(Translations)

Date: August 14, 2024

Subject: Submission of Financial Statements of the second Quarter and the first half of 2024 ended June 30, 2024 and Management Discussion and Analysis comparing with the previous year.

To: Director and Manager of the Stock Exchange of Thailand

Cc: Secretary General of the Office of Securities and Exchange Commission

Thai Optical Group Public Company Limited (the "Company") is pleased to submit the Company's operating results report of year 2024 as follows:

1. Financial Statements for 3 months and 6 months ended June 30, 2024 the Company and its subsidiaries.
2. Management Discussion and Analysis (MD&A) for the second Quarter ended June 30, 2024.
3. Summarized operating results for the year of the Company and its subsidiaries (F45-3).

Remark: Disclosure both in Thai and English Versions.

For your acknowledgement and please disseminate to investors accordingly.

Yours Sincerely,
Thai Optical Group PCL.

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(Mr.Torn Pracharktam)
Chief Executive Officer

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Thai Optical Group Public Company Limited

Management Discussion and Analysis (MD&A)

Operating Results for the second Quarter ended June 30, 2024

Overview of the world economy: The global economy is currently facing complex challenges, with key factors impacting it including the US-China trade war, rising inflation, and tightening monetary policies by central banks around the world. These factors have affected the global economy in various ways, leading to high risks and uncertainties, impacting international trade, investment, and consumer confidence. The global economy is expected to slow down in 2024 due to these risk factors, which could have both direct and indirect effects on the company's operations.

Regarding the Thai economy, it is facing pressure from the global economic slowdown, especially in the export sector, which is the main engine of the Thai economy. Additionally, the tourism sector, another important sector of the Thai economy, is also being affected. The Thai economy is expected to grow about 2.6% in 2024, a slowdown compared to 2023. The Thai economy faces macroeconomic risks such as financial risks, labor market risks, and environmental risks.

As a global manufacturer and distributor of eyes lenses, the company is also facing risks from various economic factors, including:

1. The US-China trade war: Affecting the overall global economy, leading to a slowdown in international trade, and impacting the company's export business of lenses to countries worldwide.
2. Rising inflation: Impacting the company's production costs, such as raw material prices, labor costs, transportation costs, etc., which could affect the company's profits.
3. Tightening monetary policies by central banks around the world: Affecting the overall global economy, leading to higher financing costs for businesses, including the company, which relies on funding from various sources.
4. Exchange rates: Currently, the weak Thai baht is benefiting the company, but the baht's exchange rate may fluctuate, impacting the company's revenue if the baht strengthens.
5. Geopolitical risks: Political tensions in the region could affect the company's business, as it has subsidiaries operating in some countries.

The global economic slowdown may impact the company's business and sales. However, the company's management has strategies to expand into markets worldwide, as many countries currently have aging populations. Additionally, the company continuously develops innovative lens products to meet consumer needs. In terms of costs, the company has strategies to control production costs by improving production efficiency through investing in automated machinery and sourcing raw materials from cheaper suppliers. These strategies will help reduce the impact of rising costs and maintain the company's profit margin.

The company's management also has strategies for managing other economic risks, such as exchange rate risk, by using various financial instruments to hedge against exchange rate fluctuations. With these strategies, the company is confident that it can achieve continuous growth and compete effectively in the global market.

The company's management is committed to sustainable business development, considering the impact on all stakeholders. The company believes that conducting business responsibly towards society and the environment will create long-term value for the company and all stakeholders.

Consolidated Financial Performance

In Q2/2024, The Company and its subsidiaries had earned total revenues 955 million Baht, which was increased by 277 million Baht or 41% from previous year. The net profit for the period was 119 million Baht, which was increased by 2 million Baht or 2% from the previous year.

In 1H/2024, The Company and its subsidiaries had earned total revenues 1,844 million Baht, which was increased by 455 million Baht or 33% from the same period prior year. The net profit for the period was 231 million Baht, which was increased by 1 million Baht or 0.4% from the previous year as detailed in the table below.

Consolidated Financial Statements (Unit: million Baht)	**Q2/2024**	**Q2/2023**	**1H/2024**	**1H/2023**
Total revenues	955	678	1,844	1,390
Cost of sales and service	718	487	1,394	991
Selling and Administrative Expenses	88	57	168	142
Net Profit (Loss)	119	117	231	230

In 1H/2024, Sales revenue increased in all regions with the Americas increased by 81 percent, Africa and the Middle East increased by 51 percent, Europe increased by 50 percent, Asia and Pacific increased by 26 percent and increased in Australia decreased by 12 percent. As for the cost of sales and services, the proportion to revenue from sales and services increased from the previous year, mainly due to higher raw material prices and production overhead costs, as well as depreciation from replacement machinery and additional investment. In terms of selling and administrative expenses, the increase was mainly due to warehouse service expenses, import expenses, and travel expenses.

Operating Results Analysis

1. Revenues and Expenses of the Company and its subsidiaries

1.1 Revenue from sales and services

In Q2/2024, The Company and its subsidiaries had earned total revenues from sales and services of 945 million Baht which was increased by 282 million Baht or 43% from previous year, which derived from Rx/Prescription Lenses 140 million Baht, Value-added Lenses 73 million Baht, Standard Organic Lenses 60 million Baht and Mineral Lenses/Other Products and Services 4 million Baht.

In 1H/2024, The Company and its subsidiaries had earned total revenues from sales and services of 1,789 million Baht which was increased by 407 million Baht or 29% from previous year, Which derived from Rx/Prescription Lenses 243 million Baht, Value-added Lenses 81 million Baht, Standard Organic Lenses 68 million Baht and Mineral Lenses/Other Products and Services 7 million Baht.

The Revenue by Product Groups are as follows:

Revenue by Product Groups	**Manufacturer**	**Q2/2024**	**Q2/2023**	**H1/2024**	**H1/2023**
1. Standard Organic Lenses	The Company and its subsidiaries.	23	24	23	25
2. Value-added Lenses *	The Company	27	27	26	27
3. Rx/Prescription Lenses	The Subsidiary Company	43	40	44	39
4. Mineral Lenses/Other Products and Services	The Company and its subsidiaries.	7	9	7	9
Total		**100**	**100**	**100**	**100**

Note: * Value-added Lenses consist of Hi-index Lens, Photochromic Lens and High Impact Resistance Lens.

1.2 Cost of Goods Sold

In Q2/2024, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 76% higher than prior year 2%.

In 1H/2024, the Company and its subsidiaries had ratio of cost of goods sold to revenue from sales and services at 78% higher than prior year 6%.

The main reasons were higher raw material prices and production costs, as well as depreciation from machinery replacement and additional investment, resulting in higher product costs compared to the previous year.

1.3 Selling and Administrative Expenses

In Q2/2024, the Company and its subsidiaries had selling and administrative expenses 88 million Baht, a decrease from the previous year by 31 million Baht.

In 1H/2024, the Company and its subsidiaries had selling and administrative expenses 168 million Baht, an increase from the prior year by 26 million Baht.

The main reasons for the above increase are due to warehousing service expenses, import expenses and travel expenses.

1.4 Other Revenues

In Q2/2024, the Company and its subsidiaries had other revenues 11 million Baht, decreased by 5 million Baht from the previous year, mainly due to the decrease in gain on exchange rate.

In 1H/2024, the Company and its subsidiaries had other revenues 55 million Baht, increased by 47 million Baht from the previous year, mainly due to the increase in gain on exchange rate.

1.5 Net Profit

In Q2/2024, the Company and its subsidiaries had net profit 119 million Baht which increased by 2 million Baht or 2% from the previous year.

In 1H/2024, the Company and its subsidiaries had net profit 231 million Baht which increased by 1 million Baht or 0.4% from prior year.

2. Financial Status

The Company and its subsidiaries had total assets of 4,274 million Baht which increased by 227 million Baht from 2023, with details of significant increases and decreases as follows;

Current assets increased by 158.94 million Baht from the following changes;

- Cash and cash equivalents increased by 154.18 million Baht.
- Net inventories increased by 31.60 million Baht, the mainly due to an increase in finished goods 34.06 million Baht, goods in transit increased for 16.69 million Baht, Work in process increased for 7.00 million Baht, Spare parts and factory supplies increased for 6.63 million Baht, Raw materials 28.76 million Baht and supplies - glass mould 4.01 million Baht.
- Trade and other receivables decreased by 23.39 million Baht, the main reason was from trade accounts receivable related parties decreased by 18.49 million Baht and trade accounts receivable unrelated parties decreased by 3.39 million Baht (More details as shown in note to financial statements no.3).

Non-current assets increased by 68.24 million Baht from the following changes;

- Land, building and net equipment increased by 49.58 million Baht.
- Intangible assets increased by 9.12 million Baht.
- Deferred tax assets increased by 8.79 million Baht.

The company and its subsidiaries had total Liabilities of 2,023 million Baht, increased by 214 million Baht from 2023, as details described below;

Current liabilities increased by 241.46 million Baht from the following changes;

- Short-term loans from banks increased 186.24 million Baht.
- Trade payable and other accounts payable increased by 36.39 million Baht, this was mainly due to an increase in other accounts payable-unrelated parties 15.87 million Baht and accrued expenses 18.94 million Baht (More details as shown in note to financial statements no.10).
- Income tax payable increased 23.64 million Baht.

Non-current liabilities decreased by 27.62 million Baht with details as follows;

- Long-term loans from banks - net of current portion decreases by 35.15 million Baht.
- Provision for long-term employee benefits increased by 5.60 million Baht.

The company and its subsidiaries had Shareholders' equity in 2024 in the amount of 2,251 million Baht which was increased from the amount of 2023 by 13.34 million Baht.

3. Cash Flow

Cash earned (used) as of June 30, 2024 comparing to prior year. (Unit: million Baht)

Items	**Q2/2024**	**Q2/2023**	**Amount change**	**% change**
Cash earned (used) in operating activities:	384.80	102.17	282.63	276.6
Cash earned (used) in investment activities:	(146.11)	(480.08)	333.97	69.6
Cash earned (used) in financing activities:	(84.51)	198.35	281.20	143.0
Net cash Increased /(Decreased)	**154.18**	**(181.23)**	**335.41**	**185.1**

Net cash earned from operating activities as of June 30, 2024 was 384.80 million Baht, an increase by 282.63 million Baht from previous year, this was mainly due to an increase in inventories and operating results as mentioned above.

Net cash used in investment activities as of June 30, 2024 was 146.11 million Baht, decreased by 333.97 million Baht from the previous year. There was a significant change from an decrease in purchases of machinery and equipment.

Net cash used in financing activities as of June 30, 2024 was 84.51 million Baht, an increase by 281.20 million Baht from previous year, mainly due to cash from short-term loans from banks.

4. Financial Ratios Analysis

Financial Ratios			Year 2024	Year 2023
Profitability Ratio				
Gross Profit Margin	GP	%	22.43	24.64
Net Profit Margin	NP	%	13.06	14.39
Efficiency Operating Ratio				
Return on Equity	ROE	%	19.01	19.56
Return on Asset	ROA	%	12.38	13.36
Average Collection Period	ACP	Days	53.22	59.91
Average Age of Inventory	AAI	Days	224.91	246.67
Average Accounts Payable	APP	Days	38.74	45.52
Liquidity Ratio				
Debt to Equity ratio	D/E ratio	Times	0.90	0.81