

รายงานประจำปี 2558

Annual Report 2015



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

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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

Operating performance of Thai Optical Group Public Company Limited and the Subsidiary Company

Detail (million Baht)	Consolidated financial statements			Separated financial statements		
	2015	2014	2013	2015	2014	2013
Statements of Comprehensive Income						
Total Revenues	1,893.04	1,869.70	1,690.85	1,353.68	1,314.80	1,149.38
Earnings before finance costs, income taxes, depreciation and amortization including non-operating incomes and expenses (EBITDA)	436.15	398.88	337.68	248.15	216.80	135.41
Net Profit (Loss)	229.64	203.28	154.21	204.82	195.46	116.11
Financial Position						
Total Assets	2,250.12	2,205.15	2,022.28	1,728.96	1,682.44	1,527.36
Total Liabilities	450.62	486.95	357.65	326.33	335.39	226.05
Shareholders' Equity	1,799.50	1,718.20	1,664.63	1,402.63	1,347.05	1,301.30
Paid-up shares at the end of the year (million shares)	474.32	474.32	473.28	474.32	474.32	473.28
Share Information						
Earnings per Share (Baht)	0.48	0.43	0.33	0.43	0.41	0.25
Book Value per Share (Baht)	3.79	3.62	3.52	2.96	2.84	2.75
Dividend per share (Baht)	0.38	0.35	0.28	-	-	-
Dividend Payout (%)	78	82	87	-	-	-
Share Price at the end of Financial Period (Baht)	5.70	5.65	3.62	-	-	-
Weighted average number of ordinary shares (million shares)	474.32	474.22	472.89	474.32	474.22	472.89
Financial Ratios (%)						
Earnings before finance costs, income taxes, depreciation and amortization including non-operating incomes and expenses (EBITDA)	23.04	21.33	19.97	18.33	16.49	11.78
Net Profit Margin	12.59	11.10	9.46	16.78	16.51	11.32
Return on Shareholders' Equity	13.06	12.02	9.39	14.90	14.76	8.95
Return on Total Assets	12.94	12.11	9.77	13.98	13.87	8.42
Ratio of Liability to Capital (Times)	0.25	0.28	0.21	0.23	0.25	0.17

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 2015 that can generate growth of revenue and earnings over our plan with strategy to reduce cost and increase productivity under Productivity Improvement Program. Moreover, the Company also aims to increase sales volume by retain existing customers together with acquire new customers such as in the United States.

In addition, the Company has joint venture project 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 join ASEAN Economic Community (AEC) including with distribute products to the said countries in regard to 5 years action plan as set.

Performance

In the year 2015, the Company's net profit is 229.64 million Baht, increase by 12.96 % as compare to operating results of the year 2014 that earn net profit of 203.28 million Baht ,as a result, the Company is able to consistently pay dividend to shareholders. According to, operating results of the year 2015, the Company has paid dividend in the amount of 180.24 million Baht or 0.38 Baht per share. To increase productivity in order to conform with the business expansion, the Company utilizes its existing potential into its investment by purchasing more machines, acquisition of PolySun Co.,Ltd and co-development with NECTEC Institution,Thailand for developing new product to the target market.

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 2015, the Company had been awarded by various institutes such as SD Awards 2015, SET Awards 2015 for "The Best Company Performance" (among listed company that has market capital under 3 billion Baht) from the Stock Exchange of Thailand, and rated as "Excellent" from the quality evaluation for conducting the Annual General Meeting of Shareholders project for year 2015 - five consecutive years (year 2011-2015). In addition, the Company had been certified by Private Sector Collective Action Coalition Against Corruption and the Company is also ranked in ESG 100 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 (SEC) 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 (1)	: MVISION OPTICAL PTE. LTD. MVision, (Singapore)
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	: (02) 194 1145 - 6 / (02) 925 5518 - 9	Telephone	: +65 6222 1079
Facsimile	: (02) 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, Klongtonsai, Klongsan, Bangkok 10600 Thailand	Paid-up capital	: 2,700,000 SGD
Telephone	: (02) 440 0506 - 7	The proportion of the investment	: 891,000 SGD (33%)
Facsimile	: (02) 862 0701 - 2 / (02) 862 0705	Company's name (2)	: MVISION OPTICAL INDUSTRY SDN BHD MVision, (Malaysia)
Registration No.	: 0107547000044	Type of Business	: Manufacturer and Distributor of Prescription Lenses (Rx Lenses)
Registered Capital	: 475,000,000 Baht	Head Office	: Suite 10.03, Level 10 The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur
Paid-up capital	: 474,318,000 Baht	Telephone	: +603 4278 4668
Website	: www.thaiopticalgroup.com	Facsimile	: +603 4278 4661
	Subsidiary Company	Registration No	: 892114-U
Company's name(1)	: Thai Optical Company Limited TOC	Paid-up capital	: 6,000,000 MYR
Type of Business	: Manufacturer and Distributor of Mineral Optical Lenses, Plastic Optical Lenses and Glass Mold	The proportion of the investment	: 1,980,000 MYR (33%)
Head Office	: 83 Moo 2, Ngarmwongwarn Road, Muang District, Bangkhen, Nonthaburi (11000) Thailand	Company's name (3)	: Vietnam Visibility Target Company Limited Vina Vista
Telephone	: (02) 952 6429 - 31	Type of Business	: Manufacturer and Distributor of Prescription Lenses (Rx Lenses)
Facsimile	: (02) 952 5488	Head Office	: Floor 9 th , Room 9.7A, ETown Building, 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC, VietNam
	Sales and Customer Services	Telephone	: +84 902 398 828
Branches	: 77/141-142, 33 rd Floor, Sinn Sathorn Tower, Krungthonburi Road, Klongtonsai, Klongsan, Bangkok (10600) Thailand	Facsimile	: +84 838 134 950
Telephone	: (02) 440 0506 - 7	Registration No	: 411022000664
Facsimile	: (02) 862 0705	Paid-up capital	: 1,450,000 USD
	Production	The proportion of the investment	: 475,000 USD (32.76%)
	: 61/9 Moo 5, Bangbuathong-Suphanburi Road, Laharn, Bangbuathong, Nonthaburi (11110) Thailand		
Telephone	: (02) 194 1126 - 30		
Facsimile	: (02) 925 5290		
Registration No.	: 0105505002039		
Paid-up capital	: 130,000,000 Baht		

Subsidiary Company

Company's name (2)	: Poly Sun Co.,Ltd. Poly Sun
Type of Business	: Manufacturer and Distributor of Photochromic lens
Head Office	: 15/5 Moo 6, Bangbuathong-Suphanburi Road, Laharn, Bangbuathong , Nonthaburi (11110) Thailand
Telephone	: (02) 925 6142-3
Facsimile	: (02) 925 6144
Registration No.	: 0125540005766
Paid-up capital	: 20,000,000 Baht
The proportion of the investment	: 99.99%

References

Company's	: EY Office Limited
Audit Office	: 33 rd Floor, Lake Rachada Office Complex 193/136- 137 Rachadapisek Road, Klongtoey, Klongtoey, Bangkok (10110) Thailand
Telephone	: (02) 264 9090
Facsimile	: (02) 264 0789 - 90
Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok (10400) Thailand
Telephone	: (02) 009 9000
Facsimile	: (02) 009 9991
Website	: http://www.set.or.th/tsd

Nature of Business

Thai Optical Group Public Company Limited (the Company) or TOG was originally established by the Prachartam family to operate the retail distribution of Organic Lenses from year 1951 (B.E. 2494). In year 1962, the Company has established Thai Optical Company Limited (the Subsidiary Company) or TOC, where was the first factory producing the Mineral Lenses in Thailand with its initial investment of 50 million Baht. TOC manufactured and exported Mineral Lenses to Asia and Europe. It also established the production line of and Prescription Lenses or Rx Lenses as well as initiated to produce the Organic Lenses by mold procedure in its factory located at 15/5 Moo 6, Bangbuathong-Suphanburi Rd., Laharn, Bangbuathong, Nonthaburi -Thailand, in the area of 30-2-92 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 Mold and Mineral Lenses and the second site located on Bangbuathong-Suphanburi Road with the area of 18-3-57 Rai for manufacturing Organic Lenses and Prescription Lenses or Rx Lenses.

Due to the growth of the consumption of optical Lenses, Thai Optical Group Limited (“TOG”) was established on March 8, 1991 (B.E. 2534) in the name of Thailand Polymer Lenses Co.,Ltd, with an initial registered capital of 20 million Baht to expand the production line for normal Organic Lenses. The business of TOG and TOC had grown significantly and TOG has increased its capital to 120 million Baht for expanding its capacity of producing the normal Organic Lenses, Photochromic Lenses, High-index Lenses, and High-impact-resistance Lenses and TOC has increased its registered capital from 50 million Baht to 130 million Baht.

In year 2003 (B.E. 2546) TOG and TOC has restructured their shareholding. TOG has increased its registered capital to 265 million Baht to buy 99.99 percent of ordinary shares of TOC. Hence, TOC has become a subsidiary of TOG. Then, TOG had converted itself into a public company and had increased its registered capital to 400 million Baht in year 2004 (B.E. 2547). and On May 16, 2006 (B.E. 2549) TOG raised 135 million Baht from the issuance of shares for sale to the general public and is publicly traded on the Stock Exchange of Thailand.

In year 2008 (B.E. 2551), the Company strengthened its business by increasing its registered capital to 475 million Baht by raising funds from Specsavers who is one of the largest glasses retailers having wide range of operations network in Europe and Australia, who has been the Company’s business partner and customer for long time. Specsavers hold 25.04% after the capital increase thereof.

The Company and its subsidiaries have developed processes for continuous production by using Lean Manufacturing and continued investment in the production of Optical Lenses and Digital Surfacing Prescription Lenses and established a joint venture company to do the wholesale of optical Lenses and manufacture optical Lenses for specific person in Singapore, Malaysia and Vietnam to expand its distribution channels.

In year 2011 (B.E. 2554), 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”. And in year 2015 (B.E. 2558), the Company has expanded its business to anti Sunglass Lenses by taking over the business of Poly Sun Co.,Ltd who was a manufacturer and distributor of colored Lenses and polarize Lenses.

Currently, the Company and its subsidiary are the manufacturer, distributor and service provider of the various optical Lenses, including comprehensive type of material i.e. Lens Material, Lens Design and Lens Coating, Original Design Manufacturing Edging and Glazing Service, with a customer base spread over 50 countries around the world, at present, the Company has registered capital of 475 million Baht with paid-up at 474.32 million Baht 31. December 2015 (B.E. 2558) remains unpaid at 0.682 billion Baht, where a warrant has expired.

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 with registered capital of 50 million Baht to export to Asia and Europe
1973	TOC established the Installation Prescription Lenses system (Rx)
1981	TOC started the prototype of normal Organic Lenses manufacturing (CR39)
1991	TPL was established with registered capital of 20 million Baht to expand the normal Optical Lenses business
1994	TPL increased its registered capital to 120 million Baht for business expansion.
1997	TOC increased of its registered capital to 130 million Baht for business expansion.
1998	TPL conducted the experimentation and development the processes of Photochromic Lenses production.
2002	TPL conducted the Experimentation and development the processes of 1.60 High Refractive Index Lenses and High Impact Resistant Lenses production.
2003	TPL increased its registered capital to 265 million Baht to purchase ordinary shares 99.99 % of TOC
2004	TPL converted into Public Company Limited and changed the name to Thai Optical Group Public Company Limited and increased its registered capital to 400 million Baht for offering to institute investor and public offering
2006	TOG issued shares for initial Public Offering and listed all of its shares in the Stock Exchange of Thailand
2007	TOG conducted the experimentation and development the processes of 1.67 High Refractive Index Lenses.
2008	TOG increased its capital to 475 million Baht to sell its shares of 68,750,000 shares (par valued at 1 Baht per share) and offered to Specsavers Asia Pacific Holdings Limited for supporting the rights to exercise warrants under ESOP
2010	TOG and TOC started to use the “Lean concept in manufacturing system”. established MVsion Optical Pte Ltd in Singapore and MVsion Optical Industry SDN BHD in Malaysia to operation the business for Prescription Lenses and Finished Lenses by having TOG hold the shares at 33%. TOG increased production line for normal Optical Lenses. TOC expanded its business by increasing the investment in Digital Surfacing Prescription Lenses.
2011	TOG launched the new product “Tribrid” Lenses.
2013	Joint Venture with Vina Vista, Vietnam for expanding business.
2014	TOG and TOC started Productivity Improvement Program to increase the production significantly without additional investment on the machine.
2015	TOG purchased ordinary shares 99.99% of Poly Sun Co.,Ltd who is a manufacturer of photochromic Lenses and polarize Lenses.

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 normal Organic Lenses : CR39[®] Lenses
- 1.2 Photochromic Lenses
- 1.3 High Index 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’ intension 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 “Trivex™ ”

At present, TOG is the only one independent manufacturer which can produce High Impact Resistant Lenses from “Trivex™” both in Finished and Semi-Finished Lenses form.

1.5 Sunglass Lenses

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 usage 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 follows :

- ⦿ 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	Trifold	1.60/42	TYK 1.53	1.50
Sphere	-5.50 to +5.50	-5.50 to +5.50	-8.00 to +5.50	-7.00 to +5.50	-5.25 to +5.50
Cylinder	-5.00 to -4.00	-5.00 to -4.00	-7.00 to -4.00	-5.00 to -4.00	-5.00 to -4.00
ADD	+0.00 to +3.50	+0.00 to +3.50	+0.00 to +3.50	+0.00 to +3.50	+0.00 to +3.50
Transitional M	-5.00 to +5.50	-5.00 to +5.50	-8.00 to +5.50	-7.00 to +5.50	-5.25 to +5.50


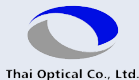

Excelite™ MultiFree
Corridor : 11 mm
Minimum Fitting Height : 15 mm
Corridor : 13 mm
Minimum Fitting Height : 17 mm
Corridor : 15 mm
Minimum Fitting Height : 19 mm
Available in 3 different types of hard multi-coating :
Zaphire™ Zaphire-S™ Zaphire-Sx™

Your choice to perfect vision :::::




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

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

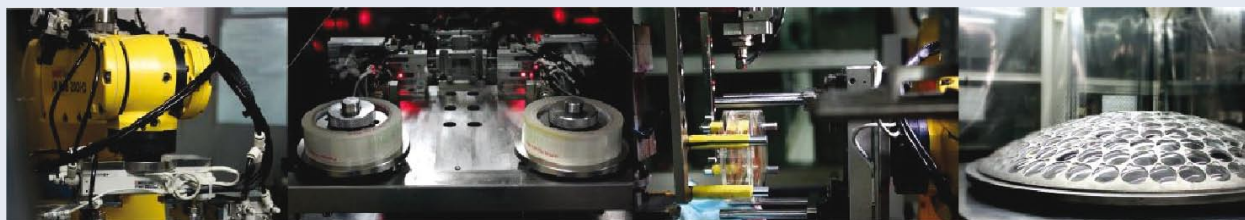
		
The Company	The Subsidiary company (TOC)	The Subsidiary company (Poly Sun)
Organic Lenses (CR-39)	Organic Lenses (CR-39)	Sunglass Lenses
Photochromic Lenses	Mineral Lenses	Polarized Lenses
High Index Lenses	Prescription / Rx Lenses	
High Impact Resistant Lenses	Glass Mold	
Hard Coating and Anti - reflection Coating Service	Hard Coating and Anti - reflection Coating Service	

	
The Associated Company (MVISION)	The Associated Company (Vina Vista)
Organic Lenses (CR-39)	Organic Lenses (CR-39)
Prescription / RX Lenses	Prescription / RX Lenses

Revenue Structure

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

Product Types by Value	Manufacturer	Consolidated 2015 (%)	Consolidated 2014 (%)	Consolidated 2013 (%)
1. Standard Lenses (Plastics lens)	The Company & Sub. Company	34.64	28.78	27.17
2. Value-added Lenses*	The Company	33.52	36.11	36.20
3. Rx /Prescription Lenses	Sub. Company	26.08	29.86	30.36
4. Mineral Lenses	The Company & Sub. Company	5.77	5.25	6.27
Other Products and Services				
Total		100	100	100



Product Types by Volume	Manufacturer	Consolidated 2015 (%)	Consolidated 2014 (%)	Consolidated 2013 (%)
1. Standard Lenses(Plastics lens)	The Company & Sub. Company	72.75	68.40	68.60
2. Value-added Lenses*	The Company	21.17	23.57	22.87
3. Rx /Prescription Lenses	Sub. Company	5.53	7.05	7.01
4. Mineral Lenses	The Company & Sub. Company	0.55	0.98	1.52
Other Products and Services				
Total		100	100	100

* Value-added Lenses consist of High 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, 2015).

	Year 2015	Year 2014	Changing increase/ (decrease) (%)
Value (million Baht)			
Optical Plastic Lenses (Organic Lenses)	28,229	28,444	(0.76)
Optical Glass Lenses (Mineral Lenses)	334	201	66.15
Volume (million Pieces)			
Optical Plastic Lenses (Organic Lenses)	212.00	208	2.24
Optical Glass Lenses (Mineral Lenses)	7.41	1.28	478.34
Average Price (Baht /Piece)			
Optical Plastic Lenses (Organic Lenses)	133	137	(4)
Optical Glass Lenses (Mineral Lenses)	45	157	(112)

Investments tend and Market expansion.

According to, exporting statistics, it shows that Optical Lenses Markets are growing slowly in accordance with the increase of populations who have eye sight problem. However, Optical Lens are necessary for the persons who have eye sight problem from the child age, working age and elderly therefore the consumers pay more attention in selection of high quality of eye glasses and optical lenses. As a result, the quality of Optical Lenses is also the Company's concern to deliver the best product that suite the trust of customers consistently. Moreover, the Company has always supported to invest in Research & Development for developing product in various types of lenses for matching the need of consumers in Optical Lenses Markets together with provide quality optical lenses to the target market continuously.

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 the Company is 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 2015	Consolidated financial statements Year 2014	Consolidated financial statements Year 2013
Domestic	4.20%	4.06 %	4.71 %
Foreign	95.80%	95.95 %	95.29 %

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 details of connected transactions are shown in Notes to Consolidated Financial Statements.

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 2015	Consolidated financial statements Year 2014	Consolidated financial statements Year 2013
European Union	75%	78 %	78.15 %
The United States	6%	8 %	6.82 %
Others	19%	14 %	15.03 %

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 in 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 for reducing cost and increasing productivity which make the Company can produce Casting lens about 50% up without investment to buy more machine 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 2015, the Company has recieved SD Awards 2015 from the Stock Exchange of Thailand

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 (SET Awards 2013/2014: CSR)

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 established Research and Development Institution that is responsible to experiment new technology and new material that change in regard 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 Companies 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 Companies 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.
- ◉ In the year 2015,take over all share of Poly Sun Co.,Ltd. for adding Tinted lenses and Polarized lenses(Blocked light) product to meet the need of target market.

Human Resource

Emphasize the continuity of human resource development by progressive training, and modification itself to become a learning organization having the professionally expertise in its business.

Research and Development

- ◉ Focus on Research and Development in order to create new products to meet market demands as well as continue to develop the quality of existing products of the Company. In the year 2015,has signed MOU with NECTEC Institution ,Thailand for co-developing.
- ◉ 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 TVX, 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's Policy and Report regarding to Social Responsibility (CSR)).

Risk Factors

In the year 2015, 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 sets various measures such as investment in Automation 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, 2015, the Company and its subsidiary have balanced of financial assets and liabilities denominated in foreign currency are summarized below ;

Currency	Assets	Liabilities	Different of Asset and Liabilities	Average Exchange Rate as of December 31, 2015	Different of Asset and Liabilities in Thai Baht
US Dollar	11,331,005	3,994,868	7,336,137	36.0417	264,406,848.91
SG Dollar	6,709	430	6,279	25.4845	160,017.18
EURO	1,110,969	587,750	523,219	39.3858	20,607,398.89
JPY	10,621,119	300,950	10,320,169	0.2992	3,087,794.56
MYR	18,178	-	18,178	8.4168	153,000.59
GBP	-	252,040	(252,040)	53.4250	(13,465,237.00)
CHF	555	-	555	36.3189	20,156.99

3.2 Risk from related parties guarantees

As of 31 December 2015, the Company has contingent liabilities in respect of the guarantees of subsidiary's credit facility amounting to Baht 23.2 million and Euro 0.03 million or total equivalent to Baht 24.3 million, provided to banks. (Year 2014: Baht 39.6 million and Euro 0.1 million or equivalent to Baht 40.7 million). As of 31 December 2015, its subsidiary has contingent liabilities in respect of the guarantees of the Company's credit facility amounting to Baht 37.2 million, and USD 0.8 million or total equivalent to Baht 65.60 million (Year 2014: Baht 64.3 million and USD 0.1 million or equivalent to Baht 65.40 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 Prachartam Family holds 53.30 % (as of December 31 ,2015) of the Company's paid-up capital. With the majority of shares, the Prachartam Family can control the resolutions of all shareholders, such as appointing committee members and voting on business matters, except where governed by laws or company regulations, stipulating the necessity of not less than 3/4 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

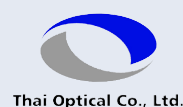
The sole domestic distributor of products manufactured by the Company and its Subsidiary is Nam Silp Thai Co., Ltd., an affiliated Company that may have a potential conflict of interest. The products of the Company and its Subsidiary are mainly exported, whereas only 5 % of sales in total are in the 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

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

1. The risk of copyright violation and software piracy
2. The risk of information hacking.

Dividend Payout Policy



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

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

Year	Earnings Per Share (Baht)	Dividend Per Share (Baht)	Dividend Payout Ratio (%)
2015	0.48	0.38	78
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	0.3	0.25	83
2009	0.28	0.25	89
2008	0.34	0.25	82
2007	0.34	0.2	59
2006	0.24	0.16	71

Shareholder Structure and Management

Shareholders

As of December 31, 2015 (the recent closing date), Thai Optical Group Public Company Limited has 1,512 shareholders. (counted from paid-up capitals of 474,318,000 shares) are;

No.	Name of Shareholders	Name of Shares	Storckholder Proportion (%)
1	The Prachartam Family	252,819,169	53.30
2	Specsavers Asia Pacific Holding Limited	118,767,600	25.04
3	SKANDINAVISKA ENSKILDA BANKEN AB	12,360,400	2.61
4	Mr. Kriangsak Isarayangyuen	5,040,600	1.06
5	Sin Kwang Optical Pte Ltd. (Singapore)	5,000,000	1.05
6	Thai NVDR Limited	4,990,500	1.05
7	Bualuang Small-Mid Cap RMF	4,212,800	0.89
8	Bualuang Basic RMF	3,090,100	0.65
9	Mr. Prasit Rakthaisanthaavee	3,073,500	0.65
10	T- LOWBETA (Thanachart Fund)	2,959,000	0.62
	Other shareholder	62,004,331	13.07
	Total shares	474,318,000	100.00

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

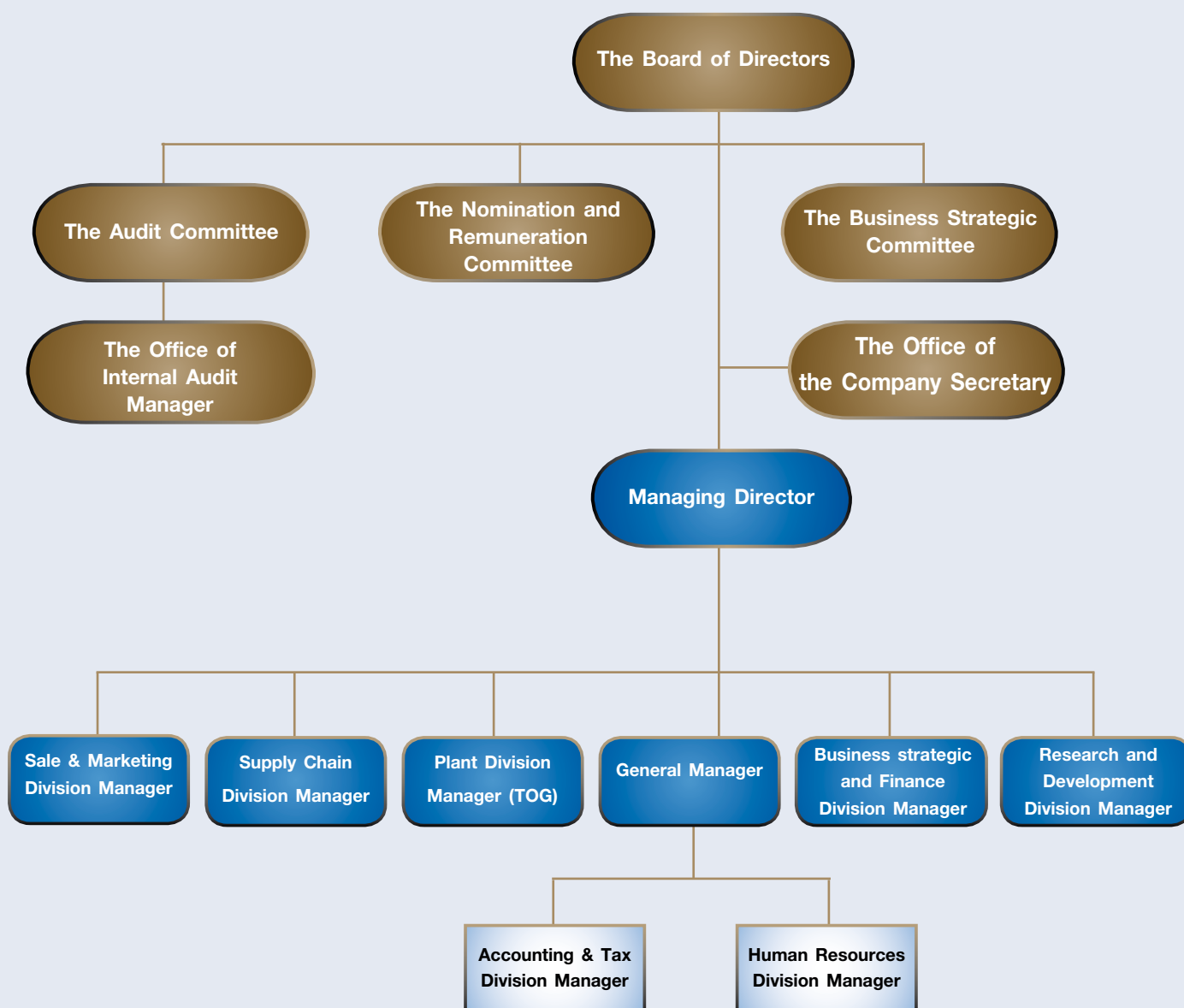
No.	Name of Shareholders		Relation with Mr. Sawang Prachartam	Number of Shares	Stock holder Proportion (%)
1	Mr. Prateep	Prachartam	Brother	39,200,000	8.26
2	Mr. Kamron	Prachartam	Brother	35,485,300	7.48
3	Mr. Samrit	Prachartam	Brother	14,840,000	3.13
4	Mr. Sawang	Prachartam	-	11,992,200	2.53
5	Mr. Sarote	Prachartam	Brother	3,250,000	0.69
6	Miss. Roongnapa	Prachartam	Sister	9,350,000	1.97
7	Lieut. Col. Ketnapa	Teganjanavanich	Sister	3,793,000	0.80
8	Miss Prinda	Prachartam	Daughter	10,977,300	2.31
9	Mrs. Rattana	Prachartam	Sister-in-law (The wife of Mr. Prateep)	8,219,200	1.73
10	Mr. Wirach	Prachartam	Nephew (The son of Mr. Prateep)	10,010,000	2.11
11	Mr. Witoon	Prachartam	Nephew (The son of Mr. Prateep)	9,830,000	2.07
12	Mrs. Pornpun	Thotrakul	Niece (The daughter of Mr. Prateep)	4,880,000	1.03
13	Miss Pornpen	Prachartam	Niece (The daughter of Mr. Prateep)	2,920,000	0.62
14	Miss Pornpip	Prachartam	Niece (The daughter of Mr. Prateep)	4,730,000	1.00
15	Mrs. Chalinee	Laosuan	Niece (The daughter of Mr. Prateep)	5,350,000	1.13
16	Mrs. Nonglak	Somboontam	Niece (The daughter of Mr. Prateep)	4,730,000	1.00
17	Mrs. Amolrat	Prachartam	Niece (The daughter of Mr. Prateep)	4,830,000	1.02
18	Mr. Pakee	Prachartam	Nephew (The son of Mr. Kamron)	22,000,000	4.66
19	Mr. Torn	Prachartam	Nephew (The son of Mr. Kamron)	20,300,000	4.29
20	Mr. Yosanan	Prachartam	Nephew (The son of Mr. Sarote)	20,183,300	4.26
21	Mr. Bancha	Yongrithikul	Nephew (The son of Miss Walnapa)	1,260,469	0.27
22	Mr. Sarath	Teganjanavanich	Nephew (The son of Lieut. Col. Ketnapa)	4,687,500	0.99
Total of shares held by the Prachartam Family				252,819,169	53.30

Foreign Shareholders Limitation

Foreign shareholders are not allowed to hold more than 49 % of the total paid- up capitals. As of December 31, 2015, there was 29.46 % 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 of December 31, 2015



The Board of Directors and Management



Mr. Sawang Prachartam

Chairman

Age : 71 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 Research Associate 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 Registered Ordinary
Partnership
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



Mr. Torn Prachartam

**Director/ Member of the Business Strategic Committee/
Managing Director**

Age : 48 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**



Mr. Wirach Prachartam

Director/ Member of the Business Strategic Committee

Age : 54 Years

Shareholding : 2.11%

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, Secretariat
2002-2004	Thai Optometric Association, Executive Director and Counselor to the Secretariat

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 :

- Nam Silp Thai Eyewear Co., Ltd. ,
Director
- NST Ventures Company Limited. ,
Director
- Better Vision Company Limited. ,
Acting Managing Director
- Thai Optometric Association,
Counselor



Mr. Sarote Prachaktam

Director/ Member of the Business Strategic Committee

Age : 68 Years

Shareholding : 0.69%

Other Current Position :

None

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- 2015	Thai Optical Co., Ltd. , Chairman
2012-2015	Thai Optical Group PCL. , Director/ Member of the Nomination and Remuneration -Committee
2006-Present	Thai Optical Group PCL. , Director/ Member of the Business Strategic- Committee



Mrs. Pornpun Thotrakul

Director

Age : 61 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 :

- Nam Silp Thai Eyewear Co., Ltd. ,
Director
- NST Ventures Company Limited. ,
Director
- NST Training Center Company Limited. ,
Managing Director



Mr. Sean Darren Lawe

Director/ Member of the Business Strategic Committee

Age : 48 Years

Shareholding : None

Education :

- Worshipful Company of Spectaclemakers Diploma (1988)
- Master in Business Administration (Technology) (2012),
The Open University (UK)

Management Developments : -

Work Experience :

1984- 1988	Derby Optical Company.
1988-1991	B.A.C. Transport Ltd.
1991-2001	Vision Express UK Ltd. , Technical Director
2001- 2002	Pro - Laser Equipment Ltd.
2002- 2005	Specsavers Optical Superstores, Product Manager
2005- 2007	Specsavers Optical Superstores, Director of Lens Development
2007- 2012	Specsavers Optical Superstores, Director of Manufacturing and Distribution

Other Current Position :

2010 - Present	Specsavers Supply Chain Board. Chairman
2015 - Present	Specsavers optical Group Ltd. , Executive Member of Specsavers Executive Committee.
2012 - Present	Specsavers optical Group Ltd. , Group Supply Chain Director



Mr. David Andrew Cross

Director/ Member of the Business Strategic Committee

Age : 60 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


Mr. Singh Tangtatswas
Independent Director/ Chairman of the Audit Committee
Age : 73 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 (In charge of Chief Financial Officer, Paper and Cement Thai container Group, and Cheif Operating Officer Pulp and Paper Group and Paper and Cement Thai container Group)

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 :

2003-Present	Bangkok Insurance PCL. , Director/ Chairman of the Nomination and Compensation Committee
2004-Present	Bangkok Bank PCL. , Director



Mr. Wicha Jiwalai

Independent Director/ Member of the Audit Committee/

Member of Nomination and Remuneration Committee

Age : 71 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
- ACP Class 11/2006
- CDC Class 1
- DAP Class 8/2004
- DCP Class 14

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
- 1985-1989 **Deputy Governor** of Bangkok Metropolitan Administration
- 1986 **Visiting Professor**, Ghajamadha University, Indonesia
(under the MUCIA - World Bank Project)

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,
Former President

2004-Present

Thai Optical Group PCL. ,
Independent Director/ Member of the Audit Committee

2015-Present

Thai Optical Group PCL. ,
Member of Nomination and Remuneration-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



Mr. Phairuch Mekarporn

Independent Director/ Chairman of the Nomination and Remuneration Committee/ Member of the Audit Committee

Age : 70 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



Mr. Banchong Chittchang

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

Age : 67 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 :

- Thai Institute of Director (IOD)
Director
- Lam Soon (Thailand) PCL. ,
Independent Director/ Member of the Audit Committee/ Member of Remuneration Committee/ Member of Nomination Committee
- PTBI PCL. ,
Independent Director/ Chairman



Miss Wichit Thaveeprechachat

Director/ The Company Secretary

Age : 55 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



Mrs. Anuruk Rattanasansuntorn

Internal Audit Manager

Age : 48 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



Mr. Bancha Yongrithikul

Plant Division Manager (TOG)

Age : 45 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



Mrs. Amolrat Prachartam

Logistics and Supply Chain Division Manager

Age : 48 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



Mrs. Narueporn Prachartam

Accounting Division Manager

Age : 51 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
2004-2014	Thai Optical Group PCL. , Accounting and Finance Division Manager
2015- Present	Thai Optical Group PCL. , Accounting Division Manager

Other Current Position :

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



Mr. Choochart Mahawansu

Human Resources Division Manager

Age : 55 Years

Shareholding : None

Education :

- Bachelor Public Administration – Major Personnel Management , Sukhothaimathiraj 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



Miss Michelle Hsieh

Sales and Marketing Division Manager

Age : 37 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



Mr. Sarath Teganjanavanich

Business Planning and Finance Division Manager

Age : 31 Years

Shareholding : 0.99 %

Education :

- Master of Business Administration, Duke University
- Bachelor of Engineering, Chulalongkorn University

Management Developments :

-

Work Experience :

2006 – 2007	United Overseas Bank (Thailand) PCL. , Assistant Relationship Manager, Commercial Banking Division
2007 – 2008	Thai Optical Group PCL. , Sales Executive, Sales and Marketing Division
2008 – 2010	Thai Optical Group PCL. , Project Manager, Business Development Division
2012 – 2013	The Quant Group Limited. , Senior Associate, Investment Banking – Mergers and Acquisitions
2013 – 2014	The Quant Group Limited. , Associate Director, Investment Banking – Mergers and Acquisitions
2014 – Current	Thai Optical Group PCL. , Division Manager, Business Planning and Finance

Other Current Position :

- NST Ventures Company Limited. ,
Executive Director

Changing in Directors' Shareholding of Thai Optical Group Public Company Limited Report (as of December 31, 2015)

		Thai Optical Group PCL.			Subsidiary Company			
		Common Shares (Shares)			Common Shares (Shares)		Debentures (Shares)	
No.	Name	Own	Spouse or Underage Child	Increase (Less) During Jan-Dec. 2015	Own	Increase (Less) During Jan-Dec. 2015	Own	Increase (Less) During Jan-Dec. 2015
1	Mr. Sawang Prachartam	11,992,900	--	--	None	--	--	--
2	Mr. Sarote Prachaktam	3,250,000	--	--	None	--	--	--
3	Mr. Wirach Prachartam	10,010,000	--	(200,000)	None	--	--	--
4	Mrs. Pornpun Thotrakul	4,880,000	--	--	None	--	--	--
5	Mr. Torn Prachartam	20,300,000	--	--	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. Sean Darren Lawe	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 of December 31, 2015) and total common shares 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 stated above.

Changing in Directors' Shareholding of Thai Optical Group Public Company Limited Report (as of December 31, 2015)

		Thai Optical Group PCL.			Subsidiary Company			
		Common Shares (Shares)			Common Shares (Shares)		Debentures (Shares)	
No.	Name	Own	Spouse or Underage Child	Increase (Less) During Jan-Dec. 2015	Own	Increase (Less) During Jan-Dec. 2015	Own	Increase (Less) During Jan-Dec. 2015
1	Mr. Torn Prachartam	19,100,000	1,200,000	--	None	--	--	--
2	Mrs.Amolrat Prachartam	4,830,000	--	--	None	--	--	--
3	Mrs.Narueporn Prachartam	None	9,830,000	--	None	--	--	--
4	Mr.Bancha Yongrithikul	1,260,469	--	--	None	--	--	--
5	Mr.Choochart Mahawansu	None	--	--	None	--	--	--
6	Miss Michelle Hsieh	None	--	--	None	--	--	--
7	Mr.Sarath Teganjanavanich	4,687,500	--	--	None	--	--	--

The Nomination of Directors and Management

1. The Nomination of Directors

With reference to Articles of Association of Thai Optical Group Public Company Limited (the Company), 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 of December 31, 2015, 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. Sean Darren Lawe*	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

Remark : * By the Board of Directors Meeting held on 9 August 2015, Mr. Sean Darren Lawe had been appointed to replace Mr. Trevor Paul Blatchford who was resigned due to his retirement. Mr. Sean Darren Lawe shall remain in office only for the remaining term of office of Mr. Trevor Paul Blatchford.

The Directors Authorized to sign on behalf of the Company

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

	Name	Position
1.	Mr. Sawang Prachartam	Chairman of the Board of Directors
2.	Mr. Sarote Prachaktam	Director
3.	Mr. 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. 69 (1/2016), held on February 17, 2016, the approval as proposed by The Nomination and Remuneration Committee, was granted to reappoint four directors whose term had expired as follows ;

1. Mr.Singh Tangtatsawas
2. Mr. Phairuch Mekarporn
3. Mrs.Pornpun Thotrakul
4. Mr. Wirach Prachartam

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.13 which will be held on Tuesday, April 5, 2016 for approval further. In addition, the Company has provided the opportunity for shareholders to propose nominee directors during October 1 to December 31, 2015, 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.

	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 person to review the Company's financial statements.

Mrs. Anuruk Rattanasansuntorn, Internal Audit Manager was appointed as 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 in compliance 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 of December 31, 2015, 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. Sean Darren Lawe	Member of Business Strategic Committee
6.	Mr. David Andrew Cross	Member of Business Strategic Committee

Mr. Sarath Teganjanavanich, Business Planning and Finance 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 those 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 of December 31, 2015, 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. Wicha Jiwalai*	Member of the Nomination and Remuneration Committee

Remark : * By the Board of Directors Meeting held on 13 May 2015, Mr.Wicha Jiwalai had been appointed to replace Mr.Sarote Prachaktam, who was resigned from the member of the nomination and remuneration committee. Mr.Wicha Jiwalai shall remain in office only for the remaining term of office of Mr.Sarote Prachaktam.

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

As of November 11, 2015, the Board of Directors meeting No.5/2558 had a resolution to approve "The charter of Nomination and Remuneration committee"-revised version, which the charter had been first used on February 18,2009 together with define the scope of duties of the Nomination and Remuneration committee as follows ;

Scope of Duties of the Nomination and Remuneration Committee

1. To consider structure, composition and qualification of director and the sub-committee of the Company and then propose to the Board of Directors.
2. To propose suitable person who should be nominated as the Company's director to the Board of Directors' Meeting for proposing in the Annual General Meeting of Shareholders, in case, there is vacancy due to retire by rotation as well as proposing to the Boards' meeting in other condition.
3. To consider and nominate the qualified director to be as the Company's representative in the Subsidiary or Associated companies in regard to shareholding proportion or the agreement between shareholders and propose to the Board of Directors for consideration.
4. To consider and nominate the qualified candidate to be as Managing Director, in case, there is vacancy of the position and then propose to the Board of Directors including with define succession plan of executive in Division level.
5. To propose, assess and approve the performance of Managing Director.
6. To define the pattern and criteria for remuneration payment which include allowance, annual bonus, welfares and other benefits both as money and non-money in comply with transparency and fairness for equitable practice to;

* The Board of Directors

* Director in the Subsidiary company

* Director in the Associated company

* Managing Director

* Executive who report directly to Managing Director

7. To define nomination process and regulation of qualified person in advance from minority shareholders for equitable to all shareholders.
8. To define nomination process to be elected as the Company's director together with define the qualification of shareholders who can propose the meeting's agenda as follows;
 - 1) As a shareholder of the Company, which can be any one or many of shareholder.
 - 2) As a shareholder of the Company which hold share at least 100,000 shares, which can be any one or many of shareholder.
 - 3) To hold share of the Company with proportion in regard to Item No.2 continuously, which is not less than 1 year before propose the meeting's agenda including with shall hold share on the day that he/she will propose agenda.
9. To perform any other duties that assign by the Board of Directors.

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 of December 31, 2015 consist of 7 persons as follows;

	Name	Position
1.	Mr. Torn Prachartam	Managing Director
2.	Mrs. Amolrat Prachartam	Logistics and Supply Chain Division Manager
3.	Mrs. Narueporn Prachartam	Accounting and Tax Division Manager
4.	Mr. Sarath Teganjanavanich	Business Planning & Finance Division Manager
5.	Mr. Choochart Mahawansu	Human Resources Division Manager
6.	Miss. Michelle Hsieh	Sales and Marketing Division Manager
7.	Mr. Bantha Yongrithikul	Plant Division Manager (TOG)

Remark : * Mrs. Pornpun Thotrakul , had resign from Deputy Managing Director due to her retirement age since April 30, 2015, but she is still holding a position as the member of the Company's Board of Directors.

The Board of Directors 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. To manage 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 Remunerations of Directors and Executives

1. Directors Remuneration

From year 2013 – 2015, the Board of Directors of the Company had conducted total 5 meetings for each year.

Each Director attended the meetings and obtained the remuneration as follows;

Names of The Company's Directors	Year 2015			Year 2014		Year 2013	
	Meeting Attendance	Remuneration (Baht/person/year)	Bonus (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Sawang Prachartam	3/5	402,000	425,000	4/5	383,000	5/5	365,000
2. Mr. Sarote Prachaktam	5/5	269,000	374,000	5/5	256,000	5/5	244,000
3. Mr. Torn Prachartam	5/5	269,000	283,000	5/5	256,000	5/5	244,000
4. Mr. Wirach Prachartam	5/5	269,000	283,000	5/5	256,000	5/5	244,000
5. Mrs. Pornpun Thotrakul	5/5	269,000	192,000	5/5	256,000	5/5	244,000
6. Mr. Phairach Mekarporn	5/5	269,000	421,000	5/5	256,000	5/5	244,000
7. Mr. Singh Tangtatswas	4/5	269,000	417,000	4/5	256,000	4/5	244,000
8. Mr. Wicha Jiwalai	4/5	269,000	342,000	4/5	256,000	5/5	244,000
9. Mr.Banchong Chittchang	5/5	269,000	374,000	5/5	256,000	5/5	244,000
10. Mr.Trevor Paul Blatchford***	3/5	201,750	283,000	5/5	256,000	3/5	244,000
11. Mr.David Andrew Cross	5/5	269,000	283,000	4/5	256,000	3/5	244,000
12. Mr.Sean Darren Lawe****	1/5	67,250	--	--	--	--	--
13. POL.GEN. Pakorn Sappakit*	--	--	256,000	2/5	192,000	4/5	244,000
14. Mr.Don Pramudwinai**	--	--	212,000	3/5	192,000	3/5	244,000
15. Miss.Wichit Thaveeprechachat	5/5	269,000	192,000	5/5	256,000	5/5	244,000

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

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

*** Mr. Trevor Paul Blatchford had resigned from Director Position since August 11, 2015

**** Mr. Sean Darren Lawe had been appointed to replace Mr. Trevor Paul Blatchford on September 9, 2015. Mr. Sean Darren Lawe shall remain in office only for the remaining term of office of Mr. Trevor Paul Blatchford.

From year 2013 – 2015, the Audit Committee of the Company conducted total 4 meetings for each year. Each director attended the meetings and obtained the remuneration as follows;

Names of The Audit Committee	Year 2015		Year 2014		Year 2013	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Singh Tangtatswas	4/4	315,000	3/4	300,000	4/4	300,000
2. Mr. Wicha Jiwalai	4/4	210,000	3/4	200,000	4/4	200,000
3. Mr. Phairach Mekarporn	4/4	210,000	1/4	50,000	--	--
4. POL.GEN. Pakorn Sappakit*	--	--	2/4	150,000	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.

From year 2013 – 2015, the Business Strategic Committee (BSC) of the Company conducted total 4 meetings for each year. Each director attended the meetings and obtained the remunerations as follows;

Names of The Business Strategic Committee	Year 2015		Year 2014		Year 2013	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Banchong Chittchang	4/4	193,000	4/4	175,000	4/4	175,000
2. Mr. Sarote Prachaktam	4/4	128,000	4/4	116,000	4/4	116,000
3. Mr. Torn Pracharktam	4/4	128,000	4/4	116,000	4/4	116,000
4. Mr. Wirach Pracharktam	4/4	128,000	4/4	116,000	4/4	116,000
5. Mr. Trevor Paul Blatchford*	3/4	96,000	4/4	116,000	4/4	116,000
6. Mr. Sean Darren Lawe**	1/4	32,000	--	--	--	--
7. Mr. David Andrew Cross	4/4	128,000	4/4	116,000	4/4	116,000

Remark : * Mr. Trevor Paul Blatchford had resigned from Director Position since August 11, 2015

** Mr. Sean Darren Lawe had been appointed to replace Mr. Trevor Paul Blatchford on September 9, 2015.

Mr. Sean Darren Lawe shall remain in office only for the remaining term of office of Mr. Trevor Paul Blatchford.

From year 2013 – 2015, the Nomination and Remuneration Committee (N&R) conducted total 4 meetings in each year. Each director attended the meetings and obtained the remunerations as follows;

Names of The Nomination and Remuneration Committee	Year 2015		Year 2014		Year 2013	
	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)	Meeting Attendance	Remuneration (Baht/person/year)
1. Mr. Phairuch Mekarporn	4/4	193,000	4/4	175,000	4/4	166,000
2. Mr. Banchong Chittchang	4/4	128,000	4/4	116,000	4/4	110,000
3. Mr. Don Pramudwinai*	--	--	3/4	116,000	3/4	110,000
4. Mr. Sarote Prachaktam	2/4	64,000	4/4	116,000	4/4	110,000
5. Mr. Wicha Jiwalai**	1/4	64,000	--	--	--	--

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

** By the Board of Directors Meeting held on 13 May 2015, Mr.Wicha Jiwalai had been appointed to replace Mr.Sarote Prachaktam, who was resigned from the member of the nomination and remuneration committee. Mr.Wicha Jiwalai shall remain in office only for the remaining term of office of Mr.Sarote Prachaktam.

Remuneration and compensation to members of the Board of Directors and members of sub committee shall be approved by the Annual General Meeting of Shareholders every years. For year 2015, the Annual General Meeting of Shareholders No.12/2558 which held on April 1, 2015 had approved to pay the bonus to members of Board of Directors, details as follows;

The remuneration of the Company's directors in the year 2015 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	402,000	402,000
Member of the Board of Directors	11	269,000	2,959,000
Chairman of the Audit Committee	1	315,000	315,000
Member of the Audit Committee	2	210,000	420,000
Chairman of the Business Strategic Committee	1	193,000	193,000
Member of the Business Strategic Committee	5	128,000	640,000
Chairman of the Nomination and Remuneration Committee	1	193,000	193,000
Member of the Nomination and Remuneration Committee	2	128,000	256,000
Total Remuneration			5,378,000

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

No.	Name of Director	Position	Bonus(Baht)
1	Mr.Sawang Prachartam	Chairman of the Boards	425,000
2	Mr.Sarote Prachaktam	Director and Member of the BSC	374,000
3	Mr.Wirach Prachartam	Director and Member of the BSC	283,000
4	Mrs.Pompun Thotrakul	Director	192,000
5	Mr.Torn Prachartam	Director and Member of the BSC	283,000
6	Mr.Phairuch Mekarporn	Director, Independent Director, Chairman of the N&R, Member of the BSC	421,000
7	Mr.Singh Tangtatswas	Director, Independent Director, Chairman of the AC	417,000
8	Mr.Wicha Jiwalai	Director, Independent Director, Member of the AC	342,000
9	Mr.Banchong Chittchang	Director, Independent Director, Member of the N&R, Member of the BSC	374,000
10	Mr.Trevor Paul Blatchford	Director and Member of the BSC	283,000
11	Mr.David Andrew Cross	Director and Member of the BSC	283,000
12	Miss Wichit Thaveeprechachat	Director	192,000
13	Pol. Gen. Pakorn Sappakit *	Director, Independent Director, Member of the AC	256,000
14	Mr. Don Pramudwinai**	Director, Independent Director, Member of the N&R	212,000
Total			4,337,000

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

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

2. Remunerations of the Management team

The Company's executive have the remuneration from year 2013 to year 2015 as in the table below ;

Type of Remunerations	Year 2015		Year 2014		Year 2013	
	Total number (person)	Total Remuneration (Baht/year)	Total number (person)	Total Remuneration (Baht/year)	Total number (person)	Total Remuneration (Baht/year)
Executive Salary	7	13,760,140	10	20,866,080	10	20,098,080
Executive Bonus	7	3,470,791	10	6,597,593	10	2,785,109
Provident Fund	7	539,460	10	964,776	10	921,096
Total Remuneration		17,770,391		28,428,449		23,804,285

Remark : Director who received remunerations as being the Company's executives is 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 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 organize by The Thai Institute of Directors Association (IOD). If, there is changing new directors, the Board of Directors will provide The Code of Business Ethics/Director Handout/ Orientation for new Director, including with 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 2015, the Company had received Awards on assessment relating to good corporate governance activities as follows:

- The Company has been certified from Private Sector Collective Action Coalition Against Corruption Council : CAC, which organized by Thai Institute of Directors (IOD).
- The Company has received “ESG certificate” from Thai Path Institute.
- The Company has awarded “SD Awards 2015” and “Thailand Sustainability Investment Awards”
- TOG has awarded “The 2015 Best Company Performance Award” which was one of project in the SET Awards that were organized by the Stock Exchange of Thailand and Money& Banking Magazine. (Among the group of listed company with Market Cap. not over 3,000 million Baht)
- The assessment resulted in the year 2015 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 2015. The meeting was rated “Excellent”. (received since year 2011 until present)

- On September 24, 2015, the company has received certificate “Roi Duangjai Ruam Lod Lok Ron” for the year 2015 to register carbon reduction label with Thailand Greenhouse Gas Management Organization (Public Organization) from Ministry of Natural Resources and Environment.
- Mr. Torn Prachartam, Managing Director has been awarded “Quality Person of the year 2015 Award” from (Foundation of Science and Technology Council of Thailand – Org. for Public Charity)

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 version. 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 2016 Annual General Meeting of Shareholders (AGM), the Company will publicize the AGMs' invitation letter including with all relevant meeting documents both Thai and English version on the Company's website more than 30 days prior to the AGM meeting's day. On the day of the Shareholders' meeting (AGM), the Company will assign its staffs to facilitate registration for the shareholders or the proxy holders to attend the meeting.

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 Board sets equitable treatment of shareholders by assigning the Company Secretary to notify shareholders via website 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 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 2 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 2015, the company participated in;
 - 1) On February 24, 2015, arranged meeting with Analysts from Phillip ,Asia Plus, MFC and Aberdeen
 - 2) Opportunity Day on June 8, 2015 and December 14, 2015 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.
 - 3) Providing the operating results and business trend of the Company through Money Channel program such as Insight Inspire Program, Business Model Program.
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 SD 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 2015, there was 1.85 % (or 27 employees of 1,463 employees)

- Society/ Communities** : The Company and its Subsidiaries have waste treatment and industrial sewage 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/ Creditors** : The Company and its Subsidiaries will strictly and equally follow commercial terms and conditions bonded with other parties. In case of any deficiency, the Company will hold a negotiation meeting with them to find the best solution.
- Competitors** : The Company and its 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.
- Shareholders** : The Company and its Subsidiaries operate its business with transparency, straightforwardly, accountability including with operate business continuous growth, sustainable and can 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 – 7

Fax : (662) 862 0705

Website : <http://www.thaiopticalgroup.com>

E-mail : ir@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
- 2.Human Resources Division Manager
- 3.Internal Audit Manager
- 4.Chairman of the Audit Committee

Post : Thai Optical Group Public Company Limited

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 held on February 20, 2013, the meeting had agreed with the Securities and Exchange Commission (SEC) that encouraged listed companies to involve in anti-corruption policy. Moreover, the Boards assigned the responsible person to summary the rules and set as the policy then propose to the Boards for consideration further. In order that, the Boards had assigned the Company Secretary to take training course"Anti-Corruption: The Practical Guide", held on 21 and 22 November, 2013, organized by the Thai Institute of Directors as in the Board of Directors meeting No.59 (1/2557) on February 19, 2014 had passed a resolution declaring its intention to join the Collective Action Coalition Project organized by Thailand private sector in anti-corruption issue. Also, 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, 2015. (see more 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 2015, the Company had conducted the training courses withinthe organization for employees and management in total of 44 courses, and outside training in total of 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. In the year 2015, the Company had open opportunity for Analysts, Investors, Institutional investors, Journalist, Shareholders and etcs., both domestics and abroad, to have a meeting with the Company's executive in various channels such as Email, Video Conference, Telephone, Branch visit, executives participate in activities that organize by the Stock Exchange of Thailand (Opportunity Day) and Television programs : Money Channel. And, the Company has set quiet 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 such as financial and non-financial, the Company has been disclosed via website of The Stock Exchange of Thailand and the Company's website both in Thai and English Version 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 etcs., these information are always updated.

5. Responsibilities of the Directors

The Board of Directors has crucial role in the corporate governance so that the Company and its Subsidiary can gain the highest profit. The Board of Directors is responsible to perform their duties for shareholders and is independently from the management. 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 content in the training of employees, including with disseminate 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 majorshareholders. 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 of 31 December, 2015, 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 Shaholders.

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 Subsidiaryin 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 about 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 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 2015 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 2015, the said meeting had arranged on November 11, 2015.
- (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 2015, the said meeting had arranged on September 9, 2015.

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.68 (5/2015), held on November 11, 2015, there was the Board self-assessment (The whole Board) for the year 2015, in accordance with the sample of Board Self- Assessment Form of the Stock Exchange of Thailand which conclude in 3 formats hereto;

Type	Year 2015	Year 2014
1. Self-assessment of the Board of Directors.	95%	93%
2. Self-assessment of the Sub Committee.	87% (first year)	-
3. Self-assessment of The Board of Directors and The Sub Committee-Individually	96% (first year)	-

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's 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. For Year 2015, the Company has conducted Leadership Development Program to the Executives.
- (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 Top executive 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

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 which can be summarized hereunder;

Control within Organization

The Company and its Subsidiaries have good organization structure and working environment creating the Company to have an appropriate 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 and its subsidiaries have 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 do their risk assessments and impacts as well as establish the risk protection and correction mechanism. The Company has the 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 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 has confident 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. Sofar, the Company and its Subsidiaries have never had such a case that was against the law.

In conducting any transaction 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 registration book, invitation letters for Board of Directors meetings, minutes of Board of Directors meetings, invitation letter to shareholders and the minutes of shareholders' meeting.

The Audit Committee will join the Company's external auditors, internal auditor department and related persons for preparing the Company's financial statement at least once a year to ensure that the Company has performed in compliance with the general Thai accounting standard 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 their performance on a quarterly basis.

For the year 2014, the Management team had revised and updated the medium-term plan then present to the Board of Directors for setting a clear business strategic plan. Moreover, the medium-term plan will be reviewed every year to conform with the changing situation.

The Audit Committee had total 4 meetings together with 1 extra-meeting with the Company's 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 has been appointed to take the position of Internal Audit Manager of the Company as she has experience to perform internal audit principle in business as well as she understand 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 with over one million Baht presenting to the Board of Directors' meeting in quarterly basis", and this, managed by the Internal Audit Manager who is in a position of an Secretary to the Audit Committee, and shall be reported to the Audit Committee for consideration in each quarter.

To follow the good corporate governance practice and reflect morality of the Company's Directors, any transactions which is not under normal business practices will not be approved by executives or stakeholders in that transactions. In case, there is appraised requirement, the Company will use the service from the appraisal company which registered with the Securities and Exchange Commission (SEC) for approval the transactions. All, transactions, the Company and its Subsidiary will online disclosure of such information via Set Portal System within the time which require by The Stock Exchange of Thailand. In the year 2015, 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. Service income and service expenses are charged in accordance with the price determined and specify in the agreement
5. Guarantee fee income and expenses are charged at rate of 1.5 percent per annum.

6. Co-purchase/sell fixed assets are at agreed rate.
7. Dividend will be considered as a revenue upon the declaration of dividend payment and eligible to receive the dividend
8. Loans to the Associated Company bear interest at a rate of 2.58 percent per year

Pricing policy for foreign company which are major shareholders.

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

The Subsidiary Company :

1. Thai Optical Company Limited

Line of business : Produce optical Lenses, Prescription /Rx lenses, and Glass molds

Relation : Thai Optical Group Public Company Limited holds 99.99 % of shares of Thai Optical Company Limited.

2. Poly Sun Co.,Ltd.

Line of business : Manufacture and Distributor Tinted lenses

Relation : Thai Optical Group Public Company Limited holds 99.99 % of shares of Poly Sun Co.,Ltd.

The Associated Company :

1. MVISION OPTICAL PTE. LTD.(established in Singapore)

Line of business : Wholesaler, Manufacturer and Distributor of Prescription/Rx Lenses.

Relation : Thai Optical Group Public Company Limited holds 33 % of shares of MVision Optical Pte., Ltd.

2. MVISION OPTICAL Industry SDN BHD.(established in Malaysia)

Line of business : Wholesaler, Manufacturer and Distributor of Prescription/Rx Lenses.

Relation : Thai Optical Group Public Company Limited holds 33 % of shares of MVISION OPTICAL Industry SDN BHD.

3. 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 33% 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. 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.

3. 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.

4. 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 2015 and 2014 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 : 1st year since January 1,2013 to December 31, 2013.

500,000 Baht/ year (Fifty Thousand Baht)

2nd year since January 1,2014 to December 31, 2014.

550,000 Baht/ year (Fifty-Five Thousand Baht)

3rd year since January 1,2015 to December 31, 2015.

600,000 Baht/ year (Sixty Thousand Baht)

The Lessee agree to pay rental fee to the lessor in quarterly by fixing payable on date 25th 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.

3. Loan Transactions

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

4. Collateral Transactions

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

Criteria for Approval Connected Transactions

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

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

Management Decision and Analysis of the 2015 Financial Status and Operating Performance

Operating Performance

Overall Past Performance

The opinion of the Management team towards the 2015 operating performance was that total revenue from sales and services of the Company earned 1,893.04 million Baht which was increased by 23.34 million Baht (1.25%) from the previous year. Though, the revenue from sale and service of the Company in year 2015 did not increase from year 2014 because the Company continuously applies cost reduction policy within its organization. Additionally, the Company received positive factor from the weakness of foreign exchange rate and the Company had gained special profit from the acquisition of Poly Sun Company Limited, giving the Company had net profit 229.64 million Baht which was increased by 26.36 million baht (12.96%). This brought the net profit ratio at 12.59% (net profit ratio of last year was 11.10%).

	Consolidated Financial Statements (million Baht)			Separated Financial Statements (million Baht)		
	Year	Year	Year	Year	Year	Year
	2015	2014	2013	2015	2014	2013
Total Income	1,893.04	1,869.70	1,690.85	1,353.68	1,314.80	1,149.38
Net Profit (Loss)	229.64	203.28	154.21	204.82	195.46	116.11

Operating Performance of each Production Line or Business Sector

Revenue structure contributed by 4 key business	Producer	Consolidated 2015 (%)	Consolidated 2014 (%)	Consolidated 2013 (%)
1. Organic Lens	Company and its Subsidiaries	34.63	28.78	27.17
2. Value added Organic Lens	Company	33.52	36.11	36.20
3. Prescription Lens or Rx Lens	its subsidiary	26.08	29.86	30.36
4. Mineral Lens Other products and Services	Company and its Subsidiaries	5.77	5.25	6.27
Total		100	100	100

1. Income

In 2015, the Company and its Subsidiary had total income of 1,893.04 million Baht comparing with the income of 1,869.70 million Baht gained in the year 2014 which was increased by 23.34 million Baht or 1.25 %. Revenue from sales and services of the Company derived from the export more than 95%. Optical lens is considered as a medical equipment necessary for the good quality of life which has the growth rate in accordance with the world population and urbanization rate. Even though, the Company can sell more products and services comparing with the previous year. Due to the weaken economic situation especially in Europe and Australia where are the location of the Company's major customers, the customers therefore order the product that has less unit price which the Company can see the trend clearly in Quarter 1 and 2 in year 2015. The

Company has adjusted the sale and marketing strategy by understanding the need of the customers and access to the information to consider the product and services that are suitable for the customers in more proactive way which has brought the Company significantly increase the total revenue in Quarter 3 and 4 of year 2015. Therefore, this made the revenue from sale and services of year 2015 was closed to the sale and services of year 2014

Foreign Market	Consolidated Financial Statement (%)		
	Year 2015	Year 2014	Year 2013
EU	74.89%	77.50%	78.15%
USA	6.01%	7.64%	6.82%
Others	19.10%	14.86%	15.03%

The revenue from EU and USA was decreased due to the economic situation in their regions. However, the Company can maintain the level of revenue from Australia in the same level as previous year. There was a significant growth in the revenue from Asia Pacific by the positive factor from the company that the Company has invested having a good progress in the sale and marketing.

2. Cost of Goods Sold

The proportion on cost of goods sold to sales revenue of the Company and its Subsidiary in 2015 and 2014 were 76.39% and 75.78 %, respectively. The nominal increase of 0.61 % in 2015 resulted from the increase of the sale of standard product. However, the Company can manage the cost by reduce the cost of production to have the ratio in accordance with the decreasing ratio of sale.

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

The Company and its subsidiary's expenses in SG&A were 211.38 and 225.35 million Baht in the year 2015 and 2014 respectively which was decreased by 13.97 million Baht. The Company had some of management team who were retired in year 2014 and the Company has rearranged the corporate structure to identify the job responsibility. Additionally, the Company can manage sale budgeting more efficiently as well as eliminate unnecessary expenses therefore the Company's total expense on SG&A was decreased.

4. Other revenues

The weakness of foreign exchange rate was a positive factor to the Company's revenue in year 2015. The Company gained from foreign exchange rate at 17.72 million Baht because the main revenue of the Company was mainly in US Dollar currency. Furthermore, the Company realized the profit from the calculation of net asset for the acquisition of Poly Sun Co.,Ltd. in Quarter 3 in the amount of 11.7 million Baht which was one time transaction and the Company could successfully negotiated the share purchase price of Poly Sun Co.,Ltd, to have the purchased price less than the market price, which was a net asset value after deduction of the accounting reserve in accordance with the accounting standard applicable to the listed company in the stock exchange.

5. Interest Expense

In 2015, the interest expense of the Company and its subsidiary was higher than the previous year of 2014 by 0.83 million Baht resulting from the payment of interest on loans from financial institutes for operating fund used in business operation.

6. Net Profit

In 2015, the Company and its Subsidiary had gained net profit of 229.64 million Baht which was increased from year 2014 by 26.36 million Baht or 12.96%. The main results was derived from the cost management policy that the Company has been implementing continuously, the efficiency in managing the Company's expenses, the weakness of foreign currency and the profit gained from acquisition of Poly Sun Co.,Ltd.

7. Dividend per Share

The Company's dividend payment policy is as follows;

"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 Board of Directors Meeting No.66 (3/2015) held on August 11th, 2015 had a resolution on the approval to pay interim dividend from the six-months operating results of consolidated financial statements since January 1st to June 30th, 2015 at Baht 0.08 per share from paid-up shares of 474,318,000 shares in total of 37,945,440 Baht(Thirty-seven Million Nine Hundred And forty five Thousand Four Hundred And forty Baht Only).

For the 2015 Operating Results, the Board of Director's Meeting No.69 (1/2016), held on February 17th, 2016 had a resolution on the approval to pay dividend of the year 2015 at Baht 0.38 per share which interim dividend had already been paid at Baht 0.08 per share and the remaining dividend payment of this period will be at Baht 0.30 per share to shareholders (Operating period July 1st to December 31st, 2015) and will propose for approval to the next 2016 Annual General Meeting of Shareholders which will be held on April 5th, 2016 accordingly.

Financial Status

In the year 2015, the Company and its Subsidiary had total asset in the amount of 2,250.12 million Baht, increased by 44.96 million Baht from the previous year (2014). Details are as follows:

1. Current assets increased by 45.31 million Baht as follows;

- Cash and cash equivalents increased by 91.43 million Baht.
- Account receivable and other increased by 25.51 million Baht resulting from the related accounts receivable increased by 24.07 million Baht. And, other unrelated account receivable increased by 1.44 million Baht. (more details in Note to Financial Statement No. 9)
- Short term loan lent to related company decreased by 8.89 million Baht. (more details in Note to Financial Statement No. 10)
- Net Inventories decreased by 55.85 million Baht consisting of raw materials of 41.58 million Baht, goods in transit of 16.00 million Baht, goods in process of 5.13 million Baht, factory materials of 2.76 million Baht. However, the finished goods increased by 5.68 million Baht, and glass moulds increased by 3.94 million baht. (more details in Note to Financial Statement No. 11)
- Other current assets decreased by 6.91 million Baht.

2. Non-current assets decreased by 0.34 million Baht with details as follows;

- The investment in associated company increased by 7.95 million Baht. There was a conversion of loan in accordance with the proportionate of the shares of the shareholders in MVision Pte Ltd (Singapore) into equity and restructure of shareholding structure by having the Company holding shares directly in MVision Industry Sdn Bhd (Malaysia).
- Land, Building and net equipment increased by 19.53 million Baht due to these details:
- Intangible assets were decreased by 2.06 million Baht.

3. Liabilities

In the year 2015, the Company and its Subsidiary had total liabilities of 450.62 million Baht, decreased by 36.33 million Baht when comparing with the year 2014. The details are below;

- Current liabilities decreased by 66.55 million Baht with details as follows;
 1. Overdrawn and short terms loan from bank decreased by 7.27 million Baht.
 2. Trade payable and other account payable decreased by 68.52 million Baht, which can be separated as Trade account payable decreased by 66.38 million Baht and other account payable decreased by 2.14 million Baht.
 3. Short term benefit reserve for employee decreased by 6.12 million Baht.
 4. Accrued unpaid corporate income tax increased by 3.36 million Baht.
 5. Unpaid investment in subsidiary having 1 year deal increased by 12.00 million Baht.
- Non-current liabilities was increased because net unpaid investment in subsidiary having 1 year deal increased by 24.00 million Baht and Employees' pension fund reservation increased by 6.22 million Baht.

4. Shareholders' Equity

In the year 2015, the Company and its Subsidiary shareholders' equity increased from the year 2014 by 81.30 million Baht due to the increase of profit.

Liquidity

1. In the year 2015, the Company and its Subsidiary had net cash increased by 103.27 million Baht resulted from Company's operations of 92.19 million Baht and earnings from Investments of 31.36 million Baht as well as reduce in using the financing activities 20.19 million Baht.
2. Capital Structure

	Consolidated financial statements			Separated financial statements		
	2015	2014	2013	2015	2014	2013
Debt to equity ratio (times)	0.25	0.28	0.21	0.23	0.25	0.17
Interest - bearing debt to equity ratio (times)	0.07	0.05	0.05	0.07	0.04	0.04

The above ratios show that the Company had a strong capital structure with the Interest – bearing debt to equity ratio almost equal to 0 showing that the Company has no Net Cash position and the Company has a good cash flow from Company's operation.

3. Liquidity Ratio

	Consolidated financial statements			Separated financial statements		
	2015	2014	2013	2015	2014	2013
Current ratio (times)	3.24	2.82	3.49	2.97	2.84	3.56
Quick ratio (times)	1.23	0.85	1.16	0.93	0.74	1.07
Cash ratio (times)	0.34	0.10	0.18	0.19	0.07	0.18
Cash flow increase (decrease) from operation (million Baht)	91.43	(11.83)	38.97	34.98	(16.17)	29.90

The above details show that in 2015, liquidity of the Company and its Subsidiary was higher than the previous year (2014), resulting from good Company's performance and the efficiency of the customer credit control system resulting the increase of liquidity and cash flow from operation to the Company.

4. Profitability ratio

	Consolidated financial statements			Separated financial statements		
	2015	2014	2013	2015	2014	2013
Operational profit margin (%)	15.81	13.98	11.58	12.82	11.05	4.73
Net profit margin (%)	12.59	11.10	9.46	16.78	16.51	11.32
Return on assets (%)	12.94	12.11	9.77	13.98	13.87	8.42
Return on equity (%)	13.06	12.02	9.39	14.90	14.76	8.95

The above ratios show the increase of Company's profitability in year 2015 comparing with the previous year. The above ratio displayed the ability of the Company in controlling the cost and expenses in accordance with the change of the revenue arising from the dynamic of industry circumstance and positive factor from the weakness of foreign exchange rate.

Forward Looking

The Board of Directors of the Company and the Management team have determined the operating year plan and business strategy for the Company to conduct the business operation to achieve the business goal and target as planned. The business plan and strategy will ensure that the Company will operate the business with flexibility and be able to confront with the key factors which may be changed in the future.

The key factors

1. Labour
2. Exchange rate
3. Skill development of employee
4. Raw material Price

Operating Principle

1. Labour

Recently, the labour situation and market in Thailand is slightly tough, thus, the Company foresees the necessary to find out the proper process in reducing the dependency of skilled labour. The Company has the policy to invest in the machine that use the automatic robot technology and the continually manufacturing conveyor. The said investment plan will use less labor in the production line as well as upgrade the services provided to the customer more efficiency. Additionally, this could reduce the cost of production from the waste generated by human error.

2. Exchange Rate

Since US Dollar is the main currency of the Company in doing business with the customers and the raw material producers, therefore, the fluctuation of foreign exchange rate will give direct impact to the profit (loss) to the Company. The Company is doing both as an importer of the raw material and as an exporter of finished goods, thus the risk of exchange rate would be naturally decrease in certain level. However, the Company also has a mitigation plan to manage the remaining risk of exchange by using financial instruments from banks and financial institutions i.e. currency exchange forward, currency exchange option and interest rate swap.

3. Skill development of employee

The Company continuously promotes the development plan for all Company's employees by conducting the training programs that are applicable to all levels of employees. The training courses will be conducted by both the internal staff and external training institution. The main purpose of training course is to not only improve knowledge and skill set to all employees for them perform their tasks more professionally and effectively, but also will prepare the qualified employees to be promoted as the head of section, head of department, head of division and management level as well.

4. Raw material price

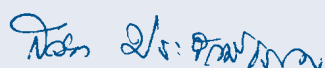
The Company has a supply chain and procurement department for procuring good quality of raw material and finished goods with reasonable price. The Company has a policy to maintain and manage good relationship with the producer of raw material and finished goods on the long term basis. Even though, the price of the raw material in optical lens production, which is a chemical from petroleum product derivative, does not have much relation to the oil price because it is considered as a specialty chemical which is solely use in the optical industry. The Company still has very good and long relationship with the chemical producer especially on the sustainable growth of Company's production that has brought the Company becomes a major customer to the chemical producer.

Report of The Board of Directors of Responsibility for Financial Reports

The Board of Directors is responsible for the financial statements of 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 of December 31, 2015 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. Torn 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 Mr. Phairuch Mekarporn 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 2015, 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 2015, the Company had received the recognitions comprising of the award to certify that the Company has good standard for anti-corruption by CAC (Collective Action Coalition) in the rage 79, the SET Sustainability Award and Thailand Sustainability Investment from the Stock Exchange of Thailand and SET Award 2015. All these recognitions are clearly displayed that the Company has conducted the business operation in accordance with good corporate governance and good internal procedure that can make the business management and operation sustainability. The Audit committee had opinion that the Company's internal control in various aspects is being developed continuously.

For the year 2016, the Audit Committee proposed to the Board of Directors to appoint Mrs. Sarinda Hirunprasertwut, Certified Public Accountant (Thailand) No.4799, or Miss Kamontip Lertwitworatep, 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 2,035,000 Baht which is increased from year 2015 in the amount of 135,000 Baht because the Company has additional subsidiaries. The said appointment of Company's auditor and its compensation will be proposed to the Annual General Meeting of Shareholders for approval.

(Mr. Singh Tangtatswas)

Chairman of the Audit Committee

February 17, 2016

Audit Fee

1. Audit fee

In the audit year of 2015, the Company and the Subsidiary companies had paid audit fee in total amounting to 1,700,000 Baht to EY Office Limited (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.

As of August 15th, 2015 the Company has taken over all of share of(acquisition) Poly Sun Co.,Ltd., including with also elect EY Office Limited as its auditor with audit fee of 200,000 Baht (Two Hundred Thousand Baht Only)

2. Non-Audit fee

-None-

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 subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, 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 subsidiaries and of Thai Optical Group Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Sarinda Hirunprasurtwuti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok : 12 February 2016

Statements of financial position

Thai Optical Group Public Company Limited and its subsidiaries

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As of 31 December 2015	As of 31 December 2014	As of 31 December 2015	As of 31 December 2014
Asset					
Current assets					
Cash and cash equivalents	7	134,436,818	43,002,859	55,829,069	20,851,603
Short-term investments - trading securities	8	874,630	862,527	874,630	862,527
Trade and other receivables	9	355,211,007	329,705,978	221,209,590	209,918,676
Short-term loans to related parties	10	-	8,888,833	14,000,000	8,888,833
Inventories	11	773,695,966	829,545,255	575,054,341	616,385,586
Other current assets		24,259,329	31,164,957	20,601,007	28,033,010
Total current assets		1,288,477,750	1,243,170,409	887,568,637	884,940,235
Non-current assets					
Investments in subsidiaries	12	-	-	186,000,000	130,000,000
Investments in associates	13	30,239,745	22,290,774	54,330,913	46,291,618
Property, plant and equipment	14	883,249,846	888,959,718	570,551,881	583,216,632
Intangible assets	15	20,973,808	23,034,056	16,412,077	19,867,353
Deferred tax assets	25	27,083,303	27,637,614	14,038,107	18,071,727
Other non-current assets		93,600	61,900	57,600	52,900
Total non-current assets		961,640,302	961,984,062	841,390,578	797,500,230
Total assets		2,250,118,052	2,205,154,471	1,728,959,215	1,682,440,465

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

Statements of financial position (Continued)

Thai Optical Group Public Company Limited and its subsidiaries

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As of 31 December 2015	As of 31 December 2014	As of 31 December 2015	As of 31 December 2014
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	16	82,732,727	90,000,000	62,732,727	55,000,000
Trade and other payables	17	246,107,524	314,625,956	183,455,031	241,134,990
Current portion of payable for investment in subsidiary	10, 12, 18	12,000,000	-	12,000,000	-
Provision for short-term employee benefits	19	3,828,713	9,951,118	2,422,368	2,310,000
Income tax payable		28,844,086	25,486,692	14,016,831	12,825,351
Total current liabilities		373,513,050	440,063,766	274,626,957	311,270,341
Non-current liabilities					
Payable for investment in subsidiary - net of current portion	10, 12, 18	24,000,000	-	24,000,000	-
Provision for long-term employee benefits	19	53,106,481	46,890,694	27,705,104	24,116,675
Total non-current liabilities		77,106,481	46,890,694	51,705,104	24,116,675
Total liabilities		450,619,531	486,954,460	326,332,061	335,387,016
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		474,318,000	474,318,000	474,318,000	474,318,000
Ordinary share premium		481,749,828	481,749,828	481,749,828	481,749,828
Retained earnings					
Appropriated - statutory reserve	22	62,500,000	60,500,000	47,500,000	47,500,000
Unappropriated		613,138,622	533,840,112	399,059,326	343,485,621
Other components of shareholders' equity	12	167,792,071	167,792,071	-	-
Total shareholders' equity		1,799,498,521	1,718,200,011	1,402,627,154	1,347,053,449
Total liabilities and shareholders' equity		2,250,118,052	2,205,154,471	1,728,959,215	1,682,440,465

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

Statements of comprehensive income

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss :					
Revenues					
Sales	10	1,732,590,597	1,757,403,190	1,220,788,926	1,182,635,865
Service income	10	91,205,244	73,557,616	-	950,014
Dividend income	10, 12	-	-	81,900,000	91,910,000
Freight income		17,127,944	17,952,221	7,027,225	6,325,089
Gain on exchange		17,719,308	7,248,366	6,228,275	4,777,452
Other income		34,399,036	13,533,628	37,730,730	28,201,502
Total revenues		1,893,042,129	1,869,695,021	1,353,675,156	1,314,799,922
Expenses	24				
Cost of sales	10	1,349,586,951	1,349,419,371	960,900,604	933,695,458
Cost of service	10	43,670,944	38,065,738	-	709,871
Selling expenses		21,216,036	24,907,423	12,318,217	13,498,064
Administrative expenses		190,166,287	200,445,085	141,992,779	144,258,050
Total expenses		1,604,640,218	1,612,837,617	1,115,211,600	1,092,161,443
Profit before share of loss from investments in associates, finance cost and income tax expenses		288,401,911	256,857,404	238,463,556	222,638,479
Share of loss from investments in associates	13	(90,324)	(953,391)	-	-
Profit before finance cost and income tax expenses		288,311,587	255,904,013	238,463,556	222,638,479
Finance cost		(3,938,488)	(3,108,975)	(3,511,431)	(2,510,139)
Profit before income tax expenses		284,373,099	252,795,038	234,952,125	220,128,340
Income tax expenses	25	(54,737,340)	(49,513,406)	(30,135,740)	(24,664,833)
Profit for the year		229,635,759	203,281,632	204,816,385	195,463,507
Other comprehensive income :					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(1,627,949)	-	(2,759,738)	-
Less: Income tax effect	25	325,590	-	551,948	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,302,359)	-	(2,207,790)	-
Other comprehensive income for the year		(1,302,359)	-	(2,207,790)	-
Total comprehensive income for the year		228,333,400	203,281,632	202,608,595	195,463,507

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

Statements of comprehensive income (Continued)

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Earnings per share (Baht)				
Basic earnings per share				
Profit	0.48	0.43	0.43	0.41
Weighted average number of ordinary shares (shares)	474,318,000	474,224,488	474,318,000	474,224,488
Diluted earnings per share				
Profit	0.48	0.43	0.43	0.41
Weighted average number of ordinary shares (shares)	474,318,000	474,328,022	474,318,000	474,328,022

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

Statements of changes in shareholders' equity

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements					
		Issued and fully paid-up share capital	ส่วนเกินมูลค่า Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated		
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	21	-	-	-	(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
Balance as at 1 January 2015		474,318,000	481,749,828	60,500,000	533,840,112	167,792,071	1,718,200,011
Profit for the year		-	-	-	229,635,759	-	229,635,759
Other comprehensive income for the year		-	-	-	(1,302,359)	-	(1,302,359)
Total comprehensive income for the year		-	-	-	228,333,400	-	228,333,400
Appropriation of statutory reserve of new subsidiary		-	-	2,000,000	(2,000,000)	-	-
Dividend paid	21	-	-	-	(147,034,890)	-	(147,034,890)
Balance as at 31 December 2015		474,318,000	481,749,828	62,500,000	613,138,622	167,792,071	1,799,498,521

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

Statements of changes in shareholders' equity (Continued)

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit : Baht)

	Note	Separate financial statements			
		Issued and fully paid-up share capital	Share premium	Retained earnings	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated
Balance as at 1 January 2014		473,283,700	480,715,528	47,500,000	299,803,442
Profit for the year		-	-	-	195,463,507
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	195,463,507
Additional ordinary shares issued from warrants exercised	20	1,034,300	1,034,300	-	-
Dividend paid	21	-	-	-	(151,781,328)
Balance as at 31 December 2014		474,318,000	481,749,828	47,500,000	343,485,621
Balance as at 1 January 2015		474,318,000	481,749,828	47,500,000	343,485,621
Profit for the year		-	-	-	204,816,385
Other comprehensive income for the year		-	-	-	(2,207,790)
Total comprehensive income for the year		-	-	-	202,608,595
Dividend paid	21	-	-	-	(147,034,890)
Balance as at 31 December 2015		474,318,000	481,749,828	47,500,000	399,059,326
					1,402,627,154

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

Statement Cash Flow

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash flows from operating activities					
Profit before tax		284,373,099	252,795,038	234,952,125	220,128,340
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities :					
Gain on bargain purchase of investment in subsidiary	12	(11,678,309)	-	-	-
Share of loss from investments in associates		90,324	953,391	-	-
Unrealised gain on short-term investment		(12,103)	(15,875)	(12,103)	(15,875)
Unrealised loss (gain) on exchange		(544,788)	1,799,120	(88,595)	1,528,993
Loss (gain) from sales of property, plant and equipments		22,795	(944,760)	(404,703)	(953,523)
Dividend income		-	-	(81,900,000)	(91,910,000)
Depreciation and amortisation		146,909,916	157,083,150	91,583,170	101,055,785
Allowance for doubtful accounts (reversal)		(3,629,057)	1,420,154	(3,168,567)	-
Reduce cost to net realisable value of inventory (reversal)		2,972,823	14,238,313	(7,430,719)	16,332,229
Provision for long-term employee benefits		6,301,641	7,539,654	3,251,059	2,863,770
Interest income		(290,721)	(628,933)	(240,357)	(581,010)
Interest expenses		3,230,299	2,346,865	1,977,586	1,479,513
Profit from operating activities before changes in operating assets and liabilities		427,745,919	436,586,117	238,518,896	249,928,222
Operating assets (increase) decrease					
Short-term investment - trading securities		-	10,077,275	-	10,077,275
Trade and other receivables		(4,332,916)	(43,558,472)	(7,251,567)	(44,050,679)
Inventories		82,151,681	(159,207,960)	48,761,964	(151,989,599)
Other current assets		8,769,117	(16,044,550)	7,432,003	(16,457,993)
Other non-current assets		(2,200)	19,900	(4,700)	19,900
Operating liabilities increase (decrease)					
Trade and other payables		(79,500,023)	114,293,010	(57,513,367)	106,215,862
Cash flows from operating activities		434,831,578	342,165,320	229,943,229	153,742,988
Cash paid for long-term employee benefits		(9,666,865)	(3,648,099)	(2,310,000)	(115,800)
Cash paid for income tax		(47,453,017)	(52,903,698)	(24,358,693)	(23,554,197)
Net cash from operating activities		377,711,696	285,613,523	203,274,536	130,072,991

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

Statement Cash Flow (Continued)

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash flows from investing activities					
Short-term loan to subsidiary		-	-	(34,000,000)	-
Cash received from short-term loan to subsidiary		-	-	20,000,000	-
Dividend received from subsidiary		-	-	81,900,000	91,910,000
Cash paid for purchase of investment in subsidiary	12	(29,800,840)	-	(20,000,000)	-
Purchase of property, plant and equipments		(93,641,534)	(158,243,954)	(72,460,370)	(84,742,430)
Purchase of intangible assets		(6,060,543)	(5,696,060)	(3,296,476)	(4,859,188)
Interest income		639,985	213,577	721,868	165,654
Cash received from sales of property, plant and equipments		411,215	3,912,500	411,215	3,912,500
Net cash from (used in) investing activities		(128,451,717)	(159,813,937)	(26,723,763)	6,386,536
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans from banks		(7,560,831)	47,496,680	7,439,169	14,000,000
Decrease in trust receipt		-	(15,036,995)	-	(15,036,995)
Repayment of long-term loan from bank		-	(17,356,933)	-	-
Repayment of finance lease payable		-	(667,367)	-	(401,992)
Cash received from additional ordinary share from warrants excersised		-	2,068,600	-	2,068,600
Cash paid for interest expenses		(3,230,299)	(2,356,138)	(1,977,586)	(1,479,513)
Cash paid for dividend		(147,034,890)	(151,781,328)	(147,034,890)	(151,781,328)
Net cash used in financing activities		(157,826,020)	(137,633,481)	(141,573,307)	(152,631,228)
Net increase (decrease) in cash and cash equivalents		91,433,959	(11,833,895)	34,977,466	(16,171,701)
Cash and cash equivalents at beginning of the year		43,002,859	54,836,754	20,851,603	37,023,304
Cash and cash equivalents at end of the year		134,436,818	43,002,859	55,829,069	20,851,603

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

Notes to Consolidated Financial Statements

Thai Optical Group Public Company Limited and its subsidiaries

For the year ended 31 December 2015

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 subsidiaries (“the Subsidiaries”) as detailed below.

Subsidiaries	Nature of business	Percentage of shareholding	
		2015 Percent	2014 Percent
Thai Optical Company Limited	Manufacturing and selling of mineral optical lens, plastic optical lens and glass moulds	100	100
Poly Sun Company Limited	Manufacturing and selling of plastic optical lenses	100	-

b) The Company is deemed to have control over an investee or subsidiaries 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.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

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

- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - f) 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 present investment in subsidiaries and associates under the cost method.

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 year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised 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 either profit or loss or 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 subsidiaries already recognise 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 content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated 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 subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

IFRS 12 Disclosure of Interests in Other Entities

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

IFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the year, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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 cost of raw materials, labour and factory overhead.

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 cost of completion and estimated expenses necessary to make 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) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries 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 subsidiaries 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.

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 subsidiaries 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 subsidiaries 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 subsidiaries 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 subsidiaries 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.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating lease. 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.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards.

Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows :

- | | |
|---------|---|
| Level 1 | - Use of quoted market prices in an observable active market for such assets or liabilities |
| Level 2 | - Use of other observable inputs for such assets or liabilities, whether directly or indirectly |
| Level 3 | - Use of unobservable inputs such as estimates of future cash flows |

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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 and 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 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Decrease in other payables from purchases of property, plant and equipment and intangible assets	(463)	(3,725)	(287)	(3,872)
Transfer short-term loan to related party to investment in associate	8,039	3,915	8,039	3,915
Increase in payable for investment in subsidiary	36,000	-	36,000	-

7. Cash and cash equivalents

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash	198	180	85	85	
Bank deposits		134,239	42,823	55,744	20,767
Total		134,437	43,003	55,829	20,852

As at 31 December 2015, bank deposits in savings accounts carried interests between 0.05 and 0.38 percent per annum (2014: 0.4 and 0.5 percent per annum).

8. Short-term investments - trading securities

As of 31 December 2015 and 2014, short-term investments in trading securities were as follows :

Consolidated and separate financial statements					
2015			2014		
Number of units (Thousand unit)	Cost (Thousand Baht)	Fair value (Thousand Baht)	Number of units (Thousand unit)	Cost (Thousand Baht)	Fair value (Thousand Baht)
<u>Short-term investments :</u>					
Trading securities					
TMB Treasury Money Fund	66	781	66	781	863
Total short-term investments - trading securities	66	781	66	781	863

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	153,116	119,046	107,030	75,506
Overdue not over 30 days	53,487	64,101	3,487	13,143
Overdue 31 - 90 days	478	217	-	-
Overdue 91 - 180 days	581	227	-	-
Total trade accounts receivable - related parties (Note 10)	207,662	183,591	110,517	88,649
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	100,237	109,654	82,038	98,024
Overdue not over 30 days	31,909	26,775	23,575	19,509
Overdue 31 - 90 days	9,243	8,765	4,546	3,680
Overdue 91 - 180 days	3,672	697	190	5
Overdue 181 - 365 days	4,682	441	-	-
Overdue more than 365 days	5,892	9,741	-	3,169
Total trade accounts receivable - unrelated parties	155,635	156,073	110,349	124,387
Less: Allowance for doubtful debts	(8,368)	(9,958)	-	(3,169)
Total trade accounts receivable - unrelated parties - net	147,267	146,115	110,349	121,218
Total trade accounts receivable - net	354,929	329,706	220,866	209,867
<u>Other receivables</u>				
Other receivables - related parties	282	-	344	52
Total other receivables (Note 10)	282	-	344	52
Total trade and other receivables - net	355,211	329,706	221,210	209,919

10. Related party transactions

During the years, the Company and its subsidiaries 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 companies 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. Management and document service income are charged at the contract price agreed between the parties.
5. Guarantee fee income and expenses are charged at rate of 1.5 percent per annum.
6. Purchases/sales prices of fixed assets are determined at agreed rate.
7. Dividend income is recognised when declared and the right to receive the dividend is established.
8. Loans to subsidiary company is charged interest at the rate of 2.58 percent per annum.

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 the rate of 3.5 percent per annum.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Transactions with subsidiaries</u> <i>(eliminated from the consolidated financial statements)</i>				
Sales of finished goods and raw materials	-	-	96,593	78,883
Service income	-	-	-	944
Other sales	-	-	1,542	3,297
Management and document service income	-	-	14,880	14,880
Other service income	-	-	186	46
Cost of sales	-	-	91,482	79,050
Purchase of finished goods and raw materials	-	-	92,695	146,609
Service fee expenses	-	-	24,727	25,714
Guarantee fee income	-	-	808	477
Guarantee fee expenses	-	-	1,397	859
Purchase of parts	-	-	-	11
Dividend income	-	-	81,900	91,910
Other purchases	-	-	378	205
Interest income	-	-	91	-
<u>Transactions with associates</u>				
Sales of finished goods	11,400	7,117	2,309	637
Other services income	294	388	56	12
Interest income	67	505	67	505
<u>Transactions with domestic related companies</u> <i>related by the way of common shareholders</i> <i>and/or common directors</i>				
Sales of finished goods and raw materials	69,678	63,904	8,697	5,201
Service income	9	10	-	-
Other sales	143	311	40	95
Other service income	-	21	-	21
Sales of assets	-	3,900	-	3,900
Purchase of finished goods and raw materials	211	425	178	233
Others purchases	2,504	1,508	80	14
Service fee expenses	211	231	57	-
Purchase of assets	737	1,169	-	473
<u>Transactions with foreign related companies</u>				
Sales of finished goods	1,064,161	995,427	556,876	482,176
Other sales	9,733	5,984	6,669	3,225
<u>Transactions with related persons</u>				
Purchase of investment in subsidiary	28,000	-	28,000	-

The outstanding balances of the above transactions have been separately shown in the statements of financial position with the details as at 31 December 2015 and 2014 as follows :

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade accounts receivable – related parties</u>				
Subsidiary companies	-	-	9,643	4,317
Associate companies	6,671	2,843	2,372	-
Related companies	200,991	180,748	98,502	84,332
Total trade accounts receivable – related parties (Note 9)	207,662	183,591	110,517	88,649
<u>Other receivables – related parties</u>				
Subsidiary companies	-	-	62	52
Associate companies	282	-	282	-
Total other receivables – related parties (Note 9)	282	-	344	52
<u>Short-term loan to related parties</u>				
Subsidiary company	-	-	14,000	-
Associate companies	-	8,889	-	8,889
Total short-term loan to related parties	-	8,889	14,000	8,889
<u>Trade accounts payable – related parties</u>				
Subsidiary companies	-	-	10,218	10,007
Related companies	400	185	-	-
Total trade accounts payable – related parties (Note 17)	400	185	10,218	10,007
<u>Other payables – related parties</u>				
Subsidiary company	-	-	84	83
Related company	148	189	-	-
Total other payables – related parties (Note 17)	148	189	84	83
<u>Payable for investment in subsidiary – related parties</u>				
Payable for investment in subsidiary – related persons (Note 18)	18,000	-	18,000	-
Less: Portion due within one year	(6,000)	-	(6,000)	-
Payable for investment in subsidiary – related parties – net of current portion	12,000	-	12,000	-

During the year ended 31 December 2015, movement of loans between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Balance as at	During the year			Balance as at
	31 December			Gain on	31 December
	2014	Increase	Decrease	exchange rate	2015
<u>Short-term loans to associated companies</u>					
MVision Optical Pte. Ltd.	8,730	67	(8,989)	192	-
Vietnam Visibility Target Co., Ltd.	159	-	(168)	9	-
Total	8,889	67	(9,157)	201	-

(Unit: Thousand Baht)

Separate financial statements				
Balance as at	During the year			Balance as at
31 December			Gain on	31 December
2014	Increase	Decrease	exchange rate	2015
<u>Short-term loans to subsidiary company</u>				
Poly Sun Co., Ltd.	-	34,000	-	14,000
<u>Short-term loans to associated companies</u>				
MVision Optical Pte. Ltd.	8,730	67	192	-
Vietnam Visibility Target Co., Ltd.	159	-	9	-
Total	8,889	34,067	201	14,000

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	21,231	37,870	18,577	34,358
Post-employment benefits	805	1,154	700	738
Total	22,036	39,024	19,277	35,096

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 30 to the financial statements.

11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net
	2015	2014	2015	2014	2015 2014
Finished goods	348,401	336,951	(18,178)	(12,405)	330,223 324,546
Work in process	10,100	15,226	-	-	10,100 15,226
Raw materials	112,047	146,517	(10,579)	(3,474)	101,468 143,043
Spare parts and factory supplies	23,620	26,699	(119)	(437)	23,501 26,262
Supplies – Glass mould	282,388	277,621	(13,379)	(12,550)	269,009 265,071
Goods in transit	39,395	55,397	-	-	39,395 55,397
Total	815,951	858,411	(42,255)	(28,866)	773,696 829,545

(Unit: Thousand Baht)

Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net
	2015	2014	2015	2014	2015 2014
Finished goods	255,865	246,229	(2,520)	(3,971)	253,345 242,258
Work in process	1,806	3,141	-	-	1,806 3,141
Raw materials	66,956	93,421	-	(3,129)	66,956 90,292
Spare parts and factory supplies	8,412	10,131	-	(437)	8,412 9,694
Supplies – Glass mould	215,987	229,644	(8,290)	(10,704)	207,697 218,940
Goods in transit	36,838	52,061	-	-	36,838 52,061
Total	585,864	634,627	(10,810)	(18,241)	575,054 616,386

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 13.39 million (2014: Baht 14.24 million), to reflect the net realisable value, which was included in cost of sales. (The Company only: reversed the write-down of cost of inventories by Baht 7.43 million and reduced the amounts of inventories recognised as expenses during the year (2014: reduced cost of inventories by Baht 16.33 million)).

12. Investments in subsidiary companies

As at 31 December 2015 and 2014, investments in subsidiary companies accounted for under cost method in the separate financial statements are as follows:

(Unit: Thousand Baht)

Separate financial statements								
Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2015	2014	2015 (%)	2014 (%)	2015	2014	2015	2014
Thai Optical Company Limited (Manufacturing and selling of mineral optical lenses, plastic optical lenses and glass mold)	130,000	130,000	100	100	130,000	130,000	81,900	91,910
Poly Sun Company Limited (Manufacturing and selling of plastic optical lenses)	20,000	-	100	-	56,000	-	-	-
Total					186,000	130,000	81,900	91,910

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".

On 11 August 2015, the Board of Director's meeting of the Company passed a resolution to approve the purchase of ordinary shares of 100 percent interest in Poly Sun Company Limited from existing shareholders. On 15 August 2015, the Company entered into an agreement with the existing shareholders (sellers) of such company to purchase 0.2 million ordinary shares with a par value of Baht 100 at the price of Baht 56 million. The Company paid the first installment of Baht 20 million to the sellers. The remaining amount of Baht 36 million will be paid in three yearly installments of Baht 12 million in August 2016, 2017 and 2018, which is in accordance with the conditions stipulated under the sales and purchase of shares agreement.

As a result of the acquisition of investment in the subsidiary, under the acquisition method, the Company recognised the excess of the fair value over the cost of acquisition in the ordinary shares of the subsidiary as gain on bargain purchase of Baht 11.7 million and presented as part of other income in the consolidated statement of comprehensive income for the year ended 31 December 2015.

Subsequently on 28 August 2015, the Company's directors were appointed as the authorised directors of Poly Sun Company Limited. The change in the authorised directors was registered with the Ministry of Commerce on 1 September 2015 (the acquisition date on which the control exists).

The fair value of the assets and liabilities of Poly Sun Company Limited acquired as at the acquisition date can be summarised as follows :

	(Unit: Thousand Baht)
Cash and cash equivalents	24,199
Trade and other receivables	16,653
Inventories	29,275
Other current assets	1,731
Deferred income tax	3,047
Property, plant and equipment	39,409
Other non-current assets	30
Trade and other payables	(10,835)
Short-term loan from parent company	(34,000)
Provision for long-term employee benefits	(1,830)
Net assets from acquisition of subsidiary company	67,679
Less : Gain on bargain purchase	(11,679)
Cash used in acquisition of investment in subsidiary company	56,000
Less : Cash and cash equivalents of subsidiary company	(24,199)
Short-term loan from parent company	34,000
Current portion of payable for investment in subsidiary	(12,000)
Payable for investment in subsidiary - net of current portion	(24,000)
Net cash outflows for purchase of ordinary shares of subsidiary company	29,801

13. Investments in associates

13.1 Details of investments in associates

Company's name	Nature of business	Relationship	Paid-up capital				Shareholding percentage				Consolidated financial statements		Separate financial statements	
											Carrying amounts based on equity method		Carrying amounts based on cost method	
			2015		2014		2015 (%)		2014 (%)		2015 Thousand		2014 Thousand	
											Baht		Baht	
MVision Optical Pte. Ltd. (Incorporated in Singapore)	Manufacturing of Rx lenses	Direct holding and common directors	SGD 2.7 million	SGD 4 million	33	33				9,197	7,100	20,968	31,020	
MVision Optical Industry Sdn. Bhd. (Incorporated in Malaysia)	Manufacturing of Rx lenses	Direct holding and common directors	MYR 6 million	-										
Vietnam Visibility Target Company Limited (Incorporated in Vietnam)	Manufacturing of Rx lenses	Direct holding and common directors	USD 1.45 million	USD 1.45 million	33	33				3,689	-	18,091	-	
										17,354	15,191	15,272	15,272	
Total										30,240	22,291	54,331	46,292	

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit (loss) from investments in associated companies for the years	
	2015	2016
MVision Optical Pte. Ltd.	(1,714)	(1,882)
MVision Optical Industry Sdn. Bhd.	(539)	-
Vietnam Visibility Target Company Limited	2,163	928
Total	(90)	(954)

On 30 June 2015, the Extraordinary General Meeting of the shareholders of MVision Optical Pte. Ltd., an associated company which was incorporated in Singapore, passed a special resolution to decrease its share capital from SGD 4 million (4 million ordinary shares of SGD 1 each) to SGD 2.7 million (4 million ordinary shares of SGD 0.66 each). The associated company transferred the investment in MVision Optical Industry Sdn. Bhd., a subsidiary of the associated company which was incorporated in Malaysia, of SGD 1.3 million or equivalent to MYR 3 million to its shareholders as the return of investment. The associated company registered the decrease in its share capital in August 2015.

Subsequently on 26 September 2015, the Extraordinary General Meeting of the shareholders of MVision Optical Industry Sdn. Bhd. (the subsidiary of MVision Optical Pte. Ltd.) passed a special resolution to increase its share capital from MYR 3 million (3 million ordinary shares at the par value of MYR 1 each) to MYR 6 million (6 million ordinary shares of MYR 1 each) through the issuance of 3 million ordinary shares of MYR 1 each to MVision Optical Pte. Ltd. (the associated company). The associated company settled the short-term loan to MVision Optical Industry Sdn. Bhd. of SGD 1 million or equivalent to MYR 3 million against the amount payable for the investment in this company. The short-term loan was obtained from its shareholders at the same portion of the shareholding percentage in the associated company (the Company provided short-term loan of SGD 0.33 million to the associated company). The associated company transferred the additional ordinary shares of MVision Optical Industry Sdn. Bhd. to its shareholders to settle this short-term loan. This is considered as restructuring of shareholders' structure in MVision Optical Industry Sdn. Bhd. As a result, the Company held 33 percent interest in MVision Optical Industry Sdn. Bhd. and treated this investment as investment in associated company. MVision Optical Industry Sdn. Bhd. registered the increase of share capital and the transfer of shares in September 2015.

13.2 Summarised financial information about material associates

Summarised information about financial position

(Unit : Million Baht)

	MVision Optical Pte. Ltd.		MVision Optical Industry Sdn. Bhd.		Vietnam Visibilitiy Target Company Limited	
	2015	2014	2015	2014	2015	2014
Current assets	34	53	25	-	61	41
Non-current assets	19	35	3	-	38	38
Current liabilities	(21)	(37)	(16)	-	(35)	(35)
Non-current liabilities	-	(26)	-	-	(10)	-
Net assets	32	25	12	-	54	44
Shareholding percentage (%)	33%	33%	33%	-	33%	33%
Share of net assets	10.6	8.3	4.0	-	17.8	14.5
Gain (loss) on exchange and others	(1.4)	(1.2)	(0.3)	-	(0.4)	0.7
Carrying amounts of associates based on equity method	9.2	7.1	3.7	-	17.4	15.2

Summarised information about comprehensive income

(Unit : Million Baht)

	For the years ended 31 December					
	MVision Optical Pte. Ltd.		MVision Optical Industry Sdn. Bhd.		Vietnam Visibilitiy Target Company Limited	
	2015	2014	2015	2014	2015	2014
Revenue	73	125	61	-	125	65
Profit (loss)	(2)	(6)	(5)	-	7	3
Total comprehensive income	(2)	(6)	(5)	-	7	3

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 :							
1 January 2014	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
Increase from purchase of investment in subsidiary	16,572	21,021	104,147	10,300	1,295	128	153,463
Additions	-	39	1,810	2,578	108	89,569	94,104
Transferred in/(out)	-	1,882	73,139	6,309	740	(82,070)	-
Disposals	-	(4,441)	(31,607)	(5,676)	(6,913)	-	(48,637)
31 December 2015	168,993	551,249	1,621,926	118,654	34,308	36,384	2,531,514
Accumulated depreciation :							
1 January 2014	-	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
Increase from purchase of investment in subsidiary	-	9,352	96,615	6,792	1,295	-	114,054
Depreciation for the year	-	32,072	96,712	8,207	1,799	-	138,790
Depreciation on disposals	-	(4,418)	(31,216)	(5,657)	(6,913)	-	(48,204)
31 December 2015	-	304,482	1,220,191	95,028	28,563	-	1,648,264
Net book value:							
31 December 2014	152,421	265,272	416,357	19,457	6,696	28,757	888,960
31 December 2015	168,993	246,767	401,735	23,626	5,745	36,384	883,250
Depreciation for the year							
2014 (Baht 127 million included in manufacturing cost, and the balance in administrative expenses)							133,682
2015 (Baht 132 million included in manufacturing cost, and the balance in administrative expenses)							138,970

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

(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 :							
1 January 2014	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
Additions	-	-	493	1,520	-	70,160	72,173
Transferred in/(out)	-	557	65,127	3,330	-	(69,014)	-
Disposals	-	(4,334)	(20,723)	(2,594)	(5,109)	-	(32,760)
31 December 2015	84,022	424,221	832,684	58,660	22,170	17,336	1,439,093
Accumulated depreciation :							
1 January 2014	-	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
Depreciation for the year	-	27,040	53,063	3,807	922	-	84,832
Depreciation on disposals	-	(4,334)	(20,717)	(2,594)	(5,109)	-	(32,754)
31 December 2015	-	213,704	586,262	49,004	19,571	-	868,541
Net book value :							
31 December 2014	84,022	237,000	233,871	8,613	3,521	16,190	583,217
31 December 2015	84,022	210,517	246,422	9,656	2,599	17,336	570,552
Depreciation for the year							
2014 (Baht 75 million included in manufacturing cost, and the balance in administrative expenses)							79,414
2015 (Baht 81 million included in manufacturing cost, and the balance in administrative expenses)							84,832

As at 31 December 2015, certain plant and equipment items of the Company and subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 974.88 million (2014: Baht 792.32 million) and the Company only amounted to Baht 479.70 million (2014: Baht 471.01 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

Consolidated financial statements				
	Computer software	Deferred product development	License	Total
31 December 2015 :				
Cost	53,302	29,200	76,392	158,894
<u>Less</u> Accumulated amortisation	(38,768)	(22,760)	(76,392)	(137,920)
Net book value	14,534	6,440	-	20,974
31 December 2014 :				
Cost	47,251	31,352	76,392	154,995
<u>Less</u> Accumulated amortisation	(33,727)	(21,842)	(76,392)	(131,961)
Net book value	13,524	9,510	-	23,034

(Unit: Thousand Baht)

Separate financial statements				
	Computer software	Deferred product development	License	Total
31 December 2015:				
Cost	35,007	29,200	74,911	139,118
<u>Less</u> Accumulated amortisation	(25,035)	(22,760)	(74,911)	(122,706)
Net book value	9,972	6,440	-	16,412
31 December 2014:				
Cost	31,683	31,352	74,911	137,946
<u>Less</u> Accumulated amortisation	(21,326)	(21,842)	(74,911)	(118,079)
Net book value	10,357	9,510	-	19,867

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	23,034	40,738	19,867	36,650
Acquisition of computer software	6,089	5,548	3,324	4,859
Decrease of deferred product development	(28)	-	(28)	-
Amortisation	(8,121)	(23,252)	(6,751)	(21,642)
Net book value at end of year	20,974	23,034	16,412	19,867

16. Short-term loans from banks

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term loans from banks	82,733	90,000	62,733	55,000
Total	82,733	90,000	62,733	55,000

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 subsidiaries 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 financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable - related parties (Note 10)	400	185	10,218	10,007
Trade accounts payable - unrelated parties	156,665	224,262	116,776	172,810
Other payables - related parties (Note 10)	148	189	84	83
Other payables - unrelated parties	17,457	18,209	15,248	16,928
Accrued expenses	67,822	70,731	39,033	41,304
Others	3,616	1,050	2,096	3
Total trade and other payables	246,108	314,626	183,455	241,135

18. Payable for investment in subsidiary

As at 31 December 2015 and 2014, the Company had payable for investment in subsidiary as below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Payable for investment in subsidiary	36,000	-
Less: Portion due within one year	(12,000)	-
Payable for investment in subsidiary - net of current portion	24,000	-
Of which payable to related parties (Note 10)	18,000	-

19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2015 and 2014, which represents compensation payable to employees after they retire and other employee benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits				
at beginning of year	56,842	52,950	26,427	23,678
Increase from purchase of investment in subsidiary	1,830	-	-	-
Included in profit or loss:				
Current service cost	4,105	5,584	2,299	2,012
Interest cost	2,197	1,956	951	853
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(3,552)	-	(397)	-
Financial assumptions changes	53	-	34	-
Experience adjustments	5,127	-	3,123	-
Benefits paid during the year	(9,667)	(3,648)	(2,310)	(116)
Provision for long-term employee benefits				
at end of year	56,935	56,842	30,127	26,427
Provision for employee benefits				
Current	3,829	9,951	2,422	2,310
Non-current	53,106	46,891	27,705	24,117
	56,935	56,842	30,127	26,427

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales	4,164	4,048	2,025	1,729
Selling and administrative expenses	2,138	3,492	1,225	1,136
Total expenses recognised in profit or loss	6,302	7,540	3,250	2,865

The Company and its subsidiaries expect to pay Baht 3.8 million of long-term employee benefits during the next year (Separate financial statements: Baht 2.4 million) (2014: Baht 10.0 million, separate financial statements: Baht 2.3 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 9 years (Separate financial statements: 9 years) (2014: 14 years, separate financial statements: 14 years).

Significant actuarial assumptions are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015 (% per annum)	2014 (% per annum)	2015 (% per annum)	2014 (% per annum)
Discount rate	2.6	3.6	2.6	3.6
Salary increase rate	4.0	5.0	4.0	5.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,958)	4,466	(2,406)	2,733
Salary increase rate	4,288	(3,877)	2,660	(2,391)

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.

(Unit: Thousand Baht)

	Number of units (units)	
	2015	2014
Warrants issued at beginning of the year	-	1,716,300
Less: Exercised during the year	-	(1,034,300)
Warrants expired during the year	-	(682,000)
Warrants issued at end of the year	-	-

21. Dividend paid

Dividends declared in 2015 and 2014 consist of the following:

		Approved by	Total dividends	Dividend per share	Paid on
			(Million Baht)	(Baht)	
<u>The Company</u>					
<u>2015</u>					
Final dividend on 2014 earnings	Annual Ordinary Meeting of the shareholders on 1 April 2015		109.09	0.23	24 April 2015
Interim dividend of earnings for the period as from 1 January 2015 to 30 June 2015	The Meeting of the Board of Directors of the Company on 11 August 2015		37.95	0.08	9 September 2015
Total for 2015			147.04	0.31	
<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	

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. Presently, the Company and its subsidiaries have fully set aside a statutory reserve. The statutory reserve could not be used for dividend payment.

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

23. Provident fund

The Company and its subsidiaries 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 subsidiaries at the rate of 3 – 5 percent of their basic salaries. The fund is managed by CIMB Thai Bank Public Company Limited and Siam Commercial 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. During the year 2015, the Company and its subsidiaries recognised the contributions of Baht 8.7 million (2014: Baht 8.6 million) and the Company recognised the contributions of Baht 4.8 million (2014: Baht 4.8 million) as expenses.

24. Expenses by nature

Significant expenses classified by nature are as follows :

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	405,908	401,420	232,095	229,329
Depreciation	138,790	133,682	84,832	79,414
Amortisation expenses	8,121	23,400	6,752	21,642
Utility expenses	109,217	116,594	66,727	71,861
Raw materials and consumables used	570,596	599,050	447,561	444,632
Changes in inventories of finished goods and work in progress	5,196	(122,368)	(8,301)	(112,481)
Reduce cost of inventory value (reversal)	2,973	14,239	(7,431)	16,332

25. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax :				
Current income tax charge for the year	50,810	55,267	25,550	30,331
Deferred tax :				
Relating to origination and reversal of temporary differences	3,927	(5,754)	4,586	(5,666)
Income tax expense reported in the statements of comprehensive income	54,737	49,513	30,136	24,665

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial loss	(326)	-	(552)	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	284,373	252,795	234,952	220,128
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	56,875	50,559	46,990	44,026
Effects of :				
Non-deductible expenses	1,240	329	204	13
Additional expense deductions allowed	(1,060)	(1,375)	(678)	(992)
Income not subject to tax	-	-	(16,380)	(18,382)
Others	(2,318)	-	-	-
Total	(2,138)	(1,046)	(16,854)	(19,361)
Income tax expenses reported in the statements of comprehensive income	54,737	49,513	30,136	24,665

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	1,674	1,992	-	634
Allowance for diminution in value of inventories	8,454	5,773	2,162	3,648
Accumulated amortisation - Computer software	5,851	8,505	5,851	8,505
Provision for long-term employee benefits	11,387	11,368	6,025	5,285
Total	27,366	27,638	14,038	18,072
Deferred tax liabilities				
Land and building	283	-	-	-
Total	283	-	-	-
Deferred tax assets - net	27,083	27,638	14,038	18,072

26. Promotion privileges

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

- 26.1 Under Promotion Certificate No. 4392/2547 (11-1162/Sor.Aor./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 2017 was granted.
- 26.2 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 2017 was granted.
- 26.3 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 2017 was granted.
- 26.4 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:
 - 26.4.1 Reduction of half of import duty on machinery as approved by the Board, except for machinery on which the import duty is lower than 10 percent of the cost.
 - 26.4.2 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.
 - 26.4.3 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 certificates.

27. 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.

(Unit: Thousand Baht)

	For the years ended 31 December					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015 (Thousand Baht)	2014 (Thousand Baht)	2015 (Thousand shares)	2014 (Thousand shares)	2015 (Baht)	2014 (Baht)
<u>Consolidated financial statements :</u>						
Basic earnings per share						
Profit	229,636	203,282	474,318	474,224	0.48	0.43
Effect of dilutive potential ordinary shares						
Warrants – ESOP: – units (2014: – units)	–	–	–	104		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	229,636	203,282	474,318	474,328	0.48	0.43
<u>Separate financial statements :</u>						
Basic earnings per share						
Profit	204,816	195,464	474,318	474,224	0.43	0.41
Effect of dilutive potential ordinary shares						
Warrants – ESOP: – units (2014: – units)	–	–	–	104		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	204,816	195,464	474,318	474,328	0.43	0.41

28. 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 subsidiaries 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.

The following table presents revenue and profit and total assets information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2015 and 2014 :

(Unit : Million Baht)

Consolidated financial statements											
For the years ended 31 December											
Concentrated, Plastic and glasses lens	Service income			Others		Total segments		Eliminated transactions		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2014
Sales and service income											
Inter-segment	145	176	25	27	46	53	216	256	(216)	(256)	-
External customers											
- Local	74	72	1	1	2	4	77	77	-	-	77
- Export	1,653	1,678	88	71	6	4	1,747	1,753	-	-	1,753
	1,872	1,926	114	99	54	61	2,040	2,086	(216)	(256)	1,830
Gross profit margin	387	404	52	33	(6)	6	433	443	(2)	-	443
Other income							75	55	(6)	(16)	39
Dividend income							82	92	(82)	(92)	-
Selling expenses							(21)	(25)	-	-	(25)
Administrative expenses							(205)	(216)	15	15	(201)
Share of loss from investments in associates							-	-	-	(1)	(1)
Finance cost							(6)	(4)	2	1	(3)
Income tax expenses							(55)	(49)	-	-	(49)
Profit for the year							303	296	(73)	(93)	203
Segment total assets							2,503	2,381	(253)	(176)	2,205
Investment in associates accounted for by the equity method							-	-	30	22	22
Additions (reductions) to non-current assets other than deferred tax assets							56	4	(56)	(1)	3

Geographic information

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

(Unit: Thousand Baht)

	2015	2014
Revenue from external customers		
Local		
Thailand	76,562	77,492
Export		
Europe	1,365,866	1,418,907
America	109,644	139,861
Others	271,724	194,701
Total	1,823,796	1,830,961

The Company and its subsidiaries 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 2015, the Company and its subsidiaries had revenue from two major customers (2014: three major customers) with revenue of more than 10 percent of an entity's revenues, arising from sales by Concentrated, Plastic and glasses lens and service income segments.

29. Commitments and contingent liabilities

As at 31 December 2015, the Company and its subsidiaries had commitments and contingent liabilities other than those disclosed in other notes as follows:

- 29.1 The Company and its subsidiaries had commitments to purchase raw materials amounting to Baht 12.9 million, JPY 13.6 million, USD 2.6 million, EUR 0.4 million and GBP 0.1 million or equivalent to Baht 130.5 million (2014: Baht 11.7 million, JPY 40.4 million, USD 3.5 million and EUR 0.1 million or equivalent to Baht 141.8 million), and the Company only amounting to Baht 8.0 million, JPY 12.9 million and USD 2.2 million or equivalent to Baht 90.3 million (2014: Baht 4.3 million, JPY 38.9 million and USD 3.1 million or equivalent to Baht 118.2 million).
- 29.2 There were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries of approximately Baht 29.4 million (2014: Baht 41.1 million), and the Company only Baht 13.3 million (2014: Baht 24.3 million) in respect of certain performance bonds as required in the ordinary course of business for the Company and its subsidiaries. These included letters of guarantee as follows :

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Payments of tax to the Customs Department	13.4	25.9	4.2	15.3
Electricity usage	16.0	15.2	9.1	9.0
	29.4	41.1	13.3	24.3

- 29.3 The Company and its subsidiaries had outstanding commitments with respect to service contract totaling approximately Baht 2.8 million per month (2014: Baht 2.9 million), and the Company only approximately Baht 0.8 million (2014: Baht 0.9 million).
- 29.4 The Company had outstanding commitments totaling Baht 2.9 million with respect to software maintenance agreement (2014: Baht 2.8 million).
- 29.5 The subsidiary company had outstanding commitment totaling approximately Baht 0.8 million with respect to land rental agreement with its related company (2014: Baht 0.6 million).
- 29.6 The subsidiary company had outstanding commitment totaling approximately Baht 1.2 million with respect to consulting services agreement (2014: nil).
- 29.7 Operating lease commitments
- The Company and its subsidiaries 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 2015 and 2014, future minimum lease payments required under these non-cancellable operating leases contracts were as follows :

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Payable within:				
Less than 1 year	2.5	2.2	2.4	1.9
1 to 5 years	6.2	2.5	5.0	2.5

During the year 2015, the Company and its subsidiaries recognised rental expenses of Baht 3.4 million (2014: Baht 2.4 million), and the Company only Baht 3.0 million (2014: Baht 2.0 million).

30. Related parties guarantees

As at 31 December 2015, the Company has contingent liabilities in respect of the guarantees of Thai Optical Company Limited, a subsidiary's credit facility amounting to Baht 23.2 million and EUR 0.03 million or equivalent to Baht 24.3 million (2014: Baht 39.6 million and EUR 0.1 million or equivalent to Baht 40.7 million) provided to banks.

As at 31 December 2015, Thai Optical Company Limited, a subsidiary company has contingent liabilities in respect of the guarantees of the Company's credit facility amounting to Baht 37.2 million and USD 0.8 million or equivalent to Baht 65.6 million (2014: Baht 64.3 million and USD 0.1 million or equivalent to Baht 65.4 million) provided to banks.

These guarantees are effective for as long as the underlying obligation has not been discharged.

31. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value or disclosed fair value using different levels of inputs as follows :

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments TMB Treasury Money Fund	-	875	-	875

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 subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans 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 and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries 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 2015 and 2014 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 2015									
Consolidated financial statements					Separate financial statements				
Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
-	134.44	-	134.44	0.05 - 0.38	-	55.83	-	55.83	0.05 - 0.38
-	-	0.87	0.87	-	-	-	0.87	0.87	-
-	-	355.21	355.21	-	-	-	221.21	221.21	-
-	-	-	-	-	14.00	-	-	14.00	2.58
-	134.44	356.08	490.52		14.00	55.83	222.08	291.91	
82.73	-	-	82.73	1.99 - 2.47	62.73	-	-	62.73	1.99 - 2.46
-	-	246.11	246.11	-	-	-	183.46	183.46	-
-	-	36.00	36.00	-	-	-	36.00	36.00	-
82.73	-	282.11	364.84		62.73	-	219.46	282.19	

Financial Assets

Cash and cash equivalent
 Short-term investment-trading securities
 Trade and other receivables
 Short-term loan to related parties

Financial liabilities

Short-term loans from bank
 Trade and other payables
 Payable for investment in subsidiary

(Unit : Million Baht)

As at 31 December 2014									
Consolidated financial statements					Separate financial statements				
Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
-	43.00	-	43.00	0.40 - 0.50	-	20.85	-	20.85	0.40 - 0.50
-	-	0.86	0.86	-	-	-	0.86	0.86	-
-	-	329.71	329.71	-	-	-	209.92	209.92	-
-	8.89	-	8.89	3.50	-	8.89	-	8.89	3.50
-	51.89	330.57	382.46		-	29.74	210.78	240.52	
90.00	-	-	90.00	2.85	55.00	-	-	55.00	2.85
-	-	314.63	314.63	-	-	-	241.13	241.13	-
90.00	-	314.63	404.63		55.00	-	241.13	296.13	

Financial Assets

Cash and cash equivalent
Short-term investment-trading securities
Trade and other receivables
Short-term loan to related parties

Financial liabilities

Short-term loans from bank
Trade and other payables

Foreign currency risk

The Company and its subsidiaries 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 2015				
	Consolidated financial statements		Separate financial statements		Average exchange rate as at 31 December 2015
	Assets	Liabilities	Assets	Liabilities	(Baht per one foreign currency unit)
MYR	18,178	-	-	-	8.4168
USD	11,331,005	3,994,868	6,217,535	3,447,551	36.0417
SGD	6,709	430	6,709	-	25.4845
EUR	1,110,969	587,750	813,958	566,558	39.3858
JPY	10,621,119	300,950	9,985,551	-	0.2992
GBP	-	252,040	-	-	53.4250
CHF	555	-	555	-	36.3189

Currency	As at 31 December 2014				
	Consolidated financial statements		Separate financial statements		Average exchange rate as at 31 December 2015
	Assets	Liabilities	Assets	Liabilities	(Baht per one foreign currency unit)
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

As at 31 December 2015 and 2014, the Company and its subsidiaries have no outstanding of foreign exchange contract.

32.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries 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.

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.

As at 31 December 2015, the Group's debt-to-equity ratio was 0.25:1 (2014: 0.28:1) and the Company's was 0.23:1 (2014: 0.25:1).

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of directors on 12 February 2016.

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