

# Annual Report

# 2017





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## Vision

“To be the leader of the water treatment equipment distributions and services for the quality of life for domestic & regional consumer, community, and society”

## Mission

1. To develop the organization to get across domestic and regional market by distributing a proper standard and innovation of products and services, which created from the best technical knowledge by our specialist
2. To make profit and return from management, by applying good governance to the business transaction for interested person, stakeholders, and community
3. To share success and improve the quality of life in community and society.

## Values

**F** – Fast & Quality

**I** – Integrity

**L** – Leadership

**T** – Trust

**E** – Excellent

**R** – Responsibility

**V** – Vision

**I** – Innovation

**S** – Satisfaction

**I** – Information Transformation

**O** – Optimistic

**N** – Nationwide



### Message from Chairman of the Board of Directors



The year 2017 is another year when overall economy obtained improving growth direction. Partly, it was resulted from global economy, which continuously expanding direction arose in several countries.

In the meantime, Thai economy obtained positive expansion, which core factors come from export and tourism sector together with expenditure for utilization and consumption of private sector obtains growth trend higher than expected. As well as the investment in infrastructure and measurements to continuously support economic growth of Governmental sector such as measurement to help farmers and victims from flood, measurement to help

earners with low-income, measurement "Shopping for the Nation", measurement granting credit with low interest to farmers and SMEs, etc. With those economic situations, FVC Group earned higher gross income than the previous year at 77.34 MB, or 19.48%.

Growth of gross income well reflected positive potential and efficiency of business operation of FVC Group despite of depression and severe market competitive. Notwithstanding, FVC Group had well prepared and developed market potential continuously; including with follow business operation by framework of policy and strategy carefully determined. Then, product distribution and service providing can be responsive to the targeted customers efficiently. These are resulting FVC Group to be continuously recognized by customers, which are significant factors supporting constant growth of FVC Group under changeable circumstance incurred.

Nevertheless, such revenue growth comes from collaboration of all parties. Filter Vision, therefore, gives importance to balance between growth of FVC Group and development of social, customers, business partners, employees, and environment simultaneously for sustainable growth and enable to adjust with change arising all the times.

In 2018, Filter Vision will and always maintain the standards of our operations to improve the quality of products and efficiency service as to continually serve regional markets and being the leader in distribution and services for water purification systems in ASEAN, which according to the concept **"Water is the basic element for life"**. As well as creating reliability for investors and everyone under honest and trustworthy corporate governance to all interested person. And that is our belief to grow steadily and sustainably together with Thai and ASEAN society.

Finally, as a representative of the Board of Directors, I would like to say “THANK YOU” for all support and motivation to the company. These have driven us to search for a good quality products and keep improve our service continually, which help us grow repeatedly with confidence for more than 20 years. I would like to express my gratitude to all interested person, shareholder, partner, executive officer, employee, and including financial institutions that always trusted and supported us. And please rest assured that we will always committing to operate this company with integrity and ethic, under the concept of good governance for the most benefit for all parties. And we hope that the company will receive a great support from every one forever and ever.



(Witit Sujjapong)

Chairman of the Board of Directors



**Message from Chairman of Executive Board and Managing Director**

Year 2017 is another year of significant events on business circumstances and social surrounding. However, with our determination and effort, it turns out to be a year of success and pride for a good performance of Filter Vision Public Company Limited. In spite of all satisfactory performance, our company still invariably and continually dedicate ourselves to improving our performance, in response to a consistently confidence and expectations of all customers on Filter Vision Public Company Limited.

In order to enhance competitiveness in business, the company has adjusted marketing strategy to be more concentrate on product differentiation. The fundamental goal of this strategy is to increase prospective customer

sales such as intensive ozone-water machines for food industry (Biosure) and for laundry industry (Biospin) considered as new innovation of product concerning water treatment system in Thailand to the target group and driving the products to reach consumers continuously.

Furthermore, the new marketing strategy also emphasizes the developing of customer awareness on quality of water, new technology of water purification system, and innovation of disinfection product for food and beverage industry. This has been accomplished through marketing activities, such as academic seminars, which have been arranged continually. I am confident that this awareness shall sustainably benefit our company value and wealth in the long terms.

In the meantime, medical service Group comprises of Irving Corporation Ltd., Special clinic on Dialysis Service (KT Medical Services Dialysis Center, Phatthanakan) and the Pneumatic Tube Dispatch System could generate revenue totaling 142.34 MB. Moreover, in 2017 the establishment of a new subsidiary for providing medical service concerning healthcare and esthetics when February 9, 2018 such subsidiary signed on Agreements to Acquire Franchise and Assets with Wuttisak Clinic Inter Group Co., Ltd. amounting to 220 MB. All these, I still set the goal that such new business will be significant income source of FVC from now on.

The successive product developments and leading service qualities of Filter Vision Group, along with all employee dedication and readiness for changeable circumstance, these lead to result total revenue of FVC Group increase at 77.34 MB from the previous year. Despite total revenue obviously adjusted when compared with the previous year; I would like to engage that Filter Vision Public Company Limited will be a leader in business of pure water treatment products and water purification system, and will be continually and steadily recognized by all customers under our good governance principle afterward.

Finally, I would like give my gratitude to all of our customers, the Board of Directors, Executive Committee, employees and interested person for your thoughtfulness and continued support, including your useful opinions and suggestions, in the company's operations. I am confident that these thoughtfulness and trust shall be a great inspiration for our company steady growth and accomplishment.



(Wijit Techakasem, Ph.D.)

Chairman of Executive Committee  
and Managing Director



## Profile of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Executive Committee



MR. WITIT SUJJAPONG Age: 64  
Chairman of the Board of Directors  
Independent Director

### Educational qualifications/ Institute

- Doctor of Economics HITOTSUBASHI UNIVERSITY  
(JAPANESE GOVERNMENT SCHOLARSHIP)
- Master of Economics HITOTSUBASHI UNIVERSITY  
(JAPANESE GOVERNMENT SCHOLARSHIP)
- Bachelor of Economics HITOTSUBASHI UNIVERSITY  
(JAPANESE GOVERNMENT SCHOLARSHIP)

Percentage of shareholding: None

Family relationship with the executive: None

### Working experience during the past 5 years:

- Present Chairman of the Board of Directors  
FILTER VISION PUBLIC COMPANY LIMITED
- Chairman of Audit Committee  
FOOD CAPITALS Public Company Limited
- Chairman of Audit Committee  
EASY BUY Public Company Limited
- Director Wisecomnet Company Limited
- Director  
Advanced concept plating Company Limited
- Director Avantems Company limited
- IOD Chartered Director  
Thai Institute of Directors
- State Enterprise Chartered Director
- Director Seen space Company limited
- Chairman of the Board of Directors  
Yong concrete Company limited
- 2004-2005 President CAT Telecom Public Company Limited

1]


Illegal Record in past 10 years : None





MR. WIJIT TECHAKASEM, PH.D. Age 54  
 Director, Chairman of Executive Committee,  
 Managing Director

#### Educational qualifications/ Institute

-  DODT. (Organization Development and Transformation)  
 Cebu Doctors University, Philippines
-  Master of Business Administration  
 Oklahoma City University
-  Bachelor of Economics, Thammasat University
-  Director Certification Program (DCP) batch#32/2003,  
 Thai Institute of Directors

Percentage of shareholding: 19.191%

#### Family relationship with the executive:

Older brother of Ms. Thanapha Techakasem

#### Working experience during the past 5 years :

1995 - Present	 Director, Managing Director, and Chairman of Executive Board of Filter Vision PCL.
Sep. 2017 – Present	 Managing Director HI HEALTHCARE CENTER Co., Ltd.
1991 – Present	 Director and Managing Director of Irving Corporation Ltd.
Jul 2015 – Present	 Director and Managing Director of Medical Vision Co., Ltd.
Jun 2015 – Present	 Director, Independent Director, and Chairman of Audit Committee of Capital Engineering Network PCL.
2007 - 2014	 Director and Managing Director of KT Medical Service Co., Ltd.

Illegal Record in past 10 years : None







MR. THANETR KHUMCHOEDCHOOCHAI Age: 53  
Chairman of Audit Committee,  
Chairman of Risk Management Committee,  
/Independent Director

#### Educational qualifications/ Institute

-  Master of Business Administration,  
Chulalongkorn University
-  Bachelor of Accountancy, Chulalongkorn University
-  Bachelor of Laws, Thammasat University
-  Director Certification Program (DCP) batch#101/2008
-  Role of the Compensation Committee (RCC) batch#1/2006
-  Director Accreditation Program (DAP) batch#6/2003,  
Thai Institute of Directors

Percentage of shareholding: None

Family relationship with the executive: None

Working experience during the past 5 years:

- |                    |   |
|--------------------|---|
| 2011 – Present     |  Independent Director and Audit Committee of Filter Vision PCL. |
| Sep 2015 – Present |  Logistics Manager of Thai Poly Acrylic PCL                     |
| 2006 - Aug 2015    |  Director of Malachi Co., Ltd.                                |
| Dec 2014 - Present |  Commercial Manager of Thai Poly Acrylic PCL.                 |

Illegal Record in past 10 years : None









MR. KIATTIPORN SIRICHAISAKUL Age: 49  
Audit Committee  
Independent Director

#### Educational qualifications/ Institute

-  Director Accreditation Program (DAP) batch#50/2006,  
Thai Institute of Directors  
Thammasat University
-  Bachelor's Degree, Faculty of Commerce and  
Accountancy,

Percentage of shareholding: None

Family relationship with the executive: None

Working experience during the past 5 years:

- |                    |   |
|--------------------|---|
| 2011 - Present     |  Director of Malachi Co., Ltd.                                       |
| 2009 – 2015        |  Certified Public Accountant of Finer<br>Accounting Service Office   |
| 2006 – Present     |  Independent Director and Audit<br>Committee of Mida-Leasing PCL.    |
| 1992 - Present     |  Director of Piyavate Hospital PCL.                                  |
| Dec 2014 - Present |  Independent Director and Audit<br>Committee of Filter Vision PCL. |

Illegal Record in past 10 years : None





MR. TEERANUT THANGSATAPORNPONG Age: 44

Audit Committee

Independent Director

## Educational qualifications/ Institute

-  Master's Degree of Arts (Economics)  
Thammasat University, Bangkok, Thailand
-  Bachelor's Degree of Arts (Economics)  
Thammasat University, Bangkok, Thailand
-  Bachelor's Business Administration (Accounting)  
Sukhothai Thammathirat Open University, Bangkok, Thailand
-  Bachelor of Laws  
Sukhothai Thammathirat Open University, Bangkok, Thailand
-  Certified Investment and Securities Analyst (CISA)  
Securities Analysts Association, Thailand
-  DCP (Director Certification Program) class 161/2555

Percentage of shareholding: None

Family relationship with the executive: None

Working experience during the past 5 years:

Feb.2018 – Present


 Director
SIMAT TECHNOLOGIES PUBLIC  
COMPANY LIMITED

Jan. 2018 – Present


 Managing Director
K.C. PROPERTY PUBLIC COMPANY  
LIMITED
 Director

Modern street Co., Ltd.

Aug.2017 – Present

 Independent Director and Audit  
Committee Filter Vision PCL.

2015 - Present

 Independent Director and Audit  
Committee

CHAYO GROUP PCL.

2015 -2017

 Deputy Managing Director

KTB securities Thailand Co., Ltd.

2011 - 2015

 Chief Financial Officer

Globlex Securities Co.,Ltd

Illegal Record in past 10 years : None





DR. MANIT TEERATANTIKANONT, M.D. Age: 67  
Chairman of Nomination & Remuneration Committee  
Independent Director

#### Educational qualifications/ Institute

-  Master of Primary Health Care Management, Mahidol University
-  Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University
-  Bachelor of Science, Faculty of Medicine Siriraj Hospital, Mahidol University
-  Director Accreditation Program (DAP) batch#99/2012, Thai Institute of Directors

Percentage of shareholding: None

Family relationship with the executive: None

#### Working experience during the past 5 years:

- 2012 - Present  Independent Director of Filter Vision PCL.
- 2009 - 2011  Director – General of Department of Disease Control
- 2007 – 2009  Director – General of Department of Medical Science
- 2005 - 2007  Deputy Permanent Secretary, The Ministry of Public Health

Illegal Record in past 10 years : None





DR. JITJUMLONG HARINASUTA, M.D. Age: 58  
Independent Director

#### Educational qualifications/ Institute

-  Bachelor Degree, Faculty of Science, Mahidol University, Thailand
-  Doctor of Medicine, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, Thailand
-  Post-graduate Board for Medicine, University of Edinburgh, Scotland
-  Mini MBA, Chulalongkorn University, Thailand
-  Mini MBA, Thammasat University, Thailand

Percentage of shareholding: None


Family relationship with the executive: None

Working experience during the past 5 years:


2018 Present


 Independent Director of Filter Vision PCL.

1999 – ปัจจุบัน

 Managing Director  
Jancon development Co.,Ltd

2014 –2017

 Independent Director  
P.Chemitech Co.,Ltd

 Independent Director  
Thai herbicide Co.,Ltd

Illegal Record in past 10 years : None







MR. MONTRIE PRAJUNPANICH Age: 53  
Director

#### Educational qualifications/ Institute

-  Master of Business Administration, Sripatum University
-  Bachelor of Engineering, King Mongkut's University of Technology Thonburi
-  Director Accreditation Program (DAP) batch#99/2012, Thai Institute of Directors
-  Cebu Doctors University, Philippines
-  DODT. (Organization Development and Transformation)

Percentage of shareholding: 2.010

Family relationship with the executive: None

#### Working experience during the past 5 years:

- |                |   |
|----------------|---|
| 2011 – Present |  Director of Filter Vision PCL.                               |
|                |  Director of VR Stephy Co., Ltd.                              |
| 2012 – Present |  Executive Committee of Altered Co., Ltd.                     |
| 2010 – Present |  Executive Committee of PMAV Marketing Co., Ltd.              |
| 2007 – Present |  Executive Committee of Panovision Co., Ltd                   |
| 2005 – Present |  Executive Committee of Vamp Intelligent Products Co., Ltd. |

Illegal Record in past 10 years : None





MR. DANUJ BUNNAG Age: 54  
Director

#### Educational qualifications/ Institute

- ✚ Bachelor of Science in Systems Science And Engineering, Server Institute School of Engineering and Applied Science, Washington University, USA
- ✚ Master of Construction Management, Server Institute School of Engineering and Applied Science, Washington University, USA.
- ✚ Master of Construction Management, Sever Institute School of Engineering and Applied Science, Washington University, USA.
- ✚ DAP for Thai executives, The Thai Institute of Directors Association (IOD)
- ✚ DCP class 48, The Thai Institute of Directors Association (IOD)
- ✚ Thailand National Defence College 2554
- ✚ Capital Market Academy class 18
- ✚ Bachelor of Special Study (Mathematics), Cornell College, USA.

Percentage of shareholding: 1.427

Family relationship with the executive: None

#### Working experience during the past 5 years:

Present

- ✚ Chairman of Alumni, class 10 Chitralada Alumni Association
- ✚ Director of Filter Vision PCL.
- ✚ Advisor to the President.
- ✚ Director  
Paibul group Co., Ltd.
- ✚ Director  
Buntomsin trading Co., Ltd.
- ✚ Director  
Phai bulya sombati Co., Ltd.
- ✚ Director  
POLARIS CAPITAL PUBLIC COMPANY LIMITED

Illegal Record in past 10 years : None








MR. DENCHAI AKARADAJDACHACHAI, PH.D.

Age 54

Director

#### Educational qualifications/ Institute

-  DOCTOR OF PUBLIC ADMINISTRATION (DPA)  
UNIVERSITY OF NORTHERN PHILIPPINES
-  Master of Business Administration (M.B.A.)  
Kasetsart University
-  Bachelor of Economics – Industrial Ramkhamhaeng  
University

Percentage of shareholding: None

Family relationship with the executive: None

#### Working experience during the past 5 years:

- |                     |  |
|---------------------|--|
| Sep. 2017 - Present |  Director<br>HI HEALTHCARE CENTER Co., Ltd.   |
| Present             |  Director<br>Thai demeter Co., Ltd.   |
| 2017 - Present      |  Director of Filter Vision PCL.<br> Chairman of the Board of Directors  |
| 1989 - Present      | M.B.C. Center Co., Ltd.<br> Chairman of the Board of Directors<br>I.E.Q Thailand Co., Ltd.<br> Chairman of the Board of Directors<br>Computer square Co., Ltd. |
| May 2017 - Present  |  Executive Director / Director<br>Thai Luxe Enterprises PCL.  |

Illegal Record in past 10 years : None







MR. TANAPAT TANTIWATTANAWIJIT Age: 48

Director, Executive Director,  
General Manager

#### Educational qualifications/ Institute

-  Bsc. Agro-Industry Prince of Songkla University
-  Director Accreditation Program (DAP) batch#99/2012,  
Thai Institute of Directors

Percentage of shareholding: 2.687

Family relationship with the executive: None

#### Working experience during the past 5 years:

- |                    |  |
|--------------------|--|
| 1996 - Present     |  Director, Executive Committee & General Manager at Filter Vision PCL. |
| 2014 - Present     |  Director at Irving Corporation Ltd.                                   |
| Jun 2015 – Present |  Director at KT Medical Service Co., Ltd.                              |
| Jul 2015 – Present |  Director at Medical Vision Co., Ltd.                                  |

Illegal Record in past 10 years : None











MS. PANCHIT CHIMPALEE Age: 44  
Director, Executive Director,  
Assistant General Manager - Accounting & Finance

#### Educational qualifications/ Institute

-  Master of Accountancy, Thammasat University
-  Bachelor of Accountancy, Thammasat University
-  Director Accreditation Program (DAP) batch#99/2012,  
Thai Institute of Directors
-  Company Secretary Program batch#56/2014,  
Thai Institute of Directors

Percentage of shareholding: None

Family relationship with the executive: None

Working experience during the past 5 years:

- |                |   |
|----------------|---|
| Present        |  Financial Manager at Irving Corporation Ltd.  |
| 2010 - Present |  Director, Executive Committee, Assistant to General Manager (Accounting and Financial Department), Financial Manager, Accounting Manager (Acting) of Filter Vision PCL. |

Illegal Record in past 10 years : None





MS. THANAPA TECHAKASEM Age: 51  
Executive Director  
Administration Manager

#### Educational qualifications/ Institute



Bachelor Degree, School of Communication Arts  
Bangkok University



Director Accreditation Program (DAP) batch#99/2012,  
Thai Institute of Directors

Percentage of shareholding: 1.816

#### Family relationship with the executive :

Younger sister of Dr. Wijit TechakasemWorking

#### Working experience during the past 5 years:

Jul 2016 – Present	Executive Committee, and Administration Manager of Filter Vision PCL. Manager of Filter Vision PCL.
2014 – Present	Director of Irving Corporation Ltd.
1999 - Jul 2016	Director, Executive Committee, and Administration

Illegal Record in past 10 years : None





MR. PATTANAPONG KONGKARAT Age: 55  
Executive Director, B2 Business Manager,  
HR & General Affair Manager (Acting),  
Technical Services Manager

#### Educational qualifications/ Institute

 Bachelor of Laws, Ramkhamhaeng University

Percentage of shareholding: None

Family relationship with the executive: None

#### Working experience during the past 5 years:

- 2015 – Present  B2 Business Manager and  
Technical Services Manager of  
Filter Vision PCL.
- 2001 - Present  Executive Committee of Filter  
Vision PCL.
- 2013 – Present  Human Resources and General  
Affair Manager (Acting) of Filter  
Vision PCL.
- 2001 - 2014  Sales and Marketing Manager of  
Filter Vision PCL.



Illegal Record in past 10 years : None





MS. SUPAPAN YEAMLAENGAMKUL Age: 52  
Executive Director



#### Educational qualifications/ Institute

-  Master of Engineering, Chulalongkorn University
-  Bachelor of Science, Chulalongkorn University

Percentage of shareholding: None

Family relationship with the executive: None

#### Working experience during the past 5 years:

- 1996 – Present  Executive Committee of Filter Vision PCL.
- 1991 - Present  General Manager of Irving Corporation Ltd.




Illegal Record in past 10 years : None





MR. SOMCHAI HONGSA Age 47  
 Executive Director,  
 Project and Innovation Manager

**Educational qualifications/ Institute**

-  Master of Business Administration (Marketing)
-  Ramkhamhaeng University
-  Bachelor Degree, Faculty of Science, Agro-Industry Technology Management, Prince of Songkla University

Percentage of shareholding: None

Family relationship with the executive: None

**Working experience during the past 5 years:**

- |                |  |
|----------------|--|
| 2017 – Present |  Supply Chain Management<br>Manager of Filter Vision PCL. |
| 2015 – Present |  Project and Innovation<br>Manager of Filter Vision PCL.  |
| 2002 – Present |  Executive Committee of Filter Vision PCL.                |
| 2002 - 2014    |  Technical Services Manager of Filter Vision PCL.        |

Illegal Record in past 10 years : None







MR. RATHAPHON TATONG Age: 48

Executive Director

B1 Business Manager

## Educational qualifications/ Institute

-  Master of Engineering Program in Environmental Engineering Chulalongkorn University
-  Bachelor of Engineering Program in Sanitary Engineering, Chulalongkorn University

Percentage of shareholding: None

Family relationship with the executive: None

## Working experience during the past 5 years:

- 2015 – Present  Executive Committee and B1 Business Manager of Filter Vision PCL.
- 2012 – 2014  Innovation and Project Manager of Filter Vision PCL.
- 2008 - 2012  General Manager of Biogas Forerunner Co., Ltd.

Illegal Record in past 10 years : None






MR. ANUPONG TANGPANITARNNAN

Age: 48

Executive Director

#### Educational qualifications/ Institute

 Bachelor of Engineering, Electrical Engineering,  
Mahanakorn University of Technology

Percentage of shareholding: None

Family relationship with the executive: None

#### Working experience during the past 5 years:

- 2012 - Present  Executive Committee of Filter Vision PCL.
- 2012 – Present  Assistant General Manager of Irving Corporation Ltd.
- 1997 - 2011  Maintenance Senior Manager of Nephrocare (Thailand) Co., Ltd.


Illegal Record in past 10 years : None







MR. CHANATHEP RAKPRAKOBKIJ Age 31  
Accounting Manager

#### Educational qualifications/ Institute

 B.A. (Accounting), Second Class Honor  
Suan Sunandha Rajabhat University, Bangkok

Percentage of shareholding: None

Family relationship with the executive: None

2016 - Present		Accounting Manager, Filter Vision Public Company Limited.
2015 – 2016		Audit Manager, Thirty – four Audit Office Company Limited.
2014 – 2015		Vice President of Accounting and Finance, Phoenix Insurance (Thailand) Public Company Limited.
2010 – 2014		Senior Assistant Auditor, Thirty – four Audit Office Company Limited.

Illegal Record in past 10 years : None





## Corporate Governance Report of Audit Committee

Attn. to: The Shareholders of Filter Vision Public Company Limited

Audit Committee of Filter Vision Public Company Limited consists of 3 independent directors who are proficient in finance, accounting, legal, and management. Those are Mr. Thanetr Khamcherdchoochai, Chairman of Audit Committee, Mr. Kiattiporn Sirichaisakul and Mr. Teeranut Thangsapornpong as the Audit Committee. All Audit Committee is completely qualified as specified by the Audit Committee charter which harmonizes with code of conduct and guideline for audit committee outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Audit Committee operates according to the terms of responsibilities assigned by Board of Directors independently to audit and verify for adequate management making the operation go on for the benefit of entire shareholders without conflict of interest. Audit committee will check that the company has sufficient internal system and directors perform their duty honestly and responsibly following the company's policies.

In 2017, Audit Committee meetings were arranged for 4 times. Audit Committee's attendant information as below;

1. Mr. Rapeepat Suansilpong attended 2 Meetings \*
2. Mr. Thanetr Khumchoedchoochai attended 4 Meetings \* \*
3. Mr. Kiattiporn Sirichaisakul attended 4 Meetings
4. Mr. Teeranut Thangsapornpong attended 1 Meeting \* \* \*

\* Mr. Rapeepat Suansilpong resigned from Independent Director and Chairman of Audit Committee effective from June 23, 2017.

\* \* Board of Directors No.5/2017 resolved to appoint Mr. Thanetr Khumchoedchoochai to be Chairman of Audit Committee as replacement of Mr. Rapeepat Suansilpong who resigned from Independent Director and Chairman of Audit Committee.

\* \* \* Board of Directors No.5/2017 resolved to appoint Mr. Teeranut Thangsapornpong to be Audit Committee with the term equal to the remaining term of Mr. Rapeepat Suansilpong with effective from August 9, 2017 onwards.

Audit Committee has discussed and shared ideas with Executives, internal auditor, and accounting auditors as concluded below;

### 1. Financial Audit

Audit Committee has reviewed separated and consolidated financial statements of the Company and its subsidiaries for quarters and the year ended 2017, that qualified by Auditor and presented to the Board of Directors for approval consideration. Executive and Auditor were invited to the meeting be for approved the financial statement with checking accuracy, completeness, and reliability of the validity of some significant items that happened during the year, and a sufficient correctness for disclosure. In addition, the meeting was for the acknowledgement about audit plan and the official meeting with Auditors 4 times to independently discuss about important information for financial statement.

Audit Committee considered that accounting and financial reports process of the Company obtains a sufficient internal control system to assure that the financial report and overall operation are accurate in materiality according with accounting standard as well as sufficient and punctual accounting disclosure for the shareholders, investors, or who used the financial statement for consideration to invest

## 2. Internal Control System Audit

Audit Committee has considered reviewed and followed up continuously on the internal control system with the internal audit's company. The report of internal audit is covering following up on the result and adjusting any significant points according to the report to evaluate the sufficiency of internal control system and management control the risk of operation that the Company can be operated continually.

## 3. Internal Audit Supervision

Audit Committee has verified internal audit company to perform efficiently by encouraging the independence of them to express their opinion openly, review and approve the internal audit plan according with organization environment, and give suggestions that are useful to increase the efficiency of internal audit system.

## 4. Related Party Transaction Review

For the integrity and accordance with the regulations of the Stock Exchange of Thailand, Audit Committee has added the topic of related party transaction audit as the main agenda in Audit Committee meeting. The process to account items that were in the term of related transaction during the year has been reviewed to assure that it was the ordinary process of business as well as processing with other party or business that were not related and not other transaction that might contain the conflict of interest.

## 5. Annual Auditor Assessment

Audit Committee has considered, selected, appointed, and proposed remuneration of Auditors as of 2017 by evaluating independence, audit performance quality as of 2016, skills and knowledge, experience, and the current supporting team of auditor's audit office. Moreover, the remuneration appropriation has been also considered.

Audit Committee considered that Auditor from EY Office Limited obtains an independent opinion with being educated and experienced in auditing. In addition, work performance in the last year was desirable and their remuneration is appropriate. Therefore, a resolution was proposed to the Board of Directors to ask for approval from the ordinary meeting of shareholders as of 2017 to appoint Mr. Sophon Permsirivallop, Auditor with license no.3182 and/or Ms. Rungnapa Lertsuwankul, Auditor with license no.3516 and/or Ms. Pimjai Manitkajohnkit, Auditor with license no.4521 and/or Ms. Rosaporn Decharkom, Auditor with license no.5659 from EY Office Limited. as the Auditor as of 2017 with the remuneration of Baht 1,232,000.

#### 6. Risk Management Review

The Board of Directors, Risk Management Committee, and the Management gives importance on risk management by performing assessment both internal and external factors, possibility, impact. As well as prepare risk management plan to protect or decrease impact may arise to business operation on acceptable level by Risk Management Committee appointed by The Board of Directors to supervise risk management of FVC with regular progress report of the Management. So that, the Board of Directors reviewed effectiveness of risk management from FVC's operating performance report, audit result from internal audit, and certified auditor, which can assure that FVC obtains risk management on acceptable level.

#### 7. Law Compliance Review

Audit Committee reviewed and supervised FVC to properly comply with The Stock Exchange laws, regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand, and strictly comply with other laws related to FVC's business operation. In 2017, no infringement against the law and related regulations was found.

#### 8. Anti-corruption Review

Audit Committee reviewed measurement and prescription guideline of preventive anti-corruption may arise in any work system. In 2017, there was neither complaint from employee nor whistle blower of any illegal, fraud, improper act at all. However, if the said complaint incurs, Audit Committee will take investigation and protect the whistle blower covering comply with procedures and rules in accordance with whistle blowing policy of FVC completely.

#### 9. Self-assessment of Audit Committee

FVC provided self-assessment of Audit Committee by overall results was on very well level. This presents that Audit Committee had performed their duty completely as assigned by the Board of Directors and had taken action conformed to Best Practice of Audit Committee.

#### 10. Audit Committee Report

Audit Committee has done the report of the committee approved by Chairman of Audit Committee to be disclosed with annual report.

#### 11. Other operations as assigned

Audit Committee has performed other duties as assigned by the Board of Directors with the consent of Audit Committee.

Audit Committee has performed duties and responsibilities as assigned by applying knowledge and abilities with carefulness and sufficient independence, without limitation of information from directors, staff, and concerned persons. The committee also gave opinions and suggestions creatively for the benefit of all stakeholders equally.

In conclusion, Audit Committee considered that Board of Directors and Executive Board have morality and determination to professionally perform their duties to achieve company's objective. They pay attention to operate under the corporate governance system efficiently, apparently, and reliably. Moreover, they have risk management system and concise internal control system.



(Thanetr Khumchoedchoochai)  
Chairman of Audit Committee

## Report of Nomination and Remuneration Committee

Attn. to: The Shareholders of Filter Vision Public Company Limited

Three members of Nomination and Remuneration Committee of Filter Vision Public Company Limited were appointed by the Board of Directors Meeting No. 3/2012 dated May 14, 2012. Later, the Board of Directors Meeting No. 5/2017 dated August 9, 2017 resolved to appoint one member as replacement of the resigned member as well as appoint one more member for compliance with Good Corporate Governance. Thus, the current Nomination and Remuneration Committee comprises of four members including two Independent Directors, one non-interested third person, and one Director in accordance with shareholding proportion as follows:

Name-Surname	Position
1. Dr. Mani Teeratanikanont, M.D.	Chairman of Nomination and Remuneration Committee
2. Mr. Rapee Moungnont *	Nomination and Remuneration Committee
3. Mr. Kiattiporn Sirichaisakul **	Nomination and Remuneration Committee
4. Mr. Danuj Bunnag***	Nomination and Remuneration Committee

Remark: \*Mr. Rapee Moungnont is a non-interested third person, who resigned from member of Nomination and Remuneration Committee as from January 1, 2018.

\*\* Mr. Kiattiporn Sirichaisakul was appointed to be member of Nomination and Remuneration Committee as replacement of Mr. Rapeepat Suansilpong who resigned as from June 23, 2017.

\*\*\* Mr. Danuj Bunnag was appointed to be additional member of Nomination and Remuneration for appropriate composition of the Committee and compliance with Good Corporate Governance.

So that Nomination and Remuneration Committee organized 2 meetings in 2017.

Nomination and Remuneration Committee obtains the scope of work to consider the structure, elements, and Board of Director qualification, and consider offering remuneration structure of Directors, Managing Directors according to regulations or procedures to consider fair and reasonable remuneration.

Besides, to consider remuneration as mentioned, Nomination and Remuneration Committee deemed that it is appropriate to Board of Director's duties and responsibilities by considering thoroughly about every aspect, the size of business, the number of Directors, and compared with same type of industry for reference, and overall economic circumstance.

On behalf of Nomination and Remuneration Committee  
 Filter Vision Public Company Limited



(Dr. Mani Teeratanikanont, M.D.)

Chairman of Nomination and Remuneration Committee





**FILTER VISION PUBLIC COMPANY LIMITED**

**Part 1**

**Business**

## 1. Policy and Overall Business

### Company Background

**Filter Vision Public Company Limited** ("company") was established on May 11<sup>th</sup> 1995 by Techakasem family with initial registered capital of 1.00 million baht including 10,000 shares of common shares for 100THB per share. The company operates importing and distributing purified water treatment system equipment. It is managed by Dr. Wijit Techakasem as the Managing Director with talented abilities to communicate and negotiate with international top companies that distribute purified water treatment system products and equipment. The company is also managed by Ms. Supapan Yiamlaengamkul, Managing Director, who has chemical scientific knowledge and has an experience in chemical products for industrial factory business. At the beginning, the target of the company was to reach industrial factory group that required purified water treatment system products and equipment for water consumption. Then, the Managing Director was aware of the importance of production process in every part of each industry that had water conveying process into production process because the rating of damaged machine caused by poor quality water in production process was greater than by filtered water. The company realized about the target trend that more focused on entrepreneur's reliability and readiness to provide the service. To meet customer's satisfaction that required one stop service, the company began to develop staff and service quality to meet international standard.

The company gives priority to the staff development because they are an important element who provides the standardized service of this business. Therefore, the company has been developing our staff continuously and also cooperates with company's main dealer to arrange product knowledge training for the staff in domestic and abroad to enhance company's service to be qualified as international standard. With the mentioned structures, the company has growth a great leap forward with more requirement of investment for working capital and increasing manpower and the development of the staff.

In year 2010, the company was restructured. It invested to buy the common shares of New McArthur Company Limited and Irving Corporation Company Limited for 100% from the shareholders who were in the same group of the major shareholders and/or the CEO. This investment is to increase capital by issuing shares of the company to pay the shares of New McArthur Co., Ltd. and Irving Cor., Co., Ltd. After restructure of the company that operated importing and distributing purified water treatment system products and equipment, the company assigned New McArthur Co., Ltd. to provide maintenance service for purified water treatment system and assigned Irving Cor., Co., Ltd. to distribute products and equipment, design, install, and provide maintenance service for medical purified water treatment system.

Later in year 2011, the company was restructured once again to increase potential to have more flexibility and efficiency to provide service to customer. In the board meeting, there was the resolution to stop the business of New McArthur Co., Ltd. and took over its all staff and business asset.

In 2013 the company was listed company on the Shares Exchange of Thailand (SET). The Company's common shares have been approved by SET to listed on the Market for Alternative Investment (mai), which is an important step in funding to improve liquidity and strength for business expansion as well.



During the 3<sup>th</sup> Quarter of 2014, the company was internal restructure to have the food equipment division for the food equipment group (food equipment group) for installation new equipment and maintenance all food equipment

In 2015, the company obtained the opportunity to expand new business in medical services and continued to expand business with increase of registered capital by offering shares to specific persons (Private Placement) "PP". The company has issued the warrants to purchase ordinary share No.1 (FVC-W1), which enabled the company invest for a new business about medical services in the same year with two companies are "KT Medical service Co., Ltd", which is Nursing homes dialysis centers and "Medical Vision Co., Ltd", which is

In 2016, is the year of business's growth in both from exist and new business. Cause of the significant growth from the large wastewater treatment project, which continuation from the exist business. While, the new business is KT Medical Services Co., Ltd., which a provider of dialysis services has patients to increase continually to full as capacity of the kidney machine and Medical Vision Co., Ltd., can distribute and installed of the air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) to clients as the targets for this year.

In conclusion, in the past 21 years, the company has increased registered capital intermittently. From the initial registered capital of 1.00 million baht to 20.00 million baht, 30.00 million baht, 44.00 million baht, 60.40 million baht, 70.40 million baht 100.00 million and 195 million , consecutively in year 2002, year 2007, year 2009, year 2010, year 2011, year 2013 and year 2015. In 2016, the Company registered decrease in the Company's registered share capital from the shares the Private Placement (PP) and the shares to reserve for the exercise of rights by warrant holder (FVC-W1). Present, the Company has registered share capital amount Baht 182.75 million and paid-in capital of 154.21 million baht as of February 3<sup>rd</sup> 2017 when was the closing date of the latest share register book. Techakasem family is holding shares of 31.88% of the paid-in capital.

#### **The overall business of the company and subsidiary companies**

The company and the subsidiary companies have the head office located on 95 Soi Ram-Intra 117, Ram-Intra Rd., Minburi Sub-district, Minburi District, Bangkok. The companies own the purified water treatment system business. The companies import purified water treatment system products and equipment from abroad and are expert at system design and able to be consultant for simple purified water treatment system up to the system that requires engineering skill for customer. The KT Medical Services Co., Ltd is a subsidiary that operates a Nursing homes dialysis center operations providing dialysis with artificial kidneys. To patients with chronic kidney disease stage, Moreover the Medical Vision Co., Ltd is another subsidiary of which business is to distribute, let a rent, and provide maintenance service of equipment for analysis, diagnosis in medical service, including pharmaceuticals and medical devices. The first product introduced to market was the pneumatic tube system for transfer documents and parcel (Pneumatic Tube Carrier Systems). The company's products and services can be divided into 5 categories as follow;

## 1) Distribution, improvement, and purified water treatment system maintenance

The company distributes purified water treatment system products and equipment ready to be installed connecting with the already designed water supply system of the customers. The company also provides service for improvement, maintenance, and water supply system addition with products distribution. The major target customers are convenience stores, restaurant, and bar. The minor customers are the industrial business group and original equipment manufacturer and medical service business group. The product sources can be divided into 4 categories as follow;

- 1.1 Importing purified water treatment system products and equipment for distribution including water filter system, fiberglass filter housing tank, automatic filter strainer, filter, ultraviolet disinfection. All the products and equipment have standard certification from independent entities, such as NSF standard and international standard certification from government authority, such as FDA standard. Mostly those are the products under top foreign company's trademarks, such as Pentair, Wedeco, Sterilight, Trojan UV, Sekiso, CSM, Shelco Filters etc.
- 1.2 Domestic supply for purified water treatment system products for distribution, such as bun steamer, beverage dispenser, ice making machine etc.
- 1.3 Equipment manufacturer for purified water treatment system equipment distribution, such as filter, housing filter under the company's trademarks including Toreda, Water Care, and Hydra Mate.
- 1.4 Assembly for medical purified water treatment system products distribution. The company is designing and on process to register a patent for portable purified water treatment machine to use for dialysis machine. It is the company's intellectual property for distribution and rental. It has the portable purified water treatment system with purification that controls bacteria from raw water by automatic disinfection system. Moreover, the company also produces and distributes dialysis solution with the standard certified from the Ministry of Public Health and Thai Nephrology Association. The company aims to distribute to customer with the competitive price.

## 2) Distribution with designing, assembly, and purified water treatment system installation

The company distributes with designing, assembly, and purified water treatment system installation from the beginning of the process to purify raw water into the water as same as tap water. And tap water can be also purified into water for consumption mostly amongst hospital target group and some industrial business that has water system concerning in the production process. The installation time is average at 1 - 2 months. The resource of the product using in installation is the same as no.1) Distribution, improvement, and purified water treatment system maintenance. The service can be divided into 2 categories;

- 2.1 Distribution with designing, assembly, and purified water treatment system installation for the customer with normal payment.
- 2.2 Distribution with designing, assembly, and purified water treatment system installation for the customer paying as rental with interest. The rental agreement term is for 5 years. Once the contract is expired,

the company will remove the purified water treatment system for dialysis machine and take it back. This will be operated by Irving Corp., Co., Ltd., the subsidiary company.

### **3) Maintenance service for purified water treatment system**

The company is aware of the importance of after sales service. We will provide the maintenance service to make our customer convenient. The purified water treatment system needs to have the maintenance constantly for the efficient operation, such as replace filter and other damaged equipment. The company has the action plan to give maintenance to customer by calculating water flow rate and the equipment's period of using. Not only in Bangkok and surrounding provinces, the company also has technical centers and service departments in charge of all area in Thailand. There are 2 technical centers at Lampoon that are in charge of the northern part, and at KonKaen that is in charge of the northeastern part. There are also technical service departments at 4 locations including Chonburi, Phuket, Samui (Suratthani), Hat Yai (Song Kla) that are in charge for the southern part. The customer can call for the service and emergency for 24 hours.

### **4) Dialysis centers**

In 2016, the Subsidiary KT Medical Services Co., Ltd., opened the new dialysis center in Pattanakarn area, which the first center. The Company operate to provide healthcare facilities for patients with end-stage chronic kidney disease who receive replacement therapy with dialysis kidneys machine

### **5) Distribute medical products and equipment**

The Company has distributor / rent and maintenance of medical instruments and medical supplies which operated by Medical vision Co., Ltd. In 2016, the company has distributing and installation of air tube system for transfer documents and parcel (Pneumatic Tube Carrier Systems) to client in both. Government and Private Hospital

## **1.1 Company's operation policies**

### **The business purpose**

The company aims to be the leader of distribution, designing, assembly, installation, improvement, repair, and providing the purified water treatment system maintenance service. The company has a skilled and experienced team and also has a good and efficient management system. The company provides a convenience and immediate service and runs the business morally and honestly to make the customer assured and satisfied in the quality of service as the company's motto "We provide more than just a filter."

The company aims to be continuously and strongly growing by expanding the target customer to other industries. The company also increases product categories to provide various and complete service to meet customer's satisfaction and creates the brands named Filter Vision and House Brand as a good quality purified water treatment system service provider to be more acquainted widely.

## 1.2 Important development and progress

- Year 1995 - On May 11<sup>th</sup> 1995, the company was established with the registered capital of 1 million baht to run a business for the purified water treatment system products and equipment which its office is located at Wang Thong Lang, Bangkok.
- In the same year the company began to be a dealer for Ametek Company and marketed under Ametek brand. The major target customer was industrial factories. The company imported plastic fiber filter housing. Later, Ametek was taken over by Plymouth Production Division. Then in year 2002 Plymouth Production Division was taken over by Pentair Pacific Rim (Water) Limited. At the present, the company is a dealer for Pentair Pacific Rim (Water) Limited by cooperating with Pentek's purified water treatment system distributor for industrial factory.
- Year 1996 - The company was confided by Rcan Environment Inc. and was appointed to be a dealer for water purification products under brand Sterilight that then changed its name to Viqua at the present.
- Year 1998 - On December 28<sup>th</sup> 1998, New McArthur Co., Ltd. was established with the registered capital of 1.00 million baht to provide maintenance and installation service for purified water treatment system.
- Year 1999 - The company was confided by Wedecco Company who was an expert at UV disinfection products and Ozone machine. The company was appointed to be a dealer. Later in year 2004 Wedeco Company was taken over by ITT Water and Wastewater. Wedeco then changed its name to Xylem Water Solution. At the moment, the company was not a dealer for this company anymore.
- Year 2000 - The company began the marketing in the target of commercial business customer group, such as convenience store, restaurant, coffee house etc. by cooperating with Everpure Inc. and marketing under brand of Everpure. Later in year 2003, Everpure Inc. was taken over by Pentair Filtration Solution, LLC. At the present, the company is still a dealer for Pentair Filtration Solution, LLC for commercial business group.
- Year 2002 - On November 28<sup>th</sup>, 2002, the company increased the registered capital from 1.00 million baht to 20.00 million baht by offering for sale of share to the former shareholders and used it in working capital.
- Year 2004 - New McArthur Co., Ltd. began expanding the business in the northern part of Thailand. A building was rented to locate the service center at Lampoon.
- Year 2006 - On May 19<sup>th</sup> 2006, the company signed an agreement for the purchasing of land and office building to use it as a new company's office and warehouse which is located on

95 Soi Ram Intra 117, Ram Intra Rd., MinBuri Sub-district, MinBuri District, Bangkok. It still is at the present.

- Year 2007 - On December 11<sup>th</sup> 2007, the company increased the registered capital from 20.00 million baht to 30.00 baht by offering sale of share to the former shareholders. The purpose of this offering is to spend for working capital.
- Year 2008 - On September 2008, New McArthur Co., Ltd. purchased land with building to use it as the technical service center in charge of the northeastern part of Thailand. The center is located in Kon Kaen.
- Year 2009 - March 27<sup>th</sup>, 2009, the board meeting approved the technical service department opening in Phuket to be in charge of the southwestern part of Thailand. It has been operating since August 2009
  - On October 5<sup>th</sup> 2009, New McArthur Co., Ltd. purchased land with building to use it as the technical service center in charge of the northern part of Thailand. The center is located in Lampoon.
  - On December 8<sup>th</sup> 2009, the company increased the registered capital from 30.00 million baht to 44.00 million baht by offering sale of share to the former shareholders. The purpose of this offering is to spend for working capital and invest in Enterprise Resource Planning (ERP) which supported the company to have more efficient service and data storage.
- Year 2010 - On July 29<sup>th</sup> 2010, the board meeting approved the technical service department opening in Samui, Surat Thani to be in charge of the southeastern part of Thailand. It has been operating since August 2010
  - On November 24<sup>th</sup> 2010, in the extraordinary meeting of shareholders, a resolution was made to increase the registered capital from 44 million baht to 60.40 million baht by issuing new common shares for 163,986 shares, the par value was 100 baht per share, with new offering share price at 148.53 baht per share, refer to the book value in company's financial statement on June 30<sup>th</sup> 2010. The purpose was to take over Irving Cor., Co., Ltd. and New McArthur Co., Ltd. The increased capital shares could be divided as follow;
    - New McArthur Co., Ltd. has the paid-in registered capital for 5.00 million baht including common shares for 50,000 shares, the par value was 100 baht per share. New McArthur Co., Ltd. has brought in 49,998 shares that had the book value in the financial statement of New McArthur Co., Ltd. for 167.66 baht per share since June 30<sup>th</sup> 2010. Compared with the book value of the company on June 30<sup>th</sup> 2010, the company has allocated shares to New McArthur for 56,435 shares at 148.53

baht per share. The value was 8,382,348 baht (5,643,500 baht for issued capital and 2,738,848 baht for premium on common shares)

- Irving Corporation Ltd. has the paid-in registered capital for 25.00 million baht including common shares for 250,000 shares, the par value was 100 baht per share. Irving Cor., Co., Ltd. has brought in 249,998 shares that had the book value in the financial statement of Irving Cor., Co., Ltd. for 63.90 baht per share since June 30<sup>th</sup> 2010. Compared with the book value of the company on June 30<sup>th</sup> 2010, the company has allocated shares to Irving Cor., Co., Ltd. for 107,551 shares at 148.53 baht per share. The value was 15,974,661 baht (10,755,100 baht for issued capital and 5,219,561 baht for premium on common shares)

The total common shares has to be paid by other assets not by money. New McArthur Co., Ltd. and Irving Cor., Co., Ltd. were regarded that they have paid up the increased capital and have already registered for it to the Department of Business Development, Minister of Commerce on December 7<sup>th</sup> 2010.

- On December 29<sup>th</sup> 2010, in the extraordinary meeting of shareholders, a resolution was made to increase the registered capital from 60.40 million baht to 70.40 million baht by issuing new common shares for 100,00 shares, the par value was 100 baht per share, with new offering share price at 139.00 baht per share. The common shares was offered for sale to 4 former shareholders. The company spent the money from the increased capital for working capital. The increased capital was registered to the Department of Business Development, Minister of Commerce on January 12<sup>th</sup> 2011.
- On March 15<sup>th</sup> 2011, in the Board's meeting, a resolution was made to pay dividend for annual operation result as of 2010 for 703,986 shares of common shares at 14 baht per share. The total was 9.9 million baht. The dividend was paid on March 23<sup>rd</sup> 2011.

Year 2011 - On August 15<sup>th</sup> 2011, in the Board's meeting, a resolution was made to merge New McArthur Co., Ltd. to the company to increase potential in the business and more efficiency in management. The merging included taking over all staff and buying business assets and balance shares. The process started on September 30<sup>th</sup> 2011 and the business of New McArthur Co., Ltd. stopped within 2 years after that.

- On October 14<sup>th</sup> 2011, in the Board's meeting, a resolution was made to open a technical service department at Chonburi to be in charge of the Eastern part of Thailand. It has been operating since December 2011 onward.
- On December 15<sup>th</sup> 2011, Irving Cor., Co., Ltd. made a rental agreement for 2 warehouses to keep products. The warehouses are located at Klong Samwa, Bangkok to support the expanding business and increasing customer.

- Year 2012 - On April 15<sup>th</sup> 2012, the company got a certification from TRACE (WWW.TRACEINTERNATIONAL.ORG) , an international independent entity that evaluated and audited the company's background and directors and all concerned for company's operation, opportunities, and risks that company might get involved in corruption during April 15<sup>th</sup> 2012 until April 14<sup>th</sup> 2013.
- On April 26<sup>th</sup> 2012, in the ordinary meeting of shareholders, a resolution was made to transform the company to public company to prepare for registering the company to be sucritized. The company was registered in mai shares exchange and changed the par value from 100 baht per share to 0.50 baht per share. The company also increased the registered capital from 70.40 million baht to 100.00 million baht and allocated to offer for sale to public for 59.02 million shares.
  - On July 6<sup>th</sup> 2012, the company appointed the committee and officers of safety, occupational health, and work environment following the standard and management of safety, occupational health, and work environment, year 2006, assigned by the Ministry of Labour for staff's life standard, health, and a good work environment.
  - On July 6<sup>th</sup> 2012, the company joined Splash International project (former as A Child's Right), a nonprofit organization. The SPLASH cooperated with Filter Vision Public Co., Ltd. and partners (schools, orphanage, and community home). The purpose was to install water filter for charity. The SPLASH put money for water filter and the company put labour for installation. During year 2013 - 2014, the company cooperated with orphanage and schools in need to install water filter system for 19 locations.
  - On August 10<sup>th</sup> 2012, in the Board's meeting, a resolution was made to open a technical service department at Haat Yai, Songkla to be in charge of the Southeastern part of Thailand. It has been operating since September 2012 onward.
- Year 2013 - On May 29<sup>th</sup> 2013, in the Board's meeting, a resolution was made to open a technical service department at Hat Udon Thani to be in charge of the Northeastern part of Thailand. It has been operating since June 2013 onward.
- On April 15<sup>th</sup> 2013, the company got a certification from TRACE for the second year. TRACE is an international independent entity that evaluated and audited the company's background and directors and all concerned for company's operation, opportunities, and risks that company might get involved in corruption during April 15<sup>th</sup> 2013 until April 14<sup>th</sup> 2014.
  - On September 24<sup>th</sup> 2013, the company purchased land with building to open the technical service center to be in charge of the Northern part of Thailand. It is located in Lampoon. This location was bought from New McArthur Co., Ltd.

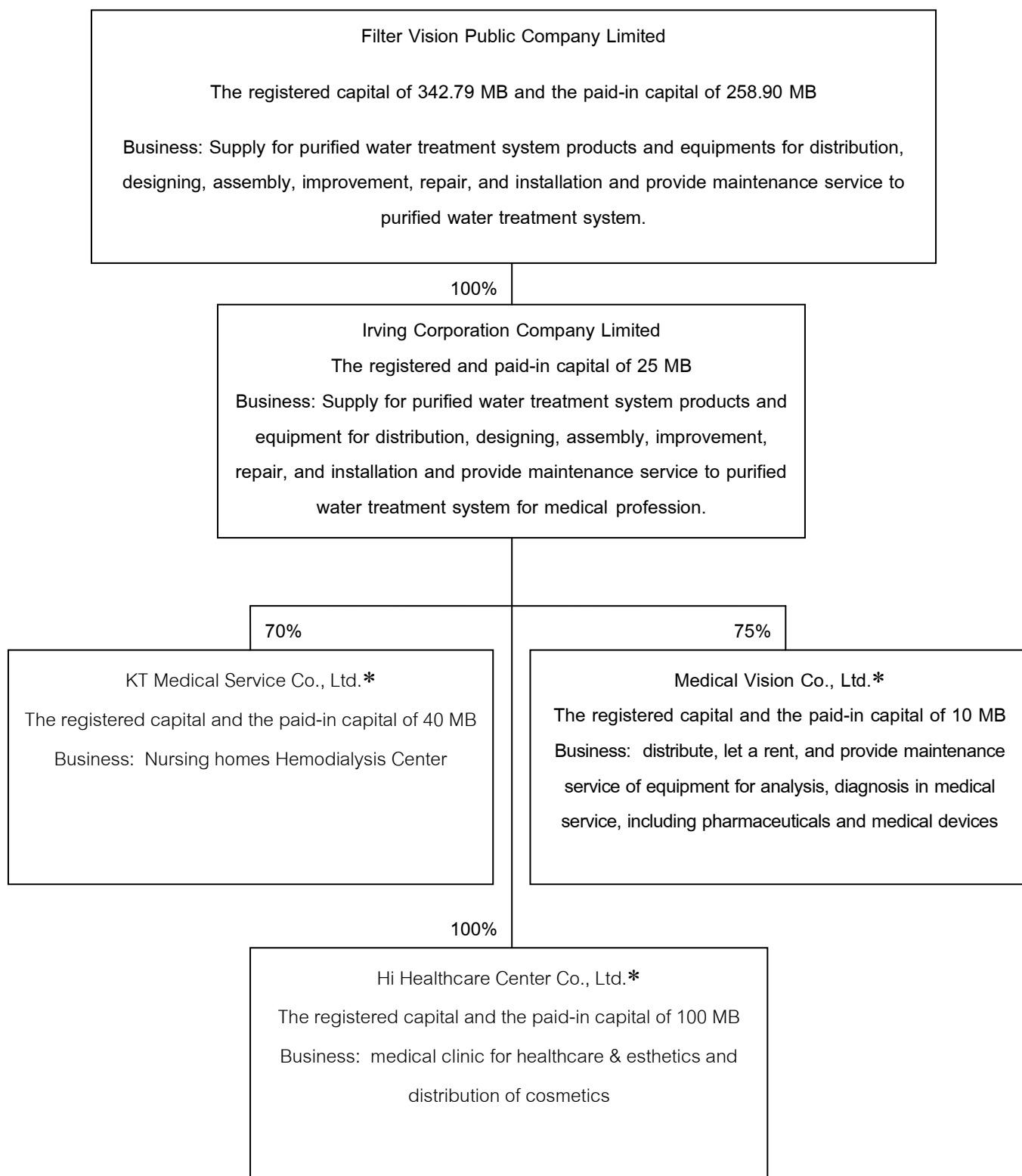
- On September 25<sup>th</sup> 2013, the company purchased land with building to open the technical service center to be in charge of the Northeastern part of Thailand. It is located in Kon Kaen. This location was bought from New McArthur Co., Ltd.
  - On September 30<sup>th</sup> 2013, New McArthur Co., Ltd. registered for the company's liquidation to the Ministry of Commerce and stopped the business and was during on the process of liquidation.
  - On October 18<sup>th</sup> 2013, a subsidiary company made a rental agreement of warehouse to keep product. It is located at Klong Samwa, Bangkok to support expanding business and increasing customer.
  - On October 21<sup>st</sup> 2013, the company offered for sale of common shares for 59.20 million shares, par value at 0.50 baht, for the offering price at 1.20 baht to initial public offering. The company registered to change the issued and paid-in capital from 70.40 million baht (common shares for 140.8 shares, the par value at 0.50 baht) to 100.0 million baht (common shares for 200 million shares, the par value at 0.50 baht) to the Ministry of Commerce on October 24<sup>th</sup> 2013. The total amount receiving from share offering for sale is 67.00 million baht (total from share issuing cost for 4.0 million baht). The company recognized the total share premium of common shares for 37.4 million baht.
  - On October 29<sup>th</sup> 2013, the company registered to be listed on the shares exchange of Thailand. The company's common shares was approved as the registered security on the mai shares exchange (mai: Market for Alternative Investment).
- Year 2014 -
- On April 15<sup>th</sup> 2014, the company got a certification from TRACE for the third year. TRACE is an international independent entity that evaluated and audited the company's background and directors and all concerned for company's operation, opportunities, and risks that company might get involved in corruption during April 15<sup>th</sup> 2014 until April 14<sup>th</sup> 2015.
  - On June 27<sup>th</sup> 2014, New McArthur Co., Ltd. completed the process of liquidation.
  - On July 6<sup>th</sup> 2014, the company made a rental agreement of a warehouse to keep products. It is located at Klong Samwa, Bangkok to support expanding business and increasing customer.
  - In August 2014, the company added Food Equipment Department to handle the customer for this product category especially. This department can efficiently support to install new equipment and provide the maintenance service.



- Year 2015
- Issued new common shares of 60 million shares to be offered to the private placement (Private Placement) at a price of 2.56 baht per share by selling a total of 43 million shares to get money from the capital 110.08 million baht.
  - The company issued the Warrants No.1 (FVC-W1) of 130 million units to be offered to the existing shareholders of the Company in proportion to their shareholding with free of charge by allocating 121.50 million units in total.
  - The company established two new subsidiary companies, and holding shares in The KT Medical Services Co., Ltd. amount 70,000 shares, representing 70.00% and The Medical Vision Co.,Ltd amount 75,000 shares, representing 75.00 %
  - The 2<sup>nd</sup> Quarter of 2015, we launched innovative products: "Biowel" and "Waterlogic" to serve customer's requirements in terms of commercial & residential.
  - FVC purchased 4 units of commercial buildings to build 3 units of "Hemodialysis Center" and 1 unit of "Distribution Center".
  - FVC purchased 4 Rai of land to build warehouse and new office.
  - On 5 January 2015, our subsidiary company signed the contract of warehouse rental applied as the "Dualysis Solution Center", located at Klongsamwa-Bangkok to support business growth and customer increment.
  - We opened "Technical Service Center" in central city of Suratthani to provide services covering all over eastside areas of Southern Thailand starting from March 2015 onwards
- Year 2016
- January 2016, the Company joined the Corporate Sustainability Advisory Program season 2<sup>nd</sup> to study and develop the business to sustainable. Including optimization to create a strategic plan, corporate social responsibility plan (CSR) which consulted by the advisory team of the Shares Exchange of Thailand.
  - February 2016, KT Medical Services Company Limited, began serving at first Dialysis Center in Pattanakarn area.
  - May 2016, the Company has changed its organization to reduce duplication of work and streamline workflow be faster by combining the administration department. (responsible for issuing sales documents) with internal sales department (coordinates the customer) together to be the new department, Business Support Center (BSC).
  - September 2016, Medical Vision Co., Ltd. began the installation of the Pneumatic Tube Carrier System to customers which government hospital in the central area.
  - December 2016, began to take the technology for customer management, Application: Cloud for Customer to use for management on sales and service.

- Year 2017 - The first quarter of 2017, FVC could successfully distribute Celli Counter Beverage Dispensers to a customer in CLMV countries (Cambodia, Laos, Myanmar, Vietnam). At present, we still obtain regular orders from customers in those countries.
- January 26, 2017, the Board of Directors Meeting resolved to approve the purchase of 4 plots of land in Chiangmai for construction of distribution center and for business expansion in Northern of Thailand.
  - February 2017, a dialysis unit in state hospital was inaugurated. It is the 2<sup>nd</sup> branch of clinic for dialysis service operated by KT Medical Service Co., Ltd. - a subsidiary of FVC.
  - March 10, 2017, the Board of Directors Meeting No. 2/2017 resolved to approve the entering into contract to construct new office building and warehouse to support business expansion.
  - April 27, 2017, the Annual General Meeting of Shareholders for the Year 2017 resolved to approve the Company to issue Warrants No.2 (FVC-W2) amounting 138 million units and offer for sales to the existing shareholders in proportion of their shareholding with free of charge.
  - September 25, 2017, FVC invested 999,998 shares or 100% in establishment of a new subsidiary namely Hi Healthcare Center Co., Ltd.
  - December 14, 2017, the Board of Directors Meeting No.7/2017 resolved to approve the signing of Hi Healthcare Center Co., Ltd., which is a subsidiary of FVC on Letter of Intention to acquire franchise 25 branches of total 119 branches of Wuttisak Clinic Inter Group Co., Ltd. at the amount not exceeding 50 MB; and resolved to approve the investment of HHC in Franchise business of WCIG for investing in esthetic clinics under trademark "Wuttisak Clinic" at the amount not exceeding 200 MB; totaling to not exceeding 250 MB. In order to expand investment in business concerning healthcare, esthetic, and cosmetic distribution giving importance on Hygienic Medical Service related to dialysate unit business - one of the Company's core businesses. This is expected to generate income and profit to the Company, then, makes the Company gain much more improved financial position and operating performance that leads to value-added contribution to the shareholders.

### 1.3 The Shareholding Structure of the Companies



**Remark** \*The Board's meeting 4/2015 on May 14<sup>th</sup> 2015 approved to establish two subsidiaries namely KT Medical Services Co., Ltd. and Medical Vision Co., Ltd.

\*\*The Board of Directors Meeting No. 5/2017 dated August 9, 2017 resolved to approve the investment in a new subsidiary namely Hi Healthcare Center Co., Ltd.

#### 1.4 Relationship with Business of Major Shareholders

-None-

## 2. Nature of Business

### Revenue structure

The revenue structure of the company and subsidiary company is divided according to the nature of business in the period of 3 years during December 31, 2015 - 2017 as follows;

(Unit: Thousand Baht)

Revenue	2015,		2016		2017	
	Amount	%	Amount	%	Amount	%
Revenue from distribution, improvement, and system repair	297,931.27	80.86%	318,013.87	80.08%	357,327.85	75.47%
Revenue from distribution with design, assembly, and installation						
Revenue from selling with normal payment	40,812.28	11.08%	51,690.24	13.02%	52,772.71	11.15%
Revenue from financial leases agreement and installment sales	15,140.13	4.11%	7,778.90	1.96%	1,207.42	0.25%
Revenue from maintenance	11,021.70	2.99%	16,823.10	4.24%	47,951.88	10.13%
Other revenue*	3,539.42	0.96%	2,792.42	0.70%	14,216.70	3.00%
Total revenue	<b>368,444.80</b>	<b>100.00%</b>	<b>397,098.52</b>	<b>100.00%</b>	<b>473,476.56</b>	<b>100.00%</b>

**Remarks** \*other revenue includes interest and profit (and loss) from issued asset and profit (and loss) from currency exchange etc.

### 2.1 Nature of products and services

The company and Irving Corporation Ltd. (subsidiary company) run a business of purified water treatment system. Both companies run the same business but have different customer targets. Filter Vision Public Co., Ltd., head office, handles the customer in commercial and residential business and the customer in industrial and original equipment manufacturer business (OEM). Irving Corporation Ltd., subsidiary company, handles the customer in medical service business, and the subsidiary also supplies for purified water treatment system

products and equipment from domestic and import, such as filter system, fiber glass housing tank, automatic strainer, filter, UV purification, and purified water treatment system products, such as bun steamer, beverage dispenser and ice making machine etc. The company is expert at system design and able to be consultant for simple purified water treatment system up to the system that requires engineering skill for customer. Moreover, we capped our businesses in terms of Medical services with our products and services from our 2 subsidiary companies are KT Medical Service Co., Ltd. operated is the "Dialysis Center" providing health care facilities for patients with end-stage chronic kidney disease who received replacement therapy with dialysis kidneys. This business was cap from our experiences and expertise in installation and maintenance services of water treatment system for artificial kidney machine which operated by Irving Corporation Ltd. And our subsidiary are Medical Vision Co., Ltd. operated is the distributor of medical products and instruments. Now, the Company is principally engaged in the distribution and installation of Pneumatic Tube Carrier System.

The company's products and services can be divided into 5 categories as follow;






- 1) Distribution, improvement, and purified water treatment system maintenance
- 2) Distribution with designing, assembly, and purified water treatment system installation
- 3) Maintenance service for purified water treatment system
- 4) Hemodialysis Center
- 5) The Distributer of medical products & instruments

The purified water treatment system products and equipment can be divided into 3 categories


- 1) Filtration 2) Disinfection 3) Other products and equipment as details below;

#### Filtration

<b>Fleck</b> Automatic Control Valve For Water Treatment	
<b>Water Care</b> Water Treatment Plant Package System	



<p><b>DMI 65 Super Deiron /Manganese Filter Media</b></p>	<p>DMI  <b>Super Deiron &amp; Manganese media</b></p> <p>Catalytic Water Filtration Media for iron, Manganese and heavy metal from water</p>  <p>DMI - 65 has been tested and certified acc. to NSF/ANSI 61 from Water Quality Association USA.</p>
<p>All Kind of Liquid Filtration For Every Industrial Application</p>	
<p><b>Everpure</b> Water Purification System For Food &amp; Beverage Business</p>	
<p><b>Claris</b> Water Filter For Coffee Application</p>	
<p><b>Everpure</b> Reverse Osmosis System For Food &amp; Beverage Service</p>	

## Disinfection

<p><b>VIQUA</b> UV Disinfection For Commercial Use</p>	
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<p><b>VIQUA SM</b> UV Disinfection For Industrial Use</p>	
<p><b>ATG</b> UV System For Water &amp; Waste Water Application</p>	
<p><b>ATG SX</b> UV System for Water &amp; Waste Water Application</p>	
<p><b>Biosure</b> High Concentration Ozonated Water For Foods &amp; Beverage Industrail</p>	
<p><b>Biospin</b> High Concentration Ozonated Water For Comercial Laundry Application</p>	
<p><b>Biowell</b> High Concentration Ozonated Water For Medical Service</p>	



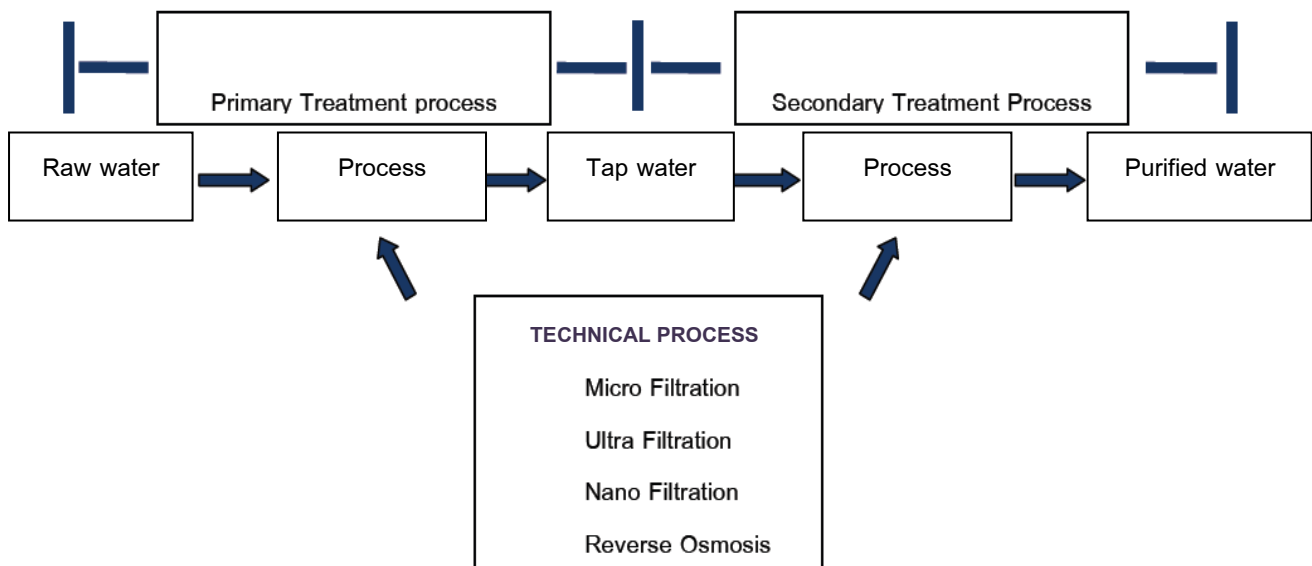
<p><b>+HOCL</b> Slightly Acidic Electrolyzed Water</p>	
<p><b>Promed</b> Ozone Generator</p>	

### Others

<p><b>Water logic</b> High performance Hot/Cold water dispenser.</p> <p><b>Water logic</b> fire wall technology is only water purification system that has been tested and certified to meet international requirement of NSF international &amp; WHO (World health organization).</p>	
<p><b>CELLI</b> COUNTER BEVERAGE DISPENSER</p>	
<p><b>CELLI</b> DROP IN BEVERAGE DISPENSER</p>	

<b>Wisay</b> Rainwater Harvesting System	
<b>KT MEDICAL SERVICE</b>  Dialysis center	
<b>Telecom</b> Pneumatic Tube Carrier System	

The company supplies advanced technology products and equipment that help to purify water and can control water quality. The company can design various purified water treatment systems according to customer's requirement. To design the purified water treatment system, the company will do the study beginning from studying on the resource of raw water to extract and find compounds in raw water and the company will use the purified water treatment system technology to purify the water to meet customer's requirement of water quality as shown in the below diagram;



The company will study on the water quality from the resource of raw water in the company's water analysis laboratory to find contaminant and substances. Initially, if the raw water has a lot of substance and its quality is lower than the tap water quality specified by World Health Organization, the primary treatment is required for water purification. Water treatment will start from the less complicated process to more complicated process depending on water quality from different resources that will get different technical process for the treatment. The primary treatment will treat raw water to have the same quality as tap water. And the second treatment will treat tap water into pure water according to customer's purpose of usage. The technology of water treatment can be divided into 3 categories;

#### **Micro filtration**

The technology uses filter unit with 0.1 micron membrane. It is capable to filter any substances larger than 0.1 micron, such as sand, suspension substance, bacteria and also virus.

#### **Ultra filtration**

The technology uses filter unit with 0.01 micron membrane. It is capable to filter any substances larger than 0.01 micron. This unit is smaller than micro filtration. It can filter sand, suspension substance, bacteria, virus, and organic substance, such as protein and grease.

#### **Nano filtration**

The technology uses filter unit with 0.001 micron membrane. It is capable to filter any substances larger than 0.001 micron. This unit is smaller than micro and ultra-filtration. It can filter sand, suspension substance, bacteria, virus, organic substance, salt, and some minerals.

#### **Reverse osmosis**

The technology uses filter unit with 0.0001 micron membrane. It is capable to filter any substances larger than 0.0001 micron. It can filter bacteria, virus, and solution such as mercury, lead, and other heavy metals in water.

For the pre-treatment of raw water might need to use a single-technology or multi-technology to turn it to have the same quality as tap water depending on the original quality. For instance, customer's factory is located in the area that has tap water but the quality of tap water in each area is different, so if the untreated tap water is used with machine and equipment in production process, it might cause damages. Therefore, it is necessary to apply those technologies above in single or multi to treat water until it has the proper quality according to each industry's requirement or the standard specified by the Ministry of Public Health.

Initially, the Ministry of Public Health specified that consuming water and beverage are the quality controlled food. The water production process must meet the proper quality and standard including physical quality such as having pH range during 6.5 to 8.5, no smell, but chlorine is excepted, turbidity not over than 5.0 NTU, discoloration not over than 20 Hazen units, and for chemical quality such as having total solid not over than 500 miligram. per litre, having arsenic, chromium, manganese and silver not over than 0.05 mg per litre, and etc. For the microorganism quality, it is specified that coliform bacteria must less than 2.2 per 100 ml. and has no E coli and other microorganism that causes illness. In some cases, disinfection system is being use to disrupt get rid of the unwanted micro-organism to make water safe for drinking by UV disinfection technology with validated UV system, dissolved ozone generator which provides greater disinfection and decomposes chemicals and pesticides that is totally natural and residue-free, or +HOCL machine: a slightly acidic electrolyzed water generator which are organic substance that can naturally disrupt unwanted micro-organism.

However, the standard requirement of purified water in each industry is quite different. Generally, it will stick to the standard from the Ministry of Public Health. Purified water treatment system products and equipment that are imported have their standard depending on the purposes of water purification usage that is approved internationally. The standard of purified water treatment system products and equipment imported by representative and dealers can be divided into 2 major groups regarding industrial business as follow;

### **Standard for food and beverage**

#### **NSF standard**

NSF is an independent foundation founded in The United States of America to audit and certify products concerning with human health, and food and beverage. At the time, NSF has the biggest human resources for food and beverage product and the environment testing that is accepted generally. The purified water treatment system products and equipment that the company imports pass NSF standard on 3 main standards, as follow

- The standard no. 42 – Physical effects, is to test the capability of water filter to reduce the level of contaminant in drinking water that affects taste, odor, and clarity of drinking water.
- The standard no. 53 – Health effects, is to test the capability of water filter to reduce the level of contaminant in drinking water that has a great number and varied types including lead, asbestos, volatile organic compounds (VOCs) and pesticides.
- The standard no. 55 – Microbiological water treatment by ultra violet.

## **FDA standard**

FDA is an organization of USA government in charge of protecting consumer's health and assures the sanitary safety of food and beverage, vaccine and other biological products, and medical products and equipment using with people to be efficient and safe. The purified water treatment system products and equipment of the company are suitable for water purification to use for food and medical industry.

## **The standard for medical service, especially for dialysis machine**

### **The Association for the Advancement of Medical Instrumentation (AAMI standard)**

AAMI is an independent organization established from the cooperation between the Medical Technology Specialists in various areas to develop Community Healthcare Center. They also issue the information of standardized medical technology usage. AAMI also certifies the standard structure in dialysis machine center and the quality of water purification.

## **European Pharmacopoeia**

European Pharmacopoeia is one of the standards using in dialysis machine center and the quality of water purification in European countries similar to the standard of AAMI.

## **The standard of Nephrology Association of Thailand**

The Nephrology Association of Thailand suggested the medical structure of hemodialysis, year 2014. There is one standard concerning the company's service of the purified water treatment system. The standard is briefly specific as below;

1. Purified water treatment system, such as pure water dispenser design has to consider about the prevention of increasing germicide. The piping system should be recirculating type with no dead end to prevent water logged in the system. The piping material has to be stainless with an even inside surface and bearable to germicide.
2. Pure water quality control has to always be tested and either the quality of purified water treatment system equipment. There has to be disinfection in the purified water treatment system constantly.

## **Customer service process**

### **1. Survey and data collection**

The company will survey location, building structure, raw water resources, water plant, electric system, and water connection. The company will collect raw water sample to test the quality in the laboratory to analyze the chemical contaminant such as pH level and substances.

**2. Estimated demand**

The company will estimate the demand of consumer, the purpose of consuming usage, the number of consumer, and water use quantity to analyze the purified water flow rate going out of the system to have the quality according to customer's requirement.

**3. Analysis and international standard**

The company will stick to the customer's requirement and analyze the standard regulation from various organizations that is most suitable to customer's use of water and industry.

**4. System design**

The company will design the system to use with products and equipment for convenient use and control, such as electric system, piping system, and others.

**5. Product and service**

The company will recommend products and relating equipment and also provide installation service and after sales service. The customer will be supported on system maintenance planning by estimating the rate of usage, the number of consumer and schedule the suitable time for system maintenance.

**6. Installation testing and commissioning**

After product and system recommendation, the company will install and test the system. The schedule plan for the installation is various depending on installation type as follow;

- For commercial and residential, the schedule of installation and system testing is around 3 hours.
- For industrial, the schedule of installation and system testing is around 7 - 45 days.
- For medical, the schedule of installation and system testing is around 3 – 7 days.

**7. Water quality testing**

The company is able to provide water quality testing service. The service depends on customer's requirement. The company will send the sample of water after installation and system testing to an independent organization for testing and certification.

**8. After sales service and system maintenance**

The company will plan the proper and precise schedule to give the system maintenance service that is suitable for customer's action plan. There is also call center system ready for 24 hours covering all areas.

The customer service as above is various depending on customer's requirement that can be divided according to the 3 types of company's business nature as follow;

1. Distribution, improvement, and service maintenance for the purified water treatment system

The company is aware of customer's requirement to find the suitable products and equipment to the resources of raw water that customer has. The process begins from product and service recommendation, installation, testing, maintenance service planning, system repair, and improvement, or products and equipment distribution for customer.

2. Distribution with designing, assembly, and the purified water treatment system installation

The customer requires company's knowledge and specialist to analyze the resource of raw water and the quality of raw water. So that the company provides surveying, collecting, and plan for the system maintenance as mentioned above.

3. System maintenance system

Other than the system maintenance service schedule plan with the customer, the customer can also reach for company's service for 24 hours at call center to inform problems. The company will send technicians to check the system immediately.

## 2.2 Marketing and competition

### Competitive strategies

With 21 years of experience in the business, the company has set the competitive strategies to keep capability in the business and be a leader in the purified water treatment system business. The elements of company's success are as follow;

1) Products and service strategy

1.1 Good quality and standard products

The company has been running the purified water treatment system business for almost 21 years and importing various good quality products and equipment. The company is concentrated in being the business leader by professionally providing service before and after sales. The company places importance on training and staff development to encourage them to give priority to customer's satisfaction and also customer's service receiver. The company has a proficient team who is able to be consultant and solve problems for customer with the awareness of customer's business opportunities and efficient productive cost. The company always thinks of customer's requirement that helps the company to have a good relationship with customer all along. The company has been improving the quality of service, conduct, and new production process of the purified water treatment system. The company has collected the business experience and connection with top distributors from abroad that influence the current customer and the new customer to have confidence in the company continuously. The company focuses on new product research to strengthen the purified water treatment system production process to be more efficient.



## 1.2 Punctual and reliable job handover

The company imports, installs, and distributes the variety of water system products and equipment. The company has a team to design, install, test, and provide maintenance service after installation. They have experience to provide service to government and individual organizations. For installation and maintenance service, the company will keep being reminded to handover within due date to protect customer from being affected from losing business opportunity. The company will make an agreement at the beginning of installation and clearly state the due date. The company also supports customer to plan the schedule for system maintenance service to prevent any damages that might affect the product quality from production.

## 2) Pricing strategy

The company has a policy for pricing that is competitive in business. The company focuses on efficient cost management for customer to reduce any losses that could happen in the production of purified water treatment system. The products have a guarantee and there are staffs to provide after sales service for the system maintenance that are the main points to set the price. In the present, the company will consider pricing by including net interest from the cost. The company also considers the price of products and equipment using for the installation, the difficulties of installation, duration term, and the number of staff in operation for installation and maintenance. Customer relations and background is considered as well.

## 3) Distribution and service strategy

The company has 5 distribution channels to efficiently reach customer's requirement including;

- 1) From the current customer who has confidence on the company for the purified water treatment system installation, products and equipment distribution, and maintenance service, especially, the customer in franchise business area that has a tendency to increase the number of branches according to the economic growth. The company focuses on a fine after sales service continuously for the current customer. Therefore, they are satisfied to the company and can be the marketing to pass along the company to new customer by buzz marketing.
- 2) The competition to bidding for installation of the purified water treatment system projects and Pneumatic Tube Carrier System which almost the government project.
- 3) The Company distributes products and equipment through dealers that run water system business in terms of OEM and provides installation and maintenance service after sales depending on the negotiation.
- 4) The Company has the Sales team that makes consideration and analyzes the customer target, then offers the service to new customer which applied in the hemodialysis dialysis business as well.
- 5) Continually joining trade fair to meet target customer and other purified water treatment system entrepreneurs to build trade alliance.

#### 4) Promotion strategy

The Company focuses on the promotion strategy on both current customer and new customer as follow;

- 1) The Company is a consultant and designer for water system. The company gives advice on products for the proper usage. There are staffs to provide the technical advice to meet customer expectation.
- 2) Other than Bangkok area, the company also has technical centers that are in charge of the northern part of Thailand at Lampoon, at Kon Kaen to be in charge of the Northeastern part, at Chonburi to be in charge of the Eastern part, at Phuket, Samui (Surat Thani), and Hat Yai (Song Kla) to be in charge of the Southern part. The company can service all area in Thailand and has a tendency to build additional technical centers in areas that is potential to service the current customer and the new customer.
- 3) The company also distributes products and service in the term of rental agreement to attract customer that is potential for the production with limited budget. The term of the rental agreement is for 5-8 years.
- 4) The company arranges training for customer's staff about the instruction and the purified water treatment system products and equipment maintenance.

In addition, the Company is finding the future customer for a long term business. The customer can be divided into these categories as follow;

- Commercial and residential business - The company focuses on finding customer that is increasing the number of branches of their own business or franchise and having the necessity to put purified water treatment system to meet the water standard specified by their head office. The company is capable to install the purified water treatment system to have the standard that customer requires. If the company can get the franchise business, the additional branches that follow also need to use the company.
- Medical service business - The Company has a good image and the quality of portfolio as credible considering the project which service completed from client who government and private hospital as a result, the Company is confident to reach more customers, The experience in water purification system for Dialysis Center and decoration dialysis unit can applied to the operation of the Company's dialysis center. In addition, the quality and credibility from the portfolio has led to the introduction of new products, including Pneumatic Tube Carrier System, both government and private hospitals as well.
- Original equipment manufacturer (OEM) of water treatment system - Previously, the company imported and distributed products from abroad to pass them to industrial business or water treatment entrepreneurs. Now, the company has set the Innovative and Project Department to especially expand the customer base by approach to the group of customer that requires special order. The company will design the purified water treatment system following the special and unique order from customer.

**Customer segments**

Revenue ratio can be divided according to customer segments as follow;

(Unit: Million Baht)

Revenue divided by customer segments	2015		2016		2017		Increasing rate of customer
	Million baht	Ratio (%)	Million baht	Ratio (%)	Million baht	Ratio (%)	
1. Industrial business and water treatment interpreneurs	75.00	20.55%	98.16	24.89%	86.79	18.90%	(11.58%)
2. Commercial and residential business	212.78	58.31%	209.20	53.05%	247.08	53.80%	18.11%
3. Medical service business	77.13	21.14%	86.95	22.06%	125.39	27.30%	44.21%
Total revenue	364.91	100.00%	394.31	100.00%	459.26	100.00%	
Increasing rate	1.15%		8.06%		16.47%		

**1) Commercial and residential business**

In 2015 - 2017, the company got revenue from the commercial and residential business for 58.31%, 53.05%, and 53.80 of total revenue respectively. The majority of customer is in food and beverage business, such as food chain restaurant, coffee-house, and popular and brand named convenient store both in domestic and from abroad. This target customer has the specific standard from franchise owner for the water quality, and the standard of purified water treatment system approved by international organization. The customer gives priority not to take a risk that might cause losses in the business. Because if products and equipment do not meet the standard, the problems from the water treatment system might happen and cause the business to stop. Generally, franchise customer has a precise action plan of branch increasing and will specify the duration for installation and maintenance to the company. Therefore, the company will provide the action plan of the purified water treatment system installation according to other operations of customer's project and also make the schedule plan for the purified water treatment system maintenance service.

**2) Industrial and original equipment manufacturer "OEM"**

In 2015 – 2017, the company got revenue from the industrial and original equipment manufacturer for 20.55%, 24.89%, and 18.90 of total revenue respectively. The company's industrial customer is in various businesses. Their products do not directly concern with water treatment but in the production process,

purified water is required, such as contact lens factory, textile factory, chemical industry, pharmaceutical factory, food flavouring factory, and etc. This target customer has a special requirement and different standard of water purification depending on the type of industry. The company has the diversity of products and equipment that meets the requirement of customer in different industry. The customer in these business require entrepreneurs that can provide specialists in various areas of engineering, such as electrical, chemical, mechanical, environmental, and etc. to advise and design the system and recommend the proper tools and equipment. For indirect customer in the industrial, the company just has the connection with the original equipment manufacturer because the company does not have the business with them. The original equipment manufacturer conducts is the main contractor of industrial projects, so the service and responsibilities of the company will be stated in the agreement between the company and the original equipment manufacturer.

### 3) **Medical service business**

In 2015 – 2017, the company got revenue from the medical service business for 21.14%, 22.06%, and 27.30 of total revenue respectively. The company has developed the product and the production process for medical centers because the quality of purified water has to meet the standard and be approved for medical activities and management. Medical services has different target customers, such as dialysis center, dental center, skin care center, health care and beauty center, and other departments in hospitals. With a long experience, and the company and the Managing Director are well up to chemistry, the purified water treatment system using for medical, and the standard regulations from the Ministry of Public Health, the company places importance on the target customer of government and individual hospitals and medical center that have dialysis center. The company considers that the target customer has a complex technical standard of the whole installation process and chemical knowledge is required. The company focuses on the one stop service for the target customer to build the base for service expanding to other medical areas in the future. Now, the company provides service to design, assemble, and install the purified water treatment system for dialysis to meet the international standard for hospitals and dialysis center and also conducts for system maintenance. The company also manufacturing concentrated products for dialysis machine dialysis (Dialysis Solution) as raw materials to customers for use in the dialysis process. The company has portable purified water treatment product with disinfection that is waiting for approval for patent registration for intellectual property to use in dialysis center replacing for the main system during repairing or maintenance. The customer requires professional specialists because the system controllers are physicians and nurses and the users are patient. Moreover, the company can distribute, design, assemble, and install the system in the term of rental agreement for the period of 5-8 years.

In addition, the Company has expand from expertise in the dialysis centers business by establishing a new company, KT Medical Services Co., Ltd., to operate hemodialysis services for patients with end-stage chronic kidney disease with dialysis machine. In 2016, the Subsidiary inaugurated Dialysis Centers in Phatthanakan area, of which total revenue of 5.78 MB. Furthermore, in 2016 as well, Medical Vision Co., Ltd., a subsidiary of FVC inaugurated to distribute medical equipment, which is pneumatic tube systems for transfer document

and parcel (Pneumatic Tube Carrier System) with total revenue of 11.59 MB considered as good start of new business of FVC.

### **Competitive conditions**

The competitive conditions of distribution, design, assembly, installation, after sales service, repair, and service maintenance of the purified water treatment system can be divided according to customer in 3 categories;

#### **1) Commercial and residential business**

The competitive condition of the commercial and residential business, the company has many competitors that are small and medium entrepreneurs. Most of them conducts the purified water treatment system business for residential. Some of them bring the products and equipment for residential to market for commercial that some customer does not have understanding about the different of the efficiency to use for commercial and residential is in particular. Therefore, the water is irregular and causes a high tendency of damages. Some entrepreneurs is distributors that have similar products and equipment and are the transnational companies that have dealers in Thailand but do not have enough service center comparing with customer's requirement for after sales service of the maintenance.

The important element of service for commercial business marketing is the product efficiency and after sales service that is developed according to customer's requirement to have entrepreneurs got involved in problem solution and production support to have a smooth and continuous process. Besides, various standards are brought as specification by business partners and franchise owners to control and verify product standard of their branches to have the same standard. Therefore, the water standard has to be approved internationally and in domestic. And the company has staff that is potential to service for all area in Thailand with the specific schedule. This makes new entrepreneurs facing troubles to conduct one stop service of the purified water treatment system. The company is expert at design, assembly and installation of the purified water treatment system to meet the standard and has products and equipment that meet international standard. Moreover, the company has its own water laboratory and can plan the standardized schedule to finish job within duration.

#### **2) Industrial and original equipment manufacturer "OEM"**

Due to the company has many competitors and most of them are the small and medium entrepreneurs that are competitors and business partners with OEM. Each industrial group has the standard regulations especially for water purification and there are various standard for the process of water purification. However, the company is the importer of a variety of the purified water treatment system products and equipment. The company is also a distributor of the top products and equipment from abroad that can service industrial group. The company can provide the one stop service such as design, assembly, and the purified water treatment system installation depending on customer's requirement, or distribute products and equipment because in the competitive condition that there are many entrepreneurs in industrial target group that have the limitation of products and equipment. They cannot provide service immediately and cannot conduct after

sales service continuously because they are not capable to provide the maintenance or have the limitation of customer area approaching. Therefore, their competitive condition is to assist and support each other. Whereas the company is in the condition that can provide one stop service and service some part of the system, such as product assembly like OEM's, installation, and/or distribution of products and equipment. The after sales service to give maintenance depends on the negotiation with manufacturers. The company is aware of OEM water system because some OEM has a good relationship with the end user. Therefore, the company always thinks that OEM is like representative of the company. And the company has an apparent policy for OEM to develop the mutual business in a long term.

### **3) Medical service business**

The company has a small number of competitors because in this business the service provider has to be experienced in modern medical technology continuously and understands the standard from organizations such as, the Ministry of Public Health and relating organizations and departments. The knowledge of design, assembly, and installation of the purified water treatment system might be the limitation of most entrepreneurs that cannot respond to customer's requirement in medical service. Each field of medical service, such as dialysis center, dental center, health care and beauty center, require different quality of purified water. There are a small number of entrepreneurs that have specialist, so they can conduct just as the subcontract or just some part of installation that might cause difficulties to customer that have to hire many contractors and cause the delay in installation and after sales service.

For the medical service, the company gives priority to dialysis center that has the complex installation and service. Dialysis center requires a high standard of purified water because it concerns patient's living that cannot let any substances stay in the system so that the specialists are required. The customer also has a high standard appointed by medical association to prevent any mistakes. At the present, the company is a leader of the purified water treatment system for dialysis center. The business is for medical service that concerns high standard quality of the purified water treatment system. The company can provide turnkey project, such as electrical system installation, piping, and furniture installation and also provides the one stop service of the system maintenance.

Moreover, the company has the product of portable purified water treatment product with disinfecting that is waiting for approval for patent registration for intellectual property to use in dialysis center replacing for the main system during repairing or maintenance.

### **Distribution and distribution channels**

The company has distributions according to customer as follow;

#### **1) Commercial and residential business**

The distribution channels for commercial and distribution channels mostly are from the increasing customer, especially franchise that has the tendency to increase their branches according to the growing economy. Whereas, customer is satisfied with the company's service will pass along the company to new customer. In addition, the company always joins trade fairs of the purified water treatment system to meet target customer and business partner.

The company seeking for the opportunity to expand our business into neighboring country (Cambodia, Laos, Myanmar, Vietnam), which are a country that their business are continually growing with pace. The company had foreseen such an opportunity and already set up a team which will cover the business in this region. The main objective is to expand business of the company, and seeking for a qualified partner who can maintain our products and services standard. In this region, the company is usually making a direct contact to customer, and also distributing to the approved partner. Moreover, the company had prepared marketing strategy with a plan to involve with exhibition that related to our products and services. As well as conducting a seminar in mentioned countries, to make an impact and brand awareness to their market, which will surely benefit the businesses in this region continually.

2) Industrial and original equipment manufacturer “OEM”

The company has dealer that is an entrepreneurs of the purified water treatment system as OEM to find new customer. The condition and responsibility depends on negotiation between the company and the dealer. Meanwhile, the company has the Sales team that will analyze the target customer to offer the service.

3) Medical service business

The majority of distribution channels among medical service, especially dialysis center are already well known by the customer because there are a small number of entrepreneurs that are efficient enough. However, there are customers in individual and governmental. Anyway, the government customer sometimes conducts bidding for the project.

### Industrial conditions

The company has serviced for the purified water treatment system for almost 21 years, so it has various targets of customer. In the past 10 years, commercial and residential customer has been highly increasing. Nowadays, the company got revenue mainly from customer in this business. Customer that conducts this type of business, such as groceries or convenient store, food and beverage restaurants, coffee house that have branches are the business that emphasizes on the domestic consumption. In the production process, the company has the customer in industrial and original equipment manufacturer (OEM). At the beginning, for the purified water treatment system service, the company serviced for industrial customer, so the company was well known in the production sector, such as beverage manufacturers, other industrial factories that have water treatment in the production process. The company also distributes the purified water treatment system products and equipment for OEM. For the medical service customer, they are the new customer that the company has serviced for 10 years and the business is growing. The medical service customer is mostly the government hospitals and clinics that conduct dialysis center.

From the target customers above, it demonstrates that the company focuses on the customer concerning food and beverage and health. The overall of food and beverage industry, eat out and fast food, and health industry of Thailand is growing continuously, influenced by country's growing economy, the government's policy of public health care, and Thais' consuming behavior that prefers to eat out or buy instant food and



beverage to have at their home. Those elements as mentioned are the important points of the company's growing business.

### **Retail business**

Retail business as convenient store is still increasing and attractive for the investment from current entrepreneurs and retailers from other businesses. There are patterns of the business and franchise.

The company's Managing Director advised that the cost of the purified water treatment system installation of convenient store is between 18,000 - 23,000 baht and the cost of maintenance is between 3,000 - 5,000 baht per year.

### **Restaurant business**

There are many types of restaurant and many kinds of food that people can easily choose for their choice. Food is an important basic element for living. The tendency of eating out is increasing because of the condition of community at present day that is against the time. The traffic problem reduces the convenience of cooking and eating at home, so people choose to go eating at restaurants instead. However, the restaurant business is fluctuated by macro economy that affects consumer's revenue and change the demand of consumer. At the time, there are a large number of restaurants because it is not a complicated business that causes a high competition. We can divide types of restaurant into 3 categories. There are quick serviced chain-restaurant, big restaurant, and small restaurant. All of these kinds of restaurant, the quick serviced chain-restaurant is the major revenue of the company.

The company's Managing Director advised that the average of main cost structure to conduct the restaurant business includes food cost, beverage cost, and ingredient cost. 45% is for employee salary and service. 22% is for other expenses including cost of building, location, public utility, materials and equipment, and other expenses for 35% of the total cost.

### **Industrial factory business**

According to the Department of industrial works since December 2012 - December 2017 the number of certified industrial factories have not changed much because there were closing factories and new opening factories during those years. The number of certified factories from the Department of industrial works and the average of investment per factory during year 2012 - 2017 can be concluded as the following diagram;

The number of certified industrial factories by the Department of industrial works since December 2012 - 2017\*

Year	Number of factories	Investment (MB)	Average of investment per factory (MB)
Dec-2012	306	68,305	223
Dec-2013	378	24,273	64
Dec-2014	355	47,953	135
Dec-2015	356	34,502	97
Dec-2016	430	55,504	129
	298	27,959	94
Dec-2017	306	68,305	223

In December 2017, there are 98 certified factories in Bangkok and surrounding provinces. In provincial area, there are 317 certified factories.

The number of certified industrial factories by the Department of industrial works since December 2017 by region\*\*

Region	No. of factories	Investment (MB)	Average investment per factory (MB)
- Bangkok	15	159	11
- Surrounding provinces of Bangkok	83	2,099	25
<b>Total Bangkok and Surrounding</b>	<b>98</b>	<b>2,258</b>	<b>23</b>
<b>Region</b>			
- Central region	37	5,645	153
- The Eastern	53	2,692	51
- The North Eastern	45	15,907	353
- The Northern	41	969	24
- The Southen	24	488	20
<b>Total Region</b>	<b>200</b>	<b>25,701</b>	<b>129</b>
<b>Total</b>	<b>430</b>	<b>55,504</b>	<b>129</b>

\* and \*\* Source of information The Department of industrial works

The company's Managing Director advised that the current target customer of industrial factories is mostly in Bangkok and surrounding provinces and the Central region. The cost of equipment and for maintenance is average at 30,000 - 1,700,000 per year.

### **Medical service business**

Due to the company's service of the purified water treatment system, it is the main reason that helps the company able to reach the target of customer of medical service. The medical service requires the high quality of purified water and high quantity of usage, such as dialysis center, dental center, health care and beauty center, and other departments in hospitals. The company has reached the customer of dialysis center because the company envisions that dialysis has the special requirement and the complex system. And there are a small number of the entrepreneurs that have specialists of the purified water treatment system for this area.

For dialysis center, the Managing Director of the company advised that every 5 years dialysis center will have major overhaul for the system that costs 100,000 - 400,000 baht. And annually, dialysis center will have expenses on equipment purchasing and maintenance about 50,000 - 120,000 baht.

## **2.3 Products and equipment supply**

The company imports the purified water treatment system products and equipment including filter system, fiber glass housing tank, automatic strainer, filter, UV disinfection, ultra filtration, and reverse osmosis filtration, etc. And the company supplies for important equipment in domestic including water pump and industrial filter housing, etc. In year 2015 - 2017, the number of imported purified water treatment system is at 53.35%, 55.25% and 63.63%, of the total order. The rest is the domestic supply. Most of the imported products of the company has trademark name of Pentair business group that is well known in USA. In year 2015 - 2017, the company purchased products from the business group at 30.51%, 32.30% and 38.51% of total order value respectively. The company is the dealer for the Pentair and has a good business relationship for almost 20 years and their purified water treatment system products and equipment meet the standard that is approved internationally.

### **Environmental impact**

-None-

## **2.4 Undelivered job**

On December 31 2017, the company has a job of distribution with design, assembly, and the purified water treatment system installation from Irving Cor. Co., Ltd. to process for the purified water treatment system installation and the office decoration of dialysis department for the center. There are 5 agreements. The total job value is 3.62 million baht. The job will be delivered within year 2018.

## Risk Factors

It is well understood that “when operate business, we must take risk” Nevertheless, Filter Vision Public Company Limited (“the Company” or “FVC”) well realizes that appropriate and prompt risk management will make risk become opportunity and business strategy, which contribute satisfying financial return in long-term. Furthermore, culture of enterprise risk management and internal control will be created in FVC as well. Filter Vision Public Company Limited manages risk in all aspects as follows:

### **Risk from high level of inventory**

The high level of inventory for business operation has caused the Company's soaring expenditure of storage and financial cost such as warehouse rental, staff at the warehouse, and safety-system installation at the warehouse, etc. The Company also has the risk from fire and other disasters which may cause damages to the inventory. In addition, the Company may confront financial liquidity problem when the low inventory turnover occurs to the products and equipment which are the low turnover. There is also a risk from technology change of the products and equipment relating to important water purifying system as it may cause the obsolescence to the inventory and difficulty of distribution. In addition, the Company may record allowance for impairments of the inventory values which leads to an impact on the Company's operating results and financial status.

According to the policy which focuses on providing services and distribution of products and equipment relating to water purifying system through fast delivery and service with quality, this leads to high level of inventory of the Company as a preparation for customers' orders to provide constant service. In addition, each order with a key amount of products of the Company has led to the advantage of negotiation, resulting in lower cost of products and transportation expense. The Company's order is operated under the consideration of the minimum inventory level as stated by the Company. The consideration of the inventory level is based on product list of each project or Bill of Quantity (BOQ) in order to serve the customers of each project. In so doing, the quantity of inventory is in line with the actual utilization. This also prevents the over-supply of the inventory and the obsolescence of the products. However, upon consideration of the Company's products and equipment as the inventory, most of them have the high turnover and distribution rates.

In addition, the Company has prepared the monthly Aging Stock Report and the Last Moving Stock Report which consist of 3 groups, namely: 1) Moving Inventory: 0-180 days; 2) Slow-Moving Inventory: 181-360 days; and 3) Non-Moving Inventory: more than 361 days. The information from the

reports help the sales department and the management to analyze the age of the inventory for planning and distribution of the inventory, as a prevention of long period of storing, depreciation, and obsolescence of the inventory. The report to the Audit Committee and the Board of Directors of the Company shall be made as the evaluation of the inventory management policy as well as the review of the inventory quantity in order to be in appropriate with the business operation.

However, there has been no significant change in technology of the water purifying system in the past 20 years except for the change of the shape of the product which is more beautiful. In addition, the Company and its subsidiaries have determined the allowance of impairment for normal condition products according to the overall product management which is under the consideration of the management. There is also the impairment with the consideration of the difference between cost and the expected sales value of the products which are expected to be sold less than their costs. Moreover, the allowance of the total impairment for damaged and obsolete products is also established. The Company and its subsidiaries have protected the inventory with fire insurance policy and other calamities insurance policy as a prevention of damages which may cause by fire and other calamities.

#### **Risk from balancing revenues between the business groups of B1, B2, and B3**

The Company's main revenue had been generated by the "B2 business group", the Commercial and Residential businesses, which is accounting for 50% of total revenue. Most customers of the business group are from food and beverage business. Therefore, with the decrease of the demand from the food and beverage customers or the decrease of the total income of the consumers, they may affect the revenue growth of the business group.

The Commercial business is directly related to consumer products which are important to the daily life. Being important to the daily life, it is expected that the demand of the consumer products still continues to grow and its decline will not significantly affect the Company's operating results.

However, the Company's risk management guideline is to expand the revenue of the B2 business group from the food and beverage customers to residential customers as well as to stimulate the revenue growth of the "B1 business group", the industrial and OEM businesses and the "B3 business group", the medical service business in order to balance the revenue ratio by setting targeted revenue of each group average at 30-40%.

**Risk from dependency on key customer**

In order to manage the risk from the dependency on the key customer, the Company has a guideline to allocate its sales through new key customers by establishing good relationship and business contract with the customer. Moreover, the Company has increased its customer base to other businesses which may lead to an increase of the Company's retail customers. The senior executives of the Company also have the policy and the actual operation to gain more new customers in addition to the existing customers in order to maintain the market share and to continue to be the leader of the business.

**Risk from dependency on a key manufacturer ความเสี่ยงจากการพึ่งพิงผู้ผลิตรายใหญ่**

The Company's business consists of design, assembly, and installation of water filters, filters, and other parts relating to water purifying system. Most of the products are imported products of Pentair group, consisting of 3 companies, namely, Pentair Filtration Solutions, LLC, Pentair Pacific Rim (Water) Limited, and Pentair Water Asia Pacific Pte. Ltd. Since most of the products and the equipment distributed to the customers are from the aforementioned group of companies, as the manufacturers, under the sales representative contract with order volume designated to the Company, this leads to the significant import of the products and equipment from the manufacturers. Therefore, if the group of manufacturers is shut down, out of business, or if there is any significant change in prices, The Company is not able to promptly find replacements for the distribution to the customers. This may result in damages to the operation and revenue loss of the product distribution.

The Company has truly realized the risk from the dependency on the key manufacturer; therefore, the Company entered the sales representative contract of the products and equipment with Pentair group. In addition, the Company and Pentair group has established good business relationship for more than 18 years with the exchange of ideas concerning water filter products, filters, and parts of water purifying system by assigning executives and heads of staff to attend meetings and training courses located in Thailand and countries designated by Pentair. In addition, the Company has never indicated any disputes which causes Pentair group to cancel the contract. Thus, the relationship between the Company and the manufacturers has always been the mutual support. Pentair group is the global leader in water filters, filters, and equipment with groups of customers and sales representatives all over the world, including Thailand with the confidence of stability and creditability. As for the risk from possible significant change of prices, Pentair group has the policy of the annual price determination in advance of which the cost and the price change are informed to the Company for preparation of planning and price changing in appropriation with the cost.

In addition, the Company's risk management of the matter is to seek for and establish good relationship with new manufacturers in order to facilitate the Company's prompt procurement of the product and equipment replacement and to reduce the impact on the business operation and revenue loss caused by the Company's product distribution.

#### **Risk from fluctuation of foreign exchange rates**

The Company's risk management is to enter the forward contract as the protection tool, and/or the decrease of the impact from the fluctuation of the currency exchange rate which may affect the operating results, as well as to facilitate the Company's comprehensible determination of the product cost. However, when the fluctuation of the currency exchange rate causes higher cost of the products, the Company will adjust the prices following the market's situation. The customers will receive the notification in advance. Thus, the fluctuation of the currency exchange rate shall not significantly affect the Company's revenue and cost.

#### **Risk from dependency on skillful personnel**

The Company's business operation consists of design, assembly, distribution, and water purifying system service, including projects concerning water purifying treatment system. The service starts from the process of designing, assembling, installation, and maintenance the water purifying treatment system. In order to provide the good and efficient service of the water purifying treatment system as well as to follow the demand of the customers considerably depend on personnel with specific knowledge, skill, and experience, consisting of engineers whose duty is to control and provides technical design, mechanics whose duty is to install the water purifying treatment system and other related equipment. The engineer cooperates with the mechanic to produce standard and good quality work which meets the demand of the customers following the schedule. Therefore, without the aforementioned personnel, it may affect the operation to miss the target.

With more than 20 years of experiences of the business operation, the Company has the true knowledge and understanding of the business. The Company has considerably realized the importance of the personnel and in order to eliminate the risk, the Company has stipulated the guideline of employee development to become skillful personnel through the corporate training course of "School of FVC". The course is a prevention of the shortage of skillful engineers and mechanics. The Company also has the succession plan which is the planning process to prepare personnel with good attitude toward work and outstanding proficiency and performance to be ready for the leadership continuity. This is to replace the existing position and to prepare for new positions which serve the Company's future direction.



#### 4. Assets Used in Business Engagement

##### 4.1 Main Fixed Assets

The assets of which the Company and its subsidiaries company have used in business engagement as at December 31, 2017 consist of below.

##### 4.1.1 Land and Improvement – on Leased Land

Title Deed No.	Location	Area	Title Owner	Net Value (million Baht )	Obligation	Possession Objective
27378	95,Soi Ramintra 117, Bangchan, Minburi, Bangkok.	1-2-20 rais	The Company	7.54	Mortgage with the financial institution for financial credit amount 35 MB	Head Office
78396,78175	Pa Sak, Mueang Lamphun, Lamphun.	70.9 sqw.	The Company	0.18	None	Customer Service Center
116829, 116830	Tha Phra, Mueang Khon Kaen, Khon Kaen.	36 sqw.	The Company	0.08	None	Customer Service Center
152208, 152209, 152210	Khlong Tan,Khlong Tan(at North Shore, Phra Kanong, 8) Phra Khanong, Bangkok.	57.1 sqw.	The Company	9.75	Mortgage with the financial institution for financial credit amount 39 MB	for a Subsidiary rent to be Dialysis Center.
152246	Khlong Tan, Khlong Tan (at North Shore, Phra Kanong, 8) Phra Khanong, Bangkok.	15 sqw.	The Company	2.56		Distribution center in development process
89426	Sam Wa Tawantok, Khlong Sam Wa, Bangkok.	4-1-33 rais	The Company	38.13	Mortgage with the financial institution for financial credit amount 40 MB	Office Building & Warehouse in development process
25847, 25848, 25849, 25853, 25854, 25855	Nong Paa Krang, Munag, Chiangmai	617 sqw.	The Company	30.48	None	Northern Branch & Dialysis Center in development process
Land Improvements and Leased land Improvements	In the area adjacent to the Company office's location.	720 sqw.	Mr. Nattapol Sunanthasook (the third party without connection with the Company)	0.04	None	The Company leased the land to parking for staff and visitor.
<b>Total</b>				<u>58.28</u>		

#### 4.1.2 Other Fixed Assets

Description	Title Owner	Net Value (million Baht)	Obligation
Office Building and Building Improvement	The company and its subsidiaries company	67.28	Guarantee of bank credit in total financial limit of 74.00 MB
Tool, Equipment and Purified Water Generating Machine	The company and its subsidiaries company	31.90	None
Furniture and Office Equipment	The company and its subsidiaries company	5.55	None
Vehicle	The company and its subsidiaries company	13.44	Guarantee of financial lease for purchase of vehicles
<b>Total</b>		<u>55.28</u>	

Total net property, plant and equipment, furniture and office equipment and vehicle, including assets under construction as at December 31, 2017 equaled 206.93 MB.






#### 4.1.3 Intangible Assets

##### Computer Software

As at December 31, 2017, the Company and its subsidiaries have intangible assets for operated consisting of software package and computer software such as System Application and Products (SAP Business One), Accounting Program, Warehouse Management Program, and Microsoft Program, etc. which net had book value amount Baht 3.01 million.

#### 4.1.4 Trademark

The Company has registered the trademark with Department of Intellectual Property, Ministry of Commerce for safeguard and protection of each product. This trademark which registered has aging for 10 years and it may be renewed every 10 years as follows.

Name	Trademark	Type of Product	Registration Date	Expiry Date
TORERO		Filter Element of Water Filter	October 7, 2009	October 6, 2019
Water Care		Automatic Cleaning Water Filter Aquatic Bactericidal Disinfecting Machine	November 13, 2008	November 12, 2018
HYDRA Mate		Water Filter, Filter Element	May 22, 1998	May 21, 2018
HYDRA mate		Water Filter, Filter Element	May 22, 1998	May 21, 2018
INNOVATEK		Automatic hot and cold water dispenser	July 24, 2015	July 23, 2025

Moreover, Irving Corporation Limited has been under approval of registration on patent application from Department of Intellectual Property which has been under information search and consideration under following details.

Name of Patent	Purified Water Making Machine Equipped with Mobile Disinfecting System
Nature of Invention	Purified Water Making Machine Equipped with Mobile Disinfecting System Used with Artificial Kidney
Name of Applicant	Irving Corporation Limited
Name of Inventor	Dr. Wijit Techakasem
Date of Application	December 4, 2009

#### 4.1.5 Significant Contract Related to Business Operation

##### Dealership Contract

##### 1.) Contract between the Company and PENTAIR FILTRATION SOLUTIONS, LLC

Contractual Party	:	PENTAIR FILTRATION SOLUTIONS, LLC
Term of Contract	:	5-year contractual term from January 2, 2018 to December 31, 2022
Essence of Contract	:	The company is licensed to be the dealer of the products of PENTAIR FILTRATION SOLUTIONS, LLC, for product and service of filtration system in Multi-Units Foodservice Businesses. <u>The company is granted for non-exclusive ownership in dealership inside Thailand and the dealer is not permitted to do marketing and sell products outside Thailand.</u> The requirement of PENTAIR FILTRATION SOLUTION, LLC for ordering target quantity in each year is yearly increased in the average of 11% throughout the contract. However, if the dealer sells or does marketing of products via the channel in website internet system, it shall be approved from PENTAIR FILTRATION SOLUTION, LLC prior operation. In addition, PENTAIR FILTRATION SOLUTION, LLC, warrants its products in case of product damage as the result of raw material and production for 1 year period from product delivery date to the dealer. Unless the case of damage is arisen from installation of product by wrong method or product repair and modification by others which are not PENTAIR FILTRATION SOLUTION, LLC, or misuse and excessive use over the capacity of those products, etc.
Promising Brand	:	Pentair, Everpure, Shurflo, GE, Pentek Fleck, Structural, Park, Homespring, Merlin and Fiberdyne
Condition of the Contract	:	In contractual renewal, if PENTAIR FILTRATION SOLUTIONS, LLC or the dealer does not request for cancellation or revise the Contract, PENTAIR FILTRATION SOLUTIONS, LLC shall automatically execute the contractual renewal for another 1 year if the Contract is not prematurely cancelled.
Termination of the	:	If the company (the dealer) cannot order products in accordance with target

Contract		quantity determined by PENTAIR FILTRATION SOLUTION, LLC; or service and sales personnel of the dealer is not adequately trained in product group of PENTAIR FILTRATION SOLUTION, LLC; or the dealer breaks the rule to sell product outside the area of which the Contract grants for license of distribution; or if the main property is transferred (apart from normal business engagement) or more than 10% of the company's shares are transferred by any reason; or there is significant change in major shareholders and key executive of the dealer such as resignation and discharge by any reason without notification on reason of change to PENTAIR FILTRATION SOLUTION, LLC, and without written consent from PENTAIR FILTRATION SOLUTION, LLC.
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## 2) Contract between the Company and Pentair Pacific Rim (Water) Limited

Contractual Party	:	Pentair Pacific Rim (Water) Limited
Term of Contract	:	1-year contractual term from April 5, 2017 to April 4, 2018
Essence of Contract	:	The company is licensed to be the dealer of the products of Pentair Pacific Rim (Water) Limited, for product and service of water filtration system in business group of Residential Market. <u>The company is granted for non-exclusive ownership in dealership inside Thailand and the dealer is not permitted to do marketing and sell products outside Thailand.</u> Pentair Pacific Rim (Water) Limited has minimum order requirements per annum amount USD 600,000. However, if the dealer sells or does marketing of products via the channel in website internet system, it shall be approved from Pentair Pacific Rim (Water) Limited prior operation. In addition, Pentair Pacific Rim (Water) Limited warrants its products in case of product damage as the result of raw material and production for 1 year period from product delivery date to the dealer unless the case of damage is arisen from installation of product by wrong method or product repair and modification by others which are not Pentair Pacific Rim (Water) Limited, or misuse and excessive use over the capacity of those products, etc.
Promising Brand	:	Pentek, Fleck, Structural and Park
Condition of the Contract	:	In contractual renewal, if Pentair Pacific Rim (Water) Limited or the dealer does not request for cancellation or revise the Contract, Pentair Pacific Rim (Water) Limited shall automatically execute the contractual renewal for another 1 year if the Contract is not prematurely cancelled.
Termination of the Contract	:	If the company (the dealer) cannot order products in accordance with target quantity determined by Pentair Pacific Rim (Water) Limited; or service and sales personnel of the dealer is not adequately trained in product group of Pentair Pacific Rim (Water) Limited; or the dealer breaks the rule to sell product outside the area of which the Contract grants for license of distribution; or there is significant change in major shareholders and key executive of the dealer such as resignation and discharge by any reason without notification on reason of change to Pentair Pacific Rim (Water) Limited and without written consent from Pentair Pacific Rim (Water) Limited.

**Memorandum of Understanding “MOU” to Invest in Medical Service for Healthcare & Esthetics**

Party	:	Wuttisak Clinic Inter. Group Co., Ltd. “WCIG”
Significant Terms of Contract	:	FVC will acquire assets 25 branches from total 119 branches of WCIG; and will be granted the entitlement of franchise “Wuttisak Clinic” in order to operate business of medical service for healthcare & esthetics with knowledge-based management by sterilized sanitation the same as kidney dialysis of Dialysis Center, which is medical service – a core business of FVC.
Trademark acquired from Contract	:	Wuttisak Clinic
Conditions of Contract	:	WCIG agreed to return guarantee payment to within three days as from termination date of the contract. If WCIG cannot return such guarantee within the specified time or as stipulated condition, WCIG agreed to pay default interest at the rate 10% per annum for the unpaid amount not yet performed to FVC until completed entire payment.
Termination of the Contract	:	<ol style="list-style-type: none"> <li>Unless otherwise both parties agreed other terms and conditions, this contract will be immediately terminated when: <ol style="list-style-type: none"> <li>FVC informed by written notice that results of the acquired assets are not satisfied; or</li> <li>Both parties cannot enter into the agreements to acquire franchise and assets within the last day of transaction.</li> </ol> </li> <li>The termination of this contract will not affect the right of FVC in accordance with 2.4 of this MOU (if any), which will be completely enforced until WCIG returned guarantee payment at the entire amount including with interest (if any) to FVC.</li> </ol>

**4.1.6 Warehouse Lease Contract**

1) Lease of Warehouse Building, As at No. 450 Charoen Phatthana Road, Bang Chan, Khlong Samwa, Bangkok, Area about 1,680 square meter, according the Lease dated July 27, 2017 are as follows.

Lessor	:	Meechai Real Estate Company Limited
Lessee	:	Filter Vision Public Company Limited
Lease Fee Rate	:	Rental fee amount Baht 226,800 per month and security amount Baht 458,600. If the Lessee has defaults to payment on due, the Lessor can charge a fine amount Baht 7,560 per day.
Term of the Contract	:	8 months from August 1, 2017 to March 31, 2018
Condition of the Contract	:	If the Lessee intends to renew the Lease when lease term is expired, the Lessee shall notify by writing to the Lessor for acknowledgement at least 90 days prior expiry of lease term otherwise it is deemed that the Lessee does not intend to request for lease term renewal and the Lease is forthwith discontinued once the Lease is expired.
Essence of the Contract	:	<ul style="list-style-type: none"> <li>- In case that the lease term of the Lease is expired or in case that the Lessee acts to violate the Lease, and the Lessor cancels the contract if the Lessee does not move property and hand over the leased premise to the Lessor, the Lessee shall pay daily fine to the Lessor for Baht 7,560 per day until the Lessee hands over the leased premise for return in good condition.</li> <li>- In case that the Lease is terminated under no circumstances and the Lessee does not act to violate the Lease or cause any damage, the Lessor shall return all security money after the Lessee finishes the return of premise within 15 days.</li> </ul>

2) Lease of Warehouse Building, As at No. 290/1 (Warehouse 4-B and 4-D), Charoen Phatthana Road, Bang Chan, Khlong Samwa, Bangkok, Area about 450 square meter, according the Lease date January 10 ,2017 are as follows.

Lessor	:	Meechai Property Company Limited
Lessee	:	The subsidiaries company (Irving Corporation Limited)
Lease Fee Rate	:	Rental fee amount Baht 58,336 per month and security amount Baht 125,672. If the Lessee has defaults to payment on due, the Lessor can charge a fine amount Baht 1,900 per day.
Term of the Contract	:	1 years 7months from January 1, 2017 to July 31, 2018
Condition of the Contract	:	If the Lessee intends to renew the Lease when lease term is expired, the Lessee shall notify by writing to the Lessor for acknowledgement at least 90 days prior expiry of lease term otherwise it is deemed that the Lessee does not intend to request for lease term renewal and the Lease is forthwith discontinued once the Lease is expired.
Essence of the Contract	:	<ul style="list-style-type: none"> <li>- In case that the lease term of the Lease is expired or in case that the Lessee acts to violate the Lease, and the Lessor cancels the contract if the Lessee does not move property and hand over the leased premise to the Lessor, the Lessee shall pay daily fine to the Lessor for Baht 1,900 per day until the Lessee hands over the leased premise for return in good condition.</li> <li>- In case that the Lease is terminated under no circumstances and the Lessee does not act to violate the Lease or cause any damage, the Lessor shall return all security money after the Lessee finishes the return of premise within 15 days.</li> </ul>

3) Lease of Warehouse Building at No. 292, Charoen Phatthana Road, Bang Chan, Khlong Samwa, Bangkok, Area about 250 square meter, according the Lease date January 11, 2017 are as follows.

Lessor	:	Meechai Property Company Limited
Lessee	:	The subsidiaries company (Irving Corporation Limited)
Lease Fee Rate	:	Rental fee amount Baht 32,125 per month and security amount Baht 68,250. If the Lessee has defaults to payment on due, the Lessor can charge a fine amount Baht 1,070 per day.
Term of the Contract	:	1 year and 8 months from December 1, 2016 to July 31, 2018
Condition of the Contract	:	If the Lessee intends to renew the Lease when lease term is expired, the Lessee shall notify by writing to the Lessor for acknowledgement at least 90 days prior expiry of lease term otherwise it is deemed that the Lessee does not intend to request for lease term renewal and the Lease is forthwith discontinued once the Lease is expired.
Essence of the Contract	:	<ul style="list-style-type: none"> <li>- In case that the lease term of the Lease is expired or in case that the Lessee acts to violate the Lease, and the Lessor cancels the contract if the Lessee does not move property and hand over the leased premise to the Lessor, the Lessee shall pay daily fine to the Lessor for Baht 1,070 per day until the Lessee hands over the leased premise for return in good condition.</li> <li>- In case that the Lease is terminated under no circumstances and the Lessee does not act to violate the Lease or cause any damage, the Lessor shall return all security money after the Lessee finishes the return of premise within 15 days.</li> </ul>

4) Lease of Warehouse Building, at No. 292, Charoen Phatthana Road, Bang Chan, Khlong Samwa, Bangkok, Area about 200 square meter, according the Lease date January 11, 2017 are as follows.

Lessor	:	Meechai Property Company Limited
Lessee	:	The subsidiaries company (Medical Vision Company Limited )
Lease Fee Rate	:	Rental fee amount Baht 25,700 per month and security amount Baht 54,400. If the Lessee has defaults to payment on due, the Lessor can charge a fine amount Baht 860 per day.
Term of the Contract	:	1 year and 8 months from December 1, 2016 to July 31, 2018
Condition of the Contract	:	If the Lessee intends to renew the Lease when lease term is expired, the Lessee shall notify by writing to the Lessor for acknowledgement at least 90 days prior expiry of lease term otherwise it is deemed that the Lessee does not intend to request for lease term renewal and the Lease is forthwith discontinued once the Lease is expired.
Essence of the Contract	:	<ul style="list-style-type: none"> <li>- In case that the lease term of the Lease is expired or in case that the Lessee acts to violate the Lease, and the Lessor cancels the contract if the Lessee</li> </ul>



		<p>does not move property and hand over the leased premise to the Lessor, the Lessee shall pay daily fine to the Lessor for Baht 860 per day until the Lessee hands over the leased premise for return in good condition.</p> <p>- In case that the Lease is terminated under no circumstances and the Lessee does not act to violate the Lease or cause any damage, the Lessor shall return all security money after the Lessee finishes the return of premise within 15 days.</p>
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#### 4.1.7 Insurance Contract

The company has insured the risk of the assets including building office, furniture, decoration, office equipment, goods warehouse and inventory, etc., under below detail of insurance contract.

- 1.) Property Damage insurance policy: Filter Vision Public Company Limited and / or KT Medical Service Co., Ltd.

Contractual Party	:	Krungthai Panich Insurance Public Company Limited
Insurance Policy No.	:	50-17-00005887
Type of Insurance	:	<p>Property Damage insurance policy on the land</p> <ol style="list-style-type: none"> <li>1. Filter Vision Public Company Limited 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok, 10510.</li> <li>2. 343, 345, 347 and 553 Soi Pattanakan 3, Klongton, Phrakhanong, Bangkok</li> <li>3. KT Medical Service Co., Ltd. Building 12, 12<sup>th</sup> Floor, Srisaket Hospital, 859 Kasikam Road, Tambon Munag Tai, Amphoe Muang, Srisaket Province.</li> </ol>
Term of the Contract	:	1-year of insurance from September 22, 2017 to September 22, 2018
Insured Sum	:	<p>Amount insured under policy Baht 35,195,298 comprises of:</p> <ol style="list-style-type: none"> <li>1. Filter Vision Public Company Limited amount Baht 16,091,535</li> <li>2. Filter Vision Public Company Limited and KT Medical Service Co., Ltd. amount Baht 12,435,701.</li> <li>3. KT Medical Service Co., Ltd. amount Baht 6,668,062.</li> </ol> <p>Location of Property Insured particulars as here under:-</p> <ol style="list-style-type: none"> <li>1. Office building amount Baht 18,901,000.</li> <li>2. Other building structures inside the insured assets such as warehouse, guardhouse and covering roof and fence amount Baht 699,000.</li> </ol> <p>However, coverage of such insurance policy does not cover foundation of the building structure.</p>
Beneficiary Pursuant to Insurance Policy	:	financial institution to secure credit facilities of the Company

## 2.) Property Damage insurance policy: Filter Vision Public Company Limited and / or Irving Corporation Ltd.

Contractual Party	:	Chubb Life Insurance Public Company Limited
Insurance Policy No.	:	403-17-11-IAR-00025
Type of Insurance	:	Property Damage insurance policy on the land 1. Charoen Pattana Warehouse 290/1 Charoen Pattana Road, Bangchan, Minburi, Bangkok 2. Konkaen 440/8-9 Moo10, Tambon Taphra, Amphoe Muang, Konkaen Province 3. Lamphun 67 Moo 15, Tambon Pasak, Amphoe Muang, Lamphun Province 4. Ramintra 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok
Term of the Contract	:	1-year of insurance from July 1, 2017 to July 1, 2018
Insured Sum	:	Amount Baht 123,437,707 comprises of: 1. Charoen Pattana Warehouse amount Baht 73,575,264 2. Konkaen amount Baht 2,805,715 3. Lamphun amount Baht 2,213,082 4. Ramintra amount Baht 44,843,646
Beneficiary Pursuant to Insurance Policy	:	Filter Vision Public Company Limited and / or Irving Corporation Ltd.

**4.1.8 Lease of Automobiles for Commerce**

The company and its subsidiaries company have made lease of automobiles for commerce (pickups) for use in operation and service provision to customers of the company and its subsidiaries company. The number of automobiles leased from external companies by the company and its subsidiaries companies is 39 automobiles for 48 month lease term. The monthly expense of lease of automobiles for commerce of the company and its subsidiaries company has been 0.57 million Baht.

**4.2 Investment Policy in Subsidiaries Company**

The Company has had the investment policy in subsidiaries or joint venture with the objective for engagement of business which is the supporting part of the company's business, resulting in increase in turnover or profit and ability to support the company's main business operation to be more complete. Currently, the company has invested in 4 subsidiaries companies as follows.

- Irving Corporation Limited invested at 100 per cent of paid-up registered capital amount Baht 25.00 million, operated distribution of products and equipment, design, assembly and installation of pure water treatment system and service in preventive maintenance of pure water treatment system for medical service.
- KT Medical Service Company Limited invested at 70 per cent of Baht 40.00 million which fully paid-up and registered capital. The nature of business is Clinic for dialysis.

- Medical Vision Company Limited invested at 75 per cent of Baht 10.00 million which fully paid-up and registered capital to operate distribution, rent, preventive and maintenance of tools and diagnosis equipment for medical service including medical supplies and appliances. Including implement the installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems).
- Hi Healthcare Center Co., Ltd. invested at 100% of fully paid up capital of Baht 100 million, operates medical service for healthcare and esthetics and cosmetics distribution.

However, the investment in subsidiaries company and joint venture has been under control and audit of the Audit Committee and under governance of subsidiaries company and joint venture. The company will send the company's director or select the experienced and qualified executive proper for business operation as the managerial representative in order to formulate the significant policy and control business operation of such subsidiaries and joint venture.

#### **4.3 Cost Appraisal of Asset in Case of Acquisition or Disposal of Asset or Revaluation of Asset**

-None-

## 5. Legal Dispute

As at December 31, 2017, the Company and its subsidiaries had not any legal dispute, which affect the Company's operation. Including, the Company and its subsidiaries had not any legal dispute, which affect the Company's assets higher than 5 per cent of equity.

## 6. General and other significant information

### 6.1 General Information

#### 6.1.1 FVC Information

Company Name	:	Filter Vision Public Company Limited (“the Company” or “FVC”) and the name for trading in the stock exchange is “FVC”.
Type of Business	:	Engage in the distributor of product and accessories, design, assembly and installation system related to water purification system and servicing and maintenance of pure water treatment system.
Company Registration No.	:	0107555000091
Business Category	:	Medium-Sized Business
Industrial Group	:	Services
Registered Capital	:	Baht 342,793,361.50
Paid-Up Capital	:	Baht 258,908,952.50
Par Value	:	Baht 0.50
Location of Head Office	:	95, Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok, 10510.
Website	:	<a href="http://www.filtervision.co.th">www.filtervision.co.th</a>
Telephone	:	+(662)518-2722
Facsimile	:	+(662)518-2723
Company Secretary	:	+(662)518-2722 ext. 649 Email address : <a href="mailto:cs@filtervision-thai.com">cs@filtervision-thai.com</a>
Relation Investor Section	:	+(662)518-2722 ext. 644 Email address: <a href="mailto:ir@filtervision-thai.com">ir@filtervision-thai.com</a>

#### 6.1.2 Reference information

Regulatory Agency of Security Issuing Company	<p>The Securities and Exchange Commission</p> <p>333/3 Viphavadi Rangsit Road, Chomphon Sub-district</p> <p>Chatuchak District, Bangkok 10900</p> <p>Tel +(662)695 9999 and +(662)263 6499</p> <p>Fax +(662)256 7711</p> <p>Secretary-General Work Department ext. 9535, 9509</p> <p>Email <a href="mailto:info@sec.or.th">info@sec.or.th</a></p>
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	Website <a href="http://www.sec.or.th">www.sec.or.th</a>
Regulatory Agency of Listed Company	<p>The Stock Exchange of Thailand</p> <p>Building of the Stock Exchange of Thailand</p> <p>93 Ratchadaphisek Road, Din Daeng District, Bangkok 10400</p> <p>Tel +(662)009 9749</p> <p>Fax +(662)009 9807-8</p> <p>Information Service Center +(662)009 9999</p> <p>Email <a href="mailto:SETContactCenter@set.or.th">SETContactCenter@set.or.th</a></p> <p>Website <a href="http://www.set.or.th">www.set.or.th</a></p>

<b>Security Registrar of Common stock and Debenture</b>	<p>Thailand Securities Depository Company Limited</p> <p>Building of the Stock Exchange of Thailand</p> <p>93 Ratchadaphisek Road, Din Daeng District, Bangkok 10400</p> <p>Tel +(662)009 9382</p> <p>Fax +(662)009 9001 ext. 9382</p> <p>Information Service Center +(662)009 9999</p> <p>Email <a href="mailto:SETContactCenter@set.or.th">SETContactCenter@set.or.th</a></p> <p>Website <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a></p>
<b>External Auditor</b>	<p>Name of External Auditor</p> <p>Mr. Sophon Permsirivallop Certified Public Accountant No.3182 and/or</p> <p>Ms. Rungnapa Lertsuwankul Certified Public Accountant No.3516 and/or</p> <p>Ms. Pimjai Manitkajohnkit Certified Public Accountant No.4521 and/or</p> <p>Ms. Rosaporn Decharkom Certified Public Accountant No.5659</p> <p>(EY Office Limited)</p> <p>Tel +(662)264 9090</p> <p>Fax +(662)264 0789-90</p> <p>Website <a href="http://www.ey.com">www.ey.com</a></p>
<b>Legal Consultant</b>	<p>Name of Lawyer</p> <p>Mr. Phod Khomanant</p> <p>(Premier Lawyer Company Limited)</p> <p>Tel +(662)982 8049-50</p> <p>Fax +(662)982 8053</p> <p>Email <a href="mailto:phodkhomanant@gmail.com">phodkhomanant@gmail.com</a></p> <p>Website -</p>



## 6.1.3 General Information of the Company and its subsidiaries

## General Information

Company	Type of Business	Registered Capital (million Baht)	Par Value per Share (Baht)	Paid-Up Capital (million Baht)	Shareholding Proportion (Direct+Indirect) (%)
<b>Filter Vision Public Company Limited</b>  Registration No. 0107555000091  Office 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok. Tel: +(662)518-2772 Fax: +(662)518-2723  Business Category Medium-Sized Business Industrial Service Group Website www.filtervision.co.th	Distributor of product and accessories, design, assembly and installation of related to water purification system and servicing and maintenance of pure water treatment system for commercial and residential industrial.	342.79	0.50	258.91	N/A

## Subsidiaries

Company	Type of Business	Registered Capital (MB)	Par Value (Baht)	Paid-Up Capital (MB)	Shareholding Proportion (Direct+Indirect) (%)
<b>Irving Corporation Ltd.</b> Registration No. 0105534119941  Office 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok. Tel: +(662)518-0600 Fax: +(662)518-0620	Distribute products and equipment, design, Assemble and install all related to water purification system, and provide maintenance service of pure water treatment system for medical service.	25.00	100.00	25.00	100.00
<b>KT Medical Service Co., Ltd.<sup>(1)</sup></b> Registration No. 0105558091419  Office 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok. Tel: +(662)517-0274 Fax: +(662)517-0275	Clinic for dialysis Service.	40.00	100.00	10.00	70.00
<b>Medical Vision Co., Ltd.<sup>(2)</sup></b>  Registration No. 0105558112491  Office: 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok. Tel: +(662)517-0134-5 Fax: +(662)517-0136	Distribution/rent, and preventive maintenance of medical equipment	10.00	100.00	10.00	75.00

Company	Type of Business	Registered Capital (million Baht)	Par Value per Share (Baht)	Paid-Up Capital (million Baht)	Shareholding Proportion (Direct+Indirect) (%)
<b>Hi Healthcare Center Co., Ltd. (3)</b> Registration No. Office: 95 Soi Ramintra 117, Ramintra Road, Minburi, Minburi, Bangkok. Tel: +(662)518-2722 Fax: +(662)518-2723	Medical service for healthcare & esthetics, and cosmetics distribution	100.00	100.00	100.00	100%

#### Remark

<sup>(1)</sup>The Board of Director's Meeting No. 4/2015 on May 14, 2015, approved the investment in a subsidiary namely KT Medical Service Co., Ltd., which registered the Company with the Ministry of Commerce on June 5, 2015.

<sup>(2)</sup>The Board of Director's Meeting No. 4/2015 on May 14, 2015, approved the investment in a subsidiary namely Medical Vision Co., Ltd., which registered the Company with the Ministry of Commerce on July 10, 2015.

<sup>(3)</sup>The Board of Director's Meeting No. 5/2017 on August 9, 2017, approved for the investment in a subsidiary namely Hi Healthcare Center Co., Ltd., which registered the Company with the Ministry of Commerce on September 25, 2017.

## 6.2 Other Significant Information

-None-



**FILTER VISION PUBLIC COMPANY LIMITED**

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## **Part 2**

### **Management & Good Corporate Governance**

## 7. Information of Securities and Shareholders

### 7.1 Number of Registered Capital and Paid-Up Capital

As at December 31, 2017 the Company's registered shares capital was at Baht 342.79 million divided to 685.58 million common shares at par value of Baht 0.50 and the issued and paid-up capital was at Baht 258 million.

### 7.2 Shareholders

The list top ten of the shareholders as at December 25, 2017 which closing date consisted of

Name of Shareholders	Number of Shares (Shares)	Percent (%)
1. The Techakasem's family		
- Mr. Wijit Techakasem	99,374,377	19.191
- Mr. Burachote Techakasem	11,326,899	2.187
- Ms. Thanapa Techakasem	9,402,991	1.816
- Mr. Pisarn Techakasem	9,071,853	1.752
- Mr. Burawat Techakasem	8,197,000	1.583
- Mr. Praphan Suwanvej	5,188,974	1.002
- Mr. Kritsada Techakasem	2,550,024	0.492
- Mrs. Mookda Techakasem	600,300	0.116
- Mr. Chalermrat Techakasem	503,700	0.097
- Miss Bongkoch Techakasem	40,000	0.008
- Mr. Wisit Techakasem	10,000	0.002
- Mr. Banohot Techakasem	5,000	0.001
Total the Techakasem's family	146,271,118	28.247
2. Nippon Pack (Thailand) Public Company Limited	34,488,900	6.660
3. Miss Yuwadee Wachirapapha	16,747,900	3.234
4. Mr. Pongrak Jindasombatcharoen	15,000,000	2.897
5. Mr. Tanapat Tantiwattanawijit	13,914,047	2.687
6. Mr. Amphon Kitjarurat	13,315,012	2.571
7. Mr. Parin Chanuntranont	11,859,832	2.290
8. Mr. Nagorn Gornhiran	11,301,700	2.183
9. Ms. Anunya Rueongsakvichit	11,034,860	2.131
10. Mr. Montrie Prajunpanich	10,408,242	2.010
<b>Total</b>	<b>284,341,611</b>	<b>54.910</b>

### 7.3 Issuance of Other Securities

Securities name	Description
The warrants to Purchase Common shares No. 1 (FVC-W1)	<ul style="list-style-type: none"> <li>- The Company issued 121,499,466 units warrant</li> <li>- Number of shares issued to support 121,499,466 shares (par value of Baht 0.50)</li> <li>- Type of warrants are type of bearer and transferable.</li> <li>- The term of the warrants is 3 years from the issuing date of the warrants.</li> <li>- The date of issuance and offering of warrants is May 14, 2015.</li> <li>- Offering to the existing shareholders at the rate of 2 existing common shares per 1 unit of warrants without value</li> <li>- 1 unit of warrant is entitled to purchase 1 ordinary share at the price of Baht 0.50</li> <li>- The exercise date is the last business day of May and November each year throughout the term of the warrants.</li> <li>- The first exercise date is November 30, 2015.</li> <li>- The last exercise date is May14, 2018.</li> </ul>
The warrants to Purchase Common shares No. 2 (FVC-W2)	<ul style="list-style-type: none"> <li>- The Company issued 138,790,248 units warrant</li> <li>- Number of shares issued to support 138,790,248 shares (par value of Baht 0.50)</li> <li>- Type of warrants are type of bearer and transferable.</li> <li>- The term of the warrants is 3 years from the issuing date of the warrants.</li> <li>- The date of issuance and offering of warrants is June 27, 2017.</li> <li>- Offering to the existing shareholders at the rate of 10 existing common shares per 9 unit of warrants without value</li> <li>- 1 unit of warrant is entitled to purchase 1 ordinary share at the price of Baht 1.</li> <li>- The exercise date is the last business day of June each year throughout the term of the warrants.</li> <li>- The first exercise date is June 29, 2018.</li> <li>- The last exercise date is June 26, 2020.</li> </ul>

#### 7.4 Policy of Dividend Payment

The Company and its subsidiaries dividend payment policy to shareholder is in rate of not less than 50% of net profit of separate financial statement after deduction of corporate income tax and after deduction of all types of reserves as prescribed by law, or as proper if there is none of any necessity and that dividend payment has no significant impact the Company's usual operation, or unless in the case that the company has the investment project in other project. However, the resolution of the Board of Directors on approval of dividend payment shall be approved from the Shareholders' Meeting unless interim dividend payment date that the Board has authority to approve interim dividend payment and will report the Shareholders' Meeting to be informed in next Shareholders' Meeting.

## 8. Organization Chart

### 8.1 The Board of Directors

The Board of Directors is mainly responsible for decision making in useful operation for the Company, shareholders and stakeholders, including staff and community in the area which the Company is operating, and also mutually determining vision, policy as well as operating budget with the management and follow-up the overall operation of the executives and mutually consideration for giving proper suggestion in problem solving.

At present, the number of Board of Director's has 12 persons consisted of

- 9 Non-Executive Directors consist of 6 independent directors and 3 non-independent directors;
- 3 Executive Directors consist of Managing Director, General Manager, and Assistant General Manager of Finance and Accounting Department

The list of the Board of Directors as at December 31, 2017, has consisted of

No.	Name of directors	Positions	Appointed Date
1	Mr. Witit Sujjapong	Chairman of the Board/Independent Director	9 August 2017
2	Mr. Wijit Techakasem, Ph.D.	Director, Chairman of Executive Committee, Managing Director	26 April 2012
3	Mr. Thanetr Khumchoedchoochai	Chairman of the Audit Committee, Chairman of Risk Management Committee / Independent Director	27 April 2017
4	Mr. Kiattiporn Sirichaisakul	Audit Committee Member / Independent Director	26 April 2012
5	Mr. Teeranut Thangsatapornpong	Audit Committee Member / Independent Director	9 August 2017
6.	Dr. Manit Teeratanikanont, M.D.	Chairman of Nomination & Remuneration Committee / Independent Director	26 April 2012
7	Dr. Jitjumlomg Harinasuta, M.D.	Independent Director	27 April, 2017
8	Mr. Montrie Prajunpanich	Director	27 April 2017
9	Mr. Danuj Bunnag	Director	11 Aug 2016
10	Mr. Denchai Akaradajdachachai, Ph.D.	Director	27 April 2017
11	Mr. Tanapat Tantiwattanawijit	Director	27 April 2017
12	Ms. Panchit Chimpalee	Director	27 April 2017



**Directors Authorized to Bind Pursuant to Affidavit**

The directors authorized to enter signature (s) binding the Company are any two of four directors namely Mr. Wijit Techakasem or Mr. Tanapat Tantiwattanawijit or Mr. Montrie Prajunpanich or Ms. Panchit Chimpalee, jointly sign with the Company common seal affixed.

**Chang of Shareholding of directors as at December 31, 2017**

No.	Name of directors  position	Common Share (Shares)			Warrants (Units)		
		31 Dec 2016	Buy(+) Sell (-)	31 Dec 2017	31 Dec 2016	Buy(+) Sell (-)	31 Dec 2017
1.	Mr. Witit Sujjapong Chairman of the Board / Independent Director	-	-	-	-	-	-
2.	Mr. Wijit Techakasem, Ph.D. Director, Executive Director, Managing Director	66,249,585	33,124,792	99,374,377	-	-	-
3.	Mr. Thanetr Khumchoedchoochai Chairman of Audit Committee / Independent Director	-	-	-	-	-	-
4.	Mr. Kiattiporn Sirichaisakul Audit Committee / Independent Director	-	-	-	-	-	-
5.	Mr. Teeranut Thangsapornpong Audit Committee / Independent Director	-	-	-	-	-	-
6.	Dr. Manit Teeratanantikanont, M.D. Independent Director	-	-	-	-	-	-
7.	Dr. Jitjumlong Harinsuta, M.D. Independent Director	-	-	-	-	-	-
8.	Mr. Montrie Prajunpanich Director	6,515,000	3,893,242	10,408,242	3,257,500	(3,257,500)	-
9.	Mr. Danuj Bunnag Director	5,628,100	1,759,550	7,387,650	351,700	(284,000)	67,700
10.	Mr. Denchai Akaradajdachachai, Ph.D. Director	-	-	-	-	-	-
11.	Mr. Tanapat Tantiwattanawijit Director	8,144,600	5,769,447	13,914,047	4,072,300	(4,072,300)	-
12.	Ms. Panchit Chimpalee Director	-	-	-	-	-	-

## 8.2 Executives

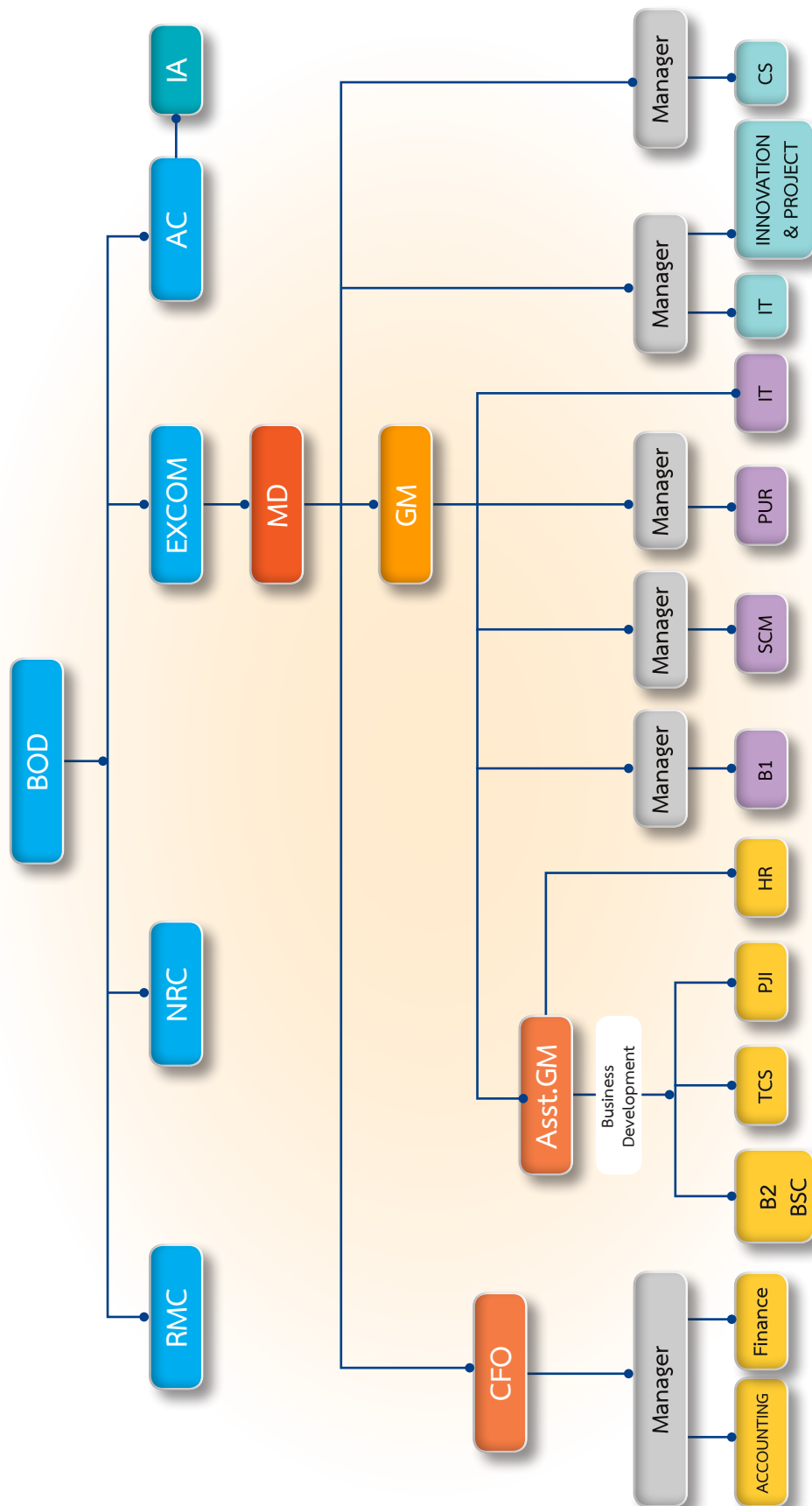
As at December 31, 2017 the number of the Company's executives has been 10 persons as follows.

Name	Position
Mr. Wijit Techakasem, Ph.D.	Managing Director
Mr. Tanapat Tantiwattanawijit	General Manager
Ms. Panchit Chimpalee	Assistant General Manager of Finance & Accounting Department Finance Manager
Ms. Thanapa Techakasem	Administrative Manager
Mr. Pattanapong Kongkarat	B2 Business Manager Technical Service Manager Human Resource Department & General Affairs Manager (Acting)
Mr. Somchai Hongsa	Innovation and Project Manager
Mr. Rathaphon Tatong	B1 Business Manager
MS. SUPAPAN YEAMLAENGAMKUL	Executive Director
MR. ANUPONG TANGPANITARNAN	Executive Director
Mr. Chanathep Rakprakobkit	Accounting Manager

## Change of Shareholding of Management as at December 31, 2017

No.	Name	Common Share (Shares)			Warrants (Units)		
		31 Dec 2016	Buy(+) Sell (-)	31 Dec 2017	31 Dec 2016	Buy(+) Sell (-)	31 Dec 2017
1.	Mr. Wijit Techakasem, Ph.D. Managing Director	66,249,585	33,124,792	99,374,377	-	-	-
2.	Mr. Tanapat Tantiwattanawijit General Manager	8,144,600	5,769,447	13,914,047	4,072,300	(4,072,300)	-
3.	Ms. Panchit Chimpalee Assistant General Manager of Finance & Accounting Department Finance Manager	-	-	-	-	-	-
4.	Ms. Thanapa Techakasem Administrative Manager	7,457,600	1,945,391	9,402,991	3,728,800	(3,728,800)	-
5.	Mr. Pattanapong Kongkarat B2 Business Manager Technical Service Manager Human Resource Department & General Manager (Acting)	-	-	-	-	-	-
6.	Mr. Somchai Hongsa Innovation and Project Manager	-	56,400	56,400	-	-	-
7.	Mr. Rathaphon Tatong B1 Business Manager	-	-	-	-	-	-
8.	MS. SUPAPAN YEAMLAENGAMKUL EXECUTIVE DIRECTOR	-	-	-	-	-	-
9.	MR. ANUPONG TANGPANITARNAN EXECUTIVE DIRECTOR	-	-	-	-	-	-
10.	Mr. Chanathep Rakprakobkit Accounting Manager	-	-	-	-	-	-

**Organization Chart as at December 31, 2017.**



\* Re-Adds Co., Ltd. provides **service as** internal auditor of the Company.

### Scope of Authority and Responsibility of the Managing Director

With reference to the company's Annual General Meeting of Shareholders 2012, held on April 26 2012 the scope, authority and responsibility of the Managing Director have included the following.

The Managing Director's duty is to manage and control the company in accordance with the primary objective of the company whereas the Managing Director shall function and be responsible for the company's operation by him or her or assigning other executives in following level to be the executor instead. The duty and responsibility of the Managing Director have included the following.

1. To prepare long-term plan (3 years) and short-term plan (1 year) as well as strategies to support long-term plan to attain target;
2. To prepare budget and operate the business under budget, plan and project and principle approved from the Board of Directors;
3. To organize the organization and work with authority to define organization chart, issue rule, regulation, order, circular for defining chain of command and flow chart; to define table of approval authority for working; to define level of work, job description and job specification;
4. To develop work systems consisting of information system for management, and evaluation and management system;
5. To administer human resource with authority to consider on employment/salary/wage/ compensation/ bonus consideration/staff remuneration in the position of deputy managing director downward; to appoint, demote and transfer, rotate work line; to consider on welfare under approved policy from the Board of Director; to reinforce organization culture; and strengthen skill and expert of the personnel for promotion of the company's tactic and strategy;
6. To control and oversee the company's management to be in line with the policy as formulated by the Board of Directors and/or the Executive Committee; and to report overall operation to the Board of Directors and/or the Executive Committee;
7. To be the authorized person in any business operations to be in line with objective, policy, rule, agreement, order as well as resolution of the Board of Directors' Meeting or resolution of the Shareholders' Meeting of the company;
8. To have authority to issue order, rule, announcement and memo so that working is in line with the company's policy and benefit, and internal work discipline is maintained;
9. To daily follow up and evaluate overall operation of the company for preparedness and prevention of contingent risk both from external factor and internal factor;
10. To have authority to act and represent the company with the outsider in relevant undertaking which is necessary and is normal commercial transaction for the company's benefit;
11. To have authority to open and close different types of deposit accounts with bank and financial institution for convenience of the company's normal business operation under mainly concern on the company's benefit;
12. To approve the appointment of consultants in different areas necessary for the company's operation or for compliance with the relevant law through The Executive Committee and/or the Board of Directors;
13. To occasionally perform other duties as assigned from the Board of Directors.

Other than the aforesaid authority and responsibility of the Managing Director, the Board of Directors' Meeting No. 2/2012 held on April 10 2012 also resolved to approve the exercise of authority to execute the company's undertaking by determining approval authority of the Managing Director with maximum financial limit that can be approved Baht 10.00 million However, it depends on the nature of each type of transaction. For example, approval authority of the Managing Director is within the financial limit of not over than Baht 3.50 million for consideration on approval of transaction in general management such as purchase of asset or payment of lease expense or purchase and requisition-issue office material and equipment used in work unit. The approval authority of

the Managing Director is within the financial limit of not over than Baht 10.00 million for consideration on approval of investment in investment and finance such as investment in fixed asset, joint venture or borrowing. However, the authority to perform juristic act, that may cause conflict of interest among the Managing Director or the stakeholders of the company or its subsidiary company as prescribed by law and proclamation of the Securities and Exchange Commission or of the Stock Exchange of Thailand, is not deemed to be under the scope of authority of the Managing Director in consideration. The voting right in such juristic act either by self-discretion or by assigning other person to act on behalf of him or her, that juristic act shall be presented for consent through the Audit Committee in order to present to the Board of Directors and/or the Shareholders' Meeting (as the case may be) as determined in the company's regulation and pursuant to law accordingly.

### 8.3 Company Secretary

With reference to the Board of Directors' Meeting No. 5/2017 held on August 9, 2017; the Board of Directors resolved to appoint Miss Piyasuda Jariyatham to hold office as the company secretary pursuant to Section 89/15 of Securities and Exchange Act B.E. 2535 and the revision to perform in preparing and filing the company's important documents such as Director Registration, the Board of Directors' Meeting Appointment Letter, Minutes of the Board of Directors' Meeting, Annual Report of the Company, the Shareholders' Meeting Appointment Letter, Minutes of the Shareholders' Meeting; and filing Interest Report reported by directors and executives of the company, including other executions as prescribed by Capital Market Supervisory Board in Securities and Exchange Law.

### 8.4 Remuneration of Directors

#### 8.4.1 Monetary Remuneration

The remuneration of the Board of Directors and the Nomination and Remuneration Committee for 2016 approved by the Annual General Meeting of Shareholders 2016 held on April 29, 2016 was determined at Baht 1,335,000.

The remuneration of the Board of Directors and the Nomination and Remuneration Committee for 2017 approved by the Annual General Meeting of Shareholders 2017 held on April 27, 2017 was determined at Baht 1,884,000.

The criteria of remuneration payment for the Board of Directors and the Nomination and Remuneration Subcommittee have contained the following details.

	Remuneration/Meeting Allowance	Remark
Chairman of the Board	Monthly remuneration for Baht 57,000	In case of meeting attendance, none of meeting allowance is paid.
The Board of Directors	Meeting allowance for Baht 11,000	Every time of meeting attendance
The Audit Committee		
- Chairman of the Audit Committee	Meeting allowance for Baht 17,000	Every time of meeting attendance
- Audit Committee Member	Meeting allowance for Baht 11,000	Every time of meeting attendance
The Nomination and Remuneration Committee		
- Chairman of the Nomination and Remuneration Committee	Meeting allowance for Baht 17,000	Every time of meeting attendance
- Nomination and Remuneration Committee Member	Meeting allowance for Baht 11,000	Every time of meeting attendance

**Remark** In case that the Chairman of the Board, the company directors and the Nomination and Remuneration Committee earn fixed salary from the company and/or its subsidiaries; they shall not be paid for aforesaid meeting allowance.

## 8.5 Personnel

As of December 31, 2016 and 2017, total number of staffs (excluding executives) of the company and its subsidiary company were 245 and 268 persons, respectively. The staffs categorized by working line comprise as follows:

Department	31 December 2016			31 December 2017		
	Daily	Permanent	Total	Daily	Permanent	Total
Sales and Marketing Department	-	27	27	1	23	24
Technical Service Department	-	111	111	-	106	106
HR & General Affairs Department	-	5	5	-	4	4
Administrative Department	2	45	47	-	46	46
Accounting Department	-	12	12	-	10	10
Finance Department	-	5	5	-	8	8
Warehouse Division	-	17	17	-	21	21
Business Development Division	5	16	21	9	38	47
Company Secretary	-	-	-	-	2	2
<b>Total</b>	<b>7</b>	<b>238</b>	<b>245</b>	<b>10</b>	<b>258</b>	<b>268</b>

In 2016-2017, there was no significant change in number of personnel of the company and its subsidiary that might anyway affect business operation.

The company and its subsidiary paid monetary remuneration such as salary, bonus, wage, overtime pay, social security fund contribution, provident fund contribution and others to non-executive staffs in 2016 and 2017 for Baht 71.89 million and Baht 84.85 million, respectively.

However, there was no important labor dispute by company and its subsidiary in the past 3 year period.

### Policy of Staff Development

The company recognizes the importance of human resource development to be utmost efficiency and effectiveness. Therefore, the Company has a policy of continuous training and development of its personnel at all levels. The company has developed a performance appraisal system with performance indicators at the organizational and agency levels. Also review the nature of work in accordance with the business plan to lead to continuous system development of human resources. Including the company has set the guidelines by setting training plans and developing employees in relevant areas. The training and development plan is set up by exploring the needs and necessities of the various departments of the company to optimize and enhance the performance of the organization.

## 9. Good Corporate Governance

### 9.1 Policy of Corporate Governance

The Company's policy of Code of Best Practice is to reinforce transparency and to be useful for the company's business operation resulting in confidence in the groups of shareholders, investors and people concerned of all departments. Thus, the Board of Directors has determined the Principle of Corporate Governance for compliance. The guideline of good corporate governance has been stipulated by the Stock Exchange of Thailand. The Company's Principle of Good Corporate Governance covers five categories of the Principle as follows.

#### Chapter 1 Rights of the Shareholders

The company realizes and gives precedence to basic rights both on behalf of the company's owner and on behalf of the security investors, such as right to trade or transfer securities held by him or her, right to acquire the company's sufficient information, right to be shared for profit from the company, rights in the Shareholders' Meeting, right to express opinion, right to mutually make decision in the company's crucial issues such as dividend appropriation, appointment or demotion of director, appointment of auditor, approval on the transaction which is important and affects the direction of the company's business operation, etc.

Other than above basic rights, the company also executes various issues which have been the facilitation in exercise of the shareholder's right as follows.

1. The company shall hold Annual General Meeting every year by holding within 4 months from the end of the accounting period in each year. The Meeting Appointment Letter and information supporting the meeting in accordance with various agendas are delivered to shareholders for acknowledgment prior the meeting date for 7 days. In addition, the meeting appointment date is announced in the newspaper to notify in advance for 3 consecutive days prior-meeting date. In each meeting agenda, the opinion of the Board is constituted;
2. In case that the shareholder cannot attend the meeting by him or her, the company gives shareholders the opportunity to enable to authorize independent director or any person to attend the meeting in lieu of him or her using any form of Proxy to be delivered together with Meeting Appointment Letter;
3. Prior meeting, the company shall give shareholder the opportunity to enable to submit the opinion, suggestion and query in advance prior-meeting date via email address of the company secretary.
4. In the meeting, the company shall give shareholder the opportunity to independently suggest or express opinion to the meeting in various issues. However, in the Shareholders' Meeting, the relevant directors and executives shall attend the meeting in order to reply query and give the information and detail in the meeting.
5. After meeting, the company shall prepare Minutes of Meeting declaring complete and accurate information so that the shareholders can check them.

#### Chapter 2 Equitable Treatment of the Shareholders

The company's policy is to create equity arisen with all shareholders. In proceeding the Shareholders' Meeting, the company shall give all shareholders the equitable opportunities by determining that the right of voting in the meeting is in line with number of shares held by shareholders by the way that one share has right equaling to one vote. In case that the shareholder cannot attend the meeting by him or her, the company gives that shareholder the opportunity to enable to authorize independent director or any person to attend the meeting instead using any form of Proxy delivered by the company together with Meeting Appointment Letter.



In addition, the company determines preventive measure for insider trading of people concerned who are referred to director, executive and staff in work unit which is related to inside information (including spouse and underage children of such people). The people concerned are prohibited to trade the company's securities for at least 30 day period prior disclosure of quarterly financial statement and annual financial statement. They should wait for at least 24 hours after disclosure of such information to public. Moreover, it is also prohibited to disclose that information to others.

The company gives the information to director and executive about the executive's duty regarding the requirement to report security holding in the company and penalty pursuant to Securities and Exchange Act B.E. 2535 (1992) and pursuant to the regulation of the Stock Exchange of Thailand. In case that director or executive trades the company's securities, the security holding in the company by him or her, his or her spouse and underage children shall be reported pursuant to Section 59 of Securities and Exchange Act B.E. 2535 (1992) within 3 workdays to notify the Office of the Securities and Exchange Commission for propagation to public accordingly.

### Chapter 3 Roles of Stakeholders

The company gives precedence to the rights of all groups of stakeholders either being internal stakeholders such as the company's staff and executive or external stakeholders such as competitor, business partner and customer, etc. The company well realizes that support and opinion from all groups of stakeholders are beneficial for operation and development of the company's business. Hence, the company shall comply with relevant law and regulation so that the right of such stakeholders is well regulated. Moreover, the company also encourages the cooperation between the company and each group of stakeholders to build security to the company in accordance with the following guideline.

- Shareholder : The company aims to be good representative of its shareholders in business operation for maximum satisfaction of shareholders under consideration on long-term growth of the company value as well as execution of transparent and reliable information disclosure.
- Staff : The company realizes on the significance of the company's staff as very valuable resource of the company. The company therefore aims to provide support on potential development of human resource for maximum benefit to the company, encourage its staffs to participate in building good corporate culture, have teamwork, reinforce atmosphere and feeling of safety at work, and pay remuneration in market rate to its staffs.
- Competitor : The company treats its competitor in accordance with the frame of fair competitive rule under maintenance on norm of competitive practice.
- Business Partner : The company treats its business partner in accordance with the frame of honest trade under adherence to strictly compliance with contract and promise given to its business partner.
- Customer : The company aims to respond and render good service to build satisfaction and trust to its customer.
- Creditor : The company well realizes on building relationship with creditor for confidence and trust. This is the burden requiring practice together with observance of loan condition by honesty.
- Community and Society : The company is responsible for social and community environment as well as participation in activity for social benefit.

The company however shall observe the relevant provision of law and regulations so that the rights of these stakeholders are well regulated.

## **Chapter 4 Disclosure and Transparency**

The company well realizes on the significance of disclosure of transparent, complete and accurate information and reporting of financial information and general information in accordance with the criteria of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other crucial information affecting the price of the company's security. Those information entirely affect decision process of the company's investors and the stakeholders. The company propagandizes data and information of the company to its shareholders, investors and public through propagandizing channel and media of information of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand including the company's website which is [www.filtervision.co.th](http://www.filtervision.co.th). In part of investor relation work, the company has not yet appointed specific work units. Nevertheless, the company has primarily assigned Miss Panjit Chimpalee, the Assistant General Manager of Finance and Accounting Department, to perform the contact and communication with investors, shareholders and analyst and relevant public sector. The means of contact is Email: [lr@filtervision-thai.com](mailto:lr@filtervision-thai.com), Tel. 02-518 2722 ext. 644, Fax. 02-518 2723.

The Board of Directors is responsible for the company's financial statement and financial information appeared in annual report. Such financial statement is prepared in accordance with Generally Accepted Accounting Principle in Thailand. The proper accounting policy is selected for use and regular practical adherence. Moreover, adequate information is disclosed. In this action, Audit Committee shall check quality of the financial report and internal control system as well as adequate disclosure of important information in notes to financial statement.

## **Chapter 5 Responsibilities of the Board of Directors**

### **5.1 Structure of the Board of Directors**

The Board of Directors constitutes the persons who possess knowledge and competence and are key role players in determining policy and overview of the organization, as well as play crucial roles in independently governance, check and evaluation of the company's overall operation to be in line with formulated plan.

The current number of the Board of Directors has been 12 members consisting of 6 independent directors, causing voting balance for consideration on various issues pursuant to the criteria prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In accordance with the company's regulation determined in the Annual General Meeting, one-third of the committee members shall resign from their offices. If the number of directors cannot be identically divided into three portions, the directors shall resign in the number nearest to one-third portion. The drawing method is applied whether which director, who must resign from the office in the first year and the second year after the company's registration, will resign. In the following years, the director who is in the office for longest period shall be the one who resigns from the office. Nevertheless, the director who resigns by rotation may be re-elected to resume the office holding.

Moreover, the Board of Directors also appoints 4 Subcommittees namely Executive Committee, Audit Committee, Risk Management Committee and Nomination and Remuneration Committee for functioning specific issue and proposing issue to the Board of Directors for consideration or acknowledgement in accordance with the determined scope and authority.

The company clearly separates role, duty and responsibility among the Board of Directors whereas the Board of Directors performs determination of policy and governance of the executive's operation in policy level while the executive performs the management of the company in different areas to be in line with the determined policy. Therefore, the Chairman of the Board and the Managing Director are different person. Both positions shall pass the selection from the Board of Directors in order to acquire the most proper person.

The company secretary of the company is available for performing counseling on various rules needed to be known by the Board and function in supervision of the Board's activities as well as cooperation for compliance with the Board's resolution.

## **5.2 Role, Duty and Responsibility of the Board of Directors**

The Board of Directors constitutes the persons with diversified knowledge, skill, expert and leadership acceptable by the Board of Directors for participation in determining vision, mission, strategy, policy, guideline in business engagement and governing the company's working to be in line with law, objective, regulation and resolution of the Shareholders' Meeting. For benefit in closely monitoring and governing the company's operation, the Board of Directors establishes different sets of the Committees for monitoring and supervising the company's operation.

### **5.2.1) Corporate Governance Policy**

The company has formulated corporate governance policy of the company by writing upon consent on such policy by the Board of Directors' Meeting No. 2/2012 on 10 April 2012. The Board shall arrange the regular review on policy and compliance with such policy. In addition, the company shall comply adhere to practice pursuant to rules and regulations as prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and/or Market for Alternative Investment (MAI) in all respects. The corporate governance report shall be disclosed in Annual Report and Annual Registration Statement (Form 56-1).

### **5.2.2 Business Ethics**

The company determines rule of ethics of the Board, management and staffs for adherence by the people concerned as guideline in function by honesty and fairness in accordance with the company's mission whether treatment to the company, all groups of stakeholders, general public and society; as well as determines regular monitoring system of practice in accordance with such guideline.

The company has announced and notified all staffs to be acknowledged and strictly adhere to practice in accordance with such guideline.

### **5.2.3 Conflict of Interest**

The Board of Directors determines the policy concerning conflict of interest on the principle that any decision making in business activity execution shall be done for the company's maximum benefit only. The act causing conflict of interest should be avoided by determining that people concerned or related to the considered transaction shall inform the company about the relationship or involvement of people in such transaction. They shall not participate in considering and making decision as well as have no approval authority in that transaction.

Audit Committee shall present the interrelated transaction and transaction that has conflicts of interest to the Board of Directors under prudent consideration on appropriateness, compliance with criteria of the Stock Exchange of Thailand and/or the Office of Securities and Exchange Commission, as well as disclosure in Financial Statement, Annual Report and Annual Registration Statement (Form 56-1).

### **5.2.4 Internal Control System**

The Company emphasizes on internal control system both in management level and operation level. To produce efficiency in the company's operation, the company therefore obviously defines obligation and operation authority of the officer and the management by writing subject to control on the use of the company's assets for usefulness, and segregation of the officer, the supervisor, and the appraiser's duties. The company appoints Audit Committee to perform verification on internal control system and internal audit to be proper and effective.

### **5.2.5 Risk Management**

In 2016, the company assessed the sufficiency of the existing internal control system for consideration on finding the guideline of working improvement and correction for more effective overall operation. And the Board of Directors Meeting No. 5/2016 held on November 11, 2016, has resolved to appoint the Risk Management Committee consists of two non-independent directors and two independent directors totaling four members of the Committee.

### **5.2.6 Report of the Board**

Audit Committee performs verification on financial report whereas the Finance and Accounting Department and the auditor mutually convene the meeting and present the financial report to the Board of Directors every quarter. The Board of Directors is responsible for the company's financial statement, including financial information (report of the Board of Director's responsibility on financial report) appeared in Annual Report. Such financial statement is prepared based on the Generally Accepted Accounting Principle and audited by the company's auditor. The disclosure of the important data and information both financial information and non-financial information is regularly and completely carried out on the basis of fact.

### **5.2.7 The Board's Meeting**

The Board usually schedules the regular meeting in every 3 months and special meeting may be additionally held as necessity under clear agenda specification. The document is delivered prior the meeting so that the Board can have sufficient time to study the information prior the meeting unless the urgent and necessary event. The minutes of meeting are recorded and the approved minute documents are filed and gathered for use in reference and verifiability.

In the meeting, the Chairman of the Board is the person who determines the meeting agenda and considers the issue entering the agenda of the Board of Director's Meeting. The opportunity is given to each director to enable to propose different issues for consideration as the meeting agenda.

In considering different issues, the Board of Directors who acts as the Chairman of the Meeting opens the chance to the directors for freely expression of their opinions. In some occasion, top executive may attend the meeting to additionally give information and detail of useful data on behalf of the people concerned; and to be directly informed about the policy so that it can be effectively practiced. However, the Board of Directors' Meeting counts on the resolution of the majority votes in resolving in the Board of Directors' Meeting by the way that one director has one vote. The director with interest shall not attend the meeting and/or shall not exercise voting right in that issue. If the vote is tied, the Chairman of the Meeting shall vote for one more vote as casting vote.

In 2017, the company held 6 meetings in total. Below has been the detail of meeting attendance for each director.

Name-Surname	Position	Meeting Attendance / Meeting Organized
1. Mr. Chotisak Asapaviriya <sup>1)</sup>	Chairman of the Board	3/7
2. Mr. Rapeepat Suansilpong <sup>2)</sup>	Vice Chairman/Chairman of Audit Committee/Independent Director	7/7
3. Mr. Wijit Techakasem, Ph.D.	Director	4/7
4. Mr. Kiattiporn Sirichaisakul	Audit Committee/ Independent Director	7/7
5. Mr. Thanetr Khumchoedchoochai <sup>3)</sup>	Chairman of Audit Committee/Independent Director	*6/7
6. Dr. Manit Teeratanikanont, M.D.	Independent Director	7/7
7. Mr. Montrie Prajunpanich	Director	*6/7
8. Mr. Danuj Bunnag	Director	*6/7
9. Mr. Auttawut Jingtaisong <sup>4)</sup>	Independent Director	2/7
10. Mr. Tanapat Tantiwattanawijit	7/7	7/7
11. Ms. Panchit Chimpalee	*6/7	7/7
12. Mr. Denchai Akaradajdachachai, Ph.D. <sup>5), 6)</sup>	*6/7	4/7
13. Dr. Jitjumlong Harinasuta , M.D. <sup>5)</sup>	2/7	3/7
14. Mr. Witit Sujjapong <sup>3)</sup>	Chairman of the Board / Independent Director	3/7
15. Mr. Teeranut Thangsapornpong <sup>3)</sup>	Audit Committee / Independent Director	3/7

<sup>1)</sup> July 7, 2017; Mr. Chotisak Asapaviriya – Chairman of the Board submitted the letter to the Company stated his resignation from such position due to much more engagements caused him cannot perform duty substantially.

<sup>2)</sup> June 23, 2017; Mr. Rapeepat Suansilpong – Independent Director and Chairman of Audit Committee submitted the letter to the Company stated his resignation from such position due to much more engagements caused him cannot perform duty substantially.

<sup>3)</sup> The Board of Directors Meeting No. 5/2017 dated August 9, 2017 resolved to approve the appointment of two new directors in order to perform duty as replacement of the resigned directors; namely Mr. Witit Sujjapong to be Independent Director and Chairman of the Board of Directors as replacement of Mr. Chotisak Asapaviriya, and Mr. Teeranut Thangsapornpong to be Independent Director as replacement of Mr. Rapeepat Suansilpong, and Mr. Thanetr Khumchoedchoochai - former Audit Committee to be Chairman of Audit Committee as replacement of Mr. Rapeepat Suansilpong.

<sup>4)</sup> April 3, 2017; Mr. Auttawut Jingtaisong – Independent Director submitted the letter to the Company stated his resignation from such position due to much more engagements caused him cannot perform duty substantially.

<sup>5)</sup> The Annual General Meeting of Shareholder for the Year 2017 on April 27, 2017 resolved to approve two new directors namely Dr. Jitjumlong Harinasuta, M.D. and Mr. Denchai Akaradajdachachai, Ph.D. to be Independent Directors.

<sup>6)</sup> September 25, 2017; Mr. Denchai Akaradajdachachai was authorized director to sign binding Hi Healthcare Center Co., Ltd., which is a subsidiary of Filter Vision Public Company Limited.

\* Unable to attend the meeting due to important engagement

### 5.2.8 Remuneration

The Company's policy is to pay incentive remuneration for directors and executives in proper level under consideration on the company's overall operation and conformance to the same industry/business as well as appropriateness with duty and responsibility of each director and executive. The company shall be careful in payment of remuneration for its executive in a proper level which is a competitive rate in the same business group so that the quality executive is cared and retained. The executive who is assigned for additional duty and responsibility will receive remuneration proper for additional assigned duty and responsibility. However, the company clearly and transparently arranges remuneration upon approval from the Shareholders' Meeting. It is determined to disclose the remuneration paid to the director and the executive in accordance with form specified by the Office of the Securities and Exchange Commission.

### 5.2.9 Development of Director and Executives

The Board's policy is to promote and facilitate to provide training and knowledge to the relevant director in corporate governance system of the company such as director, audit committee member and executive, etc. for continuous working improvement. In case of change in director or appointment of new director, the Management shall arrange document and information useful for the new director's function as well as arrange the suggestion of the company's business nature and guideline of the business operation to the new director.

## 9.2 Sub-Committee

The structure of director and subcommittee members of Filter Vision Public Company Limited consists of the Board of Directors, Audit Committee, Risk Management Committee, Executive Committee, and Nomination and Remuneration Committee, as follows.

### 9.2.1 Board of Directors

As of December 31, 2017, the Board of Directors has consisted of 12 directors as follows.

Name-Surname	Position
1. Mr. Witit Sujjapong	Chairman of the Board / Independent Director
2. Mr. Wijit Techakasem, Ph.D.	Director/ Chairman of Executive Committee / Managing Director
3. Mr. Thanetr Khumchoedchoochai	Chairman of Audit Committee Chairman of Risk Management Committee /Independent Director
4. Mr. Kiattiporn Sirichaisakul	Audit Committee/Independent Director
5. Mr. Teeranut Tangsatapornpong	Audit Committee/Independent Director
6. Dr. Manit Teeratanikanont, M.D.	Chairman of Nomination & Remuneration Committee / Independent Director
7. Dr. Jitjumlong Harinasuta, M.D.	Independent Director
8. Mr. Montrie Prajunpanich	Director
9. Mr. Danuj Bunnag	Director
10. Mr. Denchai Akaradajdachachai, Ph.D.	Director
11. Mr. Tanapat Tantiwattanawijit	Director, Executive Director
12. Miss Panchit Chimpalee	Director, Executive Director

### Scope, Authority and Responsibility of the Board of Directors

With reference to the Annual General Meeting of Shareholders of the Company on 26 April 2012, the Board has authority, duty and responsibility in the company's management pursuant to law and the company's objective and regulation as well as the lawful resolution of the Shareholders' Meeting.

1. To function in accordance with law and the company's objective and regulation as well as resolution of the Shareholders' Meeting with honesty and carefulness on maintenance of the company's benefit;
2. To determine policy, target, work plan, business strategy and annual budget;
3. To control, govern and supervise the Management to effectively execute to be line with determined policy and budget;
4. To have authority to examine and consider for approval of policy, guideline and implementation plan for big investment project of the company as proposed by the Subcommittee or the Management;
5. To have authority to appoint, assign or advise the Subcommittee or working group for considering or performing any matter deemed as proper by the Board of Directors;
6. To execute the company's internal control system and internal audit to be effective as well as risk management and reliability of the financial report by arranging internal audit work unit to follow up and mutually implement and coordinate with Audit Committee;
7. To prepare Annual Report of the Board and be responsible for preparation and disclosure of financial statement to declare financial status and overall operation in last year period to be presented to the Shareholders' Meeting;
8. To hold the Annual General Meeting of the Shareholders within 4 months from the ending date of the company's accounting year.
9. To have authority to consider and approve any matters necessary and related to the company or deemed as proper for the company's benefit.
10. However, any matter of which the director has interest or conflict of interest with the company or its subsidiary company, the director with interest or conflict of such interest has no voting right in that matter.
11. Moreover, the Board also has the scope of duty in governing the company to comply with Securities and Exchange Law, regulation of the Stock Exchange such as interrelated transaction, acquisition or disposal of assets pursuant to criteria of the Stock Exchange of Thailand or proclamation of the Securities and Exchange Commission, คณะกรรมการกำกับตลาดทุน or laws relevant to the company's business.

## 9.2.2 Audit Committee

As of 31 December 31, 2017, Audit Committee of the Company has consisted of 3 directors as follows.

Name-Surname	Position
1. Mr. Thanetr Khumchoedchoochai*	Chairman of Audit Committee/Independent Director
2. Mr. Kiattiporn Sirichaisakul*	Audit Committee/Independent Director
3. Mr. Teeranut Thansatapornpong*	Audit Committee/Independent Director

Remark: \*Audit committee member with finance and accounting knowledge and competency.

In accordance with the company's Annual General Meeting of the Shareholders for the Year 2012 on 26 April 2012, the scope of authority of Audit Committee has been determined as follows.

### Scope, Authority and Responsibility of Audit Committee

1. To verify the company's financial report to be accurate and adequate;
2. To verify the company's internal control system and internal audit system to be proper and effective; and to consider the independence of the internal audit work unit as well as consent in consideration on appointment, removal and dismissal of the head of internal audit work unit or any other work units which are responsible for internal audit;
3. To verify the company's compliance with Securities and Exchange Law, regulation of the Stock Exchange, and laws relevant to the company's business;
4. To consider, select and propose the appointment of person who is independent in order to perform as the company's auditor and propose the remuneration of such person, as well as attend the meeting with the auditor without meeting attendance of the Management for at least once a year;
5. To consider the interrelated transaction or transaction that may have conflict of interest to be line with law and regulation of the Stock Exchange so as to ensure that such transaction is reasonable and maximally useful for the company;
6. To have authority to carry out audit and investigation as necessary in different issues that may significantly affect the company's financial status and overall operation. The audit and investigation result shall be reported to the Board of Directors for implementation on improvement and correction within the time as deemed as proper by Audit Committee;
7. To have authority to independently seek for opinion from any other professional consultants when deemed as necessary at the company's expense for well working achievement under his or her responsibility;
8. To prepare the report of Audit Committee and disclose in Annual Report of the company. Such report shall be signed by the Chairman of Audit Committee and shall be supplemented with at least the following information.
  - a) Opinion about accuracy, completeness and reliable of the Company's financial report;
  - b) Opinion about the adequacy of the company's internal control system;



- c) Opinion about the compliance with Securities and Exchange Law, regulation of the Stock Exchange or laws relevant to the company's business;
  - d) Opinion about the appropriateness of the auditor;
  - e) Opinion about the transaction that may have conflict of interest;
  - f) Number of Audit Committee's meetings and meeting attendance of each audit committee members;
  - g) Overall opinion or observation acquired by Audit Committee from function pursuant to charter;
  - h) Other transactions deemed that the shareholders and general investors should know under scope, authority and responsibility assigned from the company's director;
9. To perform any other tasks as assigned by the Board of Directors upon consent of Audit Committee.

### 9.2.3 Risk Management Committee

In 2016, the Board of Directors Meeting No. 5/2559, held on November 11, 2016, approved to the appointment for the Risk Management Committee. A totaling of 4 consist of directors and independent directors are appointed for term of three years.

	Name-Surname	Position
1	Mr. Thanetr Khumchoedchoochai	Chairman, Risk Management Committee/Independent Director
2	Mr. Kiattiporn Sirichaisakul	Risk Management Committee/Independent Director
3	Mr. Montrie Prajunpanich	Risk Management Committee
4	Mr. Wijit Techakasem, Ph.D.	Risk Management Committee

### Scope, Authority and Responsibility of the Risk Management Committee

1. Reviewed and present the risk management policy and framework to Board of Directors for approval
2. Reviewed and approve the risk appetite and present to Board of Directors for be informed.
3. Corporate Governance, development and compliance according the policy and risk management framework to the Group has the effective risk management system in the organization and follow as consistently.
4. Review the risk management report to track the significant risk and proceed to ensure that the organization has appropriate risk management as adequately.
5. Coordinate with Audit Committee on the major risks which has the internal audit to reviewed ensuring the Company has an appropriate internal control system to manage the risk. Including the implementation of risk management systems to be deployed appropriately and implemented in the organization.
6. Report to Board of Directors on major risks and risk management as regularly.
7. Advise and consult the committee on risk management. Also consider the appropriate direction in correcting data related to development of risk management system.
8. Consider the appointment of working committee according with the risk management as appropriate. Including determine roles and responsibilities for benefit to perform actions in accordance with the objectives.
9. Perform other tasks according to risk management as assigned by the Board of Directors.

## 9.2.4 Executive Committee

As of December 31, 2017, Executive Committee comprised of 9 members as follows.

	<b>Name-Surname</b>	<b>Position</b>
1	Mr. Wijit Techakasem, Ph.D.	Chairman of Executive Committee
2	Mr. Tanapat Tantiwattanawijit	Executive Director
3	Miss Panchit Chimpalee	Executive Director
4	Miss Thanapa Techakasem	Executive Director
5	Mr. Pattanapong Kongkarat	Executive Director
6	Miss Supapan Yienglaengamkoon	Executive Director
7	Mr. Somchai Hongsa	Executive Director
8	Mr. Ratthapong Tathong	Executive Director
9	Mr. Anupong Tangpanithannan	Executive Director

## Scope Authority and Responsibility of Executive Committee

With reference to the company's Annual General Meeting of Shareholders for 2012 on 26 April 2012, the scope, authority and responsibility of Executive Committee have included below.

1. To prepare and propose business policy, target, implementation plan, business strategy, and annual budget of the company to request for approval with the Board of Directors;
2. To determine the company's business plan, budget and managerial authority to request for approval with the Board of Directors;
3. To control and supervise the company's business operation to be in line with business policy, target, implementation plan, business strategy and budget approved from the Board of Directors;
4. To have authority in consideration on approval of money spending for investment or operations, borrowing or credit request from financial institutions, lending, as well as involvement as the guarantor for the company's normal transaction and for operating benefit based on the company's objective within specified financial limit. Such action shall be subject to the Proclamation of the Committee of the Stock Exchange of Thailand, the Securities and Exchange Commission, Capital Market Supervisory Board, or any other laws in related issues;
5. To determine organizational structure and managerial authority covering detail of selection, employment, removal, training and dismissal of the company's staff which is Executive Committee member or top executive. The Managing Director of the company is assigned as the authorized person in lieu of the company to sign in labor employment contract;
6. To govern and approve the issue related to the company's operation and may appoint or assign any person or several persons to do any acts in lieu of Executive Committee as deemed as proper, and Executive Committee can cancel, change or revise that authority;
7. To have authority to appoint consultants in different fields which are necessary for the company's operation or for compliance with relevant laws;
8. To perform other duties as assigned by the Board of Directors.

However, the assignment of authority and responsibility of Executive Committee is not the way of authorization or sub-authorization that causes Executive Committee or the authorized person from Executive Committee able to approve transaction of which he or she or others may have conflict and interest; or may have any other conflict of interest with the company or its subsidiary company (as defined in the Proclamation of the Securities and Exchange Commission). The approval in such way shall be presented to the Committee's Meeting and/or the Shareholders' Meeting (as the case may be) for consideration on approval of such transaction as stipulated in the company's regulation or relevant laws unless it is the approval of transaction with normal business condition with obvious scope determination.

### 9.2.5 Nomination and Remuneration Committee

The Board of Directors' Meeting No. 5/2017 dated August 9, 2017 resolved to appoint one member as replacement of the resigned member as well as appoint one more member totaling four members of Nomination and Remuneration Committee comprised of.

Name-Surname	Position
1. Dr. Manit Teeratanikanont, M.D.	Chairman of Nomination and Remuneration Committee
2. Mr. Rapee Muangnont *	Nomination and Remuneration Member
3. Mr. Kiattiporn Sirichaisakul **	Nomination and Remuneration Member
4. Mr. Danuj Bunnag ***	Nomination and Remuneration Member

Remark \*Mr. Rapee Muangnong - the third person without neither conflict of interest nor relation with the company and subsidiaries, resigned from the position on January 1, 2018.

\*\*Mr. Kiattiporn Sirichaisakul was appointed to be member of Nomination and Remuneration Committee as replacement of Mr. Rapeepat Suansilpong, who resign on June 23, 2017.

\*\*\*Mr. Danuj Bunnag was additionally appointed to be member of Nomination and Remuneration Committee in order to composite the Committee's structure to be appropriate and consistent with Good Corporate Governance.

### Scope of Authority and Responsibility of Nomination and Remuneration Subcommittee

The scope of authority and responsibility of the Nomination and Remuneration Subcommittee has included the following.

1. To consider on structure and element as well as qualification of the company directors;
2. To select and recruit the person with knowledge and competence qualified for the company's business and suitable to be nominated as the director in case that the position is vacant for proposal to the Board of Directors or the Shareholders' Meeting for appointment consideration;
3. To consider on proposing the structure of remuneration for committee member such as remuneration, pension, bonus, welfare, meeting allowance and other return benefits both finance and others as agreed;
4. To yearly evaluate performance of the Nomination and Remuneration Subcommittee and report to the Board of Directors;
5. To consider on proposing the structure of remuneration for the Managing Director such as salary, provident fund and social security;
6. To consider on proposing the structure of annual additional special pay of the Managing Director;
7. Performs any other tasks as assigned by the Board of Directors in relation to nomination and remuneration.

### 9.3 Nomination of Director and Executive

The duty of the company's Nomination and Remuneration Subcommittee is to nominate the director and executive. In consideration on selection of the person who is appointed as director and executive shall possess the element and criteria of nomination as follows.

#### 9.3.1 Nomination of Non-independent Director

The Nomination and Remuneration Subcommittee of the company shall consider on qualification and consider the person with qualification pursuant to Section 68 of Public Company Limited Act, B.E. 2535 (1992) and pursuant to the Proclamation of the Securities and Exchange Commission related to criteria prescribed by law. The element and criteria of nomination are as follows.

1. The Board of Directors consists of at least 5 directors. The directors for not less than moiety of total number of directors shall have domiciles in Thailand. The Shareholders' Meeting selects the director in accordance with below criteria and method for appointment of that director.
  - a. The vote of a shareholder equals to one share per one vote;
  - b. In selection of director, voting method for selection of individual director may be applied for one director in each time or several directors in each time as deemed as proper by the Shareholders' Meeting. However, in each time of resolution, the shareholder shall vote with all available votes as (1.1) and cannot more or less share his or her votes to anyone;
  - c. Majority vote is applied for selection of director. The person who gains the highest votes in sequence is the person who is elected as the director equaling to the number of directors that should have or should be elected in that time. The person who is the Chairman is the casting voter;
2. The Board of Directors shall constitute independent directors for at least one-third of the directors of the whole board. Not less than 3 independent directors hold shares not more than 1% of the number of issued and paid-up registered capital of the company and the related company including total shares held by people concerned.
3. In every time of the Annual General Meeting of Shareholders, one-third of total number of existing directors shall resign from their offices. If the number of directors cannot be identically divided into three portions, the directors shall resign in the number nearest to one-third portion. The drawing method is applied for whether which director, who must resign from the office in the first year and the second year after the company's registration, will resign. In the following years, the director who is in the office for longest period shall be the one who resigns from the office by rotation. In this point, the director may be re-elected to resume as the director.
4. In case that the director position is vacant due to other reasons other than it is the time for resignation by rotation, the Nomination and Remuneration Subcommittee shall select the qualified person without prohibited characteristic pursuant to Public Limited Company Lawentering to be the director in replacement in next time of the Board of Directors' Meeting.

Unless the remaining term of the director is less than two months, the person who enters to be such director in replacement is in the director position for just the remaining term of the director replaced by him or her. Such resolution of the Board of Directors shall constitute votes for not less than three-fourth of the number of the remaining directors.

5. The Shareholders' Meeting may resolve to allow any director to resign from the office prior the term for resignation by rotation by votes for not less than one-third of number of shareholders, with voting rights, who come to

attend the meeting; and total shares counted are not less than the moiety of the number of shares held by the shareholders with voting rights who come to attend the meeting.

### 9.3.2 Nomination of Independent Director and Audit Committee Member

Audit Committee consists of at least 3 independent directors for 3 year term of office. The company has the policy of nomination of audit committee member/independent director with requirement of below qualification.

1. To hold shares for not more than 1% of number of shares with total voting rights of the company, holding company, subsidiary company, joint-stock company, major shareholders or the authorized person who controls the company whereas shares held by people concerned is counted;
2. Not to be or never been the director who participates in management, employee, staff, consultant who earns fixed salary, or the regulatory person of the company unless free from such characteristic for not less than two years before being appointment;
3. Not to be the person with blood relation or by legal registration in the way of being parents, spouse, relatives, and children including spouse of children of the executive, major shareholder, regulatory person or person who is nominated to the executive or the regulatory person of the company or its subsidiary company;
4. Never or ever had business relation with the company, holding company, subsidiary company, joint-stock company, major shareholder, or regulatory person of the company, in the way that may obstruct the independent use of self-discretion; as well as never or ever been the implicit shareholder or regulatory person of the person having business relation with the company, holding company, subsidiary company, major shareholder, or regulatory person of the company unless free from aforesaid nature for not less than two years prior being appointed. Nevertheless, the business relation includes trade transaction which is normally performed for business engagement, immovable property lease or renting out, transaction related to assets and services, or granting or receiving financial assistance by receiving or lending and guaranteeing the provision of asset as debt security, including other similar behavior, resulting in the outstanding debt obligation of the company or the contractual party with the other party from 3% of net tangible assets or from 20 million Baht and over depending upon which amount is lower. However, the calculation of such debt obligation is line with the calculation method of interrelated transaction value pursuant to the Proclamation of Capital Market Supervisory Board on Doing Relative Interrelated Transaction. However, in consideration on such debt obligation, the incurred debt obligation during one year before the date of which business relation is made with the same person;
5. Never or ever been the auditor of the company, holding company, joint-stock company, major shareholder, or regulatory person of the company; and not be the implicit shareholder, regulatory person or partner of the auditing firm which has the auditor of the company, holding company, subsidiary company, joint-stock company, major shareholder or regulatory person of the company belongs to unless free from such nature for not less than two years prior being appointed;
6. Never or ever been any professional provider of service including legal consultant or financial consultant service that is paid for more than two million Baht per year of service fee from the company, holding company, subsidiary company, joint-stock company, major shareholder or regulatory person of the company; and not be the implicit shareholder, regulatory person or partner of that professional service provider unless free from such nature for not less than two years prior being appointed;
7. Not be the director appointed to be the representative of the company, the major shareholder or shareholder who is the person concerned with the major shareholder of the company.
8. Not to engage in the business having the same condition and implicit competition with the company or its subsidiary; not to be the implicit partner in partnership or to be the director who participates in management, employee, staff, consultant who earns fixed salary or holds shares for more than 1% of total number of shares with

voting rights of other company which engages the business having the same condition and implicit competition with the business of the company or its subsidiary company;

9. Not to have any other characteristic unable to freely provide opinion about the company's operation;

10. Not to be the director assigned from the Board to make decision on the business operation of the company, holding company, subsidiary company, joint-stock company, subsidiary company in the same order, major shareholder or regulatory person of the company;

11. Not to be the director of holding company, subsidiary company or subsidiary company in the same order, particularly the listed company in The Stock Exchange of Thailand. In addition, at least an independent director who holds the position of Audit Committee member shall be the person with adequate knowledge and experience in accounting or finance so that he or she can perform the verification of the financial statement's reliability. Moreover, the company shall consider on qualification in other areas consisting of business experience, business-related specialization and availability of morality, etc.

The appointment criteria and method of audit committee, it is in line with appointment criteria and method of the company director. Audit Committee member who is terminated from the office by rotation may be reappointed to resume the office in case that the position of Audit Committee member is vacant due to any other reasons. Besides it is time for resignation by rotation, the Board of Directors shall appoint the person with complete qualification to be Audit Committee member so that the number of Audit Committee members is complete as determined by the Board of Directors. The person who is Audit Committee member in replacement shall be in the office for just the remaining term of Audit Committee member who is replaced by him or her. The company shall forthwith inform the Stock Exchange of Thailand once Audit Committee member resigned or discharged before the term is expired.

### **9.3.3 Nomination of Executive Committee Member**

The Board of Directors appoints Executive Committee member. The director or top executive of the company and its subsidiary company, who can manage in the matter of normal business operation and company managerial task and can determine policy, business plan, budget and organization chart, is selected. In addition, the company's overall operation, in accordance with the policy as determined by the Board of Directors, is checked and monitored.

### **9.3.4 Nomination of the Executive**

The company's policy of remuneration of the executive is to select the person with knowledge, competence and experience related to business. The selection is carried out in accordance with rule of human resource management. However, the Managing Director is assigned to fill and appoint the person having knowledge, competence and experience in the company business to enter to be the staff in different levels. Moreover, the appointment of the head or the responsible person in relation to audit and internal control task shall be firstly consented from Audit Committee.

## **9.4 Governance of the Subsidiary Company's Operation**

The company shall send the company director or select the executive with qualification and experience proper for business operation to be the managerial representative in order to determine crucial policy and control business operation of its subsidiary company. The duty and responsibility that should be performed on behalf of the director or executive of holding company are determined to cover function under good corporate governance policy of the company and interrelated transaction doing policy, etc. In consideration on doing any transactions of its subsidiary company which are significant to the company's business operation or financial status, such transaction is determined to be approved from the Board of holding company every time.

In the aspect of disclosure of financial information and overall operation of the subsidiary company, the company has engaged the auditor from the same auditing firm of the company to perform audit and gather financial and non-financial information for disclosure in the company's consolidated financial statements.

### 9.5 Supervision on Use of Insider Information

The company has the regulation and criteria in circumspect control and use of inside information particularly information of the company's financial status that shall pass audit/verification of the certified public accountant and pass the consent from Audit Committee's Meeting every time in order to propose for approval of the Board of Directors and submit the Stock Exchange of Thailand or propagandize to public.

The company's policy and method in supervision of director and executive (in accordance with definition of the Office of the Securities and Exchange Commission) in use of insider information of the company for self-benefit includes the following.

- (1) The directors as well as executives of different departments are educated about required duty in reporting the security possession of him or her, spouse and underage children to the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand pursuant to Section 59 and penalty pursuant to Section 275 of Securities and Exchange Act, B.E. 2535 (1992);
- (2) The company determines that the director and executive shall report the change of security possession to the Office of the Securities and Exchange Commission pursuant to Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within 3 workdays from the date of which the transaction is changed, and shall submit the copy of this transaction to the company in the same day as the date of report submission to the Office of the Securities and Exchange Commission of Thailand.
- (3) The director, executive as well as spouse and underage children of such person is prohibited to use insider information for purchase, sale, transfer or being transferred of the company's security before that information is propagandized to the plebs for thorough acknowledgement particularly in 30 days period prior the financial statement of the company is propagandized to public. Moreover, after the information is propagandized, the above persons are prohibited for purchase or sale of the company's securities until people who are informed for such information have time to evaluate information received in proper period of time (at least 24 hours from the propagandized date and time).

The company defines disciplinary penalty if the company's inside information is violated to be used for self-benefit starting from written warning, wage cut, temporary job suspension without wage receipt, or dismissal. However, punishment may be considered from the intention of the action and severity of that offence.

### 9.6 Remuneration of the Auditor

In 2017, the Company appointed Mr. Sophon Permsirivallop and/or Ms. Runnapa Lertsuwankul and/or Ms. Pimjai Manitkajohnkit and/or Ms. Rosaporn Decharkom of EY Office Limited, as the auditor. The remuneration was paid to the auditor in total of Baht 1,180,000 excluding other service expenses (non-audit fee). The audit fee was divided to annual audit fee of Baht 700,000 and quarter reviewed fee for 3 quarters amount Baht 480,000. However, the person or related to the auditor and auditing firm is not related with the Company and its subsidiaries parties.

In addition, the auditor listed as mentioned above are also the auditors of the Subsidiaries, Irving Corporation Co., Ltd., Medical Vision Co., Ltd. and KT Medical Services Co., Ltd. which audit fee for the year 2017 amounting Baht 1,120,000. It only provides audit fee and services no other service charge.

And in 2017, none of other service expense (non-audit fee) paid to auditors or audit firm.



## 9.7 Compliance with Good Corporate Governance Principle in Other Issues

The Board gives the precedence to the supervision of the shareholders on exercise of rights and has duty to oversee the equitable benefit of all shareholders either major shareholders or minor shareholders on behalf of the investors in the Stock Exchange and on behalf of the shareholders who are the company's owner in accordance with practical guideline based on Good Corporate Governance of the Stock Exchange of Thailand which has been acceptable and complied with the corporate governance policy of the company as follows.

### 1. Right of Shareholder

The shareholder is encouraged to exercise the basic right of shareholder and supervise the shareholder as prescribed by law without doing any act which infringes or lessens the right of the shareholder.

### 2. Equitable Treatment to Shareholders

The shareholders are governed to be treated and protected for basic right so that all shareholders are equitably treated. There is a protective measure of insider trading for unlawfulness- exploitation or other person's exploitation that causes damage to overall shareholders.

### 3. Role of Stakeholder

Every group of stakeholders is supervised according to relevant law without doing any act that violates the right of the stakeholders. The process of collaboration encouragement between the company and its stakeholders is available to build the company's financial security and sustainability.

### 4. Information Disclosure and Transparency

The operation is transparently made and verifiable under adequate information disclosure to all relevant parties concerned. The disclosure of important information related to the company both financial information and non-financial information is supervised to be accurate, complete, in time, and transparent through channel of easy information access which is equitable and reliable.

### 5. Responsibility of the Board

The Board performs duty with honesty, carefulness and prudence for maximum benefit of the company and fairness to all shareholders under good internal control system, proper risk management as well as practice of the company's ethics.

Moreover, the Board of Directors and top executive give the precedence to attendance of trainings and seminars in different courses or knowledge and competence development. The company directors have been passed training course with Thai Institute of Directors (IOD) such as course of Director Certification Program, course of Director Accreditation Program (DAP), course of Board Performance Evaluation, course of Audit Committee Program, course of Role of Compensation Committee (RCC) and course of Company Secretary Program (CSP) (in accordance with details of the company committee and executive). However, the company has also continuously coordinated with IOD, the Stock Exchange of Thailand in order to deliver its directors to attend various training courses organized for executives as necessary and proper for current situation.



## 10. Corporate Social Responsibility

**Filter Vision Public Company Limited** obtains the strong intention to conduct business under Good Corporate Governance “CG” and strictly holds to CG’s principles, simultaneously cares for environmental reservation with a sense of intrinsic social responsibility by concerning all relevant stakeholders, both internal and external no matter who are shareholders, employees, customers, communities, and wider society. All these are for the purpose to lead the Company sustainable business development.

In order to conduct the organization’s activities to be successful, standard, earnestly engaged as well as ensure that every operation will follow the determined vision and mission for truly entrust of stakeholders thoroughly express all aspects of social responsibility in concrete; Sustainable Development Policy and Working Team, therefore, were set to govern sustainable development in accordance with the policy. Details were shown in **Sustainability Report for the Year 2017**.

So that, the Company duly delivered Sustainability Report for the Year 2017 together with annual report to the shareholders; and disclosed the report via the Company’s website: [www.filtervision.co.th](http://www.filtervision.co.th) as well.

## 11. Internal Control

In the Board of Director's Meeting No. 1/2017 on 23<sup>rd</sup> February 2017, all three audit committee members completely attended the meeting. The Committee considered on assessment of the company's internal control adequacy based on the Form of Assessment of the Internal Control Adequacy of the Securities and Exchange Commission and the Stock Exchange of Thailand through inquiry of information from the Management in 5 different parts as follows.

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information and Communication System
- 5) Monitoring Activities

The Board of Directors deemed that the internal control system of the company has been proper and adequate and effectively complied by all parts under regular compliance with Generally Accepted Accounting Principles proclaimed by the Office of the Securities and Exchange Commission and the regulation of the Stock Exchange of Thailand in reporting Quarterly Financial Statements and Annual Report of the company as proper, as well as timely, adequate, complete and accurate preparation process and information disclosure in financial statements with proper and adequate internal control system, and effective revision to be consistent with changing situation so that the company's operation attains the determined objective and consistent with relevant laws and rules. However, the defect or problem issue as the essence possibly whatsoever causing damage to the company's operation has not been detected. In addition, the internal control system in the matter of transaction doing with the major shareholders, director, executive or the person related to such person has been adequate. The assets of the company and its subsidiary company could be protected from the unauthorized or wrongful use of the executives. Nevertheless, the independent directors and audit committee members had indifferent opinions from the opinion of the Board. In addition, the audit committee member shall increasingly govern on being the organization with good corporate governance.

The company has managed to have the adequate and good management and internal control system under support of the executives for awareness on internal control necessity by managing for good corporate governance, defining clear duty and responsibility, and formulating rule, regulation, policy, level of managerial authority, and proper approval level of transaction by writing. In addition, the company has managed to have independent internal audit in monitoring and auditing internal control, and directly reporting to the Audit Committee for verification on operating system of activities so that the overall company's objective and target can be achieved. The defect as the essence toward internal control system has not been detected at all according to previous audit result. For internal control in other topics, the Board deemed that the company's internal control has also been adequate.

The company appointed EY Office Limited as the company's auditor in 2016 and EY Office Limited entered to audit the company's Accounting Department in the issue of account closing and financial statements and notes to financial statements preparation to be in time for information use requirement and ability to propagandize the information in time within schedule. In addition, in auditing, the auditor considered on internal control related to preparation of financial reports as basis for determining audit method to find the conclusion in opinion expression on the company's financial statements. However, in the Audit Committee's Meeting No. 1/2018 on 21<sup>st</sup> February 2018;

EY Office Limited reported the Audit Committee for acknowledgement that no observation from account auditing for 2017.

In the Audit Committee's Meeting on 23<sup>rd</sup> February 2017 No. 1/2017, RE-ADDS CO., LTD. was appointed to perform internal auditor of the company for 2017. RE-ADDS CO., LTD. has assigned Mr.Dhitiwat Supanpong, the Managing Director, to be mainly responsible for performing internal auditor of the company.

The Audit Committee considered the qualification of RE-ADDS CO., LTD. and Mr. Dhitiwat Supanpong and deemed as adequately proper for such function due to its independence and experience in performing internal audit.

**Filer Vision Public Company Limited**

## **Summary Report of Related Parties Transactions**

**For the Year Ended 31 December 2017**

### Summary of Inter-Related Transactions between the Company, its Subsidiary Company and Related Company or and Person who have may conflict of interest

The company did the transactions with the persons who might have conflicts. The occurred inter-related transactions were transaction doings with director, executive and/or shareholder of the company and its subsidiary company; and the transaction doings with the persons who might have conflicts of the director, executive and/or shareholder occurred for the period ended 31 December 2017 as follows.

#### Nature of Relationship

Person and Juristic Person may have conflict	Nature of Relationship
Irving Corporation Limited	- The Company holds 100.00% of authorized share capital and co-directors.
KT Medical Service Company Limited	- The Company holds 70.00% of authorized share capital and co-directors.
Medical Vision Company Limited	- The Company holds 75.00% of authorized share capital and co-directors.
Dr. Wijit Techakasem	<ul style="list-style-type: none"> <li>- The signatory authorized director, Chairman of the Executive Committee and the Managing Director of the company</li> <li>- The major shareholder of the company in proportion of 19.19%.</li> <li>- The signatory authorized director, the Managing Director, Sales and Marketing Department Manager of Irving Corporation Limited</li> <li>- Signatory Authorized director and managing director of KT Medical Service Company Limited.</li> <li>- Signatory Authorized director and Managing Director of Hi Healthcare Center Company Limited</li> </ul>
Miss Thanapa Techakasem	<ul style="list-style-type: none"> <li>- The executive director, and Administrative Department Manager of the company and the younger sister of Dr. Wijit Techakasem</li> <li>- The company's shareholder in the proportion of 1.82%.</li> <li>- The signatory authorized director of Irving Corporation Limited</li> </ul>
Mr. Pisarn Techakasem	<ul style="list-style-type: none"> <li>- Shareholders of the company in proportion of 1.75% and the younger brother of the Dr. Wijit Techakasem</li> <li>- Ex-company director from 18 March 2011 to 11 May 2011</li> </ul>
PMAV. Marketing Company Limited	- Shares have been held by Mr. Montrie Prajunpanich in proportion of 40.00% (The signatory authorized director and shareholder of the company in proportion of 2.01%).

#### Guarantee of Overdraft Loan

Related Company/Person	Nature of Transaction	Outstanding Debt Value (Baht)
		As of 31 December 2017
Dr. Wijit Techakasem  Miss Thanapa Techakasem  Mr. Pisarn Techakasem	<ul style="list-style-type: none"> <li>- Overdraft loan line of the company for total of 20 million Baht used in normal business operation is divided into 2 contracts as follows. <ul style="list-style-type: none"> <li>○ Overdraft loan line for total of 10 million Baht secured by land and structures of the company and title deed and constructed buildings of the Techakasem Family including Dr. Wijit Techakasem, Miss Thanapa Techakasem, and Mr. Pisarn Techakasem, who sign for guarantee on</li> </ul> </li> </ul>	10,584.76

Irving Corporation Limited	behalf of the titleholder of the Techakasem family's assets ○ Overdraft loan line for total of 10 million Baht secured by land and buildings of the company as collateral and Irving Corporation Limited for joint guarantee on such overdraft loan line.	0.00
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### Necessity and Reasonability

It has been the guarantee of overdraft loan line used for working capital and for normal business operation. The Techakasem family has taken the family's assets as collateral without intention on any financial return and Irving Corporation has also jointly guaranteed. Such transaction has generated business operation benefit to the company and the guarantee has been in line with the condition of the financial institution.

### Opinion of the Audit Committee

The Audit Committee had the opinion that the use of the Techakasem family's assets to secure such overdraft loan line together with signing for guarantee on behalf of titleholder of the assets and joint-guarantee of Irving Corporation Limited has caused positive effect to the company. In addition, it has been executed to conform to the bank's condition. It was deemed that such transaction has been necessary, reasonable and beneficial to the company.

### Guarantee of Forward Line as the Sharing Line of the Company and Irving Corporation Limited

Related Company/Person	Nature of Transaction	Value (Baht)
		As of 31 December 2017
Irving Corporation Limited	- Guarantee on forward line of the company and Irving Corporation Limited in total line of 20 million Baht consists of below. ○ Fixed deposit of the company, Account No. 161-2-02237-5 as collateral ○ Such line is secured by title deed and constructed buildings of the Techakasem Family. ○ Irving Corporation Limited and Filter Vision Public Company Limited have been assigned for joint guarantee.	13,826,350.70

### Necessity and Reasonability

It is the guarantee of forward line as hedging instrument from foreign exchange rate risk in purchase of products and equipment required to be imported from abroad. It is secured by fixed deposit of the company and the Techakasem family's assets without intention on any financial return together with Irving Corporation Limited and Filter Vision Public Company Limited for joint guarantee. Such transaction has caused benefit in business operation.

### Opinion of the Audit Committee

The Audit Committee had the opinion that the guarantee of such forward line has caused positive effect to the company. In addition, it has conformed to the bank's condition subject to the necessity to have fixed deposit of the company, assets of the Techakasem family, including Irving Corporation Limited, and Full Vision Public Company Limited, for joint guarantee. Therefore, it was deemed that such transaction has been necessary, reasonable and beneficial to the group of companies.

### Guarantee of Overdraft Loan Line and Short-Term Loan Contract of Irving Corporation Limited

Related Company/Person	Nature of Transaction	Value (Baht)
		As of 31 December 2017
Dr. Wijit Techakasem	- Total overdraft loan line of the company for 15 million Baht used in normal business operation is divided into 2 contracts as follows. ○ Overdraft loan line for total of 5 million Baht secured by title deed and constructed buildings of the Techakasem Family including Dr. Wijit Techakasem, Miss Thanapa Techakasem, and Mr. Pisarn Techakasem, who sign for guarantee on behalf of the titleholder of the Techakasem family's assets ○ Overdraft loan line for total of 10 million Baht secured by land and buildings of the company; right of claim in deposit in type of fixed deposit, Account No. 161-2-01511-5, Account Name Irving Corporation Limited; right of claim in deposit in type of fixed deposit, Account No. 161-2-02237-5, Account Name of Filter Vision Public Company Limited; and land and constructed buildings of the Techakasem Family as collateral, including Dr. Wijit Techakasem, Miss Thanapa Techakasem, and Mr. Pisarn Techakasem, who sign for guarantee on behalf of the titleholder of the Techakasem family's assets	0.00
Miss Thanapa Techakasem		
Mr. Pisarn Techakasem		0.00
Filter Vision Public Company Limited		

### Necessity and Reasonability

It is the guarantee for the line of overdraft loan used as working capital for normal business operation of Irving Corporation Limited, the family members of the Techakasem Family as the collateral without intention on any financial return. In addition, land and building of the company, right of claim in fixed deposit of the company and its subsidiary company are included as collateral. Such transaction has been in line with the financial institution's condition and such transaction has caused business operation benefit to the company. Moreover, the guarantee has been in line with the financial institution's condition.

### Opinion of the Audit Committee

The Audit Committee had opinion that the guarantee for the line of overdraft loan line consists of land and building of Filter Vision Public Company Limited and right of claim in fixed deposit of the company and Filter Vision Public Company Limited including the Techakasem Family's assets for guarantee of such overdraft loan together with signing for guarantee on behalf of the titleholder of assets. This has caused positive effect to the company. Moreover, it was deemed that such transaction has been necessary, reasonable and beneficial to the company besides for compliance with the bank's condition.

### Guarantee of Overdraft and Fixed Credit Loan Line Contract of KT Medical Service Company Limited

Related Company/Person	Nature of Transaction	Value (Baht)
		As of 31 December 2017
Filter Vision Public Company Limited	<p>- Total overdraft and fixed credit loan line of the company for 19 million Baht used in normal business operation is divided into 2 contracts as follows.</p> <ul style="list-style-type: none"> <li>○ Overdraft loan line total 4 million Baht for normal business transaction, secured by title deed and constructed buildings of Filter Vision Public Company Limited including Thai Credit Guarantee Corporation (TCG) and Filter Vision Public Company Limited signed for guarantee of such credit loan</li> <li>○ Fixed credit line total 15 million Baht for investment, secured by title deed and buildings of Filter Vision Public Company Limited including Thai Credit Guarantee Corporation (TCG) and Filter Vision Public Company Limited signed for guarantee of such credit loan</li> </ul>	<p>0.00</p> <p>3,203,000.00</p>

### Necessity and Reasonability

It is the guarantee for the line of overdraft and fixed credit loan used as working capital for normal business operation of KT Medical Service Company Limited secured by title deed and constructed buildings of Filter Vision Public Company Limited including Filter Vision Public Company Limited signed for guarantee of such credit loan. Such transaction has been in line with the financial institution's condition and such transaction has caused business operation benefit to the company. Moreover, the guarantee has been in line with the financial institution's condition.

### Opinion of the Audit Committee

The Audit Committee had opinion that the guarantee for the overdraft and fixed credit loan line, secured by title deed and buildings of Filter Vision Public Company Limited including Filter Vision Public Company Limited signed for guarantee of such credit loan cause positive effect to the company. Moreover, it was deemed that such transaction has been necessary, reasonable and beneficial to the company besides for compliance with the bank's condition.

### Transactions of Debtors and Creditors Related to the Director and Executive of the Company

Related Company/Person	Nature of Transaction	Transaction Value (Baht)	Necessity and Reasonability
		As of 31 December 2017	
PMAV. Marketing Company Limited	Trade Debtor of Filer Vision Public Company Limited	7,960.80	To be a trade debtor of normal business.



### Opinion of the Audit Committee

The Audit Committee considered and deemed that such transaction has been the transactions of the normal business.

### Trading Inter-Transactions between the Company and its Subsidiary Company and the Related Person

Related Company/Person	Nature of Transaction	Transaction Value (Baht)	Necessity and Reasonability
		For the Year Ended 31 December 2017	
Key directors and executives	Remuneration for director and executive includes salary, bonus, incentive money, provident fund, employee benefit, meeting allowance of the audit committee member, meeting allowance of the company director, and meeting allowance of the Nomination and Remuneration Subcommittee	26,842,510.11	The company has considered on salary, bonus, provident fund, social security and employee benefit for approval on the employment and payment in labor market rate depending on knowledge, capability, and experience in responsible position in comparison with the same type of business. The meeting allowance has been approved by Nomination and Remuneration Subcommittee under consideration in comparison with the same business and size of the listed company in the Stock Exchange.
Irving Corporation Limited	sell product Membrane type, filter, UV lamp, filter head, filter tank And Fitting	5,042,451.25	1. The Holding Company (Filter Vision PLC) has been approved to be the dealer of the main products from the foreign seller that is imported by its subsidiary company (Irving Corporation Limited) to be used as raw material or component part of the equipment in assembly and installation of water system for project work installation or sale to the customers of the group of the companies. 2. Value of inter-selling price is determined under the policy that total cost price plus contribution margin for operating cost. It is regarded as wholesale price so that the subsidiary company shall take it for installation in order to add value accordingly. The value of product selling price and service charge sold or installed in project work for the last buyer that is regarded as the ordinary customer is fair value in accordance with competitive market situation in general.

		<p>3. The holding company is the major shareholder in the proportion of 100% of the registered capital of the subsidiary company. Therefore, consolidated financial statements must be prepared pursuant to Generally Accepted Accounting Principles for declaration of the real financial status of the group of the companies.</p>
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Related Company/Person	Nature of Transaction	Transaction Value (Baht)	Necessity and Reasonability
		For the Year Ended 31 December 2017	
Irving Corporation Limited	Service charge revenue from being employed for service and photocopying	236,483.98	<p>1. For operating convenience and flexibility of the holding company and the subsidiary company in operation with personnel management ability at maximum efficiency.</p> <p>2. The company has charged service charge in the same price as the service charge of the general photocopier service provider.</p>
Irving Corporation Limited	Revenue from area lease fee and public utility expense, area lease fee, water bill, electricity bill	757,005.21	The company has charged area lease fee and public utility expense in the similar rate as the leased building and area of the lessor and services in the nearby location area.
Irving Corporation Company	Interest received Short-term loan (interest rate at 1.15% - 5.275% per annum)	1,109,913.58	The subsidiary has been granted for financial support used as working capital of normal business without collateral and interest charge in the same rate as the financial cost for financing of the Company.
Irving Corporation Limited	Water analysis service charge Water analysis for infection inspection charge	211,650.00	<p>1. For operating convenience and flexibility of the holding company and the subsidiary company in operation with personnel management ability at maximum efficiency.</p> <p>2. The company has charged service charge from personnel cost including handling charge for charging inter-service charge.</p>
Irving Corporation Limited	Purchase of product Fitting, Electrical Equipment, Pure salt, Flow gauge, Pressure gauge	428,311.42	<p>1. Material or equipment that is needed for purchase by the subsidiary company in order to be used as the main equipment in assembly and installation while it is also needed for use by the holding company but for few quantities. Therefore, it is ordered from the supplier altogether for decrease in ordering handling.</p> <p>2. Value of inter-selling price is determined</p>

			<p>under the policy that total cost price plus contribution margin for operating cost. It is regarded as wholesale price so that the holding company shall take it for installation in order to add value accordingly. The value of product selling price and service charge sold or installed in project work for the last buyer that is regarded as the ordinary customer is fair value in accordance with competitive market situation in general.</p> <p>3. The holding company is the major shareholder in the proportion of 100% of the registered capital of the subsidiary company. Therefore, consolidated financial statements must be prepared pursuant to Generally Accepted Accounting Principles for declaring the real financial status of the group of the companies.</p>
KT Medical Service Company Limited	Sell product – Beverage Dispenser “Water Logic”	53,100.00	<p>Value of inter-trading selling price is determined under the policy that total cost price plus contribution margin for operating cost. The holding company is the major shareholder in the proportion of 70% of the registered capital of the subsidiary company. Therefore, consolidated financial statements must be prepared pursuant to Generally Accepted Accounting Principles for declaring the real financial status of the group of the companies.</p>

Related Company/Person	Nature of Transaction	Transaction Value (Baht)	Necessity and Reasonability
		For the Year Ended 31 December 2017	
KT Medical Service Company Limited	Rental income	1,086,034.44	The Company charged rental income base from lessor's building in the nearby area.
KT Medical Service Company Limited	Interest income Short-term loans (Interest rates are 1.35 - 5.275% per annum.	559,222.08	The subsidiary has been granted for financial support used as working capital of normal business without collateral and interest charge in the same rate as the financial cost for financing of the Company.
KT Medical Service Company Limited	Revenue service and photocopying	25,267.09	The company has charged service charge in the same price as the service charge of the general photocopier service provider.
Medical Vision Company Limited	Revenue from managed services	212,300.00	<p>1. For operating convenience and flexibility of the holding company and the subsidiary company in operation with personnel</p> <p>2. The company charged from personnel</p>

			cost plus management fee for inter-service charge.
Medical Vision Company Limited	Rental income	10,042.41	The Company charged rental income base from lessor's building in the nearby area.
Medical Vision Company Limited	Service charge revenue from being employed for service and photocopying	137,621.36	<p>1. For operating convenience and flexibility of the holding company and the subsidiary company in operation with personnel management ability at maximum efficiency.</p> <p>2. The company has charged service charge in the same price as the service charge of the general photocopier service provider.</p>
Medical Vision Company Limited	Selling products Electrical Equipment, Uninterrupted Power Supply (UPS)	9,375.00	<p>1. Material or equipment that is needed for purchase by the subsidiary company in order to be used as the main equipment in assembly and installation while it is also needed for use by the holding company but for few quantities. Therefore, it is ordered from the supplier altogether for decrease in ordering handling.</p> <p>2. Value of inter-selling price is determined under the policy that total cost price plus contribution margin for operating cost. It is regarded as wholesale price so that the holding company shall take it for installation in order to add value accordingly. The value of product selling price and service charge sold or installed in project work for the last buyer that is regarded as the ordinary customer is fair value in accordance with competitive market situation in general.</p> <p>3. The holding company is the major shareholder in the proportion of 75% of the registered capital of the subsidiary company. Therefore, consolidated financial statements must be prepared pursuant to Generally Accepted Accounting Principles for declaring the real financial status of the group of the companies</p>
Medical Vision Company Limited	Revenue from managed services	470,340.00	<p>1. For operating convenience and flexibility of the holding company and the subsidiary company in operation with personnel management ability at maximum efficiency.</p> <p>2. The company has charged service charge from personnel cost plus management fee for inter-service charge</p>

Related Company/Person	Nature of Transaction	Transaction Value (Baht)	Necessity and Reasonability
		For the Year Ended 31 December 2017	
Medical Vision Company Limited	Interest Short-term loans (Interest rate is 4.525%-5.275% per annum)	18,477.68	The Company has been granted for financial support used as working capital of normal business without collateral and interest charge in the same rate as the financial cost for financing of the subsidiary
Hi Healthcare Center Company Limited	Interest Short-term loans (Interest rate is 4.525%-6.62% per annum)	88,472.33	The Company has been granted for financial support used as working capital of normal business without collateral and interest charge in the same rate as the financial cost for financing of the subsidiary
PMAV. Marketing Company Limited	Revenue from sale machine producing antioxidants drinking water for healthy and machine producing ozonated water for disinfection within the same product (Biowell)	26,368.00	<ol style="list-style-type: none"> <li>1. The Holding Company (Filter Vision PLC) has been approved to be the dealer of products "Biowell" from foreign vendor which make PMAV. Marketing Co., Ltd. must purchase with Filter Vision PLC only.</li> <li>2. PMAV. Marketing Co., Ltd. has business pass direct sales channel. Direct sales channel appropriately distribute with Biowell. Also as part of the strategic partner business model with Filter Vision PLC.</li> <li>3. The related selling price has been approved by cost plus margin. For the operation charges equal with a wholesale trade by not different from other customers who are not related.</li> </ol>

### Opinion of the Audit Committee

The Audit Committee has considered on such trading transaction and deemed as follows.

For sale of products and services occurred between the company and the related company, such transactions have been necessary and proper for nature of normal business of the company and its subsidiary under fair and reasonable price and trade condition.



**FILTER VISION PUBLIC COMPANY LIMITED**

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**Part 3**

**Financial Position & Operating Performance**

## FINANCIAL HIGHLIGHT

Financial Period as of	31/12/2014	31/12/2015	31/12/2016	31/12/2017
<b>Financial Data</b>				
<b>Assets</b>	285.95	407.05	466.93	787.13
<b>Liabilities</b>	76.97	70.72	107.95	123.4
<b>Equity</b>	208.98	331.18	354.14	650.23
<b>Paid-up Capital</b>	100.00	129.03	154.21	258.91
<b>Revenue</b>	363.27	368.44	397.10	473.44
<b>Net Profit</b>	12.54	13.00	12.31	22.06
<b>EPS (Baht)</b>	0.06	0.06	0.05	0.05
<b>Financial Ratio</b>				
<b>ROA (%)</b>	6.75	5.02	3.95	4.49
<b>ROE (%)</b>	6.08	4.81	3.59	4.39
<b>Net Profit Margin (%)</b>	3.45	3.53	3.10	4.66

Statistics as of	30/12/2014	30/12/2015	30/12/2016	29/12/2017	28/02/2018
<b>Last Price (Baht)</b>	2.14	3.00	3.40	2.18	2.00
<b>Market Cap.</b>	428.00	774.16	1,048.64	1,128.84	1,035.64
<b>F/S Period (as of date)</b>	30/09/2557	30/09/2558	30/09/2559	30/09/2560	31/12/2560
<b>P/E (Time)</b>	30.61	79.15	90.72	64.91	46.94
<b>P/BV (Time)</b>	2.08	2.44	3.24	1.78	1.59
<b>Book Value per Share (Baht)</b>	1.03	1.31	1.25	1.24	1.26
<b>Dividend Yield (%)</b>	1.64	1.09	1.23	0.60	0.13

### 13. Significant financial information

#### 13.1 Conclusion of independent auditor's report

For the year ended December 31, 2017, auditors have audited the separate financial statements and consolidated financial statements of the Company and its subsidiaries by report unqualified opinion on the financial statements and present fairly in accordance with Thai Financial Reporting Standards.

#### 13.2 Conclusion of Financial Position and Operating Performance for 3 Years

Statement of comprehensive income (million baht)	Consolidated financial statements		
	2015	2016	2017
Revenues from sales and services - net	364.91	394.31	459.26
Gross profit from sales and services	101.93	112.72	120.95
Other income	3.54	2.79	14.18
Selling expenses	(18.03)	(22.72)	(25.64)
Administrative expenses	(70.55)	(75.54)	(81.31)
Net profit before finance costs and corporate income tax	16.89	17.25	28.18
Finance costs	(1.27)	(1.90)	(2.41)
Corporate income tax	(2.97)	(3.33)	(4.08)
Net profit for the year	12.65	12.02	21.69
Other comprehensive income - net of tax			
- Actuarial losses from employee benefit plan	-	(2.06)	-
- Income tax relating to components of other comprehensive income	-	0.41	-
Total comprehensive income for the year	12.65	10.37	21.69
<u>Profit attributable to :-</u>			
- Owners of the Company	13.00	12.31	22.06
- Non-controlling interests	(0.35)	(0.29)	(0.37)



Financial position (million baht)	Consolidated financial statements		
	2015	2016	2017
Assets	407.05	466.93	787.13
Liabilities	70.72	107.95	123.43
Shareholders' equity	336.33	358.98	663.70
<b>Share capital</b>			
Issued and fully paid-up common share (million share)	258.05	308.42	517.82
Par (baht)	0.50	0.50	0.50
<b>Statement of cash flows (million baht)</b>			
Net cash provided by (used in) operating activities	1.12	8.81	(5.01)
Net cash provided by (used in) investing activities	(79.71)	(10.67)	(211.04)
Net cash provided by (used in) financing activities	105.77	25.19	296.03
Net increase (decrease) in cash and cash equivalents	27.18	23.33	79.98

### 13.3 Financial ratios

	Consolidated financial statements		
	2015	2016	2017
Liquidity ratio			
Current ratio (time)	4.65	3.99	5.75
Quick ratio (time)	2.15	2.04	3.39
Cash flow current ratio (time)	0.02	0.13	(0.07)
Receivables and accrued income turnover (time)	3.99	4.45	4.52
Average collection period (day)	90	81	80
Inventory turnover (time)	1.68	1.59	1.66
Average selling period (day)	214	226	217
Receivables turnover (time)	7.35	6.75	6.83
Average repayment period (day)	49	53	53
Cash Cycle (day)	255	254	245

	Consolidated financial statements		
	2015	2016	2017
Profitability ratio			
Gross profit margin (%)	27.93%	28.59%	26.34%
Operating profit margin (%)	4.63%	4.37%	6.14%
Cash to profit margin (%)	6.63%	51.10%	-17.79%
Net profit margin (%)	3.43%	3.03%	4.58%
Efficiency ratio			
Return on equity (%)	4.64%	3.46%	4.24%
Return on assets (%)	3.65%	2.75%	3.46%
Return on fixed assets (%)	25.36%	18.49%	20.48%
Asset turnover (time)	1.06	0.91	0.76
Financial policy ratio			
Debt to equity ratio (time)	0.21	0.30	0.19
Interest coverage ratio (time)	8.94	5.33	9.98
Commitment coverage ratio (Cash Basis) (time)	0.02	0.61	-0.05
Dividend payout ratio (%)	102.05%	56.45%	54.27%
Information per share **			
Basic earnings per share (baht)	0.06	0.05	0.05
Book value per share (baht)	1.30	1.16	1.28

Notes \*\*

1. Basic earnings per share of the year 2015 calculate from number of weighted average ordinary shares of 233 million shares. Book values per share of the year 2015 calculate from number of weighted average ordinary shares of 258 million shares.
2. Basic earnings per share of the year 2016 calculate from number of weighted average ordinary shares of 263 million shares. Book values per share of the year 2016 calculate from number of weighted average ordinary shares of 308 million shares.
3. Basic earnings per share of the year 2017 calculate from number of weighted average ordinary shares of 524 million shares. Book values per share of the year 2017 calculate from number of weighted average ordinary shares of 518 million shares.

**14. Management Discussion & Analysis 2017****Overview of Operating Performance during the Year**

The overall global economy still has growth direction in fine criteria from continuous consumption of private sector mainly covering with supportive factor from recovery of internal demand of several countries. In the meantime, Thai economy still has continuously expanded in the same direction from investment motivation of both governmental and private sectors, which some part mainly comes from export and tourism sectors and internal expenditure rate has gradually expanded as well. These economic situations led to the Company gained revenue from sales and services for the year 2017 amounting to 459.26 MB. And it is expected that measurement to support the earners with lower income of the Government as well as the Cabinet enforced the measurement "Holiday Shopping" at the end of Year shall create positive atmosphere in spending money for retail business much more than normal time; and shall be an opportunity for business segments to increase continuous sales volume as well.

Filter Vision Public Company Limited (Hereinafter called "The Company") still has carried on offering new products continuously, which is Ozonated Water Machinery (Ozonated Water). As well, the Company also aims to expand business to CLMV countries (Cambodia, Lao PDR, Myanmar, and Vietnam); which are the countries having interesting growth direction of business. In the 1st quarter of 2017, the Company enabled to sell the beverage dispenser (Celli counter beverage dispenser) to a client in CLMV. The Company also organized the marketing activities to educate the water quality, which is consistent with the business model of the customer group continuously. Include activities to promote and educate cleaners and disinfectants to target customers in order to realize the importance and improve the quality of goods and services as well.

At the same time, the subsidiaries consist of Irving Corporation Limited to sell products and equipment design and installation of systems related to water treatment systems for medical services. By the 3rd quarter of this year, the sales of dialysis solution continually increased, due to the success from marketing of the new clients at the end of 2016, KT Medical Services Co., Ltd. provides health care facilities for patients with end-stage chronic kidney disease who receive replacement therapy with dialysis kidneys (Dialysis center). In 2016, the KT Medical Services Dialysis Center (The 1st branch - Phatthanakan) was inaugurated where the patients accepted replacement therapy with dialysis machines increased steadily to fully capacity. In the 1st quarter 2017, the subsidiary purchases more dialysis machines to accommodate more patients. In addition, on February 14, 2017, this subsidiary inaugurated a dialysis unit in a government hospital to provide hemodialysis services (The 2nd branch) that still has focused on continuous expansion of dialysis unit. On the past 29th September, 2017 the subsidiary additionally purchased assets from business of a dialysis unit which is business expansion as a plan laid down. And Medical Vision Co., Ltd. has distributed medical equipment. In the 1st quarter 2017, it recognized income from complete installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) for Š projects. In addition, Hi Healthcare Center Co., Ltd. was established on the past September 25, 2017 to operate medical service concerning healthcare and esthetics under trademark "Wuttisak Clinic".

## Management Discussion & Analysis

Profit & Loss Statements (MB)	Consolidated Financial Statements			
	2017	2016	+ / (-)	%
Revenues from sales and services	459.26	394.31	64.95	16.47%
<b>Gross profit from sales and services</b>	<b>120.95</b>	<b>112.72</b>	<b>8.23</b>	<b>7.30%</b>
Other income	14.18	2.79	11.39	408.24%
Selling expenses	(25.64)	(22.72)	2.92	12.85%
Administrative expenses	(81.31)	(75.54)	5.77	7.64%
Net profit before finance costs and corporate income tax	<b>28.18</b>	<b>17.25</b>	<b>10.93</b>	<b>63.36%</b>
Finance costs	(2.41)	(1.90)	0.51	26.84%
Corporate income tax	(4.08)	(3.33)	0.75	22.52%
Net profit for the Year	<b>21.69</b>	<b>12.02</b>	<b>9.67</b>	<b>80.45%</b>
Other comprehensive income - net of tax	(0.00)	(1.65)	(1.65)	(100.00%)
Total Comprehensive income for the Year	<b>21.69</b>	<b>10.37</b>	<b>11.32</b>	<b>109.16%</b>
<b>Profit Sharing for the Year</b>				
- The Company's Equity	22.06	12.31	9.75	79.20%
- Non-controlling Interest	(0.37)	(0.29)	0.08	27.59%

### Revenue

Total revenue (core revenue and other revenue increasingly adjusted amounting 76.34 MB or 19.22% from the previous year, which can be divided into business segments as per information in the following table:

Revenue by Business Segment	2017		2018		Growth Rate
	MB	Proportion	MB	Proportion	
1. Industrial & OEM (B1) <sup>1</sup>	86.79	18.90%	98.16	24.89%	(11.58%)
2. Commercial & Residential (B2) <sup>1</sup>	247.08	53.80%	209.20	53.05%	18.11%
3. Medical Service (B3) <sup>2</sup>	125.39	27.30%	86.95	22.06%	44.21%
<b>Total Revenue</b>	<b>459.26</b>	<b>100.00%</b>	<b>394.31</b>	<b>100.00%</b>	<b>16.47%</b>

<sup>1</sup> Filters Vision Public Company Limited ("The Company").

<sup>2</sup> Irving Corporation Ltd., KT Medical Services Co., Ltd., and Medical Vision Co., Ltd. ("The Subsidiaries").

Core revenue of the Company for the Year 2017 increasingly adjusted at 64.95 MB or 16.47% from the previous year by the factor in each business segment as follows:

#### **Industrial and OEM (B1)**

Revenue in this segment decreased at 11.37 MB or 11.58 per cent due to the Year 2017 the Parent Company gained not much revenue from project when compared with the previous year. In this regard, such decreased revenue was caused by main factor that project value was not so much. However, when compared with numbers of project in the current year. The core projects in 2017 comprised of rain-storage system, purifying machine by UV for water in manufacturing process, and water system installation and water treatment project, etc. Despite of revenue from projects decreased, revenue from filter elements still continuously grows from product and service quality, which enabled well response to the customers' demand. Therefore, sales volume in this segment slightly decreased. Commercial and residential (BŚ) Revenue in this segment increased 37.88 MB or 18.11 per cent when compared with the previous year. Main revenue gained from special orders of various customers such as celli counter beverage dispenser from a customer in CLM and the Company has maintained orders from such customer continuously. As well, the Company received orders to change equipment of beverage dispenser in all branches of major retail trades over the countries in the 3rd quarter of the year. In this regard, the parent Company enabled to complete service to the said customer within such quarter while the previous year, there was no special order at all. In addition, sales volume in convenience store business line, which expand the business to new branch continually such as a water purification system, roller grill, kettles, sandwich machines, boilers, etc. including with preventive maintenance (PM) of the exist customers. These were resulted to obviously increase in revenue in this business segment.

#### **Commercial and residential (B2)**

Revenue in this segment increased 37.88 MB or 18.11 per cent when compared with the previous year. Main revenue gained from special orders of various customers such as celli counter beverage dispenser from a customer in CLM and the Company has maintained orders from such customer continuously. As well, the Company received orders to change equipment of beverage dispenser in all branches of major retail trades over the countries in the 3rd quarter of the year. In this regard, the parent Company enabled to complete service to the said customer within such quarter while the previous year, there was no special order at all. In addition, sales volume in convenience store business line, which expand the business to new branch continually such as a water purification system, roller grill, kettles, sandwich machines, boilers, etc. including with preventive maintenance (PM) of the exist customers. These were resulted to obviously increase in revenue in this business segment.

#### **Medical services (B3)**

Revenue in this segment increasingly expanded at 38.44 MB or 44.21 per cent from the previous year. Main revenue was gained from KT Medical Service Co., Ltd. (special clinic for medical services by dialysis machines (Phattanakan) "Clinic"; and 2 dialysis units of government hospitals, which were

inaugurated on February 14, 2017 and September 29, 2017), which higher than the previous year at 24.28 MB . These was resulted by 2 from 3 of the said clinic and dialysis units had provided service for continuously increased patients treated by replacement therapy with dialysis machines steadily until full capacity. While in the year 2016 only one clinic had been operated (dialysis service was firstly operated on February 11, 2016), which was resulted to a few patients treated by replacement therapy. Moreover, Irving Corporation Ltd. gained revenue from distribution of full-flavored product for dialysis by machine (dialysis solution) higher than the previous year at 12.07 MB, which was resulted from the success in expanding new customer-base during the ending period of 2016. These were resulted to revenue in this segment increased more than the previous year significantly.

### **3.2 Gross Profit**

The Company Group gained gross margin for the year 2017 and 2016 amounting 120.95 MB and 112.72 MB respectively; by proportion of gross margin equals to 26.34 per cent and 28.59 per cent respectively, which decreased from the previous year. Main reason was caused by expanding of new dialysis unit of a subsidiary in the 1st quarter 2017 could not contribute revenue to cover expenses. Some reason is from depreciation of improved building and design that such depreciation must be recognized in line with contract period as well as it was necessary for customer-base expansion in dialysis solution segment to adjust selling price in order to be competitive with competitors in the same market. As a result, 2017 has gross margin as decrease. If you consider the gross profit, the Group has gross profit increase amount 8.23 million baht or 7.30 per cent from the special order in B2 segment, which order has gross profit as well. And revenue from new dialysis center has trend of income as increase continuously which it can reduce the gap of ongoing costs. This has resulted, the gross margins as increase from the previous year.

### **3.3 Other income**

Other income has increased amount Baht 11.39 million or 408.24 per cent from the previous year, mainly from investment income in promissory note of Baht 4.96 million and promotion income of Baht 6.74 million. While in 2016, has not investment income and promotion income from overseas distributors has a little value when compared with prior year. As result, the other income has increase as significant.

### **3.4 Selling expenses**

The Group has selling expenses increased by Baht 2.92 million or 12.85 per cent from the previous year, due to higher selling expenses, such as brokerage fees, etc. and some expenses to support for expansion of the new business line (2016, the selling expenses has not many transactions). Include the annual compensations, travelling expenses and exhibition expenses. As a result, the selling expenses increased from the previous year.

### **3.5 Administration expenses**

The overall administrative expenses increased by Baht 5.77 million or 7.64 per cent from the previous year, due to the annual compensation of employees and executives, Research expenses for

investment in CLMV countries, administrative expenses of 2 new businesses which increased from the previous year. In addition, 2017, has establishing expenses a new company, "Hi Healthcare Center Company Limited", has engage in the medical services and medical beauty treatment services. As a result, the administrative expenses increased from the previous year.

### 3.6 Operating performance

In 2017, the net profit increased by Baht 9.67 million or 80.45 per cent from the previous year. The key factor was other income as increase Baht 11.43 million (as mentioned in 3.3). And selling and administrative expenses increased slightly compared to last year. As a result, the profit of 2017 increased as significantly from the previous year.

## 4. Financial Position

Statement of Financial Position – Consolidated (MB)	As of		Increased (Decreased)	%
	December 31, 2017	December 31, 2016		
Total Assets	787.13	466.93	320.20	68.58%
Total Liabilities	123.43	107.95	15.48	14.34%
Shareholders' Equity	663.70	358.98	304.72	84.88%
Issued & Fully Paid-up Common Shares (Million Shares)	517.82	308.42	209.40	67.89%
Par Value (Baht)	0.50	0.50	0.00	0.00%

### 4.1 Assets

Overall asset as at 31 December 2017 was increased from 2016 by Baht 320.20 million or 68.58 per cent. The significant transactions included of, cash and cash equivalents has net-increase amount Baht 79.98 million, which increase from the offering of ordinary shares and exercise of warrants (FVC-W1) amounting to Baht 254.45 million and Baht 27.59 million respectively, and cash receive from loan. While, cash and cash equivalents has decrease due to paid annual bonus to the employees and management amount of Baht 9.49 million, dividend paid to the shareholders in May 2017 amount Baht 6.79 million, purchase of land in Chiang Mai amount Baht 30.48 million, invest in the second branch of Hemodialysis center amount Baht 7.30 million and payment for purchase assets in the 3rd branch of dialysis unit at 10.00 MB, repayment for long-term loan from financial institution at 7.72 MB, repayment for Management's Discussion and Analysis and operating performance for the Year 2017 Page 6 / 10 debt to account payable for the order at the end of year 2016 at 13.46 MB, paid the deposits to franchise and asset purchase agreement amount Baht 116.82 million, and prepayment to contractors for building and warehouse construction at 0.34 MB and 39.51 MB respectively. Cash and cash equivalents decreased as mentioned above, effect to the Group's property, plant and equipment and other advances have increased Baht 93.37 million and Baht 116.82 million, respectively. In

addition, trade and other receivables were increased at 10.49 MB mainly from accounts receivable of subsidiaries which are not yet due and payable within 90 days, amounting to Baht 9.63 million. And inventory has net increased totaling Baht 11.14 million to support the customer orders in the 1st quarter of 2018. These factors have resulted in assets to net increase as mentioned above.

#### 4.2 Liabilities

Overall liabilities as at 31 December 2017, was increased from 2016, by Baht 15.48 million or 14.34 per cent due to long-term loan from financial institute has net increase Baht 17.09 million, finance lease payable has net increase Baht 2.07 million, from purchase 2 new motor vehicles for executives, provision for long-term employee benefits has increase Baht 1.88 million and decrease from trading and other account payables amount 9.50 MB., from repayment to supplier, which ordered in last of 2016 amount Baht 10.12 million. Those factors resulted to the Group got net increased liabilities from operation as stated above.

#### 4.3 Shareholders' Equity

The overall shareholders' equity in 2017 was increased by Baht 304.72 million or 84.88 per cent. Significant changed transactions is comprised of increased registered capital from offering for sales of common shares and warrants (FVC-W1) in 2017 at net 280.82 MB (already deducted expenses from such offering at 1.22 MB); and increased form operating performance in 2017 at 21.69 MB; while decreased from dividend paid to shareholders in May 2017 at 6.78 MB. Those are significant factors resulted to overall Shareholders' equity was increased.

### 5. Cash Flow

For the year 2017, the Company has increasing in net cash and cash equivalents totaling Baht 79.98 million when compare with previous year. The details of cash flows each activities as follows.

Statement of cash flow (MB)	Consolidated Financial Statements		
	2017	2016	+ / (-)
Net cash provided by (used in) operating activities	(5.01)	8.81	(13.82)
Net cash provided by (used in) investing activities	(211.04)	(10.67)	(200.37)
Net cash provided by (used in) financing activities	296.03	25.19	270.84
Net increase (decrease) in cash and cash equivalents	79.98	23.33	56.65

#### 5.1 Cash Flow from Operating Activities

Overview the Company's cash flows from operating activities net decrease Baht 13.82 million, important transactions from operating activities are as follows.



1. Trade and other receivables have cash flow increased amount Baht 6.47 million compared with the previous year (cash received as increase). From the policy and follow as strictly for debt collection between sales and finance department. As a result, the Group get receive from many outstanding debtors.

2. Proceeds from installment sale increase amount Baht 4.51 million compared with the previous year (cash flow increase). Forasmuch 2016, has ordered for ice machine under the installment sales amount 15 machines, while 2017, not ordered for sales. Therefore, in 2017, has received from customers under the installment sale only. As a result, the cash received increased.

3. Accounts payable with cash flow decreasing Baht 24.77 million compared with the previous year (payment as increase). Orders to supplier for support business expansion and customer's request in the last period of 2017, as result, must payment to supplier in 1st quarter of 2018.

## **5.2 Cash Flow from Investing Activities**

Cash flow used in investing activities increased Baht 200.36 million compared with the previous year. In 2016, has a lot of investment in fixed assets such as property, building for new office and warehouse (in construction), expanding and purchase dialysis center, paid the deposits to franchise and asset purchase agreement and purchase dialysis for kidney machine of subsidiary. These factors have resulted in cash flow from investing activities as increase from previous year.

## **5.3 Cash Flow from Financial Activities**

Cash flow from financing activities decreased amount Baht 270.84 million compared with the previous year, important transactions from operating activities are as follows.

1. Cash received from offering for sales of common shares and warrants (FVC-W1) in 2017 at net amount Baht 255.63 million.

2. Dividend paid decrease from the last year amount Baht 6.11 million (In 2017, dividend paid amount Baht 6.79 million and in 2016, dividend paid amount Baht 12.91 million).

3. Cash received in equity attributable to non-controlling amount Baht 9.00 million. (In 2016, has not transaction).

## 6. Financial ratios

	Consolidated Financial Statements		
	2017	2016	+/(−)
<b>Liquidity ratio</b>			
Current ratio (Time)	5.75	3.99	1.76
Quick ratio (Time)	3.39	2.04	1.35
Average collection period	80	81	(1)
Days of inventory	217	226	(9)
<b>Profitability ratio</b>			
Gross profit margin (%)	26.34%	28.59%	(2.25%)
Operating profit margin (%)	6.14%	4.37%	1.77%
Net profit margin (%)	4.58%	3.03%	1.55%
<b>Efficiency Ratio</b>			
Return on equity (%)	4.24%	3.46%	0.78%
Return on assets (%)	3.46%	2.75%	0.71%
<b>Financial Policy Ratio</b>			
Debt to equity ratio (Time)	0.19	0.30	(0.11)
<b>Information per share *</b>			
Basic earnings per share (Baht)	0.05	0.05	0.00
Book value per share (Baht)	1.28	1.16	0.12

Note: \* - Basic earnings per share of the year 2016 calculate from number of weighted average ordinary shares of 408 million shares.

- Book values per share of the year 2017 calculate from number of weighted average ordinary shares of 518 million shares.

### 6.1 Liquidity Ratio

Current ratio and quick ratio increased from the previous year by 1.76 times and 1.35 times, respectively. In 2017, has current assets amount Baht 425.66 million and in 2016, had current assets amount Baht 313.21 million. As result, the current and quick ratios increased from the previous year. And considering liquidity from cash flow, the Group's cash flow was better than last year. It shows that the Group continues to have good liquidity to repayment debt and working capital continuously.

In 2017, the average collection period has faster than last year. As result, the policy of debts collector between finance and sales departments.

The Group had days of inventory (sell products) in 2017 faster than 2016, because the Group can sell some products which purchased in last period of 2017, on special order of customer. In addition, the products which order in past year can be sold as well. As a result, sales increased significantly from the previous year. Inventories, as at December 31, 2017 has average level close to the previous year. As a result, the Group's day of inventories was better than last year.

## 6.2 Profitability Ratio

Gross profit margin in 2017 decreased from the previous year. Because the income as increase from low margin products. In addition, the Subsidiary's business expansion was not generated revenue to cover expenses incurred (as mentioned 3.2). When consider in net profit margin has increased by 1.55 per cent from the previous year. It shown, the Group is also managed and generated sustainable returns for shareholders as continuously.

## 6.3 Efficiency Ratio

In 2017, the Company received Baht 254.45 million from offering of ordinary shares and Baht 27.59 million from the exercise of warrants (FVC-W1). As result, the shareholders' equity as increased. While the performance in 2017, has grown significantly from the previous year. As a result, the ratio of return on assets and return on equity has increased slightly from the previous year under a limited of time. However, the Group believes to generate better return on assets and return on equity as well.

## 6.4 Financial Policy Ratio

Debt to equity ratio has decreased from the previous year. Since the Group has payment to trade and other payable (accrued bonuse) as continuously. Including repayment to loans from financial institution on due period (loan in 2016 and 1st repayment in January 2017). So, the debt to equity ratio as decrease. The above events reflect of the Group's ability to repayment as well. Which the repayment will reduce the cost of finance. As a result, the Group has performance as well.

## 7. Company's Direction in 2018

Overall significant events are as follows.

**KT Medical Service Company Limited** operates to provide health care facilities for patients with end-stage chronic kidney disease who receive replacement therapy with dialysis kidneys. Present, with patients accepted replacement therapy with dialysis with dialysis machines increased steadily to fully capacity. In the first quarter of 2017, the Company purchases dialysis machines to accommodate more patients. In addition, on February 14, 2017, the Company opened the second branch of dialysis unit and first hemodialysis service was started on February 15, 2017. Currently, the number of patients undergoing hemodialysis is increasing continually. In addition, on September 29, 2017, the Company purchased asset of

dialysis unit in order to expand this business according to the target goal. In addition, the Company has plans to establishing more dialysis units to accommodate the increasing number of patients at present.

**Medical Vision Company Limited** has received purchase order from 8 customers for installation and maintenance of pneumatic tube carrier systems totaled Baht 9.29 million which completed. At present, the Company ordered the products from foreign manufacturers for install to the ordered from customer on a continuous order. In the first quarter of 2018, pneumatic tube carrier systems was installed and delivered to a customer amount Baht 2.19 million. Which the growth of business has a good direction.

**Irving Corporation Ltd.** in 2017 enabled to install water purification system for dialysis units for 13 projects at total value of Baht 14.15 million and still gets order to install such system continuously. Currently, the subsidiary gets orders from 4 customers at total value Baht 3.90 million. While current sales volume of dialysis solution still enables to expand to target group continually.

**Hi Healthcare Center Co., Ltd.** was established on the past September 25, 2017 to operate in order to operate medical service business for healthcare and esthetics under trademark “Wuttisak Clinic”. On February 9, 2018, Hi Healthcare Center Co., Ltd. had already signed on the Franchise Agreement; and the Agreement to Acquire and Dispose Assets of “Wuttisak Clinic” 21 branches total value of Baht 220 million. The company will start operate and recognize revenue on February 10, 2018.

**Focusing on business expansion to CLMV countries** (Cambodia, Lao PDR, Myanmar, Vietnam), by set up a team to oversee business in these countries. Including picks the business partners among the Group to maintain the standard of products and services from the Company continuously.

**Continue to offer new products**, the machine producing high concentration ozonated water for foods and beverage industrial (Biosure) and the machine producing high concentration ozonated water for commercial laundry application (Biospin), which is new innovation product to related purification and treatment water systems in Thailand to the targeted consumers

### **Board of Directors' Responsibility for Financial Reporting**

The Board of Directors is responsible for the financial statements of Filter Vision Public Company Limited and the consolidated financial statements of Filter Vision Public Company Limited and its subsidiaries include the financial information presented in the annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543, and the Securities and Exchange Act B.E. 2535, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors is responsible for provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records of the Company and its subsidiaries are accurate, reliable and adequate to retain its assets as well as to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit and risk management system. The Audit Committee also reviews a disclosure of related party transactions. All their comments on these issues are presented in the Audit Committee Report included in this annual report.

The separate financial statements and the consolidated financial statements of the Company have been examined by an external auditor, EY Office Limited. In the audit, the Board supported the information and documents to conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report.

The Board of Directors considers the Company's overall internal control system of the Company and its subsidiaries has satisfactory and provides credibility and reliability for the financial statements of Filter Vision Public Company Limited's and the consolidated financial statements of Filter Vision Public Company Limited and its subsidiaries for the year ended 31 December 2017, the financial statements present fairly, in all material respects.



(Witit Sujjapong)

Chairman of the Board of Directors



(Wijit Techakasem, Ph.D.)

Chairman of Executive Committee  
and Managing Director



**FILTER VISION PUBLIC COMPANY LIMITED**  
**AND SUBSIDIARIES**

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**Financial Report & Consolidated Financial Statements**

**December 31, 2017**

Filter Vision Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2017

## Independent Auditor's Report

To the Shareholders of Filter Vision Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Filter Vision Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Filter Vision Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Filter Vision Public Company Limited and its subsidiaries and of Filter Vision Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.





I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### Revenue recognition

The revenue from sales is the significant amount in the consolidated statement of comprehensive income of the Group and is also the key indicator of business performance on which the users of financial statements focus. In addition, the Group has a large customer base. Therefore I focused on the actual occurrence and timing of revenue recognition of the Group.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's significant internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant sale documents, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

### Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express



In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 21 February 2018

## Filter Vision Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	148,430,484	68,445,609	136,249,362	55,156,669
Current investments	8	6,835	6,763	6,835	6,763
Trade and other receivables	6, 9	102,439,117	91,951,217	58,660,453	60,654,456
Current portion of receivables from					
financial lease agreements and installment sales	10	6,587,222	6,404,379	3,814,147	3,628,469
Inventories	11	150,121,627	138,976,678	127,201,601	122,786,913
Short-term loans to related parties	6	-	-	142,700,000	36,500,000
Advance payments for purchases of goods		2,745,855	2,030,415	2,712,262	2,030,415
Other current assets		15,332,981	5,399,755	3,499,697	4,106,422
<b>Total current assets</b>		<b>425,664,121</b>	<b>313,214,816</b>	<b>474,844,357</b>	<b>284,870,107</b>
<b>Non-current assets</b>					
Restricted bank deposits	12	11,818,753	11,685,011	6,938,345	6,855,786
Receivables from financial lease agreements					
and installment sales - net of current portion	10	14,557,007	18,245,036	7,809,824	11,289,596
Investments in subsidiaries	13	-	-	76,474,611	30,474,661
Investment properties	14	-	-	19,781,388	20,404,166
Property, plant and equipment	15	206,926,951	113,557,117	156,084,169	80,807,424
Intangible assets	16	2,701,175	3,013,397	2,204,193	2,524,275
Deferred tax assets	26	4,527,752	3,644,800	2,888,298	2,609,968
Deposits for acquiring assets	17	116,822,430	-	-	-
Other non-current assets		4,116,257	3,574,203	833,987	713,390
<b>Total non-current assets</b>		<b>361,470,325</b>	<b>153,719,564</b>	<b>273,014,815</b>	<b>155,679,266</b>
<b>Total assets</b>		<b>787,134,446</b>	<b>466,934,380</b>	<b>747,859,172</b>	<b>440,549,373</b>

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

Filter Vision Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	56,529,441	66,031,808	34,232,102	44,551,249
Current portion of long-term loans	19	6,835,000	2,856,000	4,794,000	2,856,000
Current portion of liabilities under hire purchase and financial lease agreements	20	1,503,986	2,620,903	1,280,827	2,361,701
Income tax payable		1,436,717	611,631	1,436,717	611,631
Advance received for sales of goods		2,480,398	2,889,877	2,375,840	2,679,597
Other current liabilities		5,185,207	3,481,565	1,329,751	1,867,286
Total current liabilities		73,970,749	78,491,784	45,449,237	54,927,464
Non-current liabilities					
Long-term loans - net of current portion	19	26,528,000	13,421,000	25,366,000	13,421,000
Liabilities under hire purchase and financial lease agreements - net of current portion	20	3,985,739	795,783	3,839,735	426,620
Provision for long-term employee benefits	21	16,780,481	14,898,611	13,803,083	12,315,267
Other non-current liabilities		2,161,987	339,680	1,953,438	165,850
Total non-current liabilities		49,456,207	29,455,074	44,962,256	26,328,737
Total liabilities		123,426,956	107,946,858	90,411,493	81,256,201

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

## Filter Vision Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Shareholders' equity</b>					
Share capital	22				
Registered					
685,586,723 ordinary shares of Baht 0.50 each					
(2016: 365,499,466 ordinary shares of Baht 0.50 each)		342,793,362	182,749,733	342,793,362	182,749,733
Issued and paid-up					
517,817,905 ordinary shares of Baht 0.50 each					
(2016: 308,422,774 ordinary shares of Baht 0.50 each)		258,908,953	154,211,387	258,908,953	154,211,387
Share premium		314,000,677	137,880,369	314,000,677	137,880,369
Retained earnings					
Appropriated - statutory reserve	24	6,178,590	4,968,590	6,178,590	4,968,590
Unappropriated		67,775,392	53,709,708	78,359,459	62,232,826
Other components of shareholders' equity		3,365,197	3,365,197	-	-
Equity attributable to owners of the Company		650,228,809	354,135,251	657,447,679	359,293,172
Non-controlling interests of the subsidiaries	13	13,478,681	4,852,271	-	-
<b>Total shareholders' equity</b>		<b>663,707,490</b>	<b>358,987,522</b>	<b>657,447,679</b>	<b>359,293,172</b>
<b>Total liabilities and shareholders' equity</b>		<b>787,134,446</b>	<b>466,934,380</b>	<b>747,859,172</b>	<b>440,549,373</b>

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

Directors

Filter Vision Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales and services	6	459,259,862	394,306,107	339,374,640	313,947,077
Revenues from financial lease agreements and installment sales		1,836,800	1,673,505	718,405	761,067
Other income	6	12,342,958	1,119,683	16,418,983	3,720,647
<b>Total revenues</b>		<b>473,439,620</b>	<b>397,099,295</b>	<b>356,512,028</b>	<b>318,428,791</b>
<b>Expenses</b>					
Cost of sales and services	6	338,311,886	281,590,114	243,768,629	221,368,186
Selling expenses		25,639,924	22,723,419	15,314,781	15,653,215
Administrative expenses	6	81,306,652	75,537,564	66,753,702	62,909,328
<b>Total expenses</b>		<b>445,258,462</b>	<b>379,851,097</b>	<b>325,837,112</b>	<b>299,930,729</b>
<b>Profit before finance cost and income tax</b>		<b>28,181,158</b>	<b>17,248,198</b>	<b>30,674,916</b>	<b>18,498,062</b>
Finance cost	6	(2,414,421)	(1,899,075)	(1,868,967)	(1,739,573)
<b>Profit before income tax</b>		<b>25,766,737</b>	<b>15,349,123</b>	<b>28,805,949</b>	<b>16,758,489</b>
Income tax expenses	26	(4,079,393)	(3,329,511)	(4,684,016)	(3,245,950)
<b>Profit for the year</b>		<b>21,687,344</b>	<b>12,019,612</b>	<b>24,121,933</b>	<b>13,512,539</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax	21, 26	-	(1,644,745)	-	(1,348,041)
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<b>-</b>	<b>(1,644,745)</b>	<b>-</b>	<b>(1,348,041)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>(1,644,745)</b>	<b>-</b>	<b>(1,348,041)</b>
<b>Total comprehensive income for the year</b>		<b>21,687,344</b>	<b>10,374,867</b>	<b>24,121,933</b>	<b>12,164,498</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		22,060,984	12,313,032	24,121,933	13,512,539
Non-controlling interests of the subsidiaries	13	(373,640)	(293,420)	-	-
		<b>21,687,344</b>	<b>12,019,612</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		22,060,984	10,668,287	24,121,933	12,164,498
Non-controlling interests of the subsidiaries	13	(373,640)	(293,420)	-	-
		<b>21,687,344</b>	<b>10,374,867</b>		
<b>Earnings per share</b>	27				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		0.052	0.034	0.057	0.037
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		0.042	0.030	0.046	0.033

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



Filter Vision Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2017

Consolidated financial statements										(Unit: Baht)		
Equity attributable to the parent's shareholders												
	Note	Issued and share capital paid-up	Share premium	Retained earnings			Other components of equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated	Surplus on business combination under common control	Total other components of shareholders' equity					
<b>Balance as at 1 January 2016</b>		129,025,850	137,880,369	4,288,590	56,624,006	3,365,197	3,365,197	5,145,691	331,184,012	336,329,703		
Profit for the year		-	-	-	12,313,032	-	-	(293,420)	12,313,032	12,019,612		
Other comprehensive income for the year		-	-	-	(1,644,745)	-	-	-	(1,644,745)	(1,644,745)		
Total comprehensive income for the year		-	-	-	10,668,287	-	-	(293,420)	10,668,287	10,374,867		
Conversion of warrants to ordinary shares	22, 23	25,185,537	-	-	-	-	-	-	25,185,537	25,185,537		
Unappropriated retained earnings transferred to statutory reserve	24	-	-	680,000	(680,000)	-	-	-	-	-		
Dividends paid	29	-	-	-	(12,902,585)	-	-	-	(12,902,585)	(12,902,585)		
<b>Balance as at 31 December 2016</b>		154,211,387	137,880,369	4,968,590	53,709,708	3,365,197	3,365,197	4,852,271	354,135,251	358,987,522		
<b>Balance as at 1 January 2017</b>		154,211,387	137,880,369	4,968,590	53,709,708	3,365,197	3,365,197	4,852,271	354,135,251	358,987,522		
Profit for the year		-	-	-	22,060,984	-	-	(373,640)	22,060,984	21,687,344		
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-		
Total comprehensive income for the year		-	-	-	22,060,984	-	-	(373,640)	22,060,984	21,687,344		
Increase in share capital	22	77,105,694	176,120,308	-	-	-	-	-	253,226,002	253,226,002		
Conversion of warrants to ordinary shares	22, 23	27,591,872	-	-	-	-	-	-	27,591,872	27,591,872		
Unappropriated retained earnings transferred to statutory reserve	24	-	-	1,210,000	(1,210,000)	-	-	-	-	-		
Dividends paid	29	-	-	-	(6,785,300)	-	-	-	(6,785,300)	(6,785,300)		
Increase in equity attributable to non-controlling interests of subsidiaries from change in investment in subsidiaries		-	-	-	-	-	-	-	-	-		
<b>Balance as at 31 December 2017</b>		258,908,953	314,000,677	6,178,590	67,775,392	3,365,197	3,365,197	9,000,050	650,228,809	663,707,490		

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

Filter Vision Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

	Note	Separate financial statements					Total shareholders' equity	(Unit: Baht)
		Issued and paid-up share capital	Share premium	Retained earnings				
				Appropriated	Unappropriated			
<b>Balance as at 1 January 2016</b>		129,025,850	137,880,369	4,288,590	63,650,913	334,845,722		
Profit for the year		-	-	-	13,512,539	13,512,539		
Other comprehensive income for the year		-	-	-	(1,348,041)	(1,348,041)		
Total comprehensive income for the year		-	-	-	12,164,498	12,164,498		
Conversion of warrants to ordinary shares	22, 23	25,185,537	-	-	-	25,185,537		
Unappropriated retained earnings transferred to statutory reserve	24	-	-	680,000	(680,000)	-		
Dividends paid	29	-	-	-	(12,902,585)	(12,902,585)		
<b>Balance as at 31 December 2016</b>		154,211,387	137,880,369	4,968,590	62,232,826	359,293,172		
<b>Balance as at 1 January 2017</b>		154,211,387	137,880,369	4,968,590	62,232,826	359,293,172		
Profit for the year		-	-	-	24,121,933	24,121,933		
Other comprehensive income for the year		-	-	-	-	-		
Total comprehensive income for the year		-	-	-	24,121,933	24,121,933		
Increase in share capital	22	77,105,694	176,120,308	-	-	253,226,002		
Conversion of warrants to ordinary shares	22, 23	27,591,872	-	-	-	27,591,872		
Unappropriated retained earnings transferred to statutory reserve	24	-	-	1,210,000	(1,210,000)	-		
Dividends paid	29	-	-	-	(6,785,300)	(6,785,300)		
<b>Balance as at 31 December 2017</b>		258,908,953	314,000,677	6,178,590	78,359,459	657,447,679		

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

**Filter Vision Public Company Limited and its subsidiaries****Statement of cash flows****For the year ended 31 December 2017**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	25,766,737	15,349,123	28,805,949	16,758,489
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	11,122,880	8,671,243	6,625,988	6,277,570
Allowance for doubtful accounts (reversal)	(105,538)	(840,770)	18,655	(173,495)
Bad debt expenses	-	64,721	-	64,721
Loss from obsolete inventories	80	-	-	-
Adjust cost of inventories to net realisable value (reversal)	(40,689)	41,612	(114,823)	40,511
Unrealised loss on exchange	149,881	81,850	148,935	85,392
Loss (gain) on disposal/write-off of property, plant and equipment	70,105	679	70,105	(24,019)
Write-off of withholding tax	20,754	592	8,834	-
Write-off retention	16,000	-	16,000	-
Provision for long-term employee benefits	1,925,371	1,449,408	1,509,416	1,122,729
Allowance for warranty	25,797	181,839	-	-
Financial lease agreements and installment income	(1,260,700)	(4,267,182)	-	-
Preventive maintenance income	(1,134,099)	(1,190,045)	-	-
Concentration Hemodialysis solution fluid income	(523,584)	(445,640)	-	-
Reversal of preventive maintenance income	53,278	-	-	-
Expenses related to company incorporation	303,448	-	-	-
Reversal of provision for long-term employee benefits	(301)	-	-	-
Interest expenses	1,171,651	1,139,213	1,126,217	1,109,183
Interest income	(7,208,198)	(350,596)	(7,759,905)	(784,202)
Profit from operating activities before changes in operating assets and liabilities	30,352,873	19,886,047	30,455,371	24,476,879
Operating assets (increase) decrease				
Trade and other receivables	(10,427,398)	(16,895,114)	2,870,987	(5,547,095)
Receivables from financial lease agreements and installment sales	8,207,088	3,696,598	4,012,500	(857,699)
Inventories	(11,182,352)	(11,197,347)	(4,377,877)	(6,085,178)
Advance payments for purchases of goods	(752,399)	(193,512)	(718,235)	(201,562)
Other current assets	(8,585,350)	(1,487,494)	1,129,825	(1,428,443)
Other non-current assets	(731,597)	(86,850)	(659,697)	8,400
Operating liabilities increase (decrease)				
Trade and other payables	(9,869,392)	14,906,674	(10,367,042)	6,573,366
Advance received from sales of goods	(409,479)	1,387,684	(303,757)	1,177,404
Other current liabilities	1,715,565	3,141,804	(537,535)	1,274,098
Other non-current liabilities	1,744,389	165,850	1,765,989	155,850
Cash flows from operating activities	61,948	13,324,340	23,270,529	19,546,020
Interest received	257,474	336,869	202,240	237,854
Cash paid for income tax	(5,332,345)	(4,846,651)	(4,146,095)	(4,140,540)
<b>Net cash flows from (used in) operating activities</b>	<b>(5,012,923)</b>	<b>8,814,558</b>	<b>19,326,674</b>	<b>15,643,334</b>

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

**Filter Vision Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the year ended 31 December 2017**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(133,742)	(166,369)	(82,559)	(103,655)
Decrease (increase) in current investments	(72)	1,013,904	(72)	1,013,904
Interest received	5,122,152	42,778	5,906,813	195,973
Increase in short-term loan to related parties	-	-	(106,200,000)	(9,700,000)
Increase in investment in subsidiaries	-	-	(45,999,950)	-
Proceeds from sales of property, plant and equipment	735,405	111,423	735,405	79,274
Purchases of property, plant, equipment	(99,180,802)	(10,680,469)	(76,156,983)	(4,681,873)
Purchases of investment properties	-	-	-	(248,165)
Purchases of intangible assets	(757,200)	(997,800)	(560,400)	(738,200)
Deposits for acquiring assets	(116,822,430)	-	-	-
<b>Net cash flows used in investing activities</b>	<b>(211,036,689)</b>	<b>(10,676,533)</b>	<b>(222,357,746)</b>	<b>(14,182,742)</b>
<b>Cash flows from financing activities</b>				
Repayment of liabilities under financial lease agreements	(3,336,695)	(2,711,339)	(3,046,867)	(2,470,072)
Repayment of long-term loan	(7,724,000)	-	(7,567,000)	-
Cash receipt from long-term loan	24,810,000	16,277,000	21,450,000	16,277,000
Cash received from increase share capital	253,226,002	25,185,537	253,226,002	25,185,537
Construction of warrants to ordinary shares	27,591,872	-	27,591,872	-
Cash paid for interest expenses	(747,442)	(654,968)	(744,942)	(733,494)
Increase in equity attributable to non-controlling interests of subsidiaries	9,000,050	-	-	-
Dividends paid	(6,785,300)	(12,902,585)	(6,785,300)	(12,902,585)
<b>Net cash flows from financing activities</b>	<b>296,034,487</b>	<b>25,193,645</b>	<b>284,123,765</b>	<b>25,356,386</b>
<b>Net increase in cash and cash equivalents</b>	<b>79,984,875</b>	<b>23,331,670</b>	<b>81,092,693</b>	<b>26,816,978</b>
Cash and cash equivalents at beginning of year	68,445,609	45,113,939	55,156,669	28,339,691
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>148,430,484</b>	<b>68,445,609</b>	<b>136,249,362</b>	<b>55,156,669</b>
<b>Supplemental cash flows information</b>				
<b>Non-cash transactions</b>				
Purchase of vehicles under financial lease agreements	5,048,000	455,140	5,048,000	-
Purchase of property, plant and equipment and intangible assets for which cash has not been paid	6,491,759	-	233,052	-

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

**Filter Vision Public Company Limited and its subsidiaries****Notes to consolidated financial statements****For the year ended 31 December 2017****1. General information**

Filter Vision Public Company Limited ("the Company") was incorporated in Thailand and its registered head office is at 95 Soi Ramintra 117, Ramintra Road, Khwaeng Minburi, Khet Minburi, Bangkok. The Company has 2 branches in upcountry.

The Company registered in the Stock Exchange of Thailand on October 29, 2013 and its common shares had been approved to be listed in the mai (mai: Market for Alternative Investment).

The Company and its subsidiaries operate in Thailand and principally engage in the distribution, design, assembly and installation of pure water treatment system and service preventive maintenance of pure water treatment system for commercial and residential sector, industrial and original equipment manufacturing of water system sector, medical service sector and medical beauty treatment service.

**2. Basis for 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 11 October 2016, 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 Filter Vision Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			%	%
Irving Corporation Ltd.	Distribution products and equipment, design, assembly and installation of pure water treatment system and service preventive maintenance of pure water treatment system for medical service	Thailand	100	100
KT Medical Service Co., Ltd.	Clinic for dialysis service	Thailand	70	70
Medical Vision Co., Ltd.	Distribution, rent, preventive and maintenance of tools and diagnosis equipment for medical service including medical supplier and appliances	Thailand	75	75
Hi Healthcare Center Co., Ltd.	Medical Services and medical beauty treatment services	Thailand	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) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary companies under the cost method.

### 3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe 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.

##### *Service income from financial lease agreements*

The Company and its subsidiaries recognise service income in each installment period and cease recognition of income when the receivables are overdue more than 6 months.

#### *Revenue from financial lease agreements*

Revenue from financial lease agreements is recognised in the statement of comprehensive income by effective rate. The Company and its subsidiaries cases recognition of revenue when the receivables are overdue more than 3 installments.

#### *Revenue from construction decoration*

The subsidiary recognises revenue from construction on a percentage of completion basis. The percentage of completion is measured based on a comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion and the assessment percentage of completion by engineer. Losses on construction projects are made in the comprehensive income in full when the possibility of loss is ascertained.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

### **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 and other receivables**

Trade and other receivables 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**

Inventories are valued at the lower of cost (under the first-in, first-out method) and net realisable value. Work in process includes costs and labour costs of installation, which is not yet complete.

Allowance for diminution in value of inventories is set up for old, obsolete, slow-moving or deteriorated inventories.

### **4.5 Investments**

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.



The weighted average method is used for computation of the cost of investment.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

#### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 - 20 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.7 Property, plant and equipment/Depreciation

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

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

Lease land improvement	The term of lease agreement (2 years)
Building and building improvement	10 and 20 years and the term of the lease agreement
Tools and equipment	5, 10, 12 and 20 years
Furnitures and fixtures	5 and 10 years
Vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

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.

#### 4.8 Intangible assets

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 (if any).

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:

Licenses	10 years
Computer software	5 years

#### 4.9 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprises 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.

#### 4.10 Long-term leases

Leases of motor vehicles which transfer substantially all the risks and rewards of ownership are classified as financial leases. Financial 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 long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### 4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that 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 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the land, building 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.

An impairment loss is recognised in profit or loss.

#### 4.13 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***

###### *Defined contribution plans*

The Company, subsidiaries and their 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 contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Company and its subsidiaries has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan 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.

#### **4.14 Provisions**

Provisions are recognised when the Company and its subsidiaries have 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.

#### **4.15 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.

#### 4.16 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:

##### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the 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 judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan 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. Related party transactions**

The relationships between the Company and related parties are summarised below.

The Company's name	Type of business	Type of relationship
Irving Corporation Ltd.	Distribution products and equipment, design, assembly and installation of pure water treatment system and service preventive maintenance of pure water treatment system for medical service	Subsidiary
KT Medical Service Co., Ltd.	Clinic for dialysis service	Subsidiary
Medical Vision Co., Ltd.	Distribution, rent, preventive and maintenance of tools and diagnosis equipment for medical service including medical supplier and appliances	Subsidiary
Hi Healthcare Center Co., Ltd.	Medical Services and medical beauty treatment services	Subsidiary
PMAV. Marketing Co., Ltd.	Import and export of retail supplementary food and chemical	Common directors

Pricing policies for each transaction are described as follows:

Type of transaction	Pricing policy
Revenue from sales	Cost plus margin
Revenue from services	Price approximately price charged to third party
Rental and utilities income	Contract price
Interest income	1.15% - 6.620% per annum (2016: 1.15% - 5.275% per annum)
Interest expenses	2016: 1.35% per annum (2017: Nil)
Water analysis service expenses	Cost plus margin
Purchases of goods	Cost plus margin

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

For the year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
(being eliminated in the consolidated financial statements)				
Sales of goods	-	-	5,105	6,092
Service income	-	-	1,082	884
Rental and utilities service income	-	-	1,853	1,857
Interest income	-	-	1,776	569
Water analysis service expenses	-	-	212	220
Purchases of goods	-	-	428	643
Interest expenses	-	-	-	3
<u>Transactions with related companies</u>				
Sales of good	17	77	17	77
Sales income	9	-	9	-

As at 31 December 2017 and 2016, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b><u>Trade and other receivables - related parties (Note 9)</u></b>				
Subsidiaries	-	-	3,287	2,582
Related company	8	7	8	7
Total	8	7	3,295	2,589
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries	-	-	142,700	36,500
<b><u>Trade and other payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	33	228
Directors	3,444	4,561	3,122	4,354
Total	3,444	4,561	3,155	4,582

#### **Short-term loans to related parties**

As at 31 December 2017 and 2016, the balances of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	1 January	During the year		31 December
	2017	Increase	Decrease	2017
<u>Short-term loans to related parties</u>				
Subsidiaries				
Irving Corporation Ltd.	33,300	18,300	(15,500)	36,100
KT Medical Service Co., Ltd.	3,200	21,400	(24,600)	-
Medical Vision Co., Ltd.	-	8,200	(1,700)	6,500
Hi Healthcare Center Co., Ltd.	-	100,100	-	100,100
Total	36,500	148,000	(41,800)	142,700

Short-term loans to related parties are not collateralised and due at call. Interest is charged at rates of 1.15% - 6.620% per annum (2016: 1.15% - 5.275% per annum).



Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	26,169	25,133	21,881	21,442
Post-employment benefits	674	524	551	385
Total	26,843	25,657	22,432	21,827

**7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cash	749	283	654	216
Bank deposits	147,681	68,163	315,595	54,941
Total	148,430	68,446	136,249	55,157

As at 31 December 2017, bank deposits carried interests between 0.05% and 0.375% per annum (2016: between 0.25% and 0.375% per annum).

**8. Current investments**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Fixed deposits	7	7	7	7

Fixed deposits were for 6 months term, bearing interest rates at 1.00% per annum (2016: 1.15% per annum).

## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	175	253
Past due				
Up to 3 months	8	7	807	1,084
Total trade receivables - related parties	8	7	982	1,337
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	37,180	35,673	24,915	22,458
Past due				
Up to 3 months	55,689	44,850	29,464	27,065
3 - 6 months	7,677	10,586	741	8,346
6 - 12 months	2,098	824	105	89
Over 12 months	4,070	4,384	36	7
Total trade accounts receivable				
- unrelated parties	106,714	96,317	55,261	57,965
<u>Other receivables</u>				
Interest receivables - related parties	-	-	1,666	726
Interest receivables - unrelated parties	47	55	35	42
Other receivables - related parties	-	-	647	526
Other receivables - unrelated parties	175	183	158	128
Total other receivables	222	238	2,506	1,422
Total trade and other receivables	106,944	96,562	58,749	60,724
Less: Allowance for doubtful accounts	(4,505)	(4,611)	(89)	(70)
Trade and other receivables - net	102,439	91,951	58,660	60,654

## 10. Receivables from financial lease agreements and installment sales

10.1 As at 31 December 2017 and 2016, the balances of receivables from financial lease agreements and installment sales are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of receivables from financial lease agreements and installment sales		Long-term portion of receivables from financial lease agreements and installment sales		Total	
	2017	2016	2017	2016	2017	2016
Receivables from financial lease agreements and installment sales	10,130	10,149	23,328	29,215	33,458	39,364
Less: Deferred service income	(1,858)	(1,860)	(5,799)	(6,818)	(7,657)	(8,678)
Less: Amount representing finance charges	(1,685)	(1,885)	(2,972)	(4,152)	(4,657)	(6,037)
Total accounts receivable	6,587	6,404	14,557	18,245	21,144	24,649
Less: Allowance for doubtful accounts	-	-	-	-	-	-
Receivables from financial lease agreements and installment sales, net	6,587	6,404	14,557	18,245	21,144	24,649

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of receivables from installment sales		Long-term portion of receivable from installment sales		Total	
	2017	2016	2017	2016	2017	2016
Receivables from installment sales	4,347	4,346	8,288	12,300	12,636	16,646
Less: Amount representing finance charges	(533)	(718)	(478)	(1,010)	(1,012)	(1,728)
Total accounts receivable	3,814	3,628	7,810	11,290	11,624	14,918
Less: Allowance for doubtful accounts	-	-	-	-	-	-
Receivables from installment sales, net	3,814	3,628	7,810	11,290	11,624	14,918

10.2 As at 31 December 2017 and 2016, the balances of receivables from financial lease agreements and installment sales (net of amount representing finance charges and deferred service income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Aging	Consolidated financial statements					
	Receivables from financial lease agreements and installment sales		Allowance for doubtful accounts		Receivables from financial lease agreements and installment sales, net	
	2017	2016	2017	2016	2017	2016
Not yet due	-	1,235	-	-	-	1,235
Past due:						
Up to 3 months	17,849	22,602	-	-	17,849	22,602
3 - 6 months	3,295	812	-	-	3,295	812
Over 6 months	-	-	-	-	-	-
Total	21,144	24,649	-	-	21,144	24,649

(Unit: Thousand Baht)

Aging	Separate financial statements					
	Receivables from installment sales		Allowance for doubtful accounts		Receivables from installment sales, net	
	2017	2016	2017	2016	2017	2016
Not yet due	-	-	-	-	-	-
Past due:						
Up to 3 months	11,624	14,918	-	-	11,624	14,918
3 - 6 months	-	-	-	-	-	-
Over 6 months	-	-	-	-	-	-
Total	11,624	14,918	-	-	11,624	14,918

10.3 The Company's and its subsidiary's receivables from financial lease agreements and installment sales have terms of 5 - 8 years and require settlement in equal installments.

10.4 As at 31 December 2017 and 2016, the future minimum lease payments receivable under financial agreements and installment sales together with the present value of the net minimum lease payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2017		2016	
	Minimum payments receivable	Present value of payments receivable	Minimum payments Receivable	Present value of payments receivable
Within one year	10,130	6,587	10,149	6,404
After one year but not more than five years	23,328	14,557	29,215	18,245
Total	33,458	21,144	39,364	24,649
Less: Deferred service income	(7,657)		(8,678)	
Less: Amounts representing finance charges	(4,657)		(6,037)	
Present value of minimum lease payments	21,144		24,649	

(Unit: Thousand Baht)

	Separate financial statements			
	2017		2016	
	Minimum payments Receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,347	3,814	4,346	3,628
After one year but not more than five years	8,288	7,810	12,300	11,290
Total	12,635	11,624	16,646	14,918
Less: Amounts representing finance charges	(1,011)		(1,728)	
Present value of minimum lease payments	11,624		14,918	

## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable		Inventories - net	
			value			
	2017	2016	2017	2016	2017	2016
Finished goods	101,487	85,458	(405)	(431)	101,082	85,027
Raw material	1,086	953	(12)	(11)	1,074	942
Work in process	6,811	4,422	-	-	6,811	4,422
Supplies and spare parts	28,929	28,482	(510)	(526)	28,419	27,956
Goods in transit	12,736	20,630	-	-	12,736	20,630
Total	151,049	139,945	(927)	(968)	150,122	138,977

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable		Inventories - net	
			value			
	2017	2016	2017	2016	2017	2016
Finished goods	90,313	83,135	(305)	(408)	90,008	82,727
Work in process	2,042	2,225	-	-	2,042	2,225
Supplies and spare parts	22,712	20,329	(245)	(257)	22,467	20,072
Goods in transit	12,685	17,763	-	-	12,685	17,763
Total	127,752	123,452	(550)	(665)	127,202	122,787

## 12. Restricted bank deposits

These represent fixed deposits of the Company and its subsidiaries, which have been pledged with the banks to secure credit facilities and bank guarantees of the Company and its subsidiaries.

## 13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding		Cost		Allowance for impairment		Carrying amounts	
			Percentage				of investment		based on cost method - net	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)						
Irving Corporation Ltd.	25,000	25,000	100	100	15,975	15,975	-	-	15,975	15,975
KT Medical Service Co., Ltd.	40,000	10,000	70	70	28,000	7,000	-	-	28,000	7,000
Medical Vision Co., Ltd.	10,000	10,000	75	75	7,500	7,500	-	-	7,500	7,500
Hi Healthcare Center Co., Ltd.	25,000	-	100	-	25,000	-	-	-	25,000	-
					76,475	30,475	-	-	76,475	30,475

On 27 July 2017, the meeting of the Company's Board of Directors No. 10/2017 approved the incorporation of a new subsidiary, Hi Healthcare Center Co., Ltd. ("HHC"), with a registered share capital of Baht 100,000,000, comprising 1,000,000 ordinary shares of Baht 100 each, in which the Company will hold 100% of its registered share capital. Its business is distribution of medical, beauty treatment services. HHC registered the incorporation with the Ministry of Commerce on 25 September 2017, with a registered share capital of Baht 100,000,000, comprising 1,000,000 ordinary shares of Baht 100 each. HHC called for payment of 25% of its registered share capital.

In November 2017, KT Medical Service Co., Ltd. issued 300,000 new ordinary shares to be offered to the existing shareholders in proportion to their shareholdings, at a price of Baht 100 per share or a total of Baht 30 million. The Company purchased such shares in order to maintain its 70% interest in this company.

13.2 Details of investments in subsidiaries that have material non-controlling interests as at and for the years ended 31 December 2017 and 2016.

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit or loss allocated to non-controlling interests during the year		(Unit: Thousand Baht) Dividend paid to non-controlling interests during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
	(%)	(%)						
KT Medical Service Co., Ltd.	30	30	11,674	2,310	363	(371)	-	-
Medical Vision Co., Ltd.	25	25	1,805	2,542	(737)	78	-	-

13.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling.

**Summarised information about financial position as at 31 December 2017 and 2016**

	(Unit: Thousand Baht)			
	KT Medical Service Co., Ltd.		Medical Vision Co., Ltd.	
	2017	2016	2017	2016
Current assets	22,045	3,759	13,998	16,678
Non-current assets	32,495	13,278	2,207	1,191
Current liabilities	14,450	9,330	8,972	7,694
Non-current liabilities	1,178	7	14	6

**Summarised information about comprehensive income**

(Unit: Thousand Baht)

	For the year ended 31 December			
	KT Medical Service		Medical Vision Co., Ltd.	
	Co., Ltd.			
	2017	2016	2017	2016
Revenue	30,172	5,780	12,743	11,589
Profit (loss)	1,213	(1,238)	(2,950)	312
Other comprehensive income	-	-	-	-
Total comprehensive income	1,213	(1,238)	(2,950)	312

**Summarised information about cash flow**

(Unit: Thousand Baht)

	For the year ended 31 December			
	KT Medical Service		Medical Vision Co., Ltd.	
	Co., Ltd.			
	2017	2016	2017	2016
Cash flow used in operating activities	(70)	(2,539)	(14,078)	(47)
Cash flow used in investing activities	(22,586)	(5,263)	(367)	(207)
Cash flow from financing activities	29,395	3,200	6,486	-
Net increase (decrease) in cash and cash equivalents	6,739	(4,602)	(7,959)	(254)

**14. Investment properties**

(Unit: Thousand Baht)

	Separate financial statements			
	Land	Buildings	Building improvements	Total
<b>Cost</b>				
1 January 2016	9,748	6,341	4,800	20,889
Additions	-	-	248	248
31 December 2016	9,748	6,341	5,048	21,137
31 December 2017	9,748	6,341	5,048	21,137

(Unit: Thousand Baht)

Separate financial statements				
	Land	Buildings	Building improvements	Total
<b>Accumulated depreciation</b>				
1 January 2016	-	100	11	111
Depreciation for the year	-	317	305	622
31 December 2016	-	417	316	733
Depreciation for the year	-	317	306	623
31 December 2017	-	734	622	1,356
<b>Net book value</b>				
31 December 2016	9,748	5,924	4,732	20,404
31 December 2017	9,748	5,607	4,426	19,781

The Company leased land, buildings and building improvements to a subsidiary to operate clinic for dialysis service (the land, buildings and building improvements is classified as property, plant and equipment in the consolidated financial statements). Total rental income for the year ended 31 December 2017 was Baht 1.1 Million (2016: Baht 1.1 Million). Such lease agreement covering for one year, maturity in September 2018, the lessee can renew its lease agreement by inform the Company within a period of three months before maturity date.

The aforesaid land, buildings and building improvements for lease had fair value of Baht 20 Million appraised by the independent valuer on 12 January 2016, using the market approach and replacement cost approach.

The Company's investment properties are mortgaged with the financial institution to secure long-term loan of the Company, as discussed in Note 19.

## 15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Land and leased land improvements	Buildings and building improvements	Furnitures and fixtures	Tools and equipment	Vehicles	Assets under installation and under construction
<b>Cost</b>						<b>Total</b>
As at 1 January 2016	58,600	35,891	16,087	13,227	16,371	-
Additions	-	1,250	1,913	7,362	497	-
Disposals/write-off	-	-	(226)	(833)	-	-
As at 31 December 2016	58,600	37,141	17,774	19,756	16,868	-
Additions	30,481	1,744	2,490	14,719	5,048	49,747
Disposals/write-off	-	-	(60)	(45)	(2,233)	-
As at 31 December 2017	89,081	38,885	20,204	34,430	19,683	49,747



(Unit: Thousand Baht)

## Consolidated financial statements

	Land and leased land improvements	Buildings and building improvements	Furnitures and fixtures	Tools and equipment	Vehicles	Assets under installation and under construction	Total
<b>Accumulated depreciation</b>							
As at 1 January 2016	314	9,442	10,704	4,191	5,235	-	29,886
Depreciation for the year	6	2,165	2,094	2,117	1,260	-	7,642
Depreciation on disposals/write-off	-	-	(218)	(728)	-	-	(946)
As at 31 December 2016	320	11,607	12,580	5,580	6,495	-	36,582
Depreciation for the year	6	3,525	2,111	3,177	1,235	-	10,054
Depreciation on disposals/write-off	-	-	(36)	(13)	(1,484)	-	(1,533)
As at 31 December 2017	326	15,132	14,655	8,744	6,247	-	45,103
<b>Net book value</b>							
As at 31 December 2016	58,280	25,534	5,194	14,176	10,373	-	113,557
As at 31 December 2017	88,755	23,753	5,549	25,686	13,437	49,747	206,927
<b>Depreciation for the year</b>							
2016 (Depreciation of Baht 2.6 million included in cost of sales and services, and the balance in administrative expenses)							7,643
2017 (Depreciation of Baht 5.2 million included in cost of sales and services, and the balance in administrative expenses)							10,054

(Unit: Thousand Baht)

## Separate financial statements

	Land and leased land improvements	Buildings and building improvements	Furnitures and fixtures	Tools and equipment	Vehicles	Assets under installation and under construction	Total
<b>Cost</b>							
As at 1 January 2016	49,026	25,087	12,459	3,241	15,370	-	105,183
Additions	-	941	1,253	2,488	-	-	4,682
Disposals/write-off	-	-	(78)	(161)	-	-	(239)
As at 31 December 2016	49,026	26,028	13,634	5,568	15,370	-	109,626
Additions	30,481	-	997	1,138	5,048	43,541	81,205
Disposals/write-off	-	-	(60)	(45)	(2,233)	-	(2,338)
As at 31 December 2017	79,507	26,028	14,571	6,661	18,185	43,541	188,493
<b>Accumulated depreciation</b>							
As at 1 January 2016	314	9,340	8,109	1,347	5,061	-	24,171
Depreciation for the year	6	1,386	1,604	756	1,079	-	4,831
Depreciation on disposals/write-off	-	-	(75)	(108)	-	-	(183)
As at 31 December 2016	320	10,726	9,638	1,995	6,140	-	28,819
Depreciation for the year	6	1,405	1,584	1,103	1,025	-	5,123
Depreciation on disposals/write-off	-	-	(36)	(13)	(1,484)	-	(1,533)
As at 31 December 2017	326	12,131	11,186	3,085	5,681	-	32,410
<b>Net book value</b>							
As at 31 December 2016	48,706	15,302	3,996	3,573	9,230	-	80,807
As at 31 December 2017	79,181	13,897	3,385	3,576	12,504	43,541	156,084
<b>Depreciation for the year</b>							
2016 (Depreciation of Baht 0.8 million included in cost of sales and services, and the balance in administrative expenses)							4,831
2017 (Depreciation of Baht 1.0 million included in cost of sales and services, and the balance in administrative expenses)							5,123

The Company's land and construction including right claims for insurance policies of such assets are mortgaged with the financial institution to secure credit facilities of the Company and its subsidiaries and secure long-term loan of the Company, as discussed in Note 19.

As at 31 December 2017, the Company and its subsidiaries has motor vehicles acquired under hire purchase agreements, with net book value amounting to approximately Baht 7.7 Million (2016: Baht 6.5 Million), the Company only: Baht 6.7 Million (2016: Baht 5.5 Million).

As at 31 December 2017, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 17.9 Million (2016: Baht 10.3 Million), the Company only: Baht 15.0 Million (2016: Baht 7.8 Million).

## 16. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Licenses	Computer softwares	Total
<b>Cost</b>			
1 January 2016	2,626	3,924	6,550
Additions	-	998	998
31 December 2016	2,626	4,922	7,548
Additions	-	757	757
31 December 2017	2,626	5,679	8,305
<b>Accumulated amortisation</b>			
1 January 2016	1,440	2,066	3,506
Amortisation for the year	263	766	1,029
31 December 2016	1,703	2,832	4,535
Amortisation for the year	263	806	1,069
31 December 2017	1,966	3,638	5,604
<b>Net book value</b>			
31 December 2016	923	2,090	3,013
31 December 2017	660	2,041	2,701

(Unit: Thousand Baht)

	Separate financial statements		
	Licenses	Computer softwares	Total
<b>Cost</b>			
1 January 2016	2,626	2,732	5,358
Additions	-	738	738
31 December 2016	2,626	3,470	6,096
Additions	-	560	560
31 December 2017	2,626	4,030	6,656
<b>Accumulated amortisation</b>			
1 January 2016	1,440	1,308	2,748
Amortisation for the year	263	561	824
31 December 2016	1,703	1,869	3,572
Amortisation for the year	263	617	880
31 December 2017	1,966	2,486	4,452
<b>Net book value</b>			
31 December 2016	923	1,601	2,524
31 December 2017	660	1,544	2,204

## 17. Deposits for acquiring assets

In December 2017, Hi Healthcare Center Co., Ltd. ("HHC") entered to Memorandum of Understanding with an unrelated party company in order to acquire the business in total amount not exceeding Baht 220 million. HHC agreed to pay a deposit of Baht 117 million (net of value added tax) for the purpose of entering into such transaction compliance with the Board of Directors Resolution No.7/2017.

The Company presents the deposits as deposits for acquiring assets in the statement of financial position.

## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade accounts payable - related parties	-	-	33	228
Trade accounts payable - unrelated parties	29,639	44,456	14,277	28,049
Accrued expenses- related parties	3,444	4,561	3,122	4,354
Accrued expenses- unrelated parties	16,819	11,823	11,823	8,052
Other payables	6,627	5,192	4,977	3,868
Total	56,529	66,032	34,232	44,551

## 19. Long-term loan

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2017	2016	2017	2016
1	MLR-1	Monthly installments as from January 15, 2017	8,810	16,277	8,810	16,277
2	MLR-1.75	Monthly installments as from November 17, 2017	21,350	-	21,350	-
3	MLR-1.75	Monthly installments as from November 24, 2017	3,203	-	-	-
Total			33,363	16,277	30,160	16,277
Less: Current portion			(6,835)	(2,865)	(4,794)	(2,856)
Long-term loans, net of current portion			26,528	13,421	25,366	13,421

The loans are secured by the mortgage of land and construction thereon.

The loans of the subsidiary are secured by the mortgage of land and construction of the Company thereon, and guaranteed by the Company's and Thai Credit Guarantee Corporation.

As at 31 December 2017, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 33.9 million (2016: Baht 3.7 million).

## 20. Liabilities under hire purchase and finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Liabilities under hire purchase and finance lease agreements	6,511	3,628	6,119	2,945
Less: Deferred interest expenses	(1,021)	(211)	(988)	(157)
Total	5,490	3,417	5,121	2,786
Less: Current portion	(1,504)	(2,621)	(1,281)	(2,362)
Liabilities under hire purchase and finance lease agreements - net of current portion	3,986	796	3,840	427

The Company and its subsidiaries has entered into the hire purchase and finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

31 December 2017						
	Consolidated			Separate		
	financial statements			financial statements		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1,886	4,625	6,511	1,647	4,472	6,119
Deferred interest expenses	(382)	(639)	(1,021)	(366)	(632)	(998)
Present value of future minimum lease payments	1,504	3,986	5,490	1,281	3,840	5,121

(Unit: Thousand Baht)

31 December 2016						
	Consolidated			Separate		
	financial statements			financial statements		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,801	827	3,628	2,511	434	2,945
Deferred interest expenses	(180)	(31)	(211)	(149)	(7)	(156)
Present value of future minimum lease payments	2,621	796	3,417	2,362	427	2,789

## 21. Provision for long-term employee benefits

As at 31 December 2017 and 2016, provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
<b>Provision for long-term employee benefits</b>				
at beginning of year	14,899	11,393	12,315	9,507
Included in profit or loss:				
Current service cost	1,378	864	1,060	679
Interest cost	547	585	449	444
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	-	(363)	-	(294)
Financial assumptions changes	-	504	-	439
Experience adjustments	-	1,916	-	1,540
Benefits paid during the year	(44)	-	(21)	-
<b>Provision for long-term employee benefits</b>				
at end of year	16,780	14,899	13,803	12,315

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is between 24 and 28 years (the Company only: 28 years) (2016: between 14 and 24 years (the Company only: 14 years)).

Significant actuarial assumptions are summarised below:

	Consolidated		(Unit: percent per annum)	
	financial statements		Separate	
	2017	2016	2017	2016
Discount rate	2.62 - 3.55	2.62 - 3.55	2.62 - 3.40	2.62 - 3.40
Salary increase rate	8.51	8.51	8.51	8.51
Turnover rate	0 - 50	0 - 50	0 - 50	0 - 50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(758)	814	(623)	671
Salary increase rate	833	(789)	687	(651)
Turnover rate	(902)	236	(741)	192

	(Unit: Thousand Baht)			
	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(732)	781	(608)	650
Salary increase rate	728	(690)	606	(575)
Turnover rate	(790)	192	(656)	159

## 22. Share capital

On 19 May 2017, the Company registered the decrease in the Company's registered share capital from Baht 182,749,733 to Baht 182,409,403 by cancelling the 680,660 unallocated registered ordinary shares with a par value of Baht 0.50 per share. And on 22 May 2017, the Company registered the increase in the Company's registered share capital from Baht 182,409,403 to Baht 342,793,362 through the issuance of 320,767,917 new ordinary shares with a par value of Baht 0.50 per share to be allocated as follows:

- Allotment of total 154,211,387 shares at par value of Baht 0.50 to the existing shareholders of the Company proportionately to their shareholding (Right offering) at the subscription ratio of 2 existing share being entitled to 1 new ordinary share, with the offering price at Baht 1.65 per share.
- Allotment of not over 138,790,248 shares to reserve for the exercise of rights by warrant holders No.2 (FVC-W2).
- Allotment of not over 27,766,282 shares to reserve for the adjustment of exercise of rights by warrant holders No.1 (FVC-W1) to the existing shareholder of the Company in proportion to their shareholding.

The Company offered such share subscription during 16 - 22 May 2017. The Company registered the change of issued and paid-up share capital from Baht 154,211,387 to Baht 231,317,081 with the Ministry of Commerce on 30 May 2017. The Company's share premium increased from Baht 137,880,369 to Baht 314,000,677.

Subsequently, in June 2017, the holders of the warrants FVC - W1 exercised the rights to purchase the Company common shares in the amount of 48,876,202 shares at par value Baht 0.50 totalling Baht 24,438,101. The Company registered the change of issued and paid-up share capital from Baht 231,317,081 to Baht 255,755,182 with the Ministry of Commerce on 6 June 2017.

Subsequently, in November 2017, the holders of the warrants FVC - W1 exercised the rights to purchase the Company common shares in the amount of 6,307,542 shares at par value Baht 0.50 totalling Baht 3,153,771. The Company registered the change of issued and paid-up share capital from Baht 255,755,182 to Baht 258,908,953 with the Ministry of Commerce on 13 December 2017.

Movements in the number of ordinary shares, the paid-up share capital and share premium during the period are as follows:

Description	Number of share (Thousand shares)	Amount (Thousand Baht)	Share premium (Thousand Baht)
<u>Registered share capital</u>			
At beginning of year	365,499	182,750	
Decrease during year	(680)	(341)	
Increase during year	320,768	160,384	
At end of year	685,587	342,793	
<u>Issued and paid-up share capital</u>			
At beginning of year	308,423	154,211	137,880
Increase in share capital	154,212	77,106	176,121
Increase of warrants to ordinary shares	55,183	27,592	-
At end of year	517,818	258,909	314,001

## 23. Warrants

### 23.1 Warrant FVC - W1

The Company issued of 121,499,466 units of free warrants on 14 May 2015 to the existing shareholders on the basis of 2 ordinary shares for 1 unit of warrants. The terms of the warrants are as follows:

Exercise ratio: 1 unit of warrant to 1.399 new ordinary share (2016: 1.003 share) (the exercise ratio may from time to time be changed in accordance with the adjustment provisions of the warrants).



Exercise price: Baht 0.50 per share (the exercise price may from time to time be changed in accordance with the adjustment provisions of the warrants).

Exercise period: Warrant holders can exercise their rights to purchase the Company's common shares every last business day of November and May of each year until the maturity day (3 years from the issue date of warrants). The first exercise date will be on 30 November 2015.

On 31 May 2016, no warrants were exercised. And on 2 December 2016, the holders of the warrants exercised 50,220,417 units.

On 31 May 2017, the holders of the warrants exercised 34,936,533 units. And on 30 November 2017, the holders of the warrants exercised 4,508,610 units. As at 31 December 2017, the unexercised warrants were 16,782,206 units. (2016: 56,227,349 units)

#### Reconciliation of number of FVC-W1 warrants

	(Unit: Units)	
	Consolidated and	
	Separate financial statements	
	2017	2016
Number of warrants at the beginning of year	56,227,349	106,447,766
Exercised during the year (Note 22)	(39,445,143)	(50,220,417)
Number of warrants at the end of year	16,782,206	56,227,349

## 23.2 Warrant FVC - W2

The Company issued of 138,790,207 units of free warrants on 27 June 2017 to the existing shareholders on the basis of 10 ordinary shares for 9 unit of warrants. The terms of the warrants are as follows:

Exercise ratio: 1 unit of warrant to 1 new ordinary share (the exercise ratio may from time to time be changed in accordance with the adjustment provisions of the warrants).

Exercise price: Baht 1.00 per share (the exercise price may from time to time be changed in accordance with the adjustment provisions of the warrants).

Exercise period: Warrant holders can exercise their rights to purchase the Company's common shares every last business day of June of each year until the maturity day (3 years from the issue date of warrants). The first exercise date will be on 29 June 2018.

As at 31 December 2017, the unexercised warrants were 138,790,207 units.

#### Reconciliation of number of FVC-W2 warrants

	(Unit: Units)
	Consolidated and Separate financial statements
	2017
Number of warrants at the beginning of year	-
Issued warrants during the year	138,790,207
Number of warrants at the end of year	138,790,207

#### **24. Statutory reserve**

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

#### **25. Expenses by nature**

Significant expenses by nature for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Salary and wages and other employee benefits	84,849	71,892	58,720	51,570
Directors and management's benefits	26,843	25,657	22,432	21,827
Subcontract service fee	19,409	10,087	8,084	7,552
Depreciation and amortisation	11,123	8,671	6,626	6,278
Purchases of goods	252,994	255,177	199,018	185,756
Changes in finished goods and work in process	(11,299)	(11,222)	(4,298)	(6,086)

## 26. Income tax

Income tax expense for the years ended 31 December 2017 and 2016 is made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Corporate income tax charge	4,962	3,739	4,962	3,599
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(883)	(409)	(278)	(353)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>4,079</b>	<b>3,330</b>	<b>4,684</b>	<b>3,246</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Deferred tax on actuarial loss	-	(411)	-	(337)
	-	(411)	-	(337)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2017 and 2016 can be presented as follows.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	25,767	15,349	28,806	16,758
Applicable tax rates	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	5,153	3,070	5,761	3,352
Tax effect of intercompany transactions	36	145	-	-
Effects of:				
Non-deductible expenses (Revenues)	(2,049)	94	(1,064)	(92)
Additional expense deductions allowed	(13)	(14)	(13)	(14)
Total	(2,062)	80	(1,077)	(106)
Unused tax losses expected to be utilised in the future	952	35	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>4,079</b>	<b>3,330</b>	<b>4,684</b>	<b>3,246</b>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2017 and 2016 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	902	922	17	14
Allowance for diminution in value of inventories	185	189	110	133
Provision for long-term employee benefits	3,356	2,980	2,761	2,463
Unused tax losses	907	570	-	-
Others	447	143	-	-
<b>Total</b>	<b>5,797</b>	<b>4,804</b>	<b>2,888</b>	<b>2,610</b>
<b>Deferred tax liabilities</b>				
Receivables from financial lease agreements	(1,269)	(1,159)	-	-
<b>Total</b>	<b>(1,269)</b>	<b>(1,159)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets - net</b>	<b>4,528</b>	<b>3,645</b>	<b>2,888</b>	<b>2,610</b>

As at 31 December 2017, subsidiaries have temporary differences and unused tax losses totaling Baht 15.3 million (2016 Baht 14.3 million), on which deferred tax assets have not been recognised as the Company believes future taxable profit may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

## 27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (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 period attributable to equity holders of the Company (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 period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	22,061	12,313	423,473	361,260	0.052	0.034
<b>Effect of dilutive potential ordinary shares</b>						
Warrants						
FVC-W1	-	-	13,661	46,248		
FVC-W2	-	-	87,165	-		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	22,061	12,313	524,299	407,508	0.042	0.030
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	24,122	13,513	423,473	361,260	0.057	0.037
<b>Effect of dilutive potential ordinary shares</b>						
Warrants						
FVC-W1	-	-	13,661	46,248		
FVC-W2	-	-	87,165	-		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	24,122	13,513	524,299	407,508	0.046	0.033

## 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 its products and services and have three reportable segments as follows:

- Sales and provide service for pure water treatment system to industrial and original equipment manufacturing of water system
- Sales and provide service for pure water treatment system to commercial and residential
- Sales and provide service for medical service

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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.



The segment assets of the Company and its subsidiaries as at 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	Sales and services of industrial and original equipment manufacturing		Sales and services of water system segment and medical service segment		Eliminated		Consolidated financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016
Property, plant and equipment	176	101	33	14	(2)	(1)	207	114
Other assets							580	353
Total assets							787	467

\* Sales and services of industrial and original equipment manufacturing water system segment has used assets jointly with sales and service of commercial and residential segment.

#### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

#### Major customers

For the year 2017, the Company and its subsidiaries have revenue from one major customer in amount of Baht 52 Million, arising from sales and services of commercial and residential segment (2016: Baht 45 Million derived from one major customer, arising from sales services of commercial and residential segment).



**29. Dividend payments**

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for the year 2016	Annual General Meeting of the shareholders on 27 April 2017	6,786	0.0220
Dividends for the year 2015	Annual General Meeting of the shareholders on 29 April 2016	12,903	0.0500

**30. Distributor agreements**

In January and February 2013, the Company entered into distributor agreements with 2 foreign companies for a period of two years and five years expiring in December 2014 and 2017, respectively. The agreements are automatic renewable for a period of one year unless the agreements is not terminated. The Company is authorised to sell the products and service of filtration in residential and food business in Thailand. Under the agreements, the Company is committed to achieve certain distributor's sales goals as specified in the agreements.

Subsequently, on 28 March 2016, the Company has renewed the distributor agreement with former foreign company, which original agreement was expired in 2014. The new agreement is valid for one year and was due on 27 March 2017. The agreement was automatic renewable for a period of one year unless the agreements is not terminated.

**31. Provident fund**

The Company and its subsidiaries and their employees have joined as members of Provident Fund of Siam Commercial Master Fund, which is a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate of between 2% and 5% of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 1.9 million (2016: Baht 1.6 million), the Company only: Baht 1.4 million, (2016: Baht 1.3 million) were recognised as expenses.

## 32. Commitments and contingent liabilities

### 32.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of motor vehicles, equipment and warehouses. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2017 and 2016, future minimum lease payments required under these non-cancellable operating leases and services agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Payable				
in up to 1 year	8.7	9.5	6.2	6.8
in over 1 and up to 5 years	10.0	11.8	7.4	8.3

### 32.2 Subcontracted work commitments

As at 31 December 2017, the Company and its subsidiaries had outstanding commitments in respect of subcontracted work of Baht 10 million (2016: Baht 1 million).

### 32.3 Guarantees

As at 31 December 2017, the Company and its subsidiaries have outstanding bank guarantees regarding to guarantee of contractual performance totalling of approximately Baht 7.3 million (2016: Baht 8.1 million) (the Company only: Baht 3.8 million, 2016: Baht 5.4 million) issued by bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

## 33. Fair value hierarchy

As at 31 December 2017 and 2016, the Company had the assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	31 December 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	20	-	20
<b>Liabilities for which fair value are disclosed</b>				
Derivatives	-	1	-	1

(Unit: Million Baht)

	31 December 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	20	-	20

### 34. Financial instruments

#### 34.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, trade and other payables, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

##### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The management manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, and loans 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 at financial institutions, loans, bank overdrafts, short-term and long-term borrowings. Most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarized 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 2017						
Consolidated financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	148	-	-	-	148	0.05 - 0.375
Trade and other receivables	-	-	-	102	102	-
Receivables from financial lease agreements and installment sales	7	14	-	-	21	MOR, MLR-1
Restricted bank deposits	-	12	-	-	12	0.85 - 1.35
	<u>155</u>	<u>26</u>	<u>-</u>	<u>102</u>	<u>283</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	57	57	-
Long-term loans	-	-	33	-	33	MLR-1, MLR-1.75
Liabilities under hire purchase and finance lease agreements	2	4	-	-	6	5.21 - 14.36
	<u>2</u>	<u>4</u>	<u>33</u>	<u>57</u>	<u>96</u>	

(Unit: Million Baht)

As at 31 December 2017						
Separate financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	136	-	-	-	136	0.05 - 0.375
Trade and other receivables	-	-	-	59	59	-
Receivables from installment sales	4	8	-	-	12	MLR-1
Short-term loans to related parties	143	-	-	-	143	1.15 - 6.62
Restricted bank deposits	-	7	-	-	7	1.00 - 1.15
	<u>283</u>	<u>15</u>	<u>-</u>	<u>59</u>	<u>357</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	34	34	-
Long-term loans	-	-	30	-	30	MLR-1, MLR-1.75
Liabilities under hire purchase and finance lease agreements	1	4	-	-	5	6.76 - 14.36
	<u>1</u>	<u>4</u>	<u>30</u>	<u>34</u>	<u>69</u>	

(Unit: Million Baht)

As at 31 December 2016						
Consolidated financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	68	-	-	-	68	0.25 - 0.375
Trade and other receivables	-	-	-	92	92	-
Receivables from financial lease agreements and installment sales	6	18	-	-	24	MOR, MLR-1
Restricted bank deposits	-	12	-	-	12	0.85 - 1.35
	<u>74</u>	<u>30</u>	<u>-</u>	<u>92</u>	<u>196</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	66	66	-
Long-term loans	-	-	16	-	16	MLR-1
Liabilities under hire purchase and finance lease agreements	3	1	-	-	4	5.21 - 14.36
	<u>3</u>	<u>1</u>	<u>16</u>	<u>66</u>	<u>86</u>	

(Unit: Million Baht)

As at 31 December 2016						
Separate financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	55	-	-	-	55	0.25 - 0.375
Trade and other receivables	-	-	-	61	61	-
Receivables from installment sales	4	11	-	-	15	MLR-1
Short-term loans to related parties	37	-	-	-	37	1.15 - 5.275
Restricted bank deposits	-	7	-	-	7	1.15 - 1.35
	<u>96</u>	<u>18</u>	<u>-</u>	<u>61</u>	<u>175</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	45	45	-
Long-term loans	-	-	16	-	16	MLR - 1
Liabilities under hire purchase and finance lease agreements	2	-	-	-	2	6.76 - 14.36
	<u>2</u>	<u>-</u>	<u>16</u>	<u>45</u>	<u>63</u>	

### Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks 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 as at 31 December 2017 and 2016 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	166	88	267	355	32.6407	35.7843
Pound Sterling	-	-	4	3	43.9241	44.4775
Euro	1	-	15	179	38.9753	38.1362
Separate financial statements						
Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	166	88	267	355	32.6407	35.7843
Pound Sterling	-	-	4	3	43.9241	44.4775
Euro	-	-	14	93	38.9753	38.1362

Foreign exchange contracts outstanding at 31 December 2017 are summarised below:

31 December 2017				
Foreign currencies	Bought	Sold	Contractual exchange rate	
	amount	amount	Bought	Sold
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	1,089	-	33.0350 - 33.6215	

There was no foreign exchange contracts outstanding at 31 December 2016.

## 34.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments 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 statement of financial position.

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)			
Consolidated / Separate financial statements			
Derivatives	As at 31 December 2017		As at 31 December 2016
	Fair value		Fair value
	Loss		Loss
Forward exchange contracts	0.5		-

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives.

### **35. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, debt-to-equity ratio of the Company and its subsidiaries was 0.19:1 (2016: 0.30:1) and the Company's was 0.14:1 (2016: 0.23:1).

### **36. Events after the reporting period**

36.1 On 9 February 2018, Hi Healthcare Center Co., Ltd. ("HHC"), a subsidiary of the Company entered into a franchise agreement and an assets purchase agreement of "Wuttisak Clinic" with Wuttisak Clinic Intergroup Company Limited to purchase 25 branches of Wuttisak Clinic from totaling 119 branches to operate medical services for health and beauty. Total amounts of franchise agreement and asset purchase agreement are Baht 220 million (including value added tax), which HHC paid the deposits amounting to Baht 117 million (net of value added tax) in December 2017. The remaining amount was paid in February 2018.

36.2 On 21 February 2018, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2018, for approval of a stock dividend payment at the ratio of 22 existing shares to 1 new ordinary share with a par value of Baht 0.50 per share to the shareholders. Such stock dividends will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### **37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2018.







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