

30 August 2022

RE: Notification of Information Memorandum on an Acquisition of Assets Specified in Schedule (2) 1, 2, 3, 5 (3), 7, and 8 Attached to the Notification of the Board of Governors of the Stock Exchange of Thailand Re Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004)

TO: Shareholders of Thai Optical Group Public Company Limited

**Enclosure** Information Memorandum on an Acquisition of Assets Specified in Schedule (2) 1, 2, 3, 5 (3), 7, and 8 Attached to the Notification of the Board of Governors of the Stock Exchange of Thailand Re Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004)

Thai Optical Group Public Company Limited (the “**Company**”) hereby notifies the resolution of the Meeting of the Board of Directors No. 106 (5/2022) held on 10 August 2022 that has approved the investment in the new project of the automated production line of Thai Optical Company Limited, which is a subsidiary company of the Company that the Company holds 99.99% of the total shares in the subsidiary company, with the approximate project value and investment budget of Baht 531 Million. A purpose is to manufacture personalized optical lens with an automatic system by utilizing high technology machinery and equipment, applying an information and digital technology system to manage a manufacturing process, an inventory work system, and renovating a production area to be consistent with an international standard of medical device manufacturing qualification system, ISO13485, and the environmental standard, ISO14001, as well as the utilization of renewable energy to minimize the effect to the environment.

The assets acquisition transaction pertaining to subsidiary company's investment in the new project of the automated production line is an assets acquisition transaction under the Notification of Capital Market Supervisory Board No.Tor Chor. 20/2551 Re Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Property and the Notification of the Board of Governors of the Stock Exchange of Thailand Re Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) (the “**Notifications Re the Acquisition and Disposition**”). Once computing under the criteria specified in the Notifications Re the Acquisition and Disposition and using the highest value computed from one of those criteria, the Company finds that the transaction size to be 17.9 percent of Company's total assets. Considering and combining this transaction together with the same type of assets acquisition transactions occurred in the past 6 months, the Company finds that the transaction size to be 19.5 percent of Company's total assets. Thus, such transaction is classified as a 2<sup>nd</sup> category transaction with the transaction size greater than or equivalent to 15 percent, but lower than 50 percent of Company's total assets. Therefore, the Company has to prepare a report and disclose the assets acquisition transaction to the Stock Exchange of Thailand (“**SET**”) as well as proceed with the preparation of a circular notice be served to the Shareholders within 21 days from the date of disclosure of the transaction to SET in accordance with the Notifications Re the Acquisition and Disposition without a need to seek an approval of the transaction from Company's Shareholders. In addition, the aforementioned transaction is not deemed a related transaction under the notification re related transactions.

Please be informed accordingly.

Yours Sincerely,  
Thai Optical Group PCL.

(Mr. Torn Prachartam)  
Chief Executive Officer  
The person authorized to disclose the information

## Enclosure

### Information Memorandum on an Acquisition of Assets Specified in Schedule (2) 1, 2, 3, 5 (3), 7, and 8 Attached to the Notification of the Board of Governors of the Stock Exchange of Thailand Re Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004)

#### 1. The Information under Schedule (1) [Schedule (2) 1]

##### 1. Date Month Year of the Transaction

The Meeting of the Board of Directors No. 106 (5/2022) of Thai Optical Group Public Company Limited (the “**Company**”) held on 10 August 2022 has passed a resolution to approve Thai Optical Company Limited (the “**Subsidiary Company**”) to invest in the new project of the personalized optical lens automated production line for the production capacity increase. Envisaging in the third and the fourth quarter in 2022, the Company is to enter into the agreement of purchasing high technology automated machinery, the turnkey agreement to renovate the production area so as to meet the international standard in accordance with the medical device qualification system, ISO13485, and the environmental standard, ISO14001, including the installation of the information and digital technology system to manage the manufacturing process, the inventory work system, enhancing the manufacturing process effectiveness, product qualification, and the swift delivery as well as the installation of the renewable energy based electricity generation system.

##### 2. Related Parties and their Relationship with the Company

The Subsidiary Company will be a direct investor in this project. At present, the Subsidiary Company is selecting a vendor of high technology machinery and equipment for manufacturing the optical lens, a building contractor of the production area renovation, an information and digital technology service provider, and a building contractor for the installation of the renewable energy based electricity generation system. All of the contractual parties are not the related persons of the Company under the notification re related transactions.

##### 3. General Characteristic and Size of the Transaction in accordance with the Notifications Re the Acquisition and Disposition

The Meeting of the Board of Directors No. 106 (5/2022) of the Company held on 10 August 2022 has passed the resolution to approve the Subsidiary Company to invest in renovating a building and machinery situated on a land plot whose ownership held by the Subsidiary Company. The said building and machinery are aimed to utilize for manufacturing the personalized optical lens of the Subsidiary Company with the approximate investment budget value of Baht 531 Million. The payment of price of the investment is made in cash after the date of receipt of goods and services. The post-sale warranty conditions are consistent with the ordinary course of business.

In addition, Subsidiary Company's aforementioned investment in the new project of the automated production line is the assets acquisition transaction under the Notifications Re the Acquisition and Disposition. Once computing under the criteria specified in the Notifications Re the Acquisition and Disposition and using the highest value computed from one of those criteria, the Company finds that the transaction size to be 17.9 percent of Company's total assets. Considering and combining this transaction together with the same type of assets acquisition transactions occurred in the past 6 months, the Company finds that the transaction size to be 19.5 percent of Company's total assets. Thus, such transaction is classified as a 2<sup>nd</sup> category transaction with the transaction size greater than or equivalent to 15 percent, but lower than 50 percent of Company's total assets. Therefore, the Company has to prepare a report and disclose the assets acquisition transaction to SET as well as proceed with the preparation of a circular notice be served to the Shareholders within 21 days from the date of disclosure of the transaction to SET in accordance with the Notifications Re the Acquisition and Disposition.

In computing the transaction size under the Notifications Re the Acquisition and Disposition, the Company uses the financial information reported in the interim financial report of the Company as of 31

March 2022 that was reviewed by the auditor. Details of the computation of the transaction size are tabulated in the next page.

Criteria	Computation Method (Unit: Million Baht)	Transaction Size	Transaction Size in the Past 6 Months	Total Transaction Size
1. Value of Net Tangible Assets	$\frac{\text{shareholding percentage} \times \text{NTA of the invested company}}{\text{NTA of the Company}} \times 100$	It is not an acquisition or disposition of ordinary shares.		
2. Net Profit from Operations	$\frac{\text{shareholding percentage} \times \text{net profit of the invested company}}{\text{net profit of the Company}} \times 100$	It is not an acquisition or disposition of ordinary shares.		
3. Total Value of Consideration	$\frac{\text{total value of paid or received consideration}}{\text{total assets of the Company}} \times 100$ $= \frac{531}{2959} \times 100$	17.9%	1.6%	19.5%
4. Value of Equity Shares Issued to Pay for Assets	$\frac{\text{the number of shares issued to settle assets}}{\text{the number of issued and paid up shares of the Company}} \times 100$	No securities have been issued.		

#### 4. Details and Value of Acquired Assets

The assets acquired by the Company consist of machinery and manufacturing equipment, building, management systems of manufacture, environment, facility, information technology, inventory work, and others.

#### 5. Total Value of Consideration

In this assets acquisition, the Company will make a cash payment after the date of receipt of goods and services. The post-sale warranty conditions are consistent with the ordinary course of business.

#### 6. Value of Acquired Assets

It is expected that the investment budget in this project will be approximately Baht 531 Million equivalent to the total value of consideration.

	Unit: Thousand Baht
1. Machinery and manufacturing equipment	359,000
2. Building, systems of manufacture facility, renewable energy power generation system and environment management.	144,400
3. Information technology system and inventory system	27,600
<b>Total</b>	<b>531,000</b>

#### 7. Criteria used in Determination of the Value of Consideration

Computation Criteria	Transaction Size
1. Net Tangible Asset Value Criterion	-
2. Net Profit Criterion	-
3. Total Value of Consideration Criterion	17.9 percent of Company's total assets
4. Share Value Criterion	No new shares have been issued.

In addition, such transaction will have the transaction size under the total value of consideration criterion of 17.9 percent of Company's total assets. The Company has the same type of assets acquisition transactions occurred in the past 6 months equal to 1.6 percent of Company's total assets prior to this transaction.

## 8. Expected Benefits

The Company envisages that the aforementioned investment will support the business drive toward the Smart Factory, the automatic manufacturing system, the increase in the personalized optical lens production capacity with high technology, the production area being consistent with the international standard, the management with the medical device qualification system, ISO13485, and the environmental standard, ISO14001, the utilization of the information and digital technology system in managing the manufacturing process, the inventory work system, the support for specially sharpened personalized optical lens business growth to be ready for the business growth, to expand a customer base in worldwide regions, to be able to respond to new business opportunities promptly, to enhance the manufacturing process effectiveness and product qualification, and the swift delivery to ensure that the customers are constantly provided with the excellent services so as to sustainably grow further.

## 9. Source of Fund

The Subsidiary Company will utilize a source of fund derived from entering into a loan agreement with a commercial bank in Thailand with an amount of loan proceeds according to the investment budget approved by the Board of Directors. The Company has compared loan interest rates that are lower than the Minimum Loan Rate with more than 1 commercial bank. The Company expects that there will be no conditions affecting the Shareholders' rights.

## 10. Conditions for Entering into the Transaction

- None -

## 11. Opinion of the Board of Directors with regard to Entering into the Transaction

The Meeting of the Board of Directors No. 106 (5/2022) of the Company held on 10 August 2022 has considered the details related to the investment in good faith and be discreet in protecting Company's interest to the fullest extent. The Meeting has passed an affirmative resolution approving the execution of such transaction. The Board of Directors is of the opinion that the investment in the production capacity of the Subsidiary Company is appropriate and beneficial to the Company and the Shareholders, making the Subsidiary Company prompt for the business expansion, able to rapidly respond to new business opportunities, and expand the customer bases in regional markets worldwide for sustainably growing further.

## 12. Opinions of the Audit Committee and/or Company's Directors that are different from the Board of Directors under Clause 11

- None -

## 2. The Responsibility of Directors with respect to the Information in Documents Sent to the Shareholders [Schedule (2) 2]

The Board of Directors has carefully reviewed the information contained in this information memorandum and hereby certifies that the information contained herein is accurate, complete, without false statements, without the omission of material facts required to be contained or specified herein as well as without any statement that is likely to materially mislead the Shareholders.

## 3. An Opinion of an Independent Expert [Schedule (2) 3]

- None -

## 4. Financial Projections in the Present Year (if any) [Schedule (2) 5 (3)]

- None -

## 5. Pending Material Lawsuits or Claims [Schedule (2) 7]

- None -

## 6. Interests or Connected Transactions between the Company and Directors, Executives, and Shareholders Directly or Indirectly Holding Shares Amounting to 10 Percent or More [Schedule (2) 8]

- None -