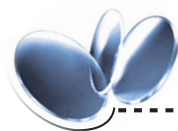
Shareholder

As at December 31, 2014 (the recent closing date), Thai Optical Group Public Company Limited has 1,721 shareholders. The first 10 major shareholders (counted from paid-up capitals of 474,318,000 shares) are;

No.	Name of Shareholders	Number of Shares	Stockholder Proportion (%)
1.	The Prachartam Family	248,928,062	52.48
2.	Specsavers Asia Pacific Holding Limited	118,767,600	25.04
3.	Mr.Jarun Raveesangsoon	5,786,300	1.21
4.	SKANDINAVISKA ENSKILDA BANKEN AB	5,468,500	1.15
5.	Sin Kwang Optical Pte Ltd. (Singapore)	5,000,000	1.05
6.	Mr. Sarath Teganjanavanich	4,687,500	0.98
7.	Mr. Kriangsak Isarayangyuen	3,800,000	0.80
8.	Mr.Prasit Rakthaisanthavee	3,458,000	0.72
9.	Mr.Khachen Benjakul	3,145,100	0.66
10	T-LOWBETA (Thanachart Fund)	2,959,000	0.62
	Other shareholders	72,317,938	15.24
	Total shares	474,318,000	100.00

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	8.26
2	Mr. Kamron Prachartam	Brother	35,400,000	7.46
3	Mr. Samrit Prachartam	Brother	14,840,000	3.13
4	Mr.Sawang Prchartam	-	11,992,200	2.53
5	Mr. Sarote Prachaktam	Brother	3,250,000	0.69
6	Miss Walnapa Prachartam	Sister	1,036,093	0.22
7	Miss. Roongnapa Prachartam	Sister	9,350,000	1.97
8	Lieut. Col. Ketnapa Teganjanavanich	Sister	3,800,000	0.80
9	Miss Prinda Prchartam	Daughter	10,520,100	2.22
10	Mrs. Rattana Prachartam	Sister-in-law (The wife of Mr. Prateep)	8,269,200	1.74
11	Mr. Wirach Prachartam	Nephew (The son of Mr. Prateep)	10,450,000	2.21
12	Mr. Witoon Prachartam	Nephew (The son of Mr. Prateep)	9,830,000	2.07
13	Mrs. Pornpun Thotrakul	Niece (The daughter of Mr. Prateep)	4,880,000	1.03



No.	Name of Shareholders	Relation with Mr. Sawang Prachartam	Number of Shares	Stock holder Proportion (%)
14	Miss Pornpen Prachartam	Niece (The daughter of Mr. Prateep)	2,920,000	0.62
15	Miss Pornpip Prachartam	Niece (The daughter of Mr. Prateep)	4,730,000	1.00
16	Mrs. Chalinee Laosuwan	Niece (The daughter of Mr. Prateep)	5,340,000	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)	22,000,000	4.66
20	Mr. Torn Prachartam	Nephew (The son of Mr. Kamron)	20,300,000	4.29
21	Mr. Yosanan Prachartam	Nephew (The son of Mr. Sarote)	20,000,000	4.22
22	Mr. Bancha Yongrithikul	Nephew (The son of Miss Walnapa)	1,260,469	0.27
	Total of shares held by the Prachartam Family		248,928,062	52.48

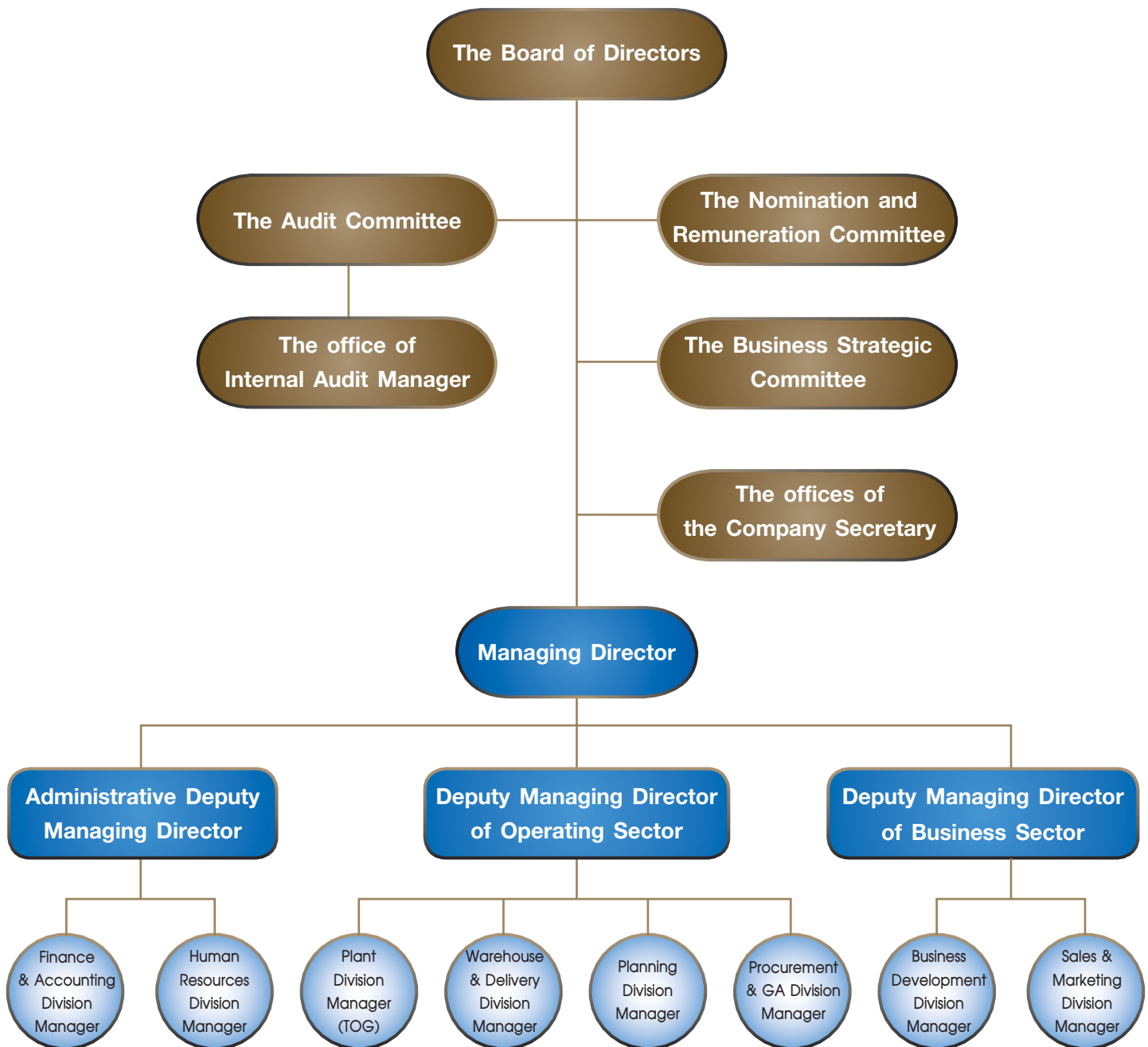
Foreign Shareholders Limitation

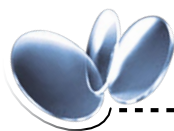
Foreign shareholders are not allowed to hold more than 49 % of the total paid- up capitals.

As of December 31, 2014, there was 28.13% 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, 2014.





The Board of Directors and Management



Name : Mr. Sawang Prachartam

Position : Chairman/
Chairman of the Business Strategic Committee

Age : 70 Years

Shareholding : 2.53 %

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

Work Experience :

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

- 2009-2014 Thai Optical Group PCL.,
Chairman of the Business Strategic Committee
- 2004-Present Thai Optical Group PCL.,
Chairman

Other Current Position :

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



Name : Mr. Torn Prachartam

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

Age : 47 Years

Shareholding : 4.29%

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)

Kellogg School of Management, Northwestern University:

- Executive Development Program Session 87/2014

Work Experience :

1994-1995	Thai Optical Co., Ltd., Glass Mold Manufacturing Division Manager
1995-2001	Thai Polymer Lens Co., Ltd., Planning and Quality Control Division Manager
2001-2003	Thai Polymer Lens Co., Ltd., Production and Quality Control Division Manager
2004-2012	Thai Optical Group PCL., Plant TOG Division Manager
2012-2014	Thai Optical Group PCL., Deputy Managing Director of Operating Sector
2010-Present	Thai Optical Group PCL., Director/ Member of the Business Strategic Committee
2014-Present	Thai Optical Group PCL., Managing Director

Other Current Position :

- National Electronics and Computer Technology Center(NECTEC),
Sub-committee on Electronic Devices and Systems Program



Name : Mr. Wirach Prachartam

Position : Director/
Member of the Business Strategic Committee/
Managing Director/ Deputy Managing Director
of Business Sector

Age : 53 Years

Shareholding : 2.21 %

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):

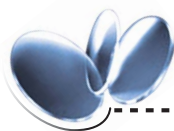
- DAP Class 15/2004 - DCP Class 135/2010
- SFE Class 15/2012 (Successful Formulation and Execution of Strategy)

Work Experience :

1985-1992	Nam Silp Thai Registered Ordinary Partnership, Assistant Sales Directors
1992-2002	Nam Silp Thai Registered Ordinary Partnership, Sales Directors
1992-1994	Thai Optometric Association, Member of the Central Committee
1994-1996	Thai Optometric Association, Executive Director
1996-2000	Thai Optometric Association, Treasurer and Director
2000-2002	Thai Optometric Association, Secretary
2002-2004	Thai Optometric Association, Executive Director and Counselor to the Secretary
2002-2008	Nam Silp Thai Eyewears Co., Ltd., Managing Director
2008-2014	Thai Optical Group PCL., Deputy Managing Director of Business Sector
2012-2014	Thai Optical Group PCL., Managing Director
2008-Present	Thai Optical Group PCL., Director/ Member of the Business Strategic Committee

Other Current Position :

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



Name : Mr. Sarote Prachaktam

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

Age : 67 Years

Shareholding : 0.69 %

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

Work Experience :

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

Other Current Position :

None



Name : Mrs. Pornpun Thotrakul

Position : Director/
Administrative Deputy Managing Director/
Procurement and General Affair Division Manager

Age : 60 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

Work Experience :

- | | |
|--------------|---|
| 1975-1979 | King Mongkut Institute of Technology,
Bangmod, Thonburi,
Special Instructors in Chemical Engineering Department |
| 1977-2004 | Thai Optical Co., Ltd.,
International Trade Manager |
| 2004-2014 | Thai Optical Group PCL.,
Administrative Deputy Managing Director |
| 2012-2014 | Thai Optical Group PCL.,
Procurement and General Affair Division Manager |
| 2004-Present | Thai Optical Group PCL.,
Director |

Other Current Position :

None



Name : Mr. Trevor Paul Blatchford

Position : Director/
Member of the Business Strategic Committee

Age : 64 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)

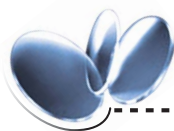
Work Experience :

1973-1976	Coopers & Lybrand
1976-1979	Eagle Development Group Finance Director
1979-1983	Dynatech Data Communications, Financial Controller Europe
1983-1988	Dynatech Data Communications, Vice President Finance Europe
1988-1990	Dynatech Corporation - Communications and Information Processing Division, CFO - Chief Financial Officer
1990-1992	Blue Diamond Group, Finance Director
1992-1993	Scientific Atlanta, Vice President Finance Europe
1993-1995	Dynatech Data Communications, Finance Director Europe
1995-2002	Specsavers Optical Group, Finance/ Commercial Director
2002-2006	Specsavers Optical Group, Commercial/ Strategic Development Director
2006-2008	88 Ltd., Director

2008-2014	Specsavers Procurement Asia Limited, Director of HongKong and Shanghai Operation
2008-Present	Thai Optical Group PCL., Director/ Member of the Business Strategic Committee

Other Current Position :

- Specsavers Procurement Asia Ltd.,
Director of Supply Chain Development - APAC



Name : Mr. David Andrew Cross

Position : Director/
Member of the Business Strategic Committee

Age : 59 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)

Work Experience :

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

Other Current Position :

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



Name : Mr. Singh Tangtatswas

Position : Independent Director/
Chairman of the Audit Committee

Age : 72 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

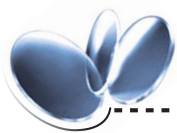
Work Experience :

- | | |
|-----------|---|
| 1968-1978 | Fiscal Policy Office, Ministry of Finance,
Economist |
| 1978-1980 | Fiscal Planning Division, Fiscal Policy Office,
Ministry of Finance,
Director |
| 1980-1986 | Siam Cement PCL.,
Finance and Planning Manager |
| 1986-1996 | The Siam Pulp and Paper PCL.,
Deputy Managing Director |
| 1986-1996 | Siam Industrial Finance and Securities Company,
Director |
| 1986-1996 | Thai Pulp and Paper Industry Association,
Director/Treasurer |
| 1991-1996 | Siam Cellulose Co., Ltd.,
Managing Director |
| 1996-1999 | The Stock Exchange of Thailand,
President |
| 1999-2001 | Krung Thai Bank PCL.,
President and Chief Executive Officer |
| 2002-2009 | Corporate Governance Center,
The Stock Exchange of Thailand,
Adviser |

- | | |
|--------------|--|
| 2005-2013 | TWZ Corporation PCL.,
Independent Director |
| 2004-Present | Thai Optical Group PCL.,
Independent Director/
Chairman of the Audit Committee |

Other Current Position :

- Thai Institute of Directors (IOD).,
Director
- | | |
|--------------|--|
| 2003-Present | Bangkok Insurance PCL.,
Director/
Chairman of the Nomination and
Compensation Committee |
| 2004-Present | Bangkok Bank PCL.,
Director |



Name : Mr. Wicha Jiwalai

Position : Independent Director/
Member of the Audit Committee

Age : 70 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

Work Experience :

- 1966-1979 Chulalongkorn University,
Lecturer at Faculty of Engineering
- 1979-1985 Faculty of Engineering, Chulalongkorn University,
Associate Professor and Head of Survey Engineering
Department
- 1986 Visiting Professor, Ghajamadha University, Indonesia
(under the MUCIA - World Bank Project)
- 1985-1989 Deputy Governor of Bangkok Metropolitan
Administration
- 1993-1998 Thai Condominium Association,
President
- 1994-1995 The Sub-Committee for National Housing Policy
Committee
- 2000-2005 Geo-Informatics and Space Technology
Development Agency (Public Organization),
Chairman of Executive Board
- 2012-2013 The Asean Federation of Land Surveying and
Geomatic,
President
- 2004-Present Thai Optical Group PCL.,
Independent Director/
Member of the Audit Committee

Other Current Position :

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



Name : Mr. Phairuch Mekarporn

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

Age : 69 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

Work Experience :

- | | |
|--------------|---|
| 1989-1996 | Thai Paper Co., Ltd.,
Thai Union Paper Co., Ltd.,
Managing Director |
| 1996-2003 | Siam Kraft Industry Co., Ltd.,
Thai Kraft Paper Industry Co., Ltd.,
Thai Union Paper Industry Co., Ltd.,
Managing Director |
| 2004-2014 | Thai Optical Group PCL.,
Member of the Business Strategic Committee |
| 2004-Present | Thai Optical Group PCL.,
Independent Director/
Chairman of the Nomination and
Remuneration Committee/ |
| 2014-Present | Thai Optical Group PCL.,
Member of the Audit Committee |

Other Current Position :

- TTW Public Company Limited
Independent Director/
Member of the Audit Committee/
The Corporate Governance Committee/
Chairman of Nomination and Remuneration Committee
- Pathum Thani Water Co., Ltd.,
Chairman of the Board of Directors



Name : Mr. Banchong Chittchang

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

Age : 66 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

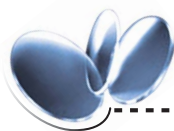
2005-Present: Facilitator of Strategic, Management Program
Courses at IOD

Work Experience :

- | | |
|--------------|--|
| 1981-1989 | Foremost Dairies (Bangkok) Co., Ltd.,
Operations Manager
Federation of Thai Industries,
Former Vice Chairman Food Processing Industry Club
Thailand Management Association (TMA),
Former Councillor |
| 1989-1994 | Inchcape Manufacturing Co., Ltd.,
Managing Director |
| 1995-2004 | Malee Sampran PCL.,
President |
| 2008-Present | Thai Optical Group PCL.,
Independent Director/
Member of the Nomination and Remuneration
Committee/
Member of the Business Strategic Committee |
| 2015-Present | Thai Optical Group PCL.,
Chairman of the Business
Strategic Committee |

Other Current Position :

- Lam Soon (Thailand) PCL.,
Independent Director/
Member of the Audit Committee/
Member of Remuneration Committee/
Member of Nomination Committee
- C.P. All PCL.,
Consultant



Name : Miss Wichit Thaveeprechachat

Position : Director/
The Company Secretary

Age : 54 Years

Shareholding : None

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

Work Experience :

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

Other Current Position :

None



Name : Mrs. Anuruk Rattanasansuntorn

Position : Internal Audit Manager

Age : 47 Years

Shareholding : None

Education :

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

Work Experience :

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

Other Current Position :

None



Name : Mr. Bancha Yongrithikul

Position : Warehouse and Delivery Division Manager

Age : 44 Years

Shareholding : 0.27%

Education :

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

Work Experience :

1992-1994 Datamat PCL.,
Customer Engineer

1996-2003 Thai Polymer Lens Co., Ltd.,
System Development Section Manager

2004-2014 Thai Optical Group PCL.,
Warehouse and Delivery Division Manager

2015-Present Thai Optical Group PCL.,
Plant Division Manager (TOG)

Other Current Position :

None



Name : Mrs. Amolrat Prachartam

Position : Business Development Division Manager

Age : 47 Years

Shareholding : 1.02%

Education :

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

Work Experience :

1991 Asahi Glass Co., Ltd., Japan,
Trainee

1991-1994 Bangkok Float Glass Co., Ltd.,
Export Section Chief

1994-2002 Thai Polymer Lens Co., Ltd.,
Export Sales Manager

2002-2003 Thai Polymer Lens Co., Ltd.,
Purchasing & Logistics Manager

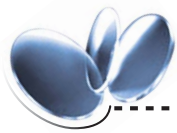
2004-2007 Thai Optical Group PCL.,
Sales and Marketing Manager

2008-2014 Thai Optical Group PCL.,
Business Development Division Manager

2015-Present Thai Optical Group PCL.,
Logistics and Supply Chain Division Manager

Other Current Position :

None



Name : Mrs. Narueporn Prachartam

Position : Accounting and Finance Division Manager

Age : 50 Years

Shareholding : None

Education :

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

Work Experience :

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

Other Current Position :

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



Name : Miss Porntip Prachartam

Position : Planning Division Manager

Age : 57 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)

Work Experience :

1980-1986	Siriraj Hospital, Pharmacist 5
1986-2000	Thai Polymer Lens Co., Ltd., CR 39 Planning Department Manager
2000-2001	Thai Optical Co., Ltd., CR 39 Planning Department Manager
2001-2003	Thai Polymer Lens Co., Ltd., CR 39 Planning Department Manager
2003-2006	Thai Optical Group PCL., Planning Department Manager
2006-2014	Thai Optical Group PCL., Planning Division Manager

Other Current Position :

None



Name : Mr. Choochart Mahawansu

Position : Human Resources Division Manager
Age : 54 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)

Work Experience :

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

Other Current Position :

None



Name : Miss Michelle Hsieh

Position : Sales and Marketing Division Manager
Age : 36 Years

Shareholding : None

Education :

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

Work Experience :

2000-2003	Nitring Enterprise Inc., Taiwan, International Sales Representative
2003-2005	Free-Free Industrial Corp., Taiwan, International Sales Representative
2005-2009	Rodenstock Asia Limited, Thailand, Sales & Frame Business Manager
2009-2011	Yongta Technology Printing Co. Ltd., China, Sales Division Manager
2011-2012	Thai Optical Group PCL., Deputy Sales and Marketing Division Manager
2012-Present	Thai Optical Group PCL., Sales and Marketing Division Manager

Other Current Position :

None



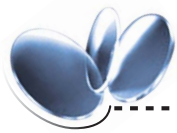
Changing in Directors' Shareholding of Thai Optical Group Public Company Limited Report (as at December 31, 2014)

No.	Name	Thai Optical Group PCL.			Subsidiary Company		
		Common Shares (Shares)			Common Shares (Shares)	Debenture (Shares)	
		Own	Spouse or Underage Child	Increase (Less) During Jan-Dec. 2014	Own	Increase (Less) During Jan-Dec.2014	Increase (Less) During Jan-Dec. 2014
1	Mr. Sawang Prachartam	11,992,900	--	(10,000,000)	1		
2	Mr. Sarote Prachaktam	3,250,000	--	(6,750,000)	1		
3	Mr. Wirach Prachartam	10,210,000	--	50,000	1		
4	Mrs.Pornpun Thotrakul	4,880,000	--	--	None		
5	Mr. Torn Prachartam	19,100,000	1,200,000	--	None		
6	Mr.Phairuch Mekarporn	None	--	--	None		
7	Mr. Singh Tangtatswas	None	--	--	None		
8	Mr.Wicha Jiwalai	None	--	--	None		
9	Mr.Banchong Chittchang	None	--	--	None		
10	Mr.Trevor Paul Blatchford	None	--	--	None		
11	Mr.David Andrew Cross	None	--	--	None		
12	Ms.Wichit Thaveeprechachat	None	--	--	None		

- Remarks:
- TOG has registered capital of 475,000,000 Baht, paid-up capital 474,318,000 Baht (as at December 31, 2014) and total common share 474,318,000 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 31,2014)

		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. 2014	Own	Increase (Less) During Jan-Dec.2014	Own	Increase (Less) During Jan-Dec. 2014
1	Mr. Wirach Prachartam	10,160,000	--	50,000	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	1,260,469	--	1,200,469	None			
8	Mr.Choochart Mahawansu	None	--	--	None			
9	Miss Michelle Hsieh	None	--	--	None			
10	Mr.Danupun Nitisombat	None	--	--	None			



The Nomination of Directors and Executive

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 in the Company shareholders' meeting, with respect to the following rules:
 - (a) A shareholder has 1 vote per 1 share held.
 - (b) The election can be made individually, person by person or by any other method chosen in 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, 2014, the Board of Directors of the Company consists of 12 members as follows:

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

The Directors Authorized to sign on behalf of the Company

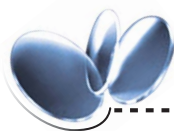
The following 5 directors have the authority to sign on behalf of the company.

	Name	Position
1.	Mr. Sawang Prachartam	Chairman
2.	Mr. Sarote Prachaktam	Director
3.	Mr. Torn Prachartam	Director
4.	Mr. Wirach Prachartam	Director
5.	Mrs. Pornpun Thotrakul	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. 64 (1/2015), held on February 17, 2015, the approval as proposed by The Nomination and Remuneration Committee, was granted to reappoint four directors whose term had expired as follows;

1. Mr. Sawang Prachartam
2. Mr. Sarote Prachaktam
3. Mr. Torn Prachartam
4. Miss Wichit Thaveeprechachat



The four 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 positions in the Sub-committee, and will be proposed to the Annual General Meeting of Shareholders No.12 which will be held on Wednesday, April 1, 2015 for approval further. In addition, the Company has provided the opportunity for shareholders to propose nominee directors during October 1 to December 30, 2014, 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(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 passed 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.

As at December 31, 2014, The Audit Committee 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.	Mr. Phairuch Mekarporn**	Member of Audit Committee

Remark: * Mr. Singh Tangtatswas is knowledgeable and experienced to review the Company's financial statements.

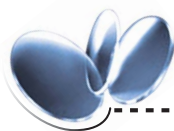
** Mr. Phairuch Mekarporn had been appointed by the Board of Director's meeting on November 12, 2014.

Mrs. Anuruk Rattanasansuntorn, Internal Audit Manager was appointed as an the Secretary to the Audit Committee.

And, two members from total three members of the Audit Committee of the Company had completed Audit Committee Program (ACP) which organized by Thai Institute of Directors Association (IOD).

Scope of Duties 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

As at December 31, 2014, The Business Strategic Committee consists of 6 directors as follows:

Name	Position
1. Mr. Banchong Chittchang	Chairman of the Business Strategic Committee
2. Mr. Sarote Prachaktam	Member of Business Strategic Committee
3. Mr. Wirach Pracharktam	Member of Business Strategic Committee
4. Mr. Torn Pracharktam	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

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

Scope of Duties 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

As at December 31, 2014, The Nomination and Remuneration Committee consist of 3 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. Sarote Prachaktam	Member of the Nomination and Remuneration Committee

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

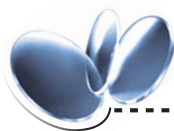
Scope of Duties of the Nomination and Remuneration Committee

1. To perform duties in selection and electing qualified persons to be director in the Company's Board of Directors, and also follow up on succession plans, to recruit the suitable individuals for the position of high executive when the term is expired, including with conclude nomination result and propose the name of the person who is judged as the best candidate to be the Company's director, as well as the reasons then propose it to the Boards for consideration through the Company Secretary.
2. To evaluate the performance of Managing Director.
3. To propose remunerations and other fringe benefits policy of the Board of Directors, the Sub Committees, Managing Director and Deputy Managing Director.
4. To determine the method and procedure of nominating the qualified candidate in advanced from the minority shareholders.
5. To consider and review the appropriate remuneration structure for the Company's directors, executives and employees in accordance to their responsibility and the Company's performance.
6. To determine minority shareholder who nominates the qualified person to be the Company's Directors in the Shareholders 'meeting (the AGM). Shareholder who can propose agenda to the meeting must be;
 1. is a shareholder of the Company which can be a single shareholder or formed shareholder group;
 2. is a shareholder of the Company which hold share no less than 100,000 share of paid-up capital and can be a single shareholder or formed shareholder group;
 3. is a shareholder of the Company which hold numbers of shares as mention in Item No.2 at least one year before the date to propose agenda.

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, 2014 consist 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 Division Manager
3.	Mr. Torn Prachartam*	Deputy Managing Director of Operating Sector
4.	Ms. Porntip Prachartam**	Planning Division Manager
5.	Mr. Bantha Yongrithikul	Warehouse and Delivery Division Manager
6.	Mrs. Amolrat Prachartam	Business Development Division Manager
7.	Mrs. Narueporn Prachartam	Accounting and Finance Division Manager



	Name	Position
8.	Mr. Choochart Mahawansu	Human Resources Division Manager
9.	Miss. Michelle Hsieh	Sales and Marketing Division Manager
10.	Mr. Danupun Nitisombat**	Plant Division Manager (TOG)

Remark: * Mr. Torn Prachartam had been appointed as Managing Director to replace Mr. Wirach Prachartam from the Board of Directors' meeting which held on November 12, 2014 by effective on January 1, 2015.

** Ms. Pornpip Prachartam and Mr. Danupun Nitisombat had retired in the year 2014.

The Board of Director and Management Team of the Company have qualifications in compliance with the article 68 of Public Company Limited Act (B.E. 2535) and possess no prohibited qualification in term of the regulation of Security Exchange Commission (SEC.) about requesting and permission to sell new shares, as well as no illegitimacy records have been found during the past 10 years.

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.

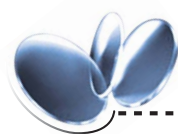
1. To set the Company's missions, objectives, methods and policy, including conducting and controlling business operations to accomplish the Company's objectives.
2. To recruit, employ, appoint, dismiss, revoke, fire, as well as set wages and rewards, adjusts salary, remuneration and bonuses for all 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. To consider and approve 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. To issue 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. To act and appear 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. To consider appointing any consultant that necessary for the operations of the Company before proposing to the Board of Directors.
8. To consider and approve 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. To perform other duties assigned by the Board of Directors.
11. To consider 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 to other person for acting on behalf of the Company.

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 Remuneration of Director and Executive

1. Director Remunerations

The Board of Directors of the Company had conducted total 5 meetings in the year 2014, 2013, and 2012 respectively. Each Director attended the meeting and obtained the remuneration as follows;

Names of The Company's Directors	Year 2014		Year 2013		Year 2012	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Sawang Prachartam	4/5	383,000	5/5	365,000	5/5	347,000
2. Mr. Sarote Prachaktam	5/5	256,000	5/5	244,000	5/5	232,000
3. Mr. Torn Prachartam	5/5	256,000	5/5	244,000	5/5	232,000
4. Mr. Wirach Prachartam	5/5	256,000	5/5	244,000	5/5	232,000
5. Mrs. Pornpun Thotrakul	5/5	256,000	5/5	244,000	5/5	232,000
6. Mr. Phairach Mekarporn	5/5	256,000	5/5	244,000	5/5	232,000
7. Mr. Singh Tangtatswas	4/5	256,000	4/5	244,000	5/5	232,000
8. Mr. Wicha Jiwalai	4/5	256,000	5/5	244,000	5/5	232,000
9. Mr. Banchong Chittchang	5/5	256,000	5/5	244,000	5/5	232,000
10. Mr. Trevor Paul Blatchford	5/5	256,000	3/5	244,000	5/5	232,000
11. Mr. David Andrew Cross	4/5	256,000	3/5	244,000	3/5	232,000
12. POL. GEN. Pakorn Sappakit*	2/5	192,000	4/5	244,000	3/5	232,000
13. Mr. Don Pramudwinai**	3/5	192,000	3/5	244,000	4/5	174,000
14. Ms. Wichit Thaveeprechachat	5/5	256,000	5/5	244,000	5/5	232,000

Remark: * Pol. Gen. Pakorn Sappakit passed away on October 17, 2014.

** Mr. Don Pramudwinai had resigned from Independent Director Position since August 29, 2014.

The Audit Committee of the Company conducted total 4 meetings in the year 2014, 2013, and 2012 respectively. Each director attended the meetings and obtained the remuneration as follows;

Names of The Audit Committee	Year 2014		Year 2013		Year 2012	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Singh Tangtatswas	3/4	300,000	4/4	300,000	4/4	300,000
2. Mr. Wicha Jiwalai	3/4	200,000	4/4	200,000	4/4	200,000
3. Mr. Phairach Mekarporn*	2/4	150,000	4/4	200,000	4/4	200,000

Remark: * Pol. Gen. Pakorn Sappakit passed away on October 17, 2014, then the Board of Directors' meeting which held on November 12, 2014 had a resolution to appoint Mr. Phairach Mekarporn as the member of the Audit Committee.

The Business Strategic Committee (BSC) of the Company conducted a total 4,3 and 3 meetings in 2014, 2013 and 2012 respectively. Each director attended the meetings and obtained the remunerations as follows;

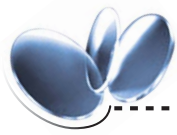
Names of The Business Strategic Committee	year 2014		year 2013		year 2012	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Sawang Prachartam	3/4	184,000	4/4	175,000	3/3	116,000
2. Mr. Sarote Prachaktam	4/4	122,000	4/4	116,000	3/3	110,000
3. Mr. Torn Prachartam	4/4	122,000	4/4	116,000	3/3	110,000
4. Mr. Wirach Prachartam	4/4	122,000	4/4	116,000	3/3	110,000
5. Mr. Phairuch Mekarporn	4/4	122,000	4/4	116,000	3/3	110,000
6. Mr. Banchong Chittchang	4/4	122,000	4/4	116,000	3/3	110,000
7. Mr. Trevor Paul Blatchford	4/4	122,000	4/4	116,000	1/3	110,000
8. Mr. David Andrew Cross	3/4	122,000	3/4	116,000	2/3	110,000

The Nomination and Remuneration Committee conducted 4 meetings in the year 2014, 2013, and 2012 respectively. Each director attended the meetings and obtained the remunerations as follows;

Names of The Nomination and The Remuneration Committee	year 2014		year 2013		year 2012	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Phairuch Mekarporn	4/4	184,000	4/4	175,000	4/4	166,000
2. Mr. Banchong Chittchang	4/4	122,000	4/4	116,000	4/4	110,000
3. Mr. Don Pramudwinai*	3/4	91,500	3/4	116,000	3/4	110,000
4. Mr. Sarote Prachaktam	4/4	122,000	4/4	116,000	4/4	110,000

Remark: * Mr. Don Pramudwinai had resigned from Independent Director Position since August 29, 2014.

In order that, the remuneration of the Board of Directors and the Sub committees have to be approved by the Annual General Meeting of Shareholders on an annual basis and annual remuneration will be paid per person per year and the committee do not receive any other payment from the Company, as detailed in the said table.



The remuneration of the Company's directors in the year 2014 can be summarized in the table below;

Type of Remuneration	Total number (person)	Remuneration (Baht/person year)	Total Remuneration (Baht/year)
Chairman of the Board of Directors	1	383,000	365,000
Member of the Board of Directors	13	256,000	3,200,000
Chairman of the Audit Committee	1	300,000	300,000
Member of the Audit Committee	2	200,000	350,000
Chairman of the Business Strategic Committee	1	184,000	184,000
Member of the Business Strategic Committee	7	122,000	854,000
Chairman of the Nomination and Remuneration Committee	1	184,000	184,000
Member of the Nomination and Remuneration Committee	3	122,000	335,500
Total Remuneration			5,790,500

2. Executive Remunerations

The Company's executive have the remuneration from year 2012 to year 2014 as in the table below;

Type of Remunerations	Year 2014		Year 2013		Year 2012	
	Total number (person)	Total Remuneration (Baht/year)	Total number (person)	Total Remuneration (Baht/year)	Total number (person)	Total Remuneration (Baht/year)
Executive Salary	10	20,866,080	10	20,098,080	9	17,153,830
Executive Bonus	10	6,597,593	10	2,785,109	9	1,339,740
Provident Fund	10	964,776	10	921,096	9	785,706
Total Remuneration		28,428,449		23,804,285		19,279,276

Remark : Director 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

The Board of Directors of Thai Optical Group PCL. (the Company) has strong intention to administrate the Company in comply with good 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 and February 19th, 2014 to implement "Corporate Governance Policy" and The Code of Business Ethics" respectively 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.

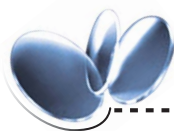
The Board of Directors is responsible to supervise the stringent use of policy and practice in order to achieve the Company's goals and lead to the strength and sustainability growth of the Company and shareholders. The Board of Directors and Management Team are aware of the importance of knowledge development and experience in performing of duty as a result all directors of the Company have been certified the training course which was organized by The Thai Institute of Directors Association (IOD). If, there is any change of new directors, the Board of Directors will provide The Code of Business Ethics/Director Handout/ Orientation for new Director, including the Company's business and direction information. The Board of Directors has delegated to the Company Secretary for cooperating with all directors about directors training courses.

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 year 2014, 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. (received since Year 2012/Year 2013/Year 2014)
- TOG had been awarded as "The Best Investor Relations" award in the year 2012 and year 2013 which was one of projects in the SET Awards that were organized by the Stock Exchange of Thailand and Money& Banking Magazine.
- TOG had received the "Corporate Social Responsibility Awards" which were given by SET since year 2013 and 2014.



- The assessment resulted in the year 2014 on "The Corporate Governance Report" (CGR), TOG was ranked in 4-stars, including rank in "Top Quartile" from Thai Institute of Directors (IOD).
- 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 2014. The meeting was rated "Excellent". (received since Year 2010/Year 2011/Year 2012/Year 2013)

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 with correctly, completely, adequately, transparently and timely, as well as Good Corporate Governance Policy and The Code of Business Ethics" to all shareholders, investors, and others through the Company's website at <http://www.thaiopticalgroup.com>., both Thai and English versions. If there is an issue that may affect shareholders, the Company will be informed through the website of the Stock Exchange of Thailand immediately.

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 14 days or 21 days according to the agenda that is required by the law before the meeting date, and also will announce through the newspaper of 3 consecutive days before the meeting day, to allow shareholders for consideration the agenda of the incoming meeting in advance. It shall be noted that the 2015 Annual General Meeting of Shareholders (AGM), the Company will prior disclose the AGMs' invitation letter including with all relevant meeting documents both Thai and English versions on the Company's website more than 30 days before the meeting's day. 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 Boards sets equitable treatment of shareholders by appointing the Company Secretary to notice shareholders via websites of The Stock Exchange of Thailand and the Company 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 TEL: (662)440 0506

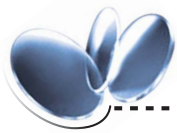
Post: Miss Wichit Thaveeprechachat
(Director and The Company Secretary)

Address: The Office of Company Secretary
Thai Optical Group Public Company Limited
77/ 141-142 Sinn Sathorn Tower, 33rd floor, Krungthoburi Rd., KlongTonsai, KlongSarn,
Bangkok (10600) Thailand

For shareholders, interested investors and institutional investors to get comprehensive information so the Company has set Investor Relations Section by Miss Pornpak Chanphongsri-Investor Relations, to provide information through the following channels;

E- mail: ir@thaiopticalgroup.com Fax: (662) 862 0705 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 3 independent directors of the Company 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 2014, the company participated in following events:
 1. On 15 March, 2014: "Stock in Consumer Sector" organized by the Stock Exchange of Thailand and Money Channel.
 2. On 22 November, 2014 : "Good Brand Good Profit" organized by the Stock Exchange of Thailand and KhoHoonNews.
 3. On 9 June, 2014 and 9 September, 2014 : "Opportunity Day" which was organized 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. 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 with equality according to the principles of morality and ethical practices, as well as the Company also define the policy for caring and treating of all stakeholders including with disclose it in the Company's CSR Report under the following categories;

The Company's stakeholders are customers, employees, business partners/creditors, shareholders, competitors, the communities surrounding the Company, society or government sectors.

- | | |
|----------------------|--|
| Employees | : The Company and its Subsidiaries 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 2014, there was 1.85 % (or 27 employees of 1,463 employees) |
| Society/ Communities | : The Company and its Subsidiaries have waste treatment and industrial savage treatment without causing any pollution to the communities around the factories. Moreover, the Company and its Subsidiaries also participate and support beneficial social activities to the communities around the factory. |

Business partners /	: The Company and its Subsidiaries will strictly and equally follow commercial terms
Creditors	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 Subsidiaries 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 Subsidiaries 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.
Shareholder	: The Company and its Subsidiaries operate its business with transparency, straightforwardly, accountability as well as, operating business with continuous growth, sustainability to generate suitable return on investment in the long term.

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: anti-corruption@thaiopticalgroup.com

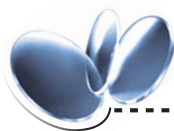
For employees of the Company and its Subsidiaries, if they found any contravention or non-compliance with the Code of Ethics then can submit any suggestions or complaints to the Boards and Management as follows;

1. Managing Director or Deputy Managing Director
2. Human Resources Division Manager
3. Internal Audit Manager
4. Chairman of the Audit Committee

Post: Thai Optical Group PCL., 15/5 Moo 6 Bangbuathong-Suphanburi Road, Laharn, Bangbuathong, Nonthaburi (11110) - Thailand

The Company has protection measures and remedy for damage to reporter, complainant or cooperative person who report any violations or non-compliance with the Code.

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 was 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 addition, the Boards had assigned the Company Secretary to take training course in “Anti-Corruption: The Practical Guide”, held on 21 and 22 November, 2013, organized by the Thai Institute of Directors and in the Board of Directors meeting No.59 (1/2557) on February 19, 2014, the meeting had passed a resolution declaring its intention to join the Collective Action Coalition Project organized by Thailand private sector in anti-corruption issue. Also, in the year 2014 the Company has signed to declare its intention to be a part of the Collective Action Coalition Project, with Thai Institutes of Directors, Thai Chamber of Commerce, Thai Bankers Association, International Chamber of Commerce and Thai Listed Companies Association, for intention to operate business in comply with the law, transparency and Anti-Corruption in all forms, and the Company had already certified on 16 January, 2014. (see more details at : 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 2014, the Company had in-house training within the organization for employees and management totaling 44 courses, and outside training totaling 33 courses.

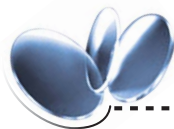
4. Disclosure and Transparency

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 Company has set up Investor Relations Section to communicate with Investors, Institutional investors, Shareholders, Analysts and Governmental Agency, by contacting Miss Pornpak Chanphongsri, Investor Relations. In addition, the Company had been awarded in "SET Awards" for the year 2012 and year 2013: "The Best Investor Relations" which was organized by the Stock Exchange of Thailand and Money& Banking Magazine. In the year 2014, the Company had opened opportunity for Analysts, Investors, Institutional investors, Journalist, Shareholders and etc., both domestics and abroad, to have a meeting with the Company's executive in various channels such as Email, Video Conference, Telephone, Branch visit, also executives participating in activities that were organized by the Stock Exchange of Thailand (Opportunity Day) and Television programs: Money Channel. And, the Company has set silent period that do not disclose or provide interview about the Company's operating results within 7 days before the Company will disclose quarterly financial statement and MD&A to the Stock Exchange of Thailand. Moreover, the Company had defined The Code of Ethics for Investor Relations since the year 2011. In addition, Investor Relations of the Company is also attending to the Board of Directors meeting.
- (11) The Board of Directors sets the internal control system for financial management, the operation and procedure 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.

To disclose important information, the Company has disclosed via website of The Stock Exchange of Thailand and the Company's website both in Thai and English versions such as Information about the Company, Financial information Annual report(Form 56-2), Annual Information Disclosure Report (Form 56-1), financial ratios, Presentation, and Non Financial information such as Corporate Governance Policy, Anti-Corruption Policy, PR news and etc., these information are always updated.



5. Responsibilities of the Directors

The Board of Directors has crucial roles in the corporate governance in order to make the Company and its Subsidiary gaining the highest benefit. The Board of Directors is responsible to perform their duties for shareholders and is independently from the management. The Board of Directors and Management Team have encouraged the importance of Good Corporate Governance, the Code of Business Ethics, the CSR Policy and Anti-Corruption Policy among directors, executives and employees of the Company, therefore the Boards and Management Team provide communication channels for such information through Orientation of new directors and employees, as well as add in content in the training of employees, including disseminating the said information on the Company's website and Internal communication (Intranet).

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.

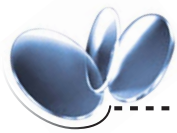
6. Not have relationships with the executives, shareholders or major shareholders of the Company.
 7. Must not be appointed as representatives to protect assets of the Company's directors or shareholders.
 8. Be capable of performing their duties, express opinions or report independently to the Boards.
- (4) Structure of the Board of Directors
- As at 31 December, 2014, the Company comprise of 12 directors in the Board of Directors which is appropriately to the business size of the Company. The Board consists of Chairman and Directors. There are independent directors accounting not less than one- third of the Board members. They must be independent from the Management 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 four Independent Directors. The Board of Directors believes that qualification of "Independent Directors" that set by the Company is more strictly than definition set forth by the Office of Securities and Exchange Commission (the SEC) and the Stock Exchange of Thailand (the SET).
- (5) The Board of Directors can have an agreement to appoint the new director to continue working instead of resigned director within his/her remaining term. The number of companies that any director can be in directorships should be considered according to the principle of the good corporate governance. The Company also provide orientation for the new director and executive.
 - (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 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:

Resolution of the Board of Directors 'meeting No.2/2004 had appointed Miss Wichit Thaveeprechachat as the Company Secretary on April 20, 2004 including with define qualification of the Company Secretary hereunder:

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.
5. Knowledge in Accounting and Finance.

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

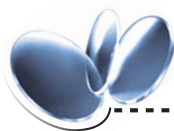
Terms for each group of the sub-committees are three years and can be reappointed. The Sub-committees must work according to the Board of Directors' assignments. They also have authorization to inform the management to attend the meetings notify matters or do reports in order to give suggestions or recommendation 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 1 executive directors, 1 independent directors and 2 expert directors 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

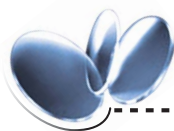
The Board of Directors performs their duties through the meetings as follows:

- (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 2014 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 5 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 2014, the said meeting had been arranged on December 3, 2014.
- (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 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 2014, the said meeting had been arranged on September 3, 2014.

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.63 (5/2014), held on November 12, 2014, the all directors of the Board had done the self-assessment (the whole Board) for the year 2014, 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.

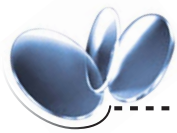
5.9 Communication with the administrative team

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.



Thai Optical Group Public Company Limited (TOG) by Mr.Torn Prachartam, Managing Director, receiving "CAC Certification Awards" on February 2 ,2015.

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. According to, the resolution of the Board of Directors' Meeting No.1/2015 held on February 17th, 2015, which three members of the Audit Committee had attended the meeting to give opinions on sufficiency and appropriateness of internal control system of the Company.

The Board of Directors had assessed the internal control system that related to the new assessment form of the Stock Exchange of Thailand and Office of Securities and Exchange Commission which comprised of five (5) parts and seventeen (17) principles by regarding to monitor in 5 issues: Control within Organization, Risks Management, Management Control, Information Technology and Communication system, and Follow-up system. And, the Board of Directors has opined that the Company had monitored internal control system of each issue in a sufficient level hereunder;

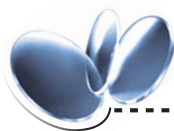
Control within Organization

The organization structure and working environment of the Company and its Subsidiaries 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 has set annual reasonably and sufficiently goals and budgeting to be measured and used as the guidance in operation for motivating its employees. The Company has improved personnel management system by developing pay-on-performance to motivate employees reasonably and adequately. The Company has planned to nominate and develop key successor. 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 cause conflict of interest to the Company and its Subsidiaries. The Company and its Subsidiaries 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 of authorization concisely in each level. The Company is required to treat its business partners and its competitors with fairly and ethically.

Risks Management

The Company and its Subsidiaries require all departments to assess systematically any possible risks, effects, prevention and solution including with appoint Risks Management Team in the year 2014 to assess, analyze risk, set measure or action plan for risks management as well as systematically follow-up and taking into account internal factors and external factors such as production process, marketing, exchange rates and personnel, etc. The Company has reviewed and prepared medium-term-plan which will 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 Subsidiaries 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 ensures that all departments have 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 and involved person for close encounter of the problems and prevention. In the past, the Company and its Subsidiaries 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 Subsidiaries 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 (SEC) 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 quarterly.

IT System with Information and Communication Management

The company and its Subsidiary have managed an efficient internal and external information and communication management system with good and complete documentation system according to standard accounting policy in accounting recording. SAP software has been implemented to support the data management in accounting and reinforce the human resources planning, 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 in advance, not less than 5 days before a meeting. The Company's Secretary will provide the advice of 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 the year 2014, the Company had held total 5 meetings of the Board of Directors. Management team of the Company and its Subsidiaries had follow-up system for business operation by comparing with the target planning and budgeting through the meetings held monthly which may be adjusted to accommodate the current situations as well as arranged managers in middle level to present performance on a quarterly basis.

For the year 2014, 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.

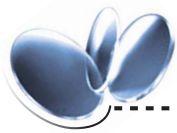
Also, the Audit Committee had total 4 meetings together with 1 extra-meeting with the auditor. Also, the Office of Internal Audit performs independently audit to report significant defect which has detected to the Audit Committee and the Board of Directors for considering and resolving such problems within suitable time. The Company has authorized to audit and review operations regularly with annual plan by informing the Audit Committee and reporting to the Board of Directors 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 System of the Company and its Subsidiaries, the Audit Committee can be concluded that the Company and its Subsidiaries have sufficient Internal Control System.

Manager of the Internal Audit Office

The Audit Committee of Thai Optical Group Public Company Limited (the Company) has comprised of three (3) professional independent directors who are Mr. Singh Tangtatswas-Chairman of the Committee, Mr. Wicha Jiwalai-Member and Mr. Phairuch Mekarporn-Member including with Mrs. Anuruk Rattanasansuntorn - Internal Audit Manager and also as secretary to the Committee.

According to the Board of Director's meeting No. 8 (2/2005), held on April 8, 2005 that Mrs. Anuruk Rattanasansuntorn had been appointed to take the position of Internal Audit Manager of the Company as she had experience to perform internal audit principle in business as well as she had understood activities and operations of the Company. So, it is appropriately that she had ability to perform Internal Audit Manager with sufficiency and transparency.



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 of value over one million Baht presenting to the Board of Directors' meeting in quarterly basis", and this, were 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 2014, 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. Guarantee fee income and expenses are charged at rate on market price as mutually agreed.
5. 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 on market price as mutually agreed.

The Subsidiary Company:

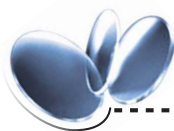
1. **Thai Optical Company Limited**
 Line of business : Produce optical Lenses, Prescription /Rx lenses, and Glass molds
 Relation : Thai Optical Group Public Company Limited holds 99.99 % of shares of Thai Optical Company Limited.

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 32.76% 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 2014 and 2013 are shown in Note to Consolidated Financial Statements, item no. 10 (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

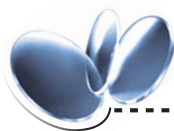
Lease of Assets: Lease of Property for the Factory 1 of the Subsidiary Company. The Factory 1 of the Subsidiary company is located on the land property owned by the Company's executive and shareholders. The Subsidiary company was formerly allowed to utilize the land property for production line without 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, Bangkhen, 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 ayable 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 expertised 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.

Management Discussion and Analysis of Financial Statements for the year 2014. (MD & A)

Operating Performance

Overview Past Performance

The opinion of the Management towards the 2014 operating performance of the Company and the Subsidiary company was that the total revenue from sales and services of the Company and its Subsidiary was 1,869.70 million Baht which was increased by 178.84 million Baht, or 10.58% from the previous year, and net profit was 203.28 million Baht which was increased by 49.07 million Baht, or 31.82% from the previous year, as the result mainly from the strategy in continuing to reduce cost within the organization as well as the depreciation in Thai Baht and economic condition in this sector in the target countries such as the United States and Europe had been expanded which resulted the performance of the Company of this year to be good. Moreover, the net profit margin was 11.10% even though the economic condition in Thailand was still decelerated and global economy did not recover as well.

	Consolidated Financial Statements (million Baht)			Separate Financial Statements (million Baht)		
	Year 2014	Year 2013	Year 2012	Year 2014	Year 2013	Year 2012
Total Income	1,869.70	1,690.85	1,579.11	1,314.80	1,149.38	1,127.51
Net Profit (Loss)	203.28	154.21	152.51	195.46	116.11	108.71

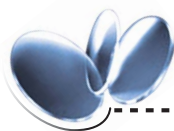
Since the year 2013, the new accounting standard "TAS 12 Income Taxes" had been enforced by SET to the listed company. The company and its subsidiary company had the changed in accounting policy according to this new standard which was stated in the prior year's financial statements as comparative information. However, Management Team believed that the adjusting the income taxes according to this new standard may not have much impact to the financial statements. (Please consider more details in Note to the financial statements Item No.4.13)

Operating Performance of each Production Line or Business Sector

Four Product Types by Value	Manufacturer	Consolidated Year 2014(%)	Consolidated Year 2013(%)	Consolidated Year 2012(%)
1. Standard Lenses (Plastics lens)	The Company & Sub. Company	28.78	27.17	26.05
2. Value-added Lenses	The Company	36.11	36.20	41.88
3. Rx /Prescription Lenses	Sub. Company	29.86	30.36	25.31
4. Mineral Lenses, Other Products and Services	The Company & Sub. Company	5.25	6.27	6.76
Total		100	100	100

1. Income

In the year 2014, the Company and its Subsidiary had total income of 1,869.70 million Baht comparing with total income of 1,690.85 million Baht gained in the year 2013 which was increased by 178.84 million Baht or 10.58%. The increased in revenue was caused by the increased in sales of all products.



2. Cost of Sales

The proportion on cost of goods sold to sales revenue of the Company and its Subsidiary in 2014 and 2013 were 75.78% and 78.99%, respectively. The main cause that effected proportion of revenue from sales in the year 2014, to be down by 3.21% was due to the strategy in reducing costs together with increasing the productivity by Productivity Improvement Program.

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

The Company and its Subsidiary had expensed in SG&A amounting to 225.35 and 197.71 million Baht in the year 2014 and 2013 respectively which was increased by 27.64 million Baht due to effective performance of employees in regard to Productivity Improvement Program as a result the Boards of Directors approved to provide special bonus to employees together and to reserve obsoleted Glass mold.

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 7.25 million Baht.

5. Interest Expense

In the year 2014, the interest expense of the Company and its Subsidiary were decreased from the year 2013 by 4.17 million Baht resulting from the payment of interest on loans for investment.

6. Net Profit

In the year 2014, the Company and its Subsidiary had gained net profit of 203.28 million Baht which increased from the year 2013 by 49.07 million Baht, or 31.82%, mainly factors resulting from increasing in sales volume and cost of sales decreased.

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.61 (3/2014), held on August 13, 2014, 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, 2014 at Baht 0.12 per share from paid-up shares of 474,318,000 shares in total of 56,918,160 Baht (Fifty-Six Million Nine Hundred And Eighteen Thousand One Hundred And Sixty Baht Only).

Operating results of the year 2014, the Board of Director's Meeting No.64(1/2015), held on February 17, 2015 had a resolution in approval to pay dividend of the year 2014 at Baht 0.35 per share which interim dividend had already been paid at Baht 0.12 per share so the remaining dividend payment of this period will be at Baht 0.23 per share to shareholders (operating period July 1 to December 31, 2014) and will propose for approval in the next 2015 Annual General Meeting of Shareholders (AGM) which will be held on Wednesday, April 1, 2015 further.

Financial Status

In the year 2014, the Company and its Subsidiary had total asset amounting to 2,205.15 million Baht, increased by 182.87 million Baht from the year 2013. Details were as follows:

1. Current assets increased by 173.85 million Baht as follows;

- Cash and cash equivalents decreased by 11.83 million Baht.
- Temporary cash investment decreased by 10.06 million Baht, mainly from selling trading securities to buy immovable property.

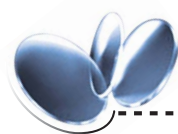
- Account receivables and others increased by 38.73 million Baht resulting from the related accounts receivable increased by 11.15 million Baht. And, unrelated trade account receivables increased by 27.58 million Baht and Trade accounts receivable which are overdue more than 365 days mostly be customers which had traded with the Company over 10 years, however the Company had made clearly transaction agreement each time. (Please consider more details in Note to the financial statements Item No.9)
 - Short term loan lent to related company decreased by 4 million Baht.(Note to the financial statements Item No.10)
 - Net Inventory increased by 144.97 million Baht consisting of finished goods 118.17 million Baht, raw materials 20.73 million Baht, goods in transit 17.30 million Baht, work in process 1.95 million Baht and factory supplies 0.48 million Baht as a result in total increased to 158.63 million Baht but glass mold was decreased by 13.66 million Baht, finished goods increased because there was an agreement with some customers to provide stock for fast delivery to meet the customers' time requirements.
 - Other current assets increased by 16.04 million Baht which was tax refund from the government unit.
2. Non-current assets increased by 9.03 million Baht with details as follows;
- The investment in associated company increased by 3.13 million Baht which was invested in Vietnam for establishing Rx Laboratory.
 - Net Land, Building and Equipment increased by 17.87 million Baht due to;
 1. Buying land amounting to 14.30 million Baht.
 2. Buying supplementary machines amounting to 25.34 million Baht.
 3. Differentiated depreciation of buildings and equipments.
3. Liabilities
- In the year 2014, the Company and its Subsidiary had total liabilities of 486.95 million Baht, increased by 129.30 million Baht as compare to the year 2013 as follow;
- Current liabilities increased by 133.39 million Baht with details as follows;
 1. Overdrawn amount and short term loan from bank increased by 32.41 million Baht.
 2. Trade payable and other account payable increased by 108.66 million Baht, which could be separated into Trade account payable of 96.48 million Baht and other account payable of 12.18 million Baht.
 3. Short Term benefit reserved for employees increased by 7.97 million Baht.
 4. Unpaid Tax of 2.37 million Baht.
 5. Liabilities to be paid on due of 18.03 million Baht.
 - Non-current liabilities decreased because employees' pension fund reservation decreased by 4.09 million Baht.

4. Shareholders' Equity

In the year 2014, the Company and its Subsidiary had shareholders' equity increased from the year 2013 by 53.57 million Baht due to the increase of retained earnings.

Liquidity

1. In the year 2014, the Company and its Subsidiary had net cash decreased by 50.81 million Baht resulted from decreasing in operations of 113.42 million Baht and use in financing activities 127.95 million Baht.



2. Capital Structure

	Consolidated financial statements			Separate financial statements		
	Year 2014	Year 2013	Year 2012	Year 2014	Year 2013	Year 2012
Debt to equity ratio (times)	0.28	0.21	0.29	0.25	0.17	0.24

The above ratios show that the Company still had a strong capital structure although it is slightly decreased from previous year.

3. Liquidity Ratio

	Consolidated financial statements			Separate financial statements		
	Year 2014	Year 2013	Year 2012	Year 2014	Year 2013	Year 2012
Current ratio (times)	2.82	3.49	2.54	2.84	3.56	2.62
Quick ratio (times)	0.85	1.16	0.61	0.74	1.07	0.44
Cash ratio (times)	0.10	0.18	0.04	0.07	0.18	0.03
Cash flow increase(decrease) from operation (million Baht)	(11.83)	38.97	(43.37)	16.17	29.90	(37.75)

The above details show that in the year 2014, liquidity of the Company and its Subsidiary was lower than the previous year (2013), due to the increasing in reserved of finished goods inventory.

4. Profitability ratio

	Consolidated financial statements			Separate financial statements		
	Year 2014	Year 2013	Year 2012	Year 2014	Year 2013	Year 2012
Operational profit margin (%)	13.98	11.58	5.85	11.05	4.73	(5.6)
Net profit margin (%)	11.1	9.46	10.65	16.51	11.32	11.79
Return on assets (%)	12.11	9.77	10.45	13.87	8.42	8.5
Return on equity (%)	12.02	9.39	9.75	14.76	8.95	8.63

The above ratios presented that the year 2014, the Company and its Subsidiary had ability to make profit better than the year 2013 due to Cost Reduction Strategy Policy within organization.

Major factors that may affect the operating results or financial position in the future. (Forward Looking)

Labor

At present, domestic labor tends to decrease so the Company is trying to solve such problem by investing more automated machines for supporting the labor shortage in the future.

Exchange Rate

As, major customers of the Company are in the United States and European countries, Thai Baht fluctuation may significant affect net profit (loss) due to foreign exchange rate, however the Company had determined to prevent this problem by doing Forward Foreign Exchange rates contracts with the bank.

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

The Board of Directors is responsible for the financial statements of the Thai Optical Group Public Company Limited and the Subsidiary Company. The financial statements are prepared in accordance with general 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.

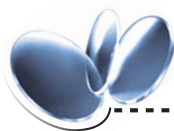
According to the practices and supervision mentioned above, the Board of Directors believes that the internal control system of the Company can create the reliability of the financial statements of Thai Optical Group Public Company Limited as at December 31, 2014 due to the accurate disclosure of financial status, operating performance and Statement of Cash Flow, which are prepared in accordance with general accepted accounting standard.



(Mr. Sawang Prachartam)
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 the year 2014, the Audit Committee had arranged total of four meetings and one 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.

In the year 2014, the Company had prepared Risk Management Plan which covered main business activity of the Company together with systemically follow-up. Moreover, the Company had intention to join the Collective Action Coalition Project which organized by Thailand private sector in anti-corruption issue and EY Office Limited is reviewed and commented on the procedure practice. The Audit committee had opinion that the Company's internal control in various aspects is being developed continuously.

For the year 2015, the Audit Committee proposed to the Board of Directors to appoint Miss Sarinda Hirunprasertwut, Certified Public Accountant (Thailand) No.4799, or Miss Kamontip Lertwitworatop, , Certified Public Accountant (Thailand) No.4377, or Mr. Wichart Lokatekrawee, Certified Public Accountant (Thailand) No.4451 of EY Office Limited as the auditor of the Company and the Subsidiary Company for another year, including with fix audit fee limited to 1,700,000 Baht which was the same rate as the year 2014 and to be proposed further to the Annual General Meeting of Shareholders for approval.

(Mr. Singh Tangtatswas)

Chairman of the Audit Committee

February 17, 2015

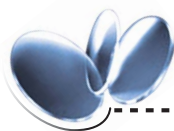
Audit Fee

1. Audit fee

In the audit year of 2014, the Company and the Subsidiary company had paid audit fee in total amounting to 1,700,000 Baht. (One Million Seven Hundred Thousand Baht Only). The amount was separated by 1,175,000 Baht of the Company and 525,000 Baht of the Subsidiary company.

2. Non-Audit fee

In the year 2014, the Company had granted EY Office Limited to assess the adequacy in regard to self-evaluation form on Anti-Corruption measures for ratification by Thai Institute of Directors (IOD) amounting to 170,000 Baht (One Hundred And Seventy Thousand Baht Only).



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 2014, 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 judgement, 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 2014, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 12 February 2015

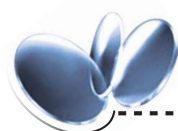
Statement of financial position

Thai Optical Group Public Company Limited and its subsidiary
As at 31 December 2014

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Current assets					
Cash and cash equivalents	7	43,002,859	54,836,754	20,851,603	37,023,304
Short-term investment - trading securities	8	862,527	10,923,927	862,527	10,923,927
Trade and other receivables	9	329,705,978	290,978,663	209,918,676	168,162,544
Short-term loans to related parties	10	8,888,833	12,888,367	8,888,833	12,888,367
Inventories	11	829,545,255	684,575,608	616,385,586	480,728,216
Other current assets		31,164,957	15,120,407	28,033,010	11,575,017
Total current assets		1,243,170,409	1,069,323,726	884,940,235	721,301,375
Non-current assets					
Investment in subsidiary	12	-	-	130,000,000	130,000,000
Investments in associates	13	22,290,774	19,161,278	46,291,618	42,208,730
Property, plant and equipment	14	888,959,718	871,091,640	583,216,632	584,718,367
Intangible assets	15	23,034,056	40,738,125	19,867,353	36,650,320
Deferred income tax	26	27,637,614	21,884,348	18,071,727	12,405,543
Other non-current assets		61,900	81,800	52,900	72,800
Total non-current assets		961,984,062	952,957,191	797,500,230	806,055,760
Total assets		2,205,154,471	2,022,280,917	1,682,440,465	1,527,357,135

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

As at 31 December 2014

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from banks	16	90,000,000	57,588,618	55,000,000	56,085,298
Trade and other payables	17	314,625,956	205,962,919	241,134,990	139,839,938
Current portion of long-term loan from bank	18	-	17,356,933	-	-
Current portion of finance lease payable	21	-	667,367	-	401,992
Provision for short-term employee benefits	19	9,951,118	1,974,053	2,310,000	-
Income tax payable		25,486,692	23,123,717	12,825,351	6,048,532
Total current liabilities		440,063,766	306,673,607	311,270,341	202,375,760
Non-current liabilities					
Provision for long-term employee benefits	19	46,890,694	50,976,203	24,116,675	23,678,705
Total non-current liabilities		46,890,694	50,976,203	24,116,675	23,678,705
Total liabilities		486,954,460	357,649,810	335,387,016	226,054,465
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
Issued and fully paid up					
474,318,000 ordinary shares of Baht 1 each					
(31 December 2013: 473,283,700 ordinary shares of Baht 1 each)		474,318,000	473,283,700	474,318,000	473,283,700
Ordinary share premium		481,749,828	480,715,528	481,749,828	480,715,528
Retained earnings					
Appropriated - statutory reserve	23	60,500,000	60,500,000	47,500,000	47,500,000
Unappropriated		533,840,112	482,339,808	343,485,621	299,803,442
Other components of shareholders' equity	12	167,792,071	167,792,071	-	-
Total shareholders' equity		1,718,200,011	1,664,631,107	1,347,053,449	1,301,302,670
Total liabilities and shareholders' equity		2,205,154,471	2,022,280,917	1,682,440,465	1,527,357,135

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 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Profit or loss:					
Revenues					
Sales	10	1,757,403,190	1,556,967,987	1,182,635,865	1,023,766,369
Service income	10	73,557,616	72,720,230	950,014	1,580,153
Freight income		17,952,221	17,866,837	6,325,089	5,334,384
Other income		13,533,628	22,686,139	28,201,502	30,882,549
Dividend income	10, 12	-	-	91,910,000	75,400,000
Gain on exchange		7,248,366	20,613,625	4,777,452	12,414,740
Total revenues		1,869,695,021	1,690,854,818	1,314,799,922	1,149,378,195
Expenses	25				
Cost of sales	10	1,349,419,371	1,252,741,388	933,695,458	879,562,220
Cost of service	10	38,065,738	34,548,011	709,871	915,329
Selling expenses		24,907,423	24,874,054	13,498,064	12,431,786
Administrative expenses		200,445,085	172,837,555	144,258,050	125,005,147
Total expenses		1,612,837,617	1,485,001,008	1,092,161,443	1,017,914,482
Profit before share of loss from investment in associates, finance cost and income tax expenses		256,857,404	205,853,810	222,638,479	131,463,713
Share of loss from investment in associates	13	(953,391)	(5,326,197)	-	-
Profit before finance cost and income tax expenses		255,904,013	200,527,613	222,638,479	131,463,713
Finance cost		(3,108,975)	(7,275,325)	(2,510,139)	(5,842,531)
Profit before income tax expenses		252,795,038	193,252,288	220,128,340	125,621,182
Income tax expenses	26	(49,513,406)	(39,044,600)	(24,664,833)	(9,512,941)
Profit for the year		203,281,632	154,207,688	195,463,507	116,108,241
Other comprehensive income:					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		203,281,632	154,207,688	195,463,507	116,108,241

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 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Earnings per share (Baht)	28				
Basic earnings per share					
Profit		0.43	0.33	0.41	0.25
Weighted average number of ordinary shares (shares)		474,224,488	472,885,612	474,224,488	472,885,612
Diluted earnings per share					
Profit		0.43	0.33	0.41	0.25
Weighted average number of ordinary shares (shares)		474,328,022	473,884,228	474,328,022	473,884,228

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 2014

(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	Surplus from business combination under common control	
Balance as at 1 January 2013	472,283,100	479,714,928	58,630,235	438,761,943	167,792,071	1,617,182,277
Profit for the year	-	-	-	154,207,688	-	154,207,688
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	154,207,688	-	154,207,688
Additional ordinary shares issued						
from warrants exercised	20	1,000,600	1,000,600	-	-	2,001,200
Dividend paid	22	-	-	(108,760,058)	-	(108,760,058)
Unappropriated retained earnings transferred to statutory reserve	23	-	-	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
Balance as at 1 January 2014	473,283,700	480,715,528	60,500,000	482,339,808	167,792,071	1,664,631,107
Profit for the year	-	-	-	203,281,632	-	203,281,632
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	203,281,632	-	203,281,632
Additional ordinary shares issued						
from warrants exercised	20	1,034,300	1,034,300	-	-	2,068,600
Dividend paid	22	-	-	(151,781,328)	-	(151,781,328)
Balance as at 31 December 2014	474,318,000	481,749,828	60,500,000	533,840,112	167,792,071	1,718,200,011

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 2014

(Unit : Baht)

Separate financial statements						
	Note	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2013		472,283,100	479,714,928	45,630,235	294,325,024	1,291,953,287
Profit for the year		-	-	-	116,108,241	116,108,241
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	116,108,241	116,108,241
Additional ordinary shares issued						
from warrants exercised	20	1,000,600	1,000,600	-	-	2,001,200
Dividend paid	22	-	-	-	(108,760,058)	(108,760,058)
Unappropriated retained earnings transferred to statutory reserve	23	-	-	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	
Balance as at 1 January 2014	473,283,700	480,715,528	47,500,000	299,803,442	1,301,302,670	
Profit for the year	-	-	-	195,463,507	195,463,507	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	195,463,507	195,463,507	
Additional ordinary shares issued						
from warrants exercised	20	1,034,300	1,034,300	-	-	2,068,600
Dividend paid	22	-	-	-	(151,781,328)	(151,781,328)
Balance as at 31 December 2014		474,318,000	481,749,828	47,500,000	343,485,621	1,347,053,449

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

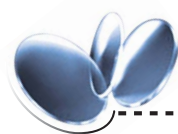
Statement of cash flow

Thai Optical Group Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Cash flows from operating activities				
Profit before tax	252,795,038	193,252,288	220,128,340	125,621,182
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of loss from investment in associates	953,391	5,326,197	-	-
Unrealised gain on short - term investment	(15,875)	(96,524)	(15,875)	(96,524)
Unrealised loss (gain) on exchange	1,799,120	(5,082,348)	1,528,993	(4,747,779)
Gain from sales of property, plant and equipments	(944,760)	(390,854)	(953,523)	(113,835)
Dividend income	-	-	(91,910,000)	(75,400,000)
Depreciation and amortisation	157,083,150	159,124,865	101,055,785	101,896,766
Doubtful accounts (reversal)	1,420,154	1,894,677	-	(65,603)
Reduce cost to net realisable value of inventory	14,238,313	1,042,196	16,332,229	429,432
Provision for long-term employee benefits	7,539,654	5,373,826	2,863,770	2,591,122
Interest income	(628,933)	(496,449)	(581,010)	(444,168)
Interest expenses	2,346,865	6,317,168	1,479,513	3,945,965
Profit from operating activities before changes in operating assets and liabilities	436,586,117	366,265,042	249,928,222	153,616,558

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 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Short-term investment	10,077,275	(10,000,000)	10,077,275	(10,000,000)
Trade and other receivables	(43,558,472)	16,136,645	(44,050,679)	17,911,316
Inventories	(159,207,960)	19,375,145	(151,989,599)	32,390,132
Other current assets	(16,044,550)	13,903,476	(16,457,993)	14,175,754
Other non-current assets	19,900	-	19,900	-
Operating liabilities increase				
Trade and other payables	114,293,010	27,823,681	106,215,862	13,878,559
Cash flows from operating activities	342,165,320	433,503,989	153,742,988	221,972,319
Cash paid for long-term employee benefits	(3,648,099)	(2,466,321)	(115,800)	(108,600)
Cash paid for income tax	(52,903,698)	(31,999,287)	(23,554,197)	(529,730)
Net cash from operating activities	285,613,523	399,038,381	130,072,991	221,333,989
Cash flows from investing activities				
Cash paid for investment in associate 13	-	(11,188,730)	-	(11,188,730)
Short-term loans to related party	-	(3,915,000)	-	(3,915,000)
Dividend received from subsidiary	-	-	91,910,000	75,400,000
Purchase of property, plant and equipments	(158,243,954)	(73,957,718)	(84,742,430)	(29,947,085)
Purchase of intangible assets	(5,696,060)	(6,854,422)	(4,859,188)	(5,584,261)
Interest income	213,577	175,113	165,654	122,832
Cash received from sales of property, plant and equipments	3,912,500	1,257,411	3,912,500	175,000
Net cash from (used in) investing activities	(159,813,937)	(94,483,346)	6,386,536	25,062,756

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

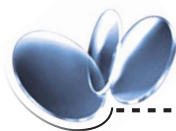
Statement of cash flow (continued)

Thai Optical Group Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from banks	47,496,680	(121,299,957)	14,000,000	(113,000,000)
Increase (decrease) in trust receipt	(15,036,995)	7,783,438	(15,036,995)	7,783,438
Cash received of long-term loan from bank	-	25,000,000	-	-
Repayment of long-term loan from bank	(17,356,933)	(63,000,000)	-	-
Repayment of finance lease payable	(667,367)	(945,218)	(401,992)	(569,358)
Cash received from additional ordinary share from warrants exercised	2,068,600	2,001,200	2,068,600	2,001,200
Cash paid for interest expenses	(2,356,138)	(6,359,468)	(1,479,513)	(3,956,025)
Cash paid for dividend	(151,781,328)	(108,760,058)	(151,781,328)	(108,760,058)
Net cash used in financing activities	(137,633,481)	(265,580,063)	(152,631,228)	(216,500,803)
Net increase (decrease) in cash and cash equivalents	(11,833,895)	38,974,972	(16,171,701)	29,895,942
Cash and cash equivalents at beginning of the year	54,836,754	15,861,782	37,023,304	7,127,362
Cash and cash equivalents at end of the year	43,002,859	54,836,754	20,851,603	37,023,304

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 2014

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	
		2014 Percent	2013 Percent
Thai Optical Company Limited	Manufacturing and selling of mineral optical lens, plastic optical lens and glass moulds	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 financial reporting standards

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

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

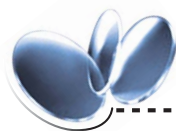
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs



Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the change were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiary already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiary have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiary, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

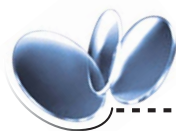
Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

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.



4.2 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.

4.3 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.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

The net realisable 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.

4.5 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 associates are accounted for in the separate financial statements using the cost method.

4.6 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, 7	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 derecognised.

4.7 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 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

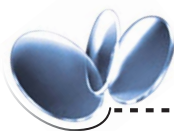
4.8 Related party transactions

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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

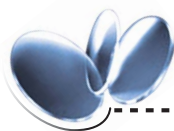
At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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.

4.14 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.



4.15 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.

5. 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 judgement 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 judgement 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 judgements 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.

6. Additional cash flows information

Non-cash related transactions for investing activity for the years ended 31 December 2014 and 2013 are as follows:

(Unit : Thousand Baht)

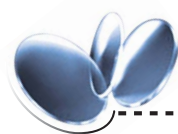
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Purchase of property, plant and equipment and intangible assets	8,535	12,929	7,997	12,270
Less: Other payable from purchases of property, plant and equipment and intangible assets	(8,535)	(12,261)	(7,997)	(11,868)
Finance lease payable	-	(668)	-	(402)
	-	-	-	-
Transfer short-term loan to related party to investment in associate	3,915	-	3,915	-

7. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	180	180	85	85
Bank deposits	42,823	54,657	20,767	36,938
Total	43,003	54,837	20,852	37,023

As at 31 December 2014, bank deposits in saving accounts carried interests between 0.4 and 0.5 percent per annum (2013: 0.5 and 0.625 percent per annum).



8. Short-term investments - trading security

As at 31 December 2014 and 2013, short-term investments - trading security were as follows:

	Consolidated and separate financial statements					
	2014			2013		
	Number of units (Thousand unit)	Cost (Thousand Baht)	Fair value (Thousand Baht)	Number of units (Thousand unit)	Cost (Thousand Baht)	Fair value (Thousand Baht)
Short-term investments:						
Trading securities						
TMB Treasury Money Fund	66	781	863	66	781	847
UOB Sure Daily	-	-	-	843	10,000	10,077
Total short-term investments - trading securities	66	781	863	909	10,781	10,924

9. Trade and other receivables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable - related parties				
Aged on the basis of due dates				
Not yet due	119,046	121,954	75,506	76,150
Overdue not over 30 days	64,101	49,170	13,143	3,784
Overdue 31 - 90 days	217	1,209	-	-
Overdue 91 - 180 days	227	106	-	-
Total trade accounts receivable - related parties (Note 10)	183,591	172,439	88,649	79,934
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	109,654	76,953	98,024	63,731
Overdue not over 30 days	26,775	31,275	19,509	23,734
Overdue 31 - 90 days	8,765	7,682	3,680	733
Overdue 91 - 180 days	697	1,397	5	-
Overdue 181 - 365 days	441	1,908	-	-
Overdue more than 365 days	9,741	7,863	3,169	3,169
Total trade accounts receivable - unrelated parties	156,073	127,078	124,387	91,367
Less: Allowance for doubtful debts	(9,958)	(8,538)	(3,169)	(3,169)
Net	146,115	118,540	121,218	88,198
Total trade accounts receivable - net	329,706	290,979	209,867	168,132
Other receivables				
Other receivables - related party	-	-	52	30
Total other receivables	-	-	52	30
Total trade and other receivables - net	329,706	290,979	209,919	168,162

10. 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. Guarantee fee income and expenses are charged at rate of 1.5 percent per annum.
5. Purchases/sales prices of fixed assets are determined at agreed rate.

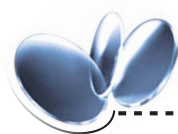
Policy on pricing for foreign companies which are the associate and related companies.

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 summarised below.

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Transactions with subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	78,883	86,547
Service income	-	-	944	1,112
Other sales	-	-	3,297	1,580
Document service income	-	-	14,880	14,880
Other service income	-	-	46	-
Cost of sales	-	-	79,050	81,959
Purchase of goods and raw materials	-	-	146,609	101,549
Service expense	-	-	25,714	14,492
Guarantee fee income	-	-	477	772
Guarantee fee expenses	-	-	859	1,752
Purchase of parts	-	-	11	18
Dividend income	-	-	91,910	75,400
Other purchases	-	-	205	43



(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Transactions with associates</u>				
Sales of goods	7,117	6,648	637	3,318
Other services income	388	503	12	61
Sales of assets	-	108	-	-
Interest income	505	287	505	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	63,904	65,880	5,201	6,147
Service income	10	16	-	-
Other sales	311	252	95	51
Other service income	21	-	21	-
Sales of assets	3,900	900	3,900	-
Purchase of goods and raw materials	425	486	233	260
Others purchases	1,508	1,989	14	20
Service expenses	231	117	-	-
Purchase of assets	1,169	2,849	473	6
<u>Transactions with foreign related companies</u>				
Sales of goods	995,427	911,982	482,176	450,973
Other sales	5,984	2,122	3,225	605

The outstanding balances of the above transactions have been separately shown in the statements of financial position with the details as at 31 December 2014 and 2013 as follows:

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties</u>				
Subsidiary company	-	-	4,317	8,159
Associate companies	2,843	3,197	-	598
Related companies	180,748	169,242	84,332	71,177
Total trade accounts receivable - related parties (Note 9)	183,591	172,439	88,649	79,934
<u>Other receivables-related party</u>				
Subsidiary company	-	-	52	30
Total other receivables - related party	-	-	52	30

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Short-term loan to related parties</u>				
Associate companies	8,889	12,888	8,889	12,888
Total short-term loan to related parties	8,889	12,888	8,889	12,888
<u>Trade accounts payable - related parties</u>				
Subsidiary company	-	-	10,007	8,595
Related companies	185	127	-	-
Total trade accounts payable - related parties (Note 17)	185	127	10,007	8,595
<u>Other payables - related parties</u>				
Subsidiary company	-	-	83	77
Related company	189	198	-	-
Total other payables - related parties	189	198	83	77

As at 31 December 2014 and 2013, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit : Thousand Baht)

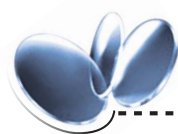
	Separate financial statements				
	Balance as at 31 December 2013	During the year			Balance as at 31 December 2014
		Increase	Decrease	Loss on exchange rate	
<u>Short-term loans to associated companies</u>					
MVision Optical Pte.Ltd.	8,781	293	-	(344)	8,730
Vietnam Visibility Target Co., Ltd.	4,107	212	(4,004)	(156)	159
Total	12,888	505	(4,004)	(500)	8,889

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	37,870	32,316	34,358	29,551
Post-employment benefits	1,154	1,058	738	668
Total	39,024	33,374	35,096	30,219



Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 31 to the financial statements.

11. Inventories

(Unit : Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	336,951	216,145	(12,405)	(9,770)	324,546	206,375
Work in process	15,226	13,279	-	-	15,226	13,279
Raw materials	146,517	122,562	(3,474)	(251)	143,043	122,311
Spare parts and factory supplies	26,699	25,786	(437)	-	26,262	25,786
Supplies - Glass mould	277,621	283,337	(12,550)	(4,606)	265,071	278,731
Goods in transit	55,397	38,094	-	-	55,397	38,094
Total	858,411	699,203	(28,866)	(14,627)	829,545	684,576

(Unit : Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	246,229	132,871	(3,971)	(1,909)	242,258	130,962
Work in process	3,141	4,018	-	-	3,141	4,018
Raw materials	93,421	77,717	(3,129)	-	90,292	77,717
Spare parts and factory supplies	10,131	10,359	(437)	-	9,694	10,359
Supplies - Glass mould	229,644	225,338	(10,704)	-	218,940	225,338
Goods in transit	52,061	32,334	-	-	52,061	32,334
Total	634,627	482,637	(18,241)	(1,909)	616,386	480,728

During the current year, the Company and its subsidiary reduced cost of inventories by Baht 14.24 million (2013: Baht 1.04 million) and the Company only Baht 16.33 million (2013: Baht 0.43 million), to reflect the net realisable value. This was included in cost of sales.

12. 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 2014 and 2013, 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	
	2014	2013	2014 (%)	2013 (%)	2014	2013	2014	2013
Thai Optical Company Limited	130,000	130,000	100	100	130,000	130,000	91,910	75,400
Total					130,000	130,000	91,910	75,400

13. Investments in associates

13.1 Details of investments in associates

Company's name	Nature of business	Relationship					Consolidated financial statement		Separate financial statement	
			Paid-up Capital		Shareholding percentage		Carrying amounts based on equity method		Cost	
			2014	2013	2014 (%)	2013 (%)	2014 Thousand Baht	2013 Thousand Baht	2014 Thousand Baht	2013 Thousand Baht
MVision Optical Pte.Ltd. (Incorporated in Singapore)	Manufacturing of Rx lenses	Direct holding and common directors	SGD 4 million	SGD 4 million	33	33	7,100	8,982	31,020	31,020
Vietnam Visibility Target Company Limited (Incorporated in Vietnam)	Manufacturing of Rx lens	Direct holding and common directors	USD 1.45 million	USD 1.2 million	33	29	15,191	10,180	15,272	11,189
Total							22,291	19,162	46,292	42,209

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.

On 15 December 2014, the Company purchased additional share capital of Vietnam Visibility Target Company Limited amounting to USD 0.13 million, or equivalent to Baht 4 million. As a result, the Company's shareholding in that company is increased to 33 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 gain (loss) from investments	
	in associated companies for the year	
	2014	2013
MVision Optical Pte. Ltd.	(1,882)	(4,317)
Vietnam Visibility Target Company Limited	928	(1,009)
Total	(954)	(5,326)

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.

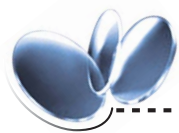
13.2 Summarised financial information of associated companies

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	
	2014	2013	2014	2013	2014	2013
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
MVision Optical Pte. Ltd.	SGD 4 million	SGD 4 million	88	80	63	51
Vietnam Visibility Target Company Limited	USD 1.45 million	USD 1.2 million	79	60	35	30

(Unit : Million Baht)

Company's name	Consolidated financial statements			
	Total revenues for the year		Net profit (loss) for the year	
	2014	2013	2014	2013
MVision Optical Pte. Ltd.	125	99	(6)	(13)
Vietnam Visibility Target Company Limited	65	23	3	(4)



14. Property, plant and equipment

(Unit : Thousand Baht)

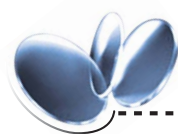
Consolidated financial statements							
	Land	Building and land improvement	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Asset in progress	Total
Cost amount:							
1 January 2013	138,121	493,224	1,430,659	99,990	38,830	37,120	2,237,944
Additions	-	-	4,424	2,048	78	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
Additions	1,800	-	2,854	5,042	124	144,697	154,517
Transferred in/(out)	15,422	11,288	115,741	8,842	464	(151,757)	-
Disposals	(2,922)	-	(5,168)	(1,136)	-	-	(9,226)
31 December 2014	152,421	532,748	1,474,437	105,143	39,078	28,757	2,332,584
Accumulated depreciation:							
1 January 2013	-	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
Depreciation for the year	-	31,110	93,237	7,412	1,923	-	133,682
Depreciation on disposals	-	-	(5,152)	(1,107)	-	-	(6,259)
31 December 2014	-	267,476	1,058,080	85,686	32,382	-	1,443,624
Net book value:							
31 December 2013	138,121	285,094	391,015	13,014	8,031	35,817	871,092
31 December 2014	152,421	265,272	416,357	19,457	6,696	28,757	888,960
Depreciation for the year							
2013 (Baht 128 million included in manufacturing cost, and the balance in administrative expenses)							135,403
2014 (Baht 127 million included in manufacturing cost, and the balance in administrative expenses)							133,682

(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 2013	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
Additions	1,800	-	1,379	3,708	124	73,859	80,870
Transferred in/(out)	-	5,458	75,039	2,638	-	(83,135)	-
Disposals	(2,922)	-	(4,954)	(694)	-	-	(8,570)
31 December 2014	84,022	427,998	787,787	56,404	27,279	16,190	1,399,680
Accumulated depreciation:							
1 January 2013	-	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
Depreciation for the year	-	26,889	47,526	3,901	1,098	-	79,414
Depreciation on disposals	-	-	(4,942)	(670)	-	-	(5,612)
31 December 2014	-	190,998	553,916	47,791	23,758	-	816,463
Net book value:							
31 December 2013	85,144	258,431	204,991	6,192	4,495	25,466	584,719
31 December 2014	84,022	237,000	233,871	8,613	3,521	16,190	583,217
Depreciation for the year							
2013 (Baht 76 million included in manufacturing cost, and the balance in administrative expenses)							80,072
2014 (Baht 75 million included in manufacturing cost, and the balance in administrative expenses)							79,414

As at 31 December 2014, the Company and its subsidiary have no office equipment under finance lease agreement (2013: Baht 0.6 million, the Company only: Baht 0.4 million).

As at 31 December 2014, 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 935.44 million (2013: Baht 775.58 million) and the Company only amounted to Baht 559.60 million (2013: Baht 453.66 million).



15. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

(Unit : Thousand Baht)

	Consolidated financial statements			
	Computer software	Deferred product development	License	Total
As at 31 December 2014				
Cost	47,251	31,352	76,392	154,995
Less Accumulated amortisation	(33,727)	(21,842)	(76,392)	(131,961)
Net book value	13,524	9,510	-	23,034
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

(Unit : Thousand Baht)

	Separate financial statements			
	Computer software	Deferred product development	License	Total
As at 31 December 2014				
Cost	31,683	31,352	74,911	137,946
Less Accumulated amortisation	(21,326)	(21,842)	(74,911)	(118,079)
Net book value	10,357	9,510	-	19,867
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

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	40,738	57,605	36,650	52,891
Acquisition of computer software	5,548	2,519	4,859	1,249
Increase of deferred product development	-	4,327	-	4,327
Amortisation	(23,252)	(23,713)	(21,642)	(21,817)
Net book value at end of year	23,034	40,738	19,867	36,650

16. Bank overdrafts and short-term loans from banks

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Bank overdrafts	-	1,504	-	-
Trust receipt	-	15,085	-	15,085
Short-term loans from banks	90,000	41,000	55,000	41,000
Total	90,000	57,589	55,000	56,085

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.

17. Trade and other payables

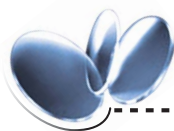
(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade accounts payable - related parties (Note 10)	185	127	10,007	8,595
Trade accounts payable - unrelated parties	224,262	127,836	172,810	78,528
Amounts due to and short-term loan from related parties	189	198	83	77
Accrued expenses	70,731	54,250	41,304	31,577
Other payables	18,209	21,522	16,928	20,442
Others	1,050	2,030	3	621
Total trade and other payables	314,626	205,963	241,135	139,840

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

During the year 2011, the subsidiary company obtained loan facilities amounting to Baht 320 million from a local commercial bank. The loan carries interest at rate determined under the agreement and is scheduled for repayment in 64 monthly installments. The first monthly installment was paid in September 2011. The loan is guaranteed by the Company. During the year, the subsidiary company has already fully paid of such long-term loan.

Movements in the long-term loan account during the year ended 31 December 2014 and 2013 are summarised below.



(Unit : Thousand Baht)

Consolidated financial statements		
	2014	2013
Balance at beginning of the year	17,357	55,357
Add : Cash receipt from long-term loan	-	25,000
Less : Repayment during the the year	(17,357)	(63,000)
Balance at end of year	-	17,357

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

As at 31 December 2014, the outstanding balance of long-term credit facilities of its subsidiary, which has yet withdrawn, is totaling Baht 167.14 million (2013: Baht 167.14 million).

19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2014 and 2013, which represents compensation payable to employees after they retire from the company, was as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance at beginning of the year	52,950	50,043	23,678	21,196
Current service cost	5,584	3,565	2,011	1,828
Interest cost	1,956	1,809	853	763
Benefits paid during the year	(3,648)	(2,467)	(116)	(109)
Balance at end of the year	56,842	52,950	26,426	23,678
Provision for employee benefits				
Current	9,951	1,974	2,310	-
Non-current	46,891	50,976	24,116	23,678
	56,842	52,950	26,426	23,678

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	5,584	3,565	2,011	1,828
Interest cost	1,956	1,809	853	763
Total expenses recognised in profit or loss	7,540	5,374	2,864	2,591
Line items in profit or loss under which such expenses are included				
Cost of sales	4,048	3,793	1,728	1,563
Selling and administrative expenses	3,492	1,581	1,136	1,028
	7,540	5,374	2,864	2,591

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.6%	3.6%	3.6%	3.6%
Future salary increase rate (depending on position)	5%	5%	5%	5%
Employee turnover rate	26.4%	26.4%	26.4%	26.4%

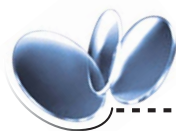
The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

(Unit : Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	56,842	26,426	-	-
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	-	-

20. 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. The final exercise of such warrants are allowed on 1 February 2014.



Movement of share warrant during the year are summarised below.

	Number of units (units)	
	2014	2013
Warrants issued at beginning of the year	1,716,300	2,716,900
Less: Exercised during the year	(1,034,300)	(1,000,600)
Warrants expired during the year	(682,000)	-
Warrants issued at end of the year	-	1,716,300

21. Finance leases payable

(Unit : Thousand Baht)

	As at 31 December 2014					
	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

As at 31 December 2014, the Company and its subsidiary have no outstanding of future minimum lease payments required under the finance lease agreement.

22. Dividend paid

Dividends declared in 2014 and 2013 consist of the following:

		Total dividends	Dividend per share	Paid on
Approved by		(Million Baht)	(Baht)	
<u>The Company</u>				
<u>2014</u>				
Final dividend on 2013 earnings	Annual Ordinary Meeting of the shareholders on 2 April 2014	94.86	0.20	28 April 2014
Interim dividend of earnings for the period as from 1 January 2014 to 30 June 2014	The Meeting of the Board of Directors of the Company on 13 August 2014	56.92	0.12	12 September 2014
Total for 2014		151.78	0.32	
<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	

23. Statutory reserve

ursuant 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. Presently, the Company and its subsidiary has fully set aside a statutory reserve (2013: Baht 1.9 million, the Company only: Baht 1.9 million). The statutory reserve could not be used for dividend payment.

24. Provident fund

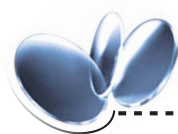
The Company and its subsidiary and its employees jointly established a provident fund in accordance with the Provident Fund Act (B.E. 2530). The fund is contributed to by both employees and the Company and its subsidiary at the rate of 3-5 percent of their basic salaries. The fund is managed by CIMB Thai Bank 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 (2013: Baht 8.6 million), the Company only approximately Baht 4.8 million (2013: Baht 4.7 million).

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	401,420	349,161	229,329	193,876
Depreciation	133,682	134,970	79,414	80,072
Amortisation expenses	23,400	23,721	21,642	21,825
Utility expenses	116,594	105,381	71,861	65,531
Raw materials and consumables used	599,050	512,491	444,632	388,467
Changes in inventories of finished goods and work in progress	(122,368)	(24,968)	(112,481)	(24,732)
Reduce cost of inventory value	14,239	1,042	16,332	429



26. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge for the year	55,267	36,704	30,331	6,579
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,754)	2,341	(5,666)	2,934
Income tax expense reported in the statement				
of comprehensive income	49,513	39,045	24,665	9,513

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
Accounting profit before tax	252,795	193,252	220,128	125,621
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	50,559	38,650	44,026	25,124
Effects of:				
Add back expenses not deductible for tax purposes	329	1,195	13	12
Additional expense deductions allowed	(1,375)	(800)	(992)	(543)
Income not subject to tax	-	-	(18,382)	(15,080)
Total	(1,046)	395	(19,361)	(15,611)
Income tax expenses reported in the statement				
of comprehensive income	49,513	39,045	24,665	9,513

The components of deferred tax assets are as follows:

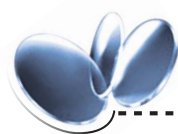
(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax assets				
Allowance for doubtful accounts	1,992	1,708	634	634
Allowance for diminution in value of inventories	5,773	2,925	3,648	382
Accumulated amortisation - Computer software	8,505	6,644	8,505	6,644
Provision for long-term employee benefits	11,368	10,590	5,285	4,736
Finance leases payable	-	17	-	10
Total	27,638	21,884	18,072	12,406

27. Promotion privileges

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

- 27.1 Under Promotion Certificate No. 4392/2547 (11-1162/สฉ/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.
- 27.2 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.
- 27.3 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.
- 27.4 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:



27.4.1 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.

27.4.2 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 2016 was granted.

27.4.3 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 2016 was granted.

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

28. 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	
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand shares)	2013 (Thousand shares)	2014 (Baht)	2013 (Baht)
<u>Consolidated financial statements:</u>						
Basic earnings per share						
Profit	203,282	154,208	474,224	472,885	0.43	0.33
Effect of dilutive potential ordinary shares						
Warrants - ESOP: - units (2013: 1,716,300 units)	-	-	104	999		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	203,282	154,208	474,328	473,884	0.43	0.33

	For the years ended 31 December					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand shares)	2013 (Thousand shares)	2014 (Baht)	2013 (Baht)
<u>Separate financial statements:</u>						
Basic earnings per share						
Profit	195,464	116,108	474,224	472,885	0.41	0.25
Effect of dilutive potential ordinary shares						
Warrants - ESOP: - units (2013: 1,716,300 units)	-	-	104	999		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	195,464	116,108	474,328	473,884	0.41	0.25

29. 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:

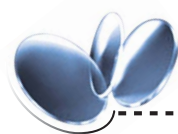
1. Plastic and glass lens, which produces and sells of optical lenses.
2. Other products and services i.e. sale of glass mold, trading goods purchased for resale, glasses assembly services and surface treatments of hard coatings and anti-reflection coating service for organic lenses.

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 10 to the financial statements.

Inter-segment revenues are eliminated on consolidation.



Annual Report 2014

The following table presents revenue and profit and total assets information regarding the Company and its subsidiary's operating segments for the year ended 31 December 2014 and 2013:

(Unit : Million Baht)

	Consolidated financial statements											
	For the year ended 31 December											
	Concentrated, Plastic and glasses lens		Service income		Others		Total segments		Eliminated transactions		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales and service income												
Inter-segment	176	161	27	16	53	28	256	205	(256)	(205)	-	-
External customers												
- Local	72	71	1	2	4	4	77	77	-	-	77	77
- Export	1,678	1,477	71	71	4	5	1,753	1,553	-	-	1,753	1,553
	1,926	1,709	99	89	61	37	2,086	1,835	(256)	(205)	1,830	1,630
Gross profit margin	404	321	33	28	6	(7)	443	342	-	-	443	342
Other income							55	79	(16)	(17)	39	62
Dividend income							92	75	(92)	(75)	-	-
Selling expenses							(25)	(25)	-	-	(25)	(25)
Administrative expenses							(216)	(188)	15	15	(201)	(173)
Share of loss of associated companies							-	-	(1)	(6)	(1)	(6)
Financial expenses							(4)	(10)	1	3	(3)	(7)
Income tax expenses							(49)	(39)	-	-	(49)	(39)
Profit for the year							296	234	(93)	(80)	203	154
Segment total assets							2,381	2,200	(176)	(178)	2,205	2,022
Investment in associates accounted for by the equity method							-	-	22	19	22	19
Additions (reductions) to non-current assets other than deferred tax assets							4	(59)	(1)	(6)	3	(65)

Geographic information

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

(Unit : Thousand Baht)

	2014	2013
Revenue from external customers		
Local		
Thailand	77,492	76,827
Export		
Europe	1,418,907	1,273,644
America	139,861	111,094
Others	194,701	168,123
Total	1,830,961	1,629,688

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 2014, the Company and its subsidiary had revenue from three major customers (2013: two 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.

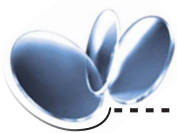
30. Commitments and contingent liabilities

As at 31 December 2014, the Company and its subsidiary had commitments and contingent liabilities other than those disclosed in other notes were as follows:

- 30.1 The Company and its subsidiary had commitments to purchase raw materials amounting to Baht 11.7 million, JPY 40.4 million, USD 3.5 million and EUR 0.1 million or equivalent to Baht 141.8 million (2013: Baht 11.4 million, JPY 8.4 million, USD 3.5 million and EUR 0.4 million or equivalent to Baht 147.2 million), the Company only amounting to Baht 4.3 million, JPY 38.9 million and USD 3.1 million or equivalent to Baht 118.2 million (2013: Baht 7.8 million, JPY 8.1 million and USD 2.6 million or equivalent to Baht 97.7 million).
- 30.2 There were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiary of approximately Baht 41.1 million (2013: Baht 34.8 million), the Company only Baht 24.3 million (2013: Baht 17.8 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	
	2014	2013	2014	2013
Payments of tax to the Customs Department	25.9	19.6	15.3	8.8
Electricity use	15.2	15.2	9.0	9.0
	41.1	34.8	24.3	17.8



- 30.3 The Company and its subsidiary had outstanding commitments with respect to service contract totaling approximately Baht 2.9 million per month (2013: Baht 2.4 million), the Company only approximately Baht 0.9 million (2013: Baht 0.6 million).
- 30.4 The Company had outstanding commitments totaling Baht 2.8 million with respect to software maintenance agreement (2013: Baht 2.7 million).
- 30.5 The subsidiary company had outstanding commitment totaling approximately Baht 0.6 million with respect to land rental agreement with its related company (2013: Baht 1.2 million).
- 30.6 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 2014 and 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Payable within:				
Less than 1 year	2.2	1.9	1.9	1.5
1 to 5 years	2.5	2.7	2.5	2.4

During the year 2014, the Company and its subsidiary recognised rental expenses of Baht 2.4 million (2013: Baht 1.9 million), the Company only Baht 2.0 million (2013: Baht 1.5 million).

31. Related parties guarantees

As at 31 December 2014, the Company has contingent liabilities in respect of the guarantees of subsidiary's credit facility amounting to Baht 39.6 million and EUR 0.1 million or equivalent to Baht 40.7 million (2013: Baht 23.2 million) provided to banks.

As at 31 December 2014, its subsidiary has contingent liabilities in respect of the guarantees of the Company's credit facility amounting to Baht 64.3 million and USD 0.1 million or equivalent to Baht 65.4 million (2013: Baht 44.8 million, JPY 32 million and USD 0.2 million or equivalent to Baht 60.6 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.

32. Financial instruments

32.1 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 2014 and 2013 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.

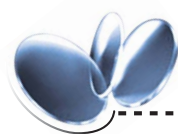
(Unit : Million Baht)



As at 31 December 2014										
	Consolidated financial statements					Separate financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years				Within 1 year	1-5 years			
<u>Financial Assets</u>										
Cash and cash equivalent	-	-	43.00	-	43.00	-	-	20.85	-	20.85
Current investments	-	-	-	0.86	0.86	-	-	-	0.86	0.86
Trade and other receivables	-	-	-	329.71	329.71	-	-	-	209.92	209.92
Short-term loan to related parties	-	-	8.89	-	8.89	-	-	8.89	-	8.89
	-	-	51.89	330.57	382.46	-	-	29.74	210.78	240.52
<u>Financial liabilities</u>										
Short-term loans from bank	90.00	-	-	-	90.00	55.00	-	-	-	55.00
Trade and other payables	-	-	-	314.63	314.63	-	-	-	241.13	241.13
	90.00	-	-	314.63	404.63	55.00	-	-	241.13	296.13

(Unit : Million Baht)

	As at 31 December 2013									
	Consolidated financial statements					Separate financial statements				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years				Within 1 year	1-5 years			
<u>Financial Assets</u>										
Cash and cash equivalent	-	-	54.84	-	54.84	-	-	37.02	-	37.02
Current investments	-	-	-	10.92	10.92	-	-	-	10.92	10.92
Trade and other receivables	-	-	-	290.98	290.98	-	-	-	168.16	168.16
Short-term loan to related parties	-	-	12.89	-	12.89	-	-	12.89	-	12.89
	-	-	67.73	301.90	369.63	-	-	49.91	179.08	228.99
<u>Financial liabilities</u>										
Short-term loans from bank	57.59	-	-	-	57.59	56.09	-	-	-	56.09
Trade and other payables	-	-	-	205.96	205.96	-	-	-	139.84	139.84
Finance lease payable	0.67	-	-	-	0.67	0.40	-	-	-	0.40
Long-term loan from bank	17.36	-	-	-	17.36	-	-	-	-	-
	75.62	-	-	205.96	281.58	56.49	-	-	139.84	196.33



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 2014				
	Consolidated		Separate financial statements		Average exchange rate as at 31 December 2014 (Baht per one foreign currency unit)
	Assets	Liabilities	Assets	Liabilities	
MYR	28,086	-	-	-	9.4045
USD	10,293,392	6,090,426	6,382,838	4,838,902	32.9187
SGD	354,999	4,367	354,999	-	24.8593
EUR	506,397	270,230	258,085	227,355	40.0017
JPY	15,107,339	17,317,950	14,592,335	15,682,500	0.2734
GBP	-	26,715	-	-	51.0745

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

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

As at 31 December 2013			
Foreign currency	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
<u>Consolidated</u>			
<u>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</u>			
<u>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

As at 31 December 2014, the Company and its subsidiary have no outstanding of foreign exchange contract.

32.2 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.

33. 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 2014, the Group's debt-to-equity ratio was 0.28:1 (2013: 0.21:1) and the Company's was 0.25:1 (2013: 0.17:1).

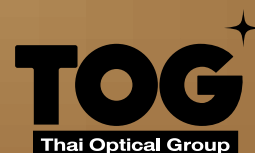
34. Approval of financial statements

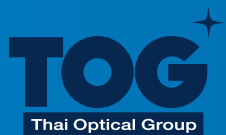
These financial statements were authorised for issue by the Company's Board of directors on 12 February 2015.



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บริษัท ไทยออปติคัล กรุ๊ป จำกัด (มหาชน) Thai Optical Group Public Company Limited

สนย. 15/5 หมู่ที่ 6 ถนนบางบัวทอง-สุพรรณบุรี ตำบลหาร อำเภอบางบัวทอง จังหวัดนนทบุรี 11110

สำนักงานสาขา 77/141-142 อาคารสินสาธิตทาวเวอร์ ชั้น 33 ถนนกรุงธนบุรี แขวงคลองตันใต้ เขตคลองสาน กรุงเทพฯ 10600