

ANNUAL REPORT 2018



CONTENT

Vision, Mission and Core Values	02
Message from the Chairman	04
Message from Chairman of Executive Board and Managing Director	05
Financial Highlights	07
Report of the Board of Directors' Responsibilities for Financial Statements	09
Report of Audit Committee	10
Report of the Nomination and Remuneration Committee	12
The Board of Directors	13
Management Team	24
General Information	31
Nature of Business	38
Management Structure	49
Corporate Governance	58
Corporate Social Responsibility	70
Risk Management	71
Internal Control	73
Connected Transactions	75
Management Discussion and Analysis (MD&A)	88
Report of Certified Auditor	96
Statement of Financial Position	102
Notes to Consolidated Financial Statements	110



VISION



WE LIFT YOUR LIFE.

MISSION



HUMAN TOUCH,
EXPERTISE AND
INNOVATION

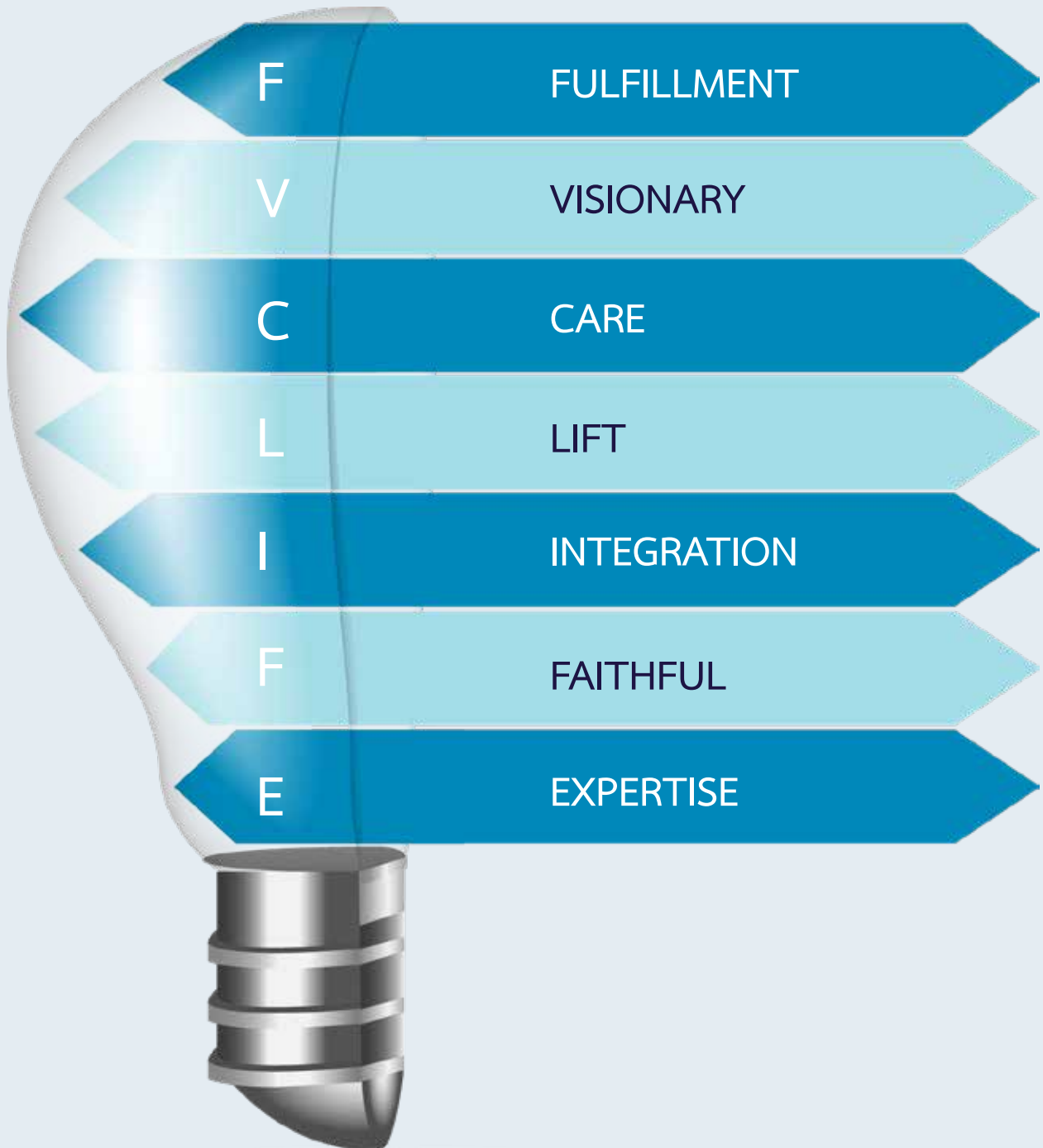


INTEGRATED
FINANCIAL AND
NON-FINANCIAL
BENEFITS



COLLABORATIVE
SHARING FOR
SUSTAINABLE
DEVELOPMENT

CORE VALUES



MESSAGE FROM THE CHAIRMAN



(Mr. Witit Sujjapong)
Chairman of the Board
of Directors

The year 2018 was a year of important changes of Filter Vision Public Company Limited. With the determination to develop the growth of the organization with continuity and sustainability, the Company had established “Corporate Sustainability Development” project to create the integration of sustainable development idea of every operation process of the Company and its subsidiaries, covering 3 aspects, namely, economy, society, and environment. In addition, the Company had expanded its business to beauty business through the acquisition of franchise rights to operate beauty business under the brand “Wuttisak Clinic” of Hi Healthcare Center Co., Ltd., a subsidiary of the Company which was officially opened in February 2018. The business operation of Hi Healthcare Center Company Limited was successful with the total revenue of 2018 at 164.18 baht. Moreover, with the expansion of the dialysis service of KT Medical Service Company Limited, it helped the revenue proportion of the medical service business significantly increase which was in accordance with the new vision, “We Lift Your Life”.

In addition, the Board of Directors of the Company also considered the revision and improvement of the Company’s corporate governance policy to be in accordance with the Good Corporate Governance Policy for Listed Companies 2017 of The Securities and Exchange Commission (SEC) to strengthen the confidence of shareholders, investors, and stakeholders. With commitment to focus on the business operation which creates sustainable value to the organization through the organization’s growth establishment, income distribution to related parties, environmental care, effective utilization of resources, eco-friendly product development, and social responsibility to develop good and sustainable quality of life of all stakeholders.

On behalf of the Board of Directors of Filter Vision Public Company Limited, I would like to thank shareholders, customers, partners, financial institutions, and all related parties for your constant confidence and support to the Company and the subsidiaries. In addition, I’d like to express my sincere appreciation to the management and employees of the Company and the subsidiaries for their physical and spiritual dedication to work with their complete capacity till we achieved great results. They played an important role in driving the Company’s continuous growth. Finally, I’d like to reassure that the Board of Directors, the management, and employees of the Company and the subsidiaries will operate the business with responsibility, transparency, and accountability under the Good Corporate Governance Policy which provides benefits to all stakeholders and helps the Company to achieve its vision’s goal.

MESSAGE FROM CHAIRMAN OF EXECUTIVE BOARD AND MANAGING DIRECTOR

The year 2018 was the year of significant business changes of the Company and its subsidiaries for the year and for the future. Starting with the medical service business (B3) through the launch of health and aesthetics clinical service, “Wuttisak Clinic”, and the business expansion of hemodialysis with dialysis machine, leading to the increase of the revenue proportion of the medical service business when comparing with the revenue proportion of the industrial and original equipment manufacturer business group (B1) and the commercial and residential business group (B2). This was in accordance with the expected target of the Executive Board and I to maintain the balance of our business groups for long-term competition.

Ongoing Business Expansion

The strategy of the industrial and original equipment manufacturer business group (B1) had been improved to focus on generating more revenues from project operation which consisted of water purification system, waste water treatment system, and water system for the dentistry, leading to the increase of the revenue from this group by 15.31% from 2017. On the other hand, the revenue from the commercial and residential business group showed only a slight increase by 3.40% due to its higher revenue than those of other groups. However, in 2018, we had entered to new markets such as hotels and retail café operators and had promoted marketing activity on “Food Safety”, including the launch of the new “Water INT”, an equipment with the water treatment technology to help reduce expense and to save energy of the air-conditioning. I believe that these strategies will help increase the revenue of the group to grow in the future. Meanwhile, the revenue of the medical service business group was supported by the investment in the health and aesthetics clinical service and the providing of the hemodialysis service with dialysis machine, leading to the approximate 140% increase from the previous year.



A handwritten signature in black ink, consisting of stylized, fluid strokes.

Dr. Wijit Techakasem
Chairman of Executive Board
and Managing Director

MESSAGE FROM CHAIRMAN OF EXECUTIVE BOARD AND MANAGING DIRECTOR

Although the overall operating results of 2018 had not generated profit for 2018 since the health and aesthetics business of a subsidiary could not provide adequately good returns, I believe that the business will generate good returns to the business in the future.

Growing Together

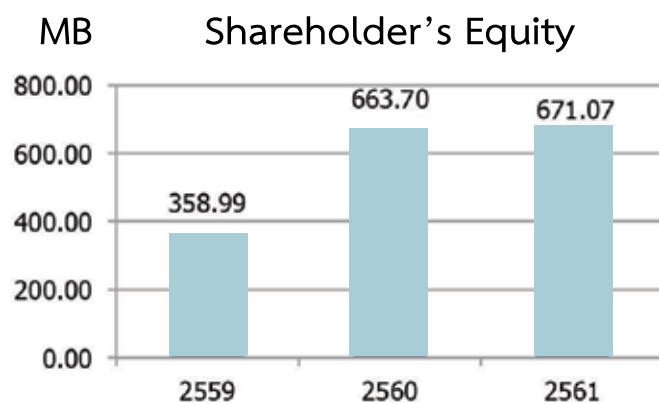
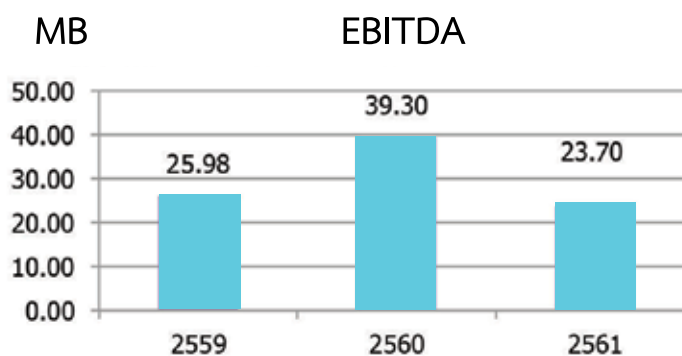
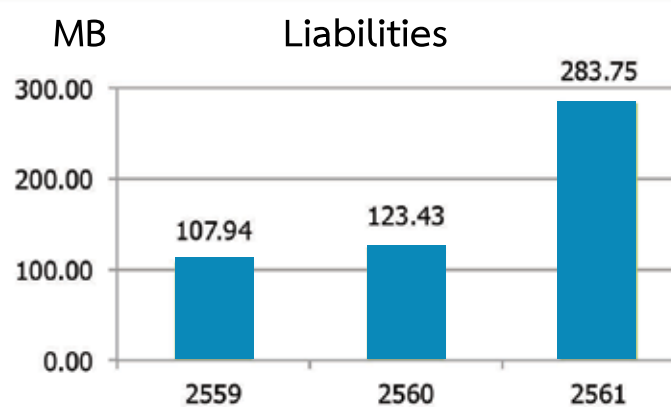
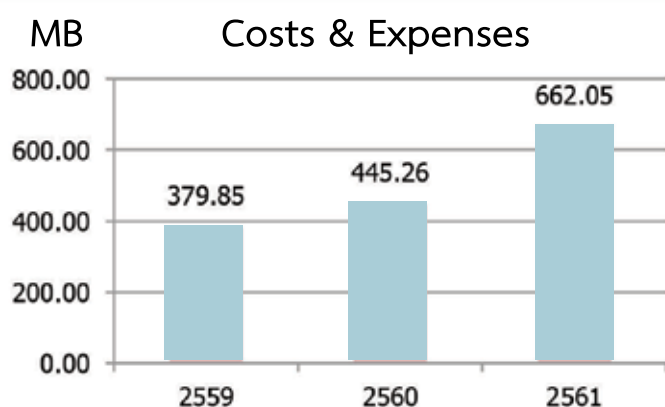
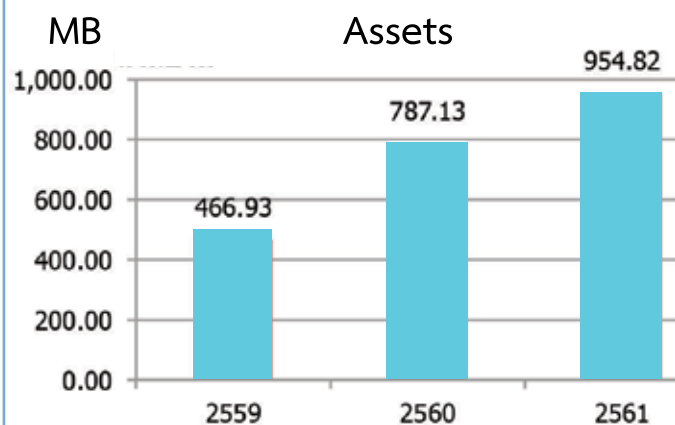
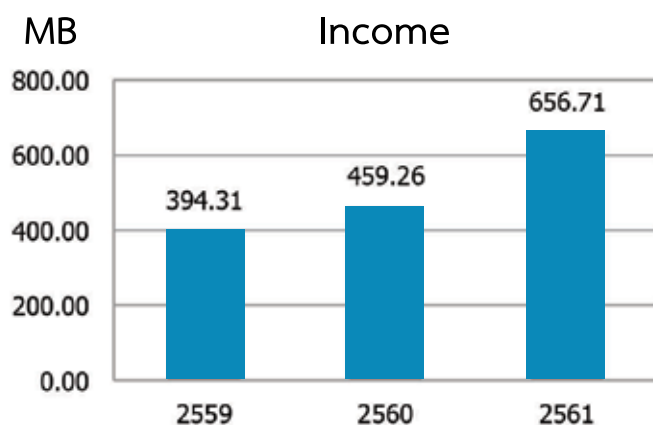
Due to the goal to be the leader of the water treatment system, the Company places an importance upon personnel development with knowledge on products and equipment, innovation development, designing and procurement of appropriate products and equipment to meet the customers' utilization requirements. The personnel development is in cooperation with business partners by developing the customers' comments after the actual implementation to improve the products to serve the increasing and different customers' demand, as well as to create more value to the products which lead to the confidence and trust among the customers, creating mutual benefits and growing together.

Sustainability: "We Lift Your Life."

Due to the expectation to establish sustainable growth with all groups of stakeholders, the business operation direction of the Company and its subsidiaries have to answer how the products and services of the Company can enhance the quality of life of the customers, trading partners, society, community, and environment; the personnel development is the key. Therefore, the Company is committed to provide knowledge-based development and proficiency of the executives and the employees of the Company and its subsidiaries to follow the organization's goal and strategic growth.

Finally, I'd like to express my sincere appreciation to the customers, trading partners, and all related parties of the Company and its subsidiaries for their continuous supports. And most importantly, I'd like to thank the Board of Directors, the executives, and all employees for their dedications to assigned works with responsibility. I greatly hope that all of you will continue to mutually dedicate to work with full capacity by committing to integrity and honesty, strictly following the scope of the Good Corporate Governance, under the legislation, regulations, and policies of the Company in order to be a part of the Company to further build stable and sustainable growth of the Company.

FINANCIAL HIGHLIGHTS



Item	2016	2017	2018
Liquidity ratio			
Current ratio (time)	3.99	5.75	2.04
Quick ratio (time)	2.04	3.39	1.06
Receivables and accrued income turnover (time)	4.45	4.52	4.25
Average collection period (day)	81	80	85
Inventory turnover (time)	1.59	1.66	1.75
Average selling period (day)	226	217	206
Receivables turnover (time)	6.75	6.83	6.78
Average repayment period (day)	53	53	53
Profitability Ratio			
Gross profit margin (%)	28.59%	26.34%	19.07%
Operating profit margin (%)	4.37%	6.14%	0.12%
Net profit margin (%)	3.03%	4.58%	-0.59%
Efficiency Ratio			
Return on equity (%)	2.75%	3.46%	-0.45%
Return on assets (%)	18.49%	20.48%	7.43%
Return on fixed assets (%)	3.46%	4.24%	-0.58%
Asset turnover (time)	0.91	0.76	0.76
Financial Policy Ratio			
Debt to equity ratio (time)	0.30	0.19	0.42
Interest coverage ratio (time)	7.33	9.98	0.42
Information per share			
Basic earnings per share (Baht)	0.05	0.05	(0.01)
Book Value per share (Baht)	0.58	0.65	0.59

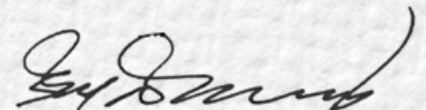
REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

Dear Shareholders

The Board of Directors of Filter Vision Public Company Limited has recognized their duties and responsibilities to review the financial statements of the Company and its subsidiaries, the separate financial statements of the Company, contain accurate, complete and transparent in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis. These financial statements and financial information shown in 2017 Annual Report were made with careful and reasonable consideration.

Furthermore, the Board of Directors has reviewed the appropriateness and effectiveness of risk management, internal audit, internal control and supervision, to be reasonably assured that the financial records are accurate, complete, and adequate to protect the Company's assets. The Board of Directors has appointed and Audit Committee consisted of 3 independent directors responsible for the quality of the Company's financial reporting, internal control systems, as well as complete and appropriate disclosure of connected transactions and other processes.

The Board of Directors is of the view that the Company has maintained an effective internal control system at an adequate and appropriate level of protection to assure the credibility of the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the year ended December 31, 2018, as well as in accordance with Thai Financial Reporting Standards and relevant laws and regulations. These financial statements have been audited by independent certified auditors who have given their unqualified opinions.



(Mr. Witit Sujjapong)
Chairman of the Board of Directors

REPORT OF AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of Filter Vision Public Company Limited consists of three independent directors whose expertise and experiences are appropriate for fulfilling their roles of reviewing the creditability of the financial report. The three members of the Audit Committee are Mr. Thanetr Khamcherdchoochai as the Chairman, Mr. Kiattiporn Sirichaisakul and Mr. Teeranut Thangsatapornpong as committee members, and the Company's secretary serves as the secretary to the committee. On 2018, there were 5 meetings of the Audit Committee to perform the duties with independency as assigned by the Board of Directors as well as stipulated by the Corporate Governance Policy which was reviewed to be in accordance with the Corporate Governance Code for Listed Companies 2017 of The Securities and Exchange Commission (SEC). The Audit Committee has duties to review the financial reporting system and financial information disclosure with accuracy and creditability following the financial reporting standard, as well as to examine the Company's operation to follow the policy, rules and regulations, legislations, and stipulation of regulatory agencies.

1. Review of Financial Reports

The Audit Committee reviewed quarterly and annually financial reports of the Company and its subsidiaries. The meetings were held and participated by Assistant General Manager, Accounting and Finance Department, and the Management to review the accuracy, completeness, and creditability of the financial reports, the disclosure of information of the financial reports' notes, accounting policy and important estimation, and remarks of the accountant's opinion upon the financial report examination and review, as well as to mutually consider possible impacts after the announcement of the TFSR 9 Financial Instruments and accounting standard and other changed financial reporting standards.

Due to the above consideration, the Audit Committee provides an opinion that the Company's financial statements as at 31 December 2018 are appropriately accurate as stipulated in significant information of the financial reporting standard and the disclosure of information is adequate and appropriate. The auditor's opinion was included in the auditor's report which was proposed to the Board of Directors and the shareholders. In addition, the auditor had performed the duties and provided the opinions with independency.

2. Review of Internal Control System and Internal Audit

The Audit Committee performed the quarterly review of the results of the examination and assessment of the internal control system following the guidelines of the internal controlling and the internal auditing of The Securities and Exchange Commission (SEC), and the annual examination plan. The procedure received the cooperation from an internal auditing company to mutually consider the internal audit report, the compliance with the results of examination and the correction following suggestions provided in the examination report. This was to assess the adequacy of the internal control system and the internal audit to be at an appropriate level with efficiency and to comply with the standards for the professional practice of internal auditing.

3. Review of Related Party Transaction and Connected Transaction

The Audit Committee had considered the review of the related party transaction and the connected transaction or the transaction with possible conflict of interest following the Securities and Exchange Act (section 89/12), Notification of the Capital Market Supervisory Board, and Notification of the Board of Governors. The review was performed annually to ensure that the transactions were reasonable and provided the utmost benefit to the Company as well as the disclosure of information was performed with accuracy and completeness. The review of the related party transaction found that the Company had followed the general trading conditions with fairness, reasonability, and did not establish any transfer of benefits while the disclosure of information was performed with completeness and adequacy.

4. Review of Risk Management

With the realization of the importance of the risk management, the Board of Directors had assigned the Risk Management Committee and the management to implement the risk assessment internally and externally and opportunity of possible impacts, as well as to prepare protection plan and/ or to reduce possible impacts upon business operation to acceptable level. The management was to provide constant risk management report. However, the Audit Committee had reviewed the effectiveness of the Company's risk management through the operating results, the examination results of the internal auditor and the auditor, the findings indicated that the Company's level.

5. Review of Corporate Governance and Legislation Compliance

The Audit Committee had reviewed and supervised the operations of the Company and its subsidiaries to ensure their strict compliance with the Corporate Governance Policy, the Business Ethics and Code of Conduct, and the Anti-Corruption Policy, as well as other related legislation and regulations concerning business operation.

6. Review of Protection and Examination of Corruption and Misconduct

The Audit Committee had reviewed to ensure the compliance with the Anti-Corruption Policy. In 2018, there was no complaint or whistleblowing of corruption or misconduct. However, the Audit Committee had prepared a direct whistleblowing channel to Chairman of the Audit Committee which included appropriate procedure and investigation practice, and protection of whistleblowers/ informants of misconduct and corruption.

7. Consideration of Auditor and Auditing Remuneration Proposition of 2019

The Audit Committee's consideration of the selection of the auditors of the Company and its subsidiaries is based on the auditors' knowledge, capability, experience, creditability, adequacy of resources, and the evaluation results of the auditors' independency and quality in the previous year. However, the consideration of the remuneration of the auditors is based on scope of responsibility and the comparison of the remuneration with other auditing offices. The Audit Committee had considered selecting EY Office Company Limited to be the auditor of the Company and its subsidiaries for the year 2019 and this would be proposed to the Board of Directors and the meeting of the shareholders for further approval of the auditor appointment and remuneration.

In conclusion, the Audit Committee had performed the duties as assigned by the Board of Directors with knowledge, capability, carefulness, and independency without any limitation of access to information, resources, and cooperation from the Company. The Audit Committee had the opinion that the Company had prepared the financial statements with important information and creditability following the general accepted accounting standard, as well as possessing the good corporate governance, acceptable level of risk management system, adequate internal control, and completely complying with legislations, rules, and regulations relating to the Company's business operation.



Mr. Thanetr Khamcherdchoochai
Chairman of Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

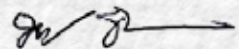
To Shareholders

The Nomination and Remuneration Committee of Filter Vision Public Company Limited is comprised of three directors, chaired by Dr. Manit Theeratanthikanon, an independent director who does not serve on any other committee, together with Mr. Kiattiporn Sirichaisakul and Mr. Montri Prajanpanich as members. Due to Mr. Danuj Bunnag's resignation from the position of the Company's director and the Nomination and Remuneration Committee member, Mr. Montri Prajanpanich appointed by the Board of Directors to replace him. The Company Secretary serves as secretary to the Nomination and Remuneration committee.

In 2018, the Nomination and Remuneration Committee held a total of three meetings to perform its duties as assigned by the Board of Directors and be accountable for selecting suitable candidates and proposing them to the Board of Directors for their nomination as members of the Board of Directors, as members of committees, including determining the remuneration for the board and committee members, as well as the remuneration and additional pay and its criteria for Managing Director to be proposed to the Board of Directors.

In selecting and nominating members of the Board of Directors and members of the Committee, the Nomination and Remuneration Committee takes into consideration the specific qualifications, knowledge, abilities, skills, experience and expertise of each individual toward the Company's strategies and goals, with focus on the appropriate structure, size and composition of the Board of Directors. In determining the remuneration of the Company's directors and Managing Director, the Nomination and Remuneration Committee has considered the remuneration is commensurate with the duties and responsibilities assigned by the Board of Directors, the individual's performance, the Company's overall performance, the business environment, and factors which may affect the Company's operations or the economy as a whole.

In 2018, the Nomination and Remuneration Committee has prudently and carefully performed their duties and responsibilities with transparency, as specified in the Corporate Governance Policy, aiming primarily for the maximum benefit to the Company and its shareholders.



Dr. Manit Theeratanthikanon)
Chairman of the Nomination and
Remuneration Committee

THE BOARD OF DIRECTORS



1 Mr.Witit Sujjapong
Chairman of the Board of Directors/
Independent Director

**4 Mr.Thanetr
Khumchoedchoochai**
Chairman of Audit Committee/
Independent Director/Chairman
of Risk Management Committee

7 Mr.Kiattiporn Sirichaisakul
Independent Director/Audit
Committee/Nomination and
Remuneration Committee/Risk
Management Committee

10 Ms. Panchit Chimpalee
Director/Executive Director/Assistant
General Manager (Accounting and Financial
Department)

2 Dr.Wijit Techakasem
Director/Chairman of Executive
Board/Managing Director

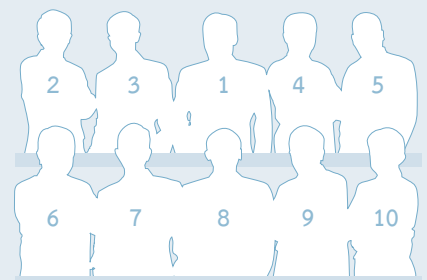
5 Mr.Montrie Prajunpanich
Director / Nomination and
Remuneration Committee

**8 Mr.Teeranut
Thangsatapornpong**
Independent Director/
Audit Committee

3 Dr. Manit Teeratanthakorn
Independent Director/Chairman of
Nomination & Remuneration
Committee

**6 Dr.Denchai
Akaradajdachachai**
Director

**9 Mr.Tanapat
Tantiwattanawijit**
Director/Executive Director/
General Manager



THE BOARD OF DIRECTORS



Mr. Witit Sujjapong Chairman of the Board of Directors/ Independent Director

Age 65 years

Appointment date as a director

9 August 2017 (1 year 5 months)

Education / Training

Doctor of Economics Hitotsubashi University

(Japanese Government Scholarship)

Master of Economics Hitotsubashi University

(Japanese Government Scholarship)

Bachelor of Economics Hitotsubashi University

(Japanese Government Scholarship)

Thai Institute of Directors Association

Directors Certification Program (DCP) 57/2005

The Executive Director Course (EDC) 1/2012

Train of the Trainer (TOT) 1/2013

Percentage of shareholding

None

Family relationship with the executive

None

Working experience

Present

Listed Companies

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

Non-Listed companies

Director Wisecomnet Company Limited

Director Advanced concept plating Company Limited

Director Avanterm 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

Others

2004-2005 President CAT Telecom Public Company Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting 1/1

Board of Directors 5/5

Dr.Wijit Techakasem Director/Chairman of Executive Board/ Managing Director

Age 55 years

Appointment date as a director

11 May 1995 (23 years 7 months)

Education / Training

DODT. (Organization development and Transformation)

Cebu Doctors University, Philippines

Master of Business Administration Oklahoma City University

Bachelor of Economics, Thammasat University

Thai Institute of Directors Association

Directors Certification Program (DCP) 32/2003

Thai Listed Companies Association

Risk Management and Internal Control 2018, Risk and Internal Control Club,

Percentage of shareholding

18.392%

Family relationship with the executive

Older brother of Ms.Thanapha Techakasem /

Spouse of Ms. Kanjana Pongpattanadecha

Working experience

Listed Companies

2016 - Present Risk Management Committee Filter Vision Public Company Limited

1995 - Present Director, Managing Director, and Chairman of Executive Board Filter Vision Public Company Limited

Non-Listed companies

2017 - Present Managing Director HI Healthcare Center Company Limited

2015 - Present Director and Managing Director Medical Vision Company Limited

2015 - Present Director and Managing Director KT Medical Service Company Limited

2007 - 2014 Director Independent Director and Chairman of Audit Committee Capital Engineering Network Public Company Limited

1991 - Present Director and Managing Director Irving Corporation Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	5/5
Risk Management Committee	1/1





Dr. Mani Teeratanthanont, Independent Director/Chairman of Nomination & Remuneration Committee

Age 68 years

Appointment date as a director

10 April 2012 (6 years 9 months)

Education / Training

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

Thai Institute of Directors Association

Director Accreditation Program (DAP) 99/2012

Percentage of shareholding None

Family relationship with the executive None

Working experience

Listed Companies

2012 - Present Independent Director / Chairman of Nomination and Remuneration Committee Filter Vision Public Company Limited

Non-Listed companies

2016 - Present Chairman of Executive Committee Banphao General Hospital

2009 - 2011 Director – General of Department of Disease Control

2005 - 2007 Deputy Permanent Secretary, The Ministry of Public Health

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	5/5
Nomination and Remuneration Committee	3/3

Mr.Thanetr Khumchoedchoochai
Chairman of Audit Committee/Independent
Director/Chairman of Risk Management
Committee



Age 54 years

Appointment date as a director

7 April 2011 (7 years 9 months)

Education / Training

Master of Business Administration, Chulalongkorn University

Bachelor of Accountancy, Chulalongkorn University

Bachelor of Laws, Thammasat University

Thai Institute of Directors Association

Directors Certification Program (DCP) 101/2008,

Role of the Compensation Committee (RCC) 1/2006

Director Accreditation Program (DAP) 6/2003

Percentage of shareholding None

Family relationship with the executive None

Working experience

Listed Companies

2017 - Present Chairman of Audit Committee Filter Vision Public Company Limited

2016 - Present Chairman of Risk Management Committee Filter Vision Public Company Limited

2015 - Present Logistics Manager Thai Poly Acrylic Public Company Limited

2011 - Present Independent Director / Audit Committee Filter Vision Public Company Limited

2006 - 2015 Commercial Manager Thai Poly Acrylic Public Company Limited

Non-Listed companies

2014 - 2017 Director Malachi Company Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting 1/1

Board of Directors 5/5

Audit Committee 5/5

Risk Management Committee 1/1



Mr. Montrie Prajunpanich Director/Nomination and Remuneration Committee

Age 54 years

Appointment date as a director 7 April 2011 (7 years 9 months)

Education / Training

DODT. (Organization Development and Transformation)

Master of Business Administration, Sripatum University

Bachelor of Engineering, King Mongkut's of Technology Thonburi

Thai Institute of Directors Association

Director Accreditation Program (DAP) 99/2012

Percentage of shareholding 1.925%

Family relationship with the executive None

Working experience

Listed Companies

2018 - Present Nomination and Remuneration Committee Filter Vision Public Company Limited

2011 - Present Director Filter Vision Public Company Limited

Non-Listed companies

2011 Present Director VR Stephy Company Limited

2012 - Present Executive Committee Altered Company Limited

2010 - Present Executive Committee Vamp Intelligent Products Company Limited

2007 - Present Executive Committee Panovision Company Limited

2005 - Present Executive Committee PMAV Marketing Company Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	4/5
Risk Management Committee	1/1
Nomination and Remuneration Committee	1/3

Dr.Denchai Akaradajdachachai Director



Age 54 years

Appointment date as a director

27 April 2017 (1 year 8 months)

Education / Training

Doctor of Public Administration (DPA) University Of Northern Philippines

Master of Business Administration (M.B.A.), Kasetsart University

Bachelor of Economics – Industrial, Ramkhamhaeng University

Thai Institute of Directors Association

Directors Certification Program (DCP) 220/2016

Anti-Corruption: The practical Guide (ACPG) 25/2016

Ethical Leadership Program (ELP) 7/2017

Advance Audit Committee Program (AACP) 26/2017

Percentage of shareholding None

Family relationship with the executive None

Working experience

Listed Companies

2017 - Present Director / Executive Director Thai Luxe Enterprises Public Company Limited

2017 - Present Director Filter Vision Public Company Limited

Non-Listed companies

Present Director TLuxe Global Business Company Limited

2017 - Present Director Hi Healthcare Center Company Limited

1989 - Present Chairman M.B.C. Center Company limited

1989 - Present Chairman I.E.Q Thailand Company Limited

1989 - Present Chairman Computer Square Company Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting 1/1

Board of Directors 5/5



Mr. Kiattiporn Sirichaisakul
**Independent Director/Audit Committee/
 Nomination and Remuneration Committee/
 Risk Management Committee**

Age 50 years

Appointment date as a director

7 April 2011 (7 years 9 months)

Education / Training

Bachelor of Commerce and Accountancy, Thammasat University

Thai Institute of Directors Association

Director Accreditation Program (DAP) 50/2006

Percentage of shareholding None

Family relationship with the executive None

Working experience

Listed Companies

2017 - Present Risk Management Committee Filter Vision Public Company Limited

2014 - Present Independent Director / Audit Committee / Nomination and Remuneration Committee Filter Vision Public Company Limited

2006 - Present Independent Director / Audit Committee Mida-Leasing Public Company Limited

Non-Listed companies

2017 - Present Independent Director and Chairman of Audit Committee Bangkok Health Insurance Public Company Limited

2011 - 2017 Director Malachi Company Limited

2009 - 2015 Certified Public Accountant Finer Accounting Service Office

1992 - Present Director Piyavate Hospital Public Company Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting	1/1
Board of Directors	5/5
Audit Committee	5/5
Risk Management Committee	1/1
Nomination and Remuneration Committee	3/3

Mr. Teeranut Thangsatapornpong Independent Director / Audit Committee



Age 45 years

Appointment date as a director

9 August 2017 (1 year 5 months)

Education / Training

Master of Arts (Economics), Thammasat University

Bachelor of Arts (Economics), Thammasat University

Bachelor Business Administration (Accounting),

Sukhothai Thammathirat Open University

Bachelor of Laws, Sukhothai Thammathirat Open University

Investment Analysts Association

Certified Investment and Securities Analyst (CISA)

Thai Institute of Directors Association

Directors Certification Program (DCP) 161/2012

Percentage of shareholding None

Family relationship with the executive None

Working experience

Listed Companies

2018 - Present Director Simat Technologies Public Company Limited

2017 - Present Independent Director and Audit Committee

Filter Vision Public Company Limited

2015 - Present Independent Director and Audit Committee Chayo

Group Public Company Limited

Non-Listed companies

2018 - Present Director Hinsitsu (Thailand) Company Limited

2015 - 2017 Deputy Managing Director KTB Securities Thailand

Company Limited

2011 - 2015 Chief Financial Officer Globlex Securities Company Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting 1/1

Board of Directors 5/5

Audit Committee 5/5



Mr. Tanapat Tantiwattanawijit
**Director/Executive Director/
General Manager**

Age 49 years

Appointment date as a director

7 April 2011 (7 years 9 months)

Education / Training

Bachelor of Agro-Industry Prince of Songkla University

Thai Institute of Directors Association

Director Accreditation Program (DAP) 99/2012

Percentage of shareholding 2.574%

Family relationship with the executive None

Working experience

Listed Companies

2011 - Present Director Filter Vision Public Company Limited

1996 - Present Executive Director / General Manager Filter Vision
Public Company Limited

Non-Listed companies

2015 - Present Director KT Medical Service Company Limited

2015 - Present Director Medical Vision Company Limited

2014 - Present Director Irving Corporation Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting -/1

Board of Directors 5/5

Ms. Panchit Chimpalee
Director / Executive Director/Assistant General
Manager (Accounting and Financial
Department)

Age 45 years

Appointment date as a director

7 April 2011 (7 years 9 months)

Education / Training

Master of Accountancy, Thammasat University

Bachelor of Accountancy, Thammasat University

Thai Institute of Directors Association

Director Accreditation Program (DAP) 99/2012

Company Secretary Program (CSP) 56/2014

Anti-Corruption: The practical Guide (ACPG) 20/2015

Percentage of shareholding None

Family relationship with the executive None

Working experience

Listed Companies

2011 - Present Director Filter Vision Public Company Limited

2010 - Present Executive Director / Assistant General Manager

(Accounting and Financial Department) Filter Vision Public

Company Limited

Non-Listed Companies

2009 -2010 Financial Manager Irving Corporation Limited

Illegal Record in past 10 years None

Meeting Attendance in 2018

Annual General Meeting 1/1

Board of Directors 5/5



MANAGEMENT TEAM



Mr. Pattanapong Kongkarat
Executive Director, B2 Business Manager,
HR&General Affair Manager (Acting),
Technical Service Manager

Age 56 years

Educational / Training

Bachelor of Laws, Ramkhamhaeng University

Percentage of shareholding None

Family relationship with the executive None

Working experience

2015 - Present B2 Business Manager and Technical Service
Manager Filter Vision Public Company Limited

2001 - Present Executive Committee Filter Vision Public
Company Limited

2013 - Present Human Resources and General Affair Manager/
(Acting) Filter Vision Public Company Limited

2001 - 2014 Sale and Marketing Manager Filter Vision Public Com-
pany Limited

Illegal Record in past 10 years None

Ms. Supapan Yeamlaengamkul Executive Director

Age 53 years

Educational / Training

Master of Engineering, Chulalongkorn University

Bachelor of Science, Chulalongkorn University

Thai Institute of Directors Association

Directors Accreditation Program (DAP) 89/2011,

Percentage of shareholding 0.008%

Family relationship with the executive None

Working experience during the past 5 years

1996 - Present Executive Committee Filter Vision Public Company Limited

1991 - Present General Manager Irving Corporation Limited

Illegal Record in past 10 years None





Ms. Thanapa Techakasem
Executive Director, Administration Manager

Age 53 years

Educational / Training

Bachelor School of Communication Arts, Bangkok University

Thai Institute of Directors Association

Directors Accreditation Program (DAP) 99/2012

Percentage of shareholding 1.739%

Family relationship with the executive Young sister
of Dr. Wijit Techakasem

Working experience

2016 - Present Executive Committee and Administration Manager
Filter Vision Public Company Limited

2014 - Present Director Irving Corporation Limited

1999 - 2016 Director, Executive Committee and Administration
Filter Vision Public Company Limited

Illegal Record in past 10 years: None

Mr. Rathaphon Tatong Executive Director and B1 Business Manager

Age 49 years

Educational / Training

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

2015 - Present Executive Committee and B1 Business Manager
Filter Vision Public Company Limited

2012 - 2014 Innovation and Project Manager
Filter Vision Public Company Limited

2008 - 2012 General Manager Biogas Forerunner Company Limited

Illegal Record in past 10 years None





Mr. Somchai Hongsa
Executive Director, Supply chain Manager

Age 48 years

Educational / Training

Master of Business Administration (Marketing),

Ramkhamhaeng University

Bachelor Degree, Faculty of Science, Agro-Industry

Technology Management, Prince of Songkla University

Thai Listed Companies Association

Why Supply Chain Sustainability Means New Opportunities,
CSR Club Forum

Percentage of shareholding 0.054%

Family relationship with the executive None

Working experience during the past 5 years

2017 - Present Supply Chain Manager

Filter Vision Public Company Limited

2015 - Present Project and Innovation Manager

Filter Vision Public Company Limited

2002 - Present Executive Committee

Filter Vision Public Company Limited

2002 - 2014 Technical Services Manager

Filter Vision Public Company Limited

Illegal Record in past 10 years None

Ms. Kanjana Pongpattanadecha Executive Director

Age 36 years

Educational / Training

Bachelor Degree, Faculty of Nursing, Saint Louis College
Program of Nursing in Hemodialysis Training (Dialysis Course),
Rajavithi Hospital

Percentage of shareholding None

Family relationship with the executive Spouse of
Dr. Wijit Techakasem

Working experience

2015 - Present General Manager KT Medical Service Company Limited

2018 - Present General Manager Hi Healthcare Center Company Limited

Illegal Record in past 10 years None





Mr. Chanathep Rakprakobkij

Accounting Manager

Age 32 years

Educational / Training

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

Percentage of shareholding None

Family relationship with the executive None

Working experience during the past 5 years

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

GENERAL INFORMATION OF THE COMPANY AND SUBSIDIARIES

1. Significant Changes and Development

- 1991** Established Irving Corporation Co., Ltd. on December 18, 1991 to operate the water treatment and purification business for pharmaceutical and related industries.
- 1995** Established Filter Vision Co., Ltd. on May 11, 1995 with the registered capital of Baht 1.0 million to run a business for the purified water treatment system products and equipment, managed by Dr. Wijit Techakasem and Ms. Supapan Yiamlae-ngamkul.
- 1998** Established New McArthur Co., Ltd. on December 28, 1998 with the registered capital of Baht 1.0 million to provide maintenance and installation service for purified water treatment system.
- 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.
- 2002** Irving Corporation Co., Ltd. has entered the business of water purification system in hemodialysis by providing design and installation services as well as preventive maintenance of system.
- 2006** Moved the head office and warehouse Located at 95 Ramintra Soi 117, Ramindra Road, Minburi, Minburi, Bangkok on May 19, 2006.
- 2010** Invested in New MacArthur Co., Ltd. and Irving Corporation Co., Ltd. in the proportion of 100% for the business of importing and distributing products and equipment, design, installation and provide maintenance services for medical water purification systems.
- 2011** Merged to New MacArthur Co., Ltd. to increase business potential and more efficiency in management within business group.
- 2012** Transformed the Company from private company to public company on April 26, 2012 to prepare for registering the Company to be as a listed security in the MAI and increased the registered capital to Baht 100.00 million by allocating 59.20 million shares for public offering.
- 2013** The company registered to be listed on the Market for Alternative Investment (mai) on October 29, 2013.
- 2014** Entered into food equipment businesses to serve customers in convenience stores, restaurants and cafes by providing installation and maintenance service of food equipment such as innovatek bacteria free ice, beverage dispenser, and bun steamer, etc.
- 2015** Irving Corporation Co., Ltd. expands its business to manufacturing and selling concentration dialysis fluid.
Established two new subsidiary companies, the KT Medical Service Co., Ltd. and the Medical Vision Co., Ltd.
- 2016** KT Medical Service Co., Ltd. has started to operate hemodialysis care, began serving the first dialysis center in Bangkok at Phatthanakan Road. Medical Vision Co., Ltd. began the installation of the Pneumatic Tube Carrier System to customers which government hospital in the central area.
Establishment of 2 subsidiaries, KT Medical Service Co., Ltd. (KTMS) to operate the Hemodialysis Center and Medical Vision Co., Ltd. (MV) to run in the business of selling, renting and maintenance tools, diagnostic equipment for medical services Including medical supplies and various medical devices. The Company holds shares in both subsidiaries at 70% and 75%, respectively.
- 2017** Opened the Hemodialysis Unit in Sisaket Province in January 2017 and opened another location in Ubon Ratchathani Province in October 2017.
Established High Health Care Center Co., Ltd. on September 25, 2017 to provide consults and treatment services for skin problems including health and beauty. The Company signed a memorandum of agreement to buy the right to operate the business, Franchise of Wuttisak Clinic, which is Beauty Clinic, amount 25 branches on December 22, 2017. Expand the food equipment business of Commercial and Residential Business (B2) . To the Greater Mekong Subregion (CLMV)
- 2018** In February 2018, “Wuttisak Clinic” by HHC was opened for service in Bangkok, Eastern and Western regions, totaling 21 branches.
Opened a new office and warehouse building on May 19, 2018, located at 51/8, 51/9 Thai Raman Road, Sam Wa Tawan Tok Sub-district, Khlong Sam Wa District, Bangkok, to develop a warehouse management system and serves to be effective
Opened the Hemodialysis Unit, the 4th branch in Prachuap Khiri Khan Province in July 2018 and another one in Sisaket province in October 2018
Revision the vision, mission and corporate values of the Company, according to the changing of nature of the business and the revenue structure The new vision is “We Lift Your Life.”

2. Company Information

Name	:	Filter Vision Public Company Limited
Initial	:	FVC
Registered Number	:	0107555000091
Type of Business	:	Engage in the import and distributor of product and accessories, design, assembly and installation system related to water purification system and service and maintenance of pure water treatment system.
Year of Establishment	:	1995
First Trade Date	:	October 29, 2013
Registered Capital	:	THB 355,502,836.50, including 711,005,673 common shares
Issued and Fully	:	THB 282,571,268, including 565,142,536 common shares
Paid-up Capital	:	at THB 0.50 per share
Fiscal Year	:	January 1 – December 31 of each year
Headquarter Address	:	95, Soi Ramintra 117, Ramintra Road, Minburi, Bangkok 10510
Tel.	:	02-518-2722
Fax	:	02-518-2723
Website	:	www.filtervision.co.th

Company Secretary

Tel.	:	02-518-2722 ext.649
e-mail	:	cs@filtervision-thai.com

Investor Relations Department

Tel.	:	02-518-2722 ext.644
e-mail	:	ir@filtervision-thai.com

3. Subsidiaries Information

Name	:	Irving Corporation Limited
Registered Number	:	0105534119941
Type of Business	:	Distribute product and equipment, design, Assemble and install all related to water purification system, and provide maintenance service of pure water treatment system for medical service.
Year of Establishment	:	1991
Registered Capital	:	THB 25,000,000, including 250,000 common shares
Issued and Fully	:	THB 25,000,000, including 250,000 common shares
Paid-up Capital	:	at THB 100 per share
Total Direct/Indirect Holding	:	100%
Headquarter Address	:	95, Soi Ramintra 117, Ramintra Road, Minburi, Bangkok 10510
Tel.	:	02-518-0600
Fax	:	02-518-0620
Website	:	www.irvingthai.com

Name : KT Medical Service Company Limited
 Registered Number : 0105558091419
 Type of Business : Clinic for dialysis service.
 Year of Establishment : 2015
 Registered Capital : THB 40,000,000, including 400,000 common shares
 Issued and Fully : THB 40,000,000, including 400,000 common shares
 Paid-up Capital : at THB 100 per share
 Total Direct/Indirect Holding : 70%
 Headquarter Address : 95, Soi Ramintra 117, Ramintra Road, Minburi, Bangkok 10510
 Tel. : 02-518-0274
 Fax : 02-517-0275

Name : Medical Vision Company Limited
 Registered Number : 0105558112491
 Type of Business : Import, distribution and rent preventive medical equipment. As well as representatives of the bidders and sell pure water treatment system for dialysis service.
 Year of Establishment : 2015
 Registered Capital : THB 10,000,000, including 100,000 common shares
 Issued and Fully : THB 10,000,000, including 100,000 common shares
 Paid-up Capital : at THB 100 per share
 Total Direct/Indirect Holding : 75%
 Headquarter Address : 95, Soi Ramintra 117, Ramintra Road, Minburi, Bangkok 10510
 Tel. : 02-517-0134
 Fax : 02-517-0136

Name : Hi Healthcare Center Company Limited
 Registered Number : 0105560162387
 Type of Business : Medical service for healthcare & esthetics, and cosmetics healthy drink and food health distribution.
 Year of Establishment : 2017
 Registered Capital : THB 100,000,000, including 1,000,000 common shares
 Issued and Fully : THB 100,000,000, including 1,000,000 common shares
 Paid-up Capital : at THB 100 per share
 Total Direct/Indirect Holding : 100%
 Headquarter Address : 95, Soi Ramintra 117, Ramintra Road, Minburi, Bangkok 10510
 Tel. : 02-518-2722
 Fax : 02-518-2723

4. References

Regulatory Agency of Security Issuing Company	<p>The Securities and Exchange Commission 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900</p> <p>Tel. : 02-033-9999 Fax : 02-033-9660 e-mail : info@sec.or.th Website : www.sec.or.th</p>
Regulatory Agency of Listed Company	<p>The Stock Exchange of Thailand Building of the stock Exchange of Thailand 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400</p> <p>Tel. : 02-009-9000 Fax : 02-009-9991 e-mail : SETContactCenter@set.or.th Website : www.set.or.th</p>
Securities Registrar	<p>Thailand Securities Depository Company Limited 14th Floor, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400</p> <p>Tel. : 02-009-9999 Fax : 02-009-9991 e-mail : SETContactCenter@set.or.th Website : www.set.or.th/tsd</p>
Auditor	<p>E Y Office Company Limited Mr.Sophon Permsirivallop (Certificated Public Accountant No.3182) and/or Ms.Rungnapa Lertsuwankul (Certificated Public Accountant No.3516) and/or Ms.Pimjai Manitkajohnkit (Certificated Public Accountant No.4521) and/or Ms.Rosaporn Decharkom (Certificated Public Accountant No.5659) 33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Road, Khlongtoey, Bangkok 10110</p> <p>Tel. : 02-264-9090 Fax : 02-264-0789-90 e-mail : EY.Thailand@th.ey.com Website : www.ey.com</p>
Legal Advisors	<p>Premier Lawyer Company Limited Name of Lawyer Mr.Phod Khomanant</p> <p>Tel. : 02-984-4266 Fax : 02-984-4267 e-mail : phodkhomanant@gmail.com</p>

5. Information of Securities and Shareholders

FVC Securities

Common Shares

As of December 31, 2018, FVC's registered capital totaled THB 355,502,836.50, consisting of 711,005,673 common shares at THB 0.50 per share. These shares represented THB 282,571,268 of issued and paid-up share capital, or 565,142,536 common shares.

Shareholders

First 20 major shareholders as at December 28, 2018 which closing date consisted of

Shareholders	No. of ordinary shares	% of total shares
1. Mr.Wijit Techakasem	103,943,366	18.392
2. NPPG (THAILAND) Public Company Limited	36,982,409	6.544
3. Mr.Pongrak Jindasombatcharoen	15,681,818	2.775
4. Mr.Tanapat Tantiwattanawijit	14,546,503	2.574
5. Mr.Anuroj Seniprakornkrai by AEC Securities Public Company Limited	12,032,450	2.129
6. Mr.Burachote Techakasem	11,841,758	2.095
7. Mr.Montrie Prajunpanich	10,881,343	1.925
8. Miss Yuwadee Wachirapapha	10,585,804	1.873
9. Ms. Thanapa Techakasem	9,830,399	1.739
10. Mr.Pisarn Techakasem	9,484,209	1.678
11. Thaniya Realsted Company Limited	9,000,000	1.593
12. Mr.Amphon Kitjarurat	8,811,585	1.559
13. Mr.Burawat Techakasem	8,569,590	1.516
14. Qbizm Company Limited	8,500,000	1.504
15.Mrs.Janjira Jatnalin by AEC Securities Public Company Limited	8,352,554	1.478
16. Mr.Jran Jatnalin by AEC Securities Public Company Limited	8,101,645	1.434
17. Mrs.Leena Wanavit	7,816,236	1.383
18. Miss Anunya Rueongsakvichit	7,221,890	1.278
19. Mr.Parin Chanuntranont	7,171,642	1.269
20. PP Prime Public Company Limited	6,622,222	1.172
Total	315,977,723	55.91

Details of the shareholders of Techakasem's family

Shareholders	No. of ordinary shares	% of total shares
1. Mr.Wijit Techakasem	103,943,366	18.392
2. Mr.Burachote Techakasem	11,841,758	2.095
3. Ms.Thanapa Techakasem	9,830,399	1.739
4. Mr.Pisarn Techakasem	9,484,209	1.678
5. Mr.Burawat Techakasem	8,569,590	1.516
6. Mr.Kritsada Techakasem	2,749,988	0.487
7. Mrs.Mookda Techakasem	627,586	0.111
8. Mr.Chalermrat Techakasem	526,595	0.093
9. Mr.Wichit Techakasem	212,000	0.038
10. Ms. Bongkoch Techakasem	71,572	0.013
11. Mr.Wisit Techakasem	20,454	0.004
12. Mr.Banphot Techakasem	10,454	0.002
Total	147,888,271	26.168

Issuance of Other Securities

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

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

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.

Detail of Dividend Distribution in the past 4 years

Year	Net profit (loss) (Bath)	No. of shares	Dividend (Bath/Share)	Total of Dividends paid (Bath)	Dividend payout ratio on net profit (%)
2014	19,739,384	200,000,000	0.042	8,400,000	42.55
2015	15,859,567	258,051,700	0.050	12,902,585	81.36
2016	13,512,539	308,422,774	0.022	6,785,301	50.21
2017	24,121,933	517,817,905	0.02556	13,235,426	54.87

NATURE OF BUSINESS

Business Operations

The business of the Company and the subsidiaries can be categorized into 2 businesses, namely:

1. Food & Beverages Business consists of 2 groups:

- Industrial and Original Equipment Manufacturer Business Group or “B1”: It engages in design and installation of tap water, pure water, and water treatment production system for food and beverage industry and dentistry;
- Commercial and Residential Business Group or “B2”: It engages in design and installation of water purification system and kitchen utensil for retail stores such as convenient stores, coffee shops, and restaurants.

(2) Medical Service Business or “B3” – It engages in design and installation of water purification system and dialysis fluid for Dialysis Center, Central Sterile Supply Department, and Medical Laboratory. The business consists of 4 subsidiaries, namely:

- Irving Corporation Limite engages in designing and installing of medical water treatment system and decoration of Hemodialysis Center, production and distribution of dialysis fluid.
- KT Medical Service Co., Ltd. provides hemodialysis service with dialysis machine.
- Medical Vision Co., Ltd. engages in importing, distributing, and maintaining of tools, equipment, and analysis devices for medical services, including importing, distributing, and installing of pneumatic tube carrier systems for receiving and delivering objects for medical analysis.
- Hi Healthcare Center Co., Ltd. the provider of skin and aesthetics services, “Wuttisak Clinic”, and distributor of cosmetic products and skincare products.

Although the Company and Irving Corporation Limited both engage in water treatment system, the customer groups are different - the customer of B1 is from the Industrial and Original Equipment Manufacturer Business Group, the customer of B2 is from the Commercial and Residential Business Group, and the customer of B3 is from the Medical Service Business Group. Throughout those years, the Company started the business from importing and distributing of products and devices relating to water purification system with constant learning, experience, and good supports from business partners, as well as the objective to serve and to establish customer satisfaction. The Company, therefore, has expanded its business to related businesses, including water purification system business, food equipment business, water purification system business for dialysis units, hemodialysis manufacturing, dialysis unit establishment, and designing of Water INT Pad for air-conditioner’s power saving.

Food & Beverages

B1 : Industrial and Original Equipment Manufacturer or “OEM”

In 2018, the Industrial and Original Equipment Manufacturer Business or B1 of Filter Vision Public Company Limited consists of 4 business categories:

- 1. Trading Business** - engages in importing and distributing of products and devices relating to water purification system and water treatment system such as water filtration system, FRP tank, auto control valve, water filter, UV sterilizer for water in production process and waste water.
- 2. Water Purification System Business** - engages in designing, assembling, and installing water purification system as well as improving, repairing, and providing maintenance service for products and devices of water purification system.
- 3. Waste Water Treatment System Business** - engages in designing, assembling, and installing of waste water treatment system, as well as improving, repairing, and providing maintenance service for products and devices of waste water treatment system.
- 4. Water Treatment for Dentistry Business** - has started the business since 2016 and engaged in designing and installing of water treatment system for dental centers of hospitals to ensure their sterility and safety provided to the patients.

 <p>Flex Automatic Control Valve for Water Treatment</p>	 <p>ATG SX UV System for Water & Waste Water Application</p>	 <p>Biosure: food safety sanitation solutions designed for food retail, food service & beverage</p>
 <p>ProMed Ozone Generators</p>	 <p>All kind of liquid</p>	 <p>Viqua SM</p>
 <p>Filtration</p>	 <p>Reverse Osmosis System</p>	 <p>Bio-Well for Dental</p>

B2 : Commercial and Residential

The Commercial and Residential Business or B2 of Filter Vision Public Company Limited consists of 4 groups categorized by business operation and customer group as follows:

- 1. Trading Business** - engages in importing and distributing of products and devices relating to water purification system.
- 2. Water Purification System Business** - engages in designing, assembling, and installing water purification system as well as improving, repairing, and providing maintenance service (Preventive Maintenance) for products and devices of water purification system, water filtration and water filter for customers.
- 3. Food Equipment Provision Business** - engages in provision of food equipment which is the product relating to water treatment system for distribution such as Bun Streamer, Beverage Dispenser, and Ice Making Machine, etc. for convenient stores and coffee shops.

Water INT - is the power saving system for air-conditioners which can reduce electricity consumption of no less than 20%, leading to the reduction of the operation cost of the business.

			
Biospin : Ozone water concentrate machine for washing industry	Innovatek Bacteria-Free Ice	Waterlogic : Water Dispenser	
			
Countertop beverage dispenser	Nitro Coffee	Water INT PAD Air conditioning energy reduction system Which can reduce electricity consumption by at least 20%	
			
Everpure : Water filter system for restaurant business	Everpure : R / O water purifier systems for food and beverage service businesses	Claris : Water Filter for Coffee Business	Biosure : Ozone water concentrate machine for Food industry

Medical Service

In 2018, the medical service business showed a significant increase of the revenue after the acquisition of franchise right of “Wuttisak Clinic”, the provider of skin and aesthetics services, leading to the revenue from the medical service business to increase from 27.30% to 47.59%. The medical service business is operated by a subsidiary to engage in designing and installing of water purification system and hemodialysis fluid for Dialysis Center, Central Sterile Supply Department, and Medical Laboratory. The 4 subsidiaries consist of:

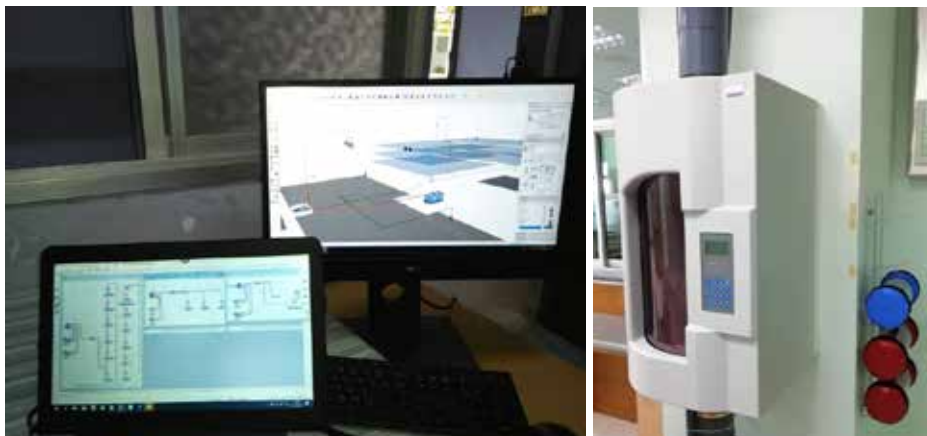
1. Irving Corporation Limited (IRV) engages in designing and installing of water purification system for Dialysis Center, Central Sterile Supply Department, and Medical Laboratory, as well as producing and distributing dialysis fluid to governmental and private dialysis center. The quality of the dialysis fluid produced by the company is certified with international organization ISO 13485: 2016.



2. KT Medical Services Co., Ltd. (KTMS) is the clinical operation of dialysis services of which the first branch was opened in Pattanakarn in 2016. Nowadays, there are 5 branches: 2 in Srisaket, 1 in Ubon Ratchathani, and 1 in Prachuab Kiri Khan.



3. Medical Vision Co., Ltd. (MV) started its operation in 2016 to import, distribute, and maintain tools, equipment, and medical analysis devices. In 2018, the pneumatic tube carrier systems were sold to 6 health facilities in Nan, Rayong, Surin, Chonburi, Songkla, Amnat Charoen.



4. Hi Healthcare Center Company Limited (HHC) provides medical services on skincare and aesthetics under the trademark “Wuttisak Clinic”. In February 2018, there were 21 branches in total covering Bangkok, the eastern region, and the western region of Thailand.



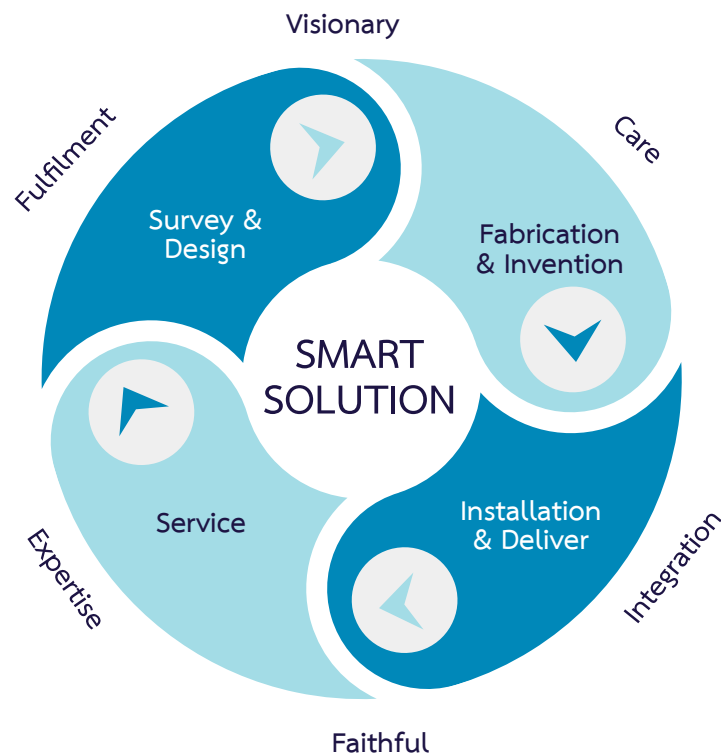
Water Treatment Equipment

Apart from being the service provider of distribution, designing, and installation of water system for food and beverage business and medical service business, the Company's production of equipment related to water purification equipment has also been outsourced and the products are under the trademark of the Company such as Toreda, Water Care, Hydra Mate, and Innovatek such as water filter and housing filter.

Smart Solution Business Operation

With the determination to be the leader in integrated water treatment system business in terms of distribution, design, assembly, installation, as well as improvement, repair, and maintenance. The Company, therefore, places an important upon personnel development to have the knowledge of the products, designing, improving, repairing, and provide maintenance service to related water treatment products. This will lead to water quality required by the customers.

WE LIFT YOUR LIFE



1. Survey & Design

The process starts with surveying and collecting raw water information from a customer's manufacturing location. The Company will survey the location, building structure, raw water sources, water drainage system, electricity system, and water receiver. The raw water collected from the manufacturing location will be processed with quality check and analyzed for chemical contamination level such as pH values in water and other contaminations. The examination will be performed in 3 aspects, namely, physical examination, biological examination, chemical examination to recognize compounds in the raw water. When the raw water contains high value of contamination and its quality is under the tap water standard of the World Health Organization, the raw water must be processed with the primary treatment to adjust its quality to be equivalent to the tap water's quality before being processed with the secondary treatment to improve the tap water quality as required by the customers.

Then, the demand of the customers and the target group will be estimated to find the objective of water consumption, utilization, numbers of users, and numbers of volume. The result will be analyzed to find the water flow rate and to achieve the water quality and qualification followings the customers' requirement as well as to analyze and provide advice on related rules and regulations which are appropriate with actual utilization and are acceptable in the industry

2. Fabrication & Invention

For each industry, the water treatment standard has been varied depending on the objectives. However, the Food and beverage business and Medical Service business, most of the operators have to mainly comply with the standard stipulated by the Ministry of Public Health. The Company's imported and distributed products and equipment concerning water treatment systems, including designing and installation of the water treatment system for the customers, are certified with domestic and international standard, whether they are water filtration system, FRP tank, auto control valve, water filter, and UV sterilizer. Those products and equipment have received certification from independent organizations such as NSF Standard, standards of the government sector at international level, and FDA standard. In addition, they are the products under the leading international trademarks such as Pentair, Pentek, Everpure, Viqua, AIG, Biowell, Waterlogic, Biosure, Biospin, Sekiso, CSM, and Shelco Filters.

However, the water treatment from tap water to pure water to achieve the customers' utilization objectives can be categorized into 4 types based on physical filtration process as follows:

1) Microfiltration is designed to prevent particles with the size larger than 0.1 μm , namely, sand, suspended solids, Bacteria, and; 2) Ultrafiltration is designed to prevent particles with the size larger than 0.01 μm , as post-treatment of Microfiltration, it can prevent organic substances such as protein and fats; 3) Nanofiltration is a relatively recent membrane filtration process to prevent particles with the size larger than 0.001 μm , namely, salt and some parts of the minerals; and 4) Reverse Osmosis is designed to prevent particles with the size larger than 0.0001 μm to remove dissolved chemical species such as Mercury, Lead, and other metal element from the water.

Nonetheless, the above raw water filtration processes can implement the same technology or can be used in conjunction with various other separation processes in order to receive water quality equivalent to the tap water quality. Apart from the water qualification, the treated water must be suitable with machines and equipment used in the manufacturing process since it may cause damages or halt to the machines and equipment. In addition, the Company has never neglected to place an importance upon convenient implementation and easy utilization such as electrical controller designing, pipelining, etc.

Since the demands of each group of customers are very specific and the water purification system are varied, depending on each industry, the Company, therefore, has delivered variety kinds of products and equipment with staff who are knowledgeable, experienced, and skillful in terms of electrical engineering, chemical science, mechanical engineering, etc., to provide advice on system management and on appropriate and accurate equipment and tools.

3. Installation & Deliver

After selecting a suitable water treatment, the Company will install and test the operation system of which the installation and test period are varied depending on types of the business – approximately 3 hours for the Commercial and Residential Business, approximately 7- 45 days for the Industrial Business, and approximately 3-7 days for Medical Service Business.

In addition, the Company also provides the water quality monitoring service as required by the customers by submitting water sample after the installation and test to an independent organization for examination and certification.

4. Service

As for the after the maintenance of the after sales service for the water treatment system, the customers will be acknowledged of the system maintenance plan, starting from the water treatment system and the use of products and equipment with the consideration of the users' water utilization and numbers of users. The maintenance schedule will be suitably established for the customers in accordance with the preventive maintenance. Upon any emergency, the customers can contact the 24-hour Call Center to inform problems and the Company's technical service staffs that are knowledgeable and experienced with good and efficient management system will provide the customers rapid examination and repairing services. The Company is determined to carry its business with integrity and transparency in order to establish confidence and satisfaction of the service quality among the customers, following the philosophy "we provide more than just a filter".

Industry and Competition

In 2018, the Thai economy grew by 4.1%, a slight increase from 4.0% in 2017, due to the trade war between two powerful countries, i.e. The US and China, which had caused China's export volume to The US to decrease, leading to the difficulties of Chinese business operators, as well as the boat sink incident in Phuket which caused the Chinese tourists to dramatically decrease, trade barriers of many countries had also affected Thailand's export, and the slowdown of the economy of Thailand's top trading partners. However, the groups of customers of the Company were from the businesses concerning the 4 necessities or essential living products. Therefore, despite the economy slowdown, the Company's sales volume had continued to grow. In addition, the forecast of the Thai economy in 2019 to grow of by 3.5% – 4.5% from the Office of the National Economic and Social Development Council also provides a good support for the Company's sales volume growth.

Revenue structure by business group

รายได้แยกตามกลุ่มธุรกิจ	2015		2016		2017		2018	
	MB	Ratio (%)	MB	Ratio (%)	MB	Ratio (%)	MB	Ratio (%)
Industrial Business and Operators of Water System Business (B1)	75.00	20.55%	98.16	24.89%	86.79	18.90%	100.51	15.31%
Commercial and Residential Business (B2)	212.78	58.31%	209.20	53.05%	247.08	53.80%	255.47	38.90%
Medical Service Business (B3)	77.13	21.14%	86.95	22.05%	125.39	27.30%	300.73	45.79%
Total Revenue	364.91	100%	394.31	100%	459.26	100%	656.71	100%

In 2018, The revenue structure of the Company and its subsidiaries had partially changed due to the its entering to the skin and aesthetics business under the brand “Wuttisak Clinic” with 21 branches in February 2018 and the Dialysis Center business expansion of KT Medical Service Co., Ltd., leading to the significant revenue change of the Medical Service Business or B3 from 21.14% in 2015 to 45.79% in 2018. On the other hand, the revenue proportion of the Food and Beverage Business decreased by more than 20% despite its revenue increase. While the proportion of the Industrial and Original Equipment Manufacturer Group or B1, decreased from 20.55% in 2015 to 15.31% in 2018, and the proportion of the Commercial and Residential Business decreased from 58.31% in 2015 to 38.90% in 2018.

B1: Industrial and Original Equipment Manufacturer “OEM”

In 2018, the Industrial and Original Equipment Manufacturer Group or B1 had total revenue of 100.51 million baht, increased by 15.81% from 86.79 million baht in 2017, accounting for 15.31% of the Company's total revenue or decreased by 18.90% from the previous year. However, the revenue increased despite the decrease of the revenue proportion was supported by the high revenue growth of 139.84% from the Medical Service Business due to the strategy change by focusing on large projects in terms of water purification system and waste water treatment, leading to the revenue increase of B1 after its decrease in 2017. In order to maintain the continuous growth of B1, the Company had expanded the business to more industries such as optical lens factories, textile factories, chemical products manufacturing factories, pharmaceutical manufacturing industries, food seasoning manufacturing factories, as well as dentistry of health facilities of the government and the private sector. However, with the complicated of the procurement process and regulations of the government agencies, the consideration and proposition process take quite a time at least 1-2 years but the growth is very promising.

The customers from the Industrial and Original Equipment Manufacturer Group can be both competitor and trading partner since the Company is the importer of products and equipment concerning water treatment system as well as a distributor of leading products and equipment brands, the competitor can be the trading partner to buy the products and equipment from the Company. Therefore, the business operation is in the way of supporting each other with probability to long-term cooperation. The water treatment OEMs are also the Company's customers who are the representative of the Company because they are the main contractors of the projects. The service and responsibilities will be indicated in the contract made between the Company and the OEMs.

B2: Commercial and Residential

In 2018, the Commercial and Residential Group or B2 in 2018 had total revenue of 255.47 million baht, increased from 247.08 million baht in 2017, accounting for 38.90% of the Company's total revenue in 2018 which decreased from 53.80% in 2017. Despite the decrease of the growth rate, most of the customers from the Commercial and Residential Group were leading food chain restaurants, coffee shops, and convenient stores in Thailand and overseas. With the Company's standardized products and equipment of water purification system and good services, the Company's services had been consistently entrusted by franchise owners. In addition, the customers placed an importance upon the risk which might cause the loss of business opportunity. Thus, the under average standard of the products and equipment might lead to problems of water production system and might cause the halt of the customers' services. However, the growth of B2 Group has a tendency to grow as the franchise owners' branch expansion plan which indicates the clear period and the installation and maintenance plan for the Company's acknowledgement so that the Company could plan for the installation and services concerning water treatment system following the customers' project management.

In terms of the competition of B2 Group, there are many competitors and most of them are the small operators of water purification for residentials turning to the commercial group. As a result, this has led to the limited efficiency of the utilization of the products and equipment, lower water quality standard, and high damaging rate within the operation period. The arch competitors of the B2 business are the multi-national companies which have representatives in Thailand. However, the most important factor which is the advantage of the Company is the Company's technical service unit covering across the country and proficiency personnel who are ready to provide the after sales services within scheduled period and can monitor the products at every franchise' branch to follow the standards and regulations of the trading partners and the franchises. Nonetheless, the competitors' service units are not sufficient to meet the customers' demand of water purification system and food equipment maintenances. Those are the important difficulties for the new players to enter the business.

In 2017, the B2 Group had developed the innovation and launched Water INT PAD, the power saving system for the air-conditioning which could reduce the electricity consumption by no less than 20%. The system received good responses. In order to expand the business and to maintain the growth of B2 Group, the Company had expanded the business to the hotel group by introducing the sterile ice production system, Innovatek Bacteria-Free Ice. Moreover, the B2 Group had also expanded the business in the overseas within Mekong countries, continuing from the previous year, namely, Cambodia, Laos, Myanmar, and Vietnam, which are the country of high economic growth rate. In terms of the marketing, the Company established a specific team to monitor the marketing within the Mekong countries. The Company has a plan to seek for the trading partners or business alliances in those countries.

B3: Medical Service

2018 was the year of a quantum leap growth of the medical service business or B3 with a growth from 125.39 million baht in 2017 to 300.73 million baht, or increased by 139.84%, leading to the revenue proportion of the B3 to rank number 1 at 45.69%. The tremendous growth came from the establishment of the 2 dialysis units in Prachuab Kiri Khan and Srisaket, leading to a total dialysis machines of 63 machines in service, and the opening of 21 branches of Wuttisak Clinic in Bangkok, the Eastern region, and the Western region.

1. Irving Corporation Limited (IRV)

In 2018, IRV's revenue mainly from the designing and installation of the water purification system for medical service business and dialysis center, as well as the manufacturing and distribution of dialysis solution to the dialysis units and governmental and private health facilities. The dialysis solution of IRV is certified with the standard of international organization ISO 13485: 2016. Due to IRV's performance exposed to variety of customer groups ranging from dialysis centers, dental clinics, skin care centers, aesthetics and health center, and hospitals, and its experience and skillful staff who have knowledge and understanding of chemistry, medical water purification system, including regulations and standards of the Ministry of Public Health, IRV has been recognized with quality and standard of medical water purification system. Moreover, since there are only few operators within this business, IRV has an advantage over other operators. However, the customers of the Medical Service group consist of the government and private sectors and the governmental customers have more complicated rules and regulations than those of the private customers. Nowadays, the key customer of IRV is dialysis unit which receives integrated services ranging from designing, assembly, installation, lining of water purification system for dialysis with international standard, and producing concentrated dialysis solution for the customers to use in dialysis process. In addition, IRV also engages in the distribution of water purification machine with mobile sterilization system which replaces the main system during the system maintenance. The product is under the Company's patent.

2. KT Medical Service Co., Ltd. (KTMS)

In 2018, KTMS dialysis units increased from 3 branches in 2017 to 5 branches and this led to the KTMS's revenue increase by 110.05%. KTMS' determination for the end stage kidney patients to thoroughly receive the Hemodialysis service by exercising their social welfare rights without additional payment had led to increasing numbers of patients to the maximum service capacity. In addition, the revenue of KTMS in 2019 has a tendency to grow in line with the opening of the dialysis units and the increase of the dialysis machines within the existing dialysis units. The numbers of patients who cannot get access to the hemodialysis with dialysis machines and the end stage kidney patients are still rising, therefore, in 2019; KTMS has a plan to open more dialysis units in Chiang Mai, Tak, and Chachoengsao.

3. Medical Vision Co., Ltd. (MV)

In 2018, MV's revenue mainly came from the revenue from distribution and installation of the Pneumatic Tube System for government hospitals. MV provides quality products and maintenance service to support the continual implementation of the products and the equipment and to help reduce the burden of staff and nurses from delivering objects for medical analysis, leading to time saving and energy saving in comparison with using elevators of the personnel to deliver the objects. In addition, the Pneumatic Tube System can be used with other businesses such as factory, bank, and tool booth due to its lower cost comparing to human messengers, reducing personnel expense, and rapidness in delivering document or packages. It is expected that in 2019, MV will receive more revenue following the increase of the numbers of customers since there are more health facilities interested in the Pneumatic Tube System for delivering objects for medical analysis.

4. Hi Healthcare Center Co., Ltd. (HHC)

After the opening of the skin and aesthetics service business under the trademark of "Wuttisak Clinic" in February 2018, totaling 21 branches, HHC's revenue from sales and services recorded 164.18 million baht. According to the Center of Economic and Business Forecasting of University of the Thai Chamber of Commerce, the leading business in 2018 was the medical and aesthetics service. However, due to the business' high growth rate, there had been many entrepreneurs entering the business locally and internationally. It is very challenging for HHC to maintain the growth in the long run. Overall competition within the Medical Service business, there are few competitors against the Company since the operators need to have knowledge, understanding, and consistent monitoring of the new development of the medical technology, as well as other standards stipulated by the Ministry of Public Health and other related organizations. These are the difficulties for the new comers of the business.

Competitive Strategy

The water treatment system business in Thailand is in a highly competitive situation and there are a large number of competitors. However, due to different demands of each industry and different qualities of raw water in each area, the water treatment systems used are different. The water treatment business can be categorized into different types such as being categorized by types of water which consists of 1) Water Treatment; 2) Wastewater Treatment; and 3) Water Recycling Treatment, or being categorized by utilization of customers which consists of 1) Residential; 2) Commercial; 3) Medical Service; 4) Industrial; 5) Municipal & Infrastructure; and 6) Agriculture.

Therefore, the competition situation of the water treatment system business is not particularly severe due to the specific demand of the products and services which are not the mass products which can be applied to all customers. In addition, there are notifications and regulations on water standard controlled by many government agencies such as the Department of Health, the Department of Industrial Works, the Pollution Control Department, and the Ministry of Public Health, including the World Health Organization (WHO). The business operators' staff must be knowledgeable, experienced, and skillful to provide advice/ suggestion to the customers in order to choose the products and equipment and the water treatment system suitable for the demand and water quality used by the customers. In addition, most of the customers require the maintenance service which is standardized and can provide operation continuity with no halt.

For more than 20 years, the Company and its subsidiaries have been entrusted and accepted by the customers, reflecting in the ongoing growth of the operating results and the revenues. The business is not only achieving through the accumulated experience or expertise but also through the responsible business operation on the Good Corporate Governance, integrity, morality, and ethics. In order to achieve our vision of "To enhance your quality of life", the Company has stipulated the competitive strategy to establish sustainable growth to the organization as follow:

1. Product and Service Strategy

(1) Quality and Standard of Products and Equipment The Company is the importer and distributor of products and equipment relating to water treatment system, as well as devices, analysis and diagnosis equipment for medical service. Therefore, the selection of quality products and equipment which receive international certification is very important. This also applies to the professional service provided before and after sales. The Company has consistently organized training and development for its staff. Due to the different demands of water quality depending on the customers' objective of water utilization, the Company's staffs have the expertise in a very specific way to provide advice and suitable water treatment system for the customers in terms of efficiency of manufacturing cost controlling and the loss of business opportunity upon any halt of operation. The Company is, therefore, reliably entrusted by the customers

(2) Timely and Reliable Delivery The product delivery and service with quality, accuracy, and standardization as scheduled are the Company's policy which requires all level of staff to follow in order to prevent any impact from the loss of business opportunity. Installation period and delivery, as well as maintenance plan for the customers are scheduled and clearly included in the contract to ensure the Company's prevention of the halt of manufacturing process or impact on product quality caused by the production process.

2. Pricing Strategy

The Company does not seek excessive profit due to its expectation of the sustainable mutual growth with its trading partners and customers. The consideration of pricing is based on the cost used in the products and equipment, difficulties of installation, period of implementation, and numbers of staff, as well as the competitive price within the business. In addition, the consideration is also based on the cooperation and relationship with the customers.

3. Distribution and Distribution Channel Strategy

Most of the customers of the Company and its subsidiaries are the organizations whose emphasis is not on only the products or equipment. It is because the raw water is different in each area, and the utilization objectives and water qualification have caused the distribution strategy of the Company and its subsidiaries to focus on knowledge-based selling providing to the target groups through several channels, namely:

(1) Buzz Marketing The delivery of value rather than the products and equipment, or the suitable water treatment system to meet the customers' demands, timely delivery, and maintenance service for continual operation with no halt have led to the customer satisfaction which are passed on to other business operators, especially the franchise customers whose business tends to grow with the economy;

(2) Bidding It is a channel to get closed to the government customers with the compliance with the Government Procurement and Supplies Management Act B.E. 2560 and the regularity of the Ministry of Finance on the Government Procurement and Supplies Management B.E. 2560. The Company and its subsidiaries have expanded its customer base more on these government customers in terms of designing, installation of water treatment system and pneumatic tube carrier system for receiving and delivering objects for medical analysis, and the distribution of dialysis solution.

(3) Distributor It is a channel for selling products and equipment through a distributor whose business is related to water system or OEM. Those distributors will provide an installation service and/or maintenance service after sales, depending on conditions or agreements between the Company and the OEM;

(4) Sales Agent It is a channel for selling products and equipment with advices suggestion of designing and installation of water treatment system, pneumatic tube carrier system for receiving and delivering objects for medical analysis, as well as the designing and installation of the water treatment system of the dialysis unit;

(5) Trade Fair It is a channel to meet with the targeted customer groups as well as other business operators engaging in the business relating to the Company's which may develop to be a business alliance in the future.

4. Sales Promotion Strategy

The Company has constantly established sales promotion with the targeted customers, for both existing and new customers, to stimulate the customers' purchasing of products and service from the Company and its subsidiaries, instead of using only the pricing competition as follow:

(1) Consultancy/ suggestion services concerning appropriate water treatment system for the customers, as well as the information on products and equipment and comparing each water treatment are provided to the customers by knowledgeable staff with specialized expertise;

(2) Technical service units covering every area across Thailand with service units located in Bangkok and provinces such as Khonkaen, Chonburi, Phuket, Suratthani, and Songkhla;

(3) Trainings are established to provide knowledge on products and equipment of the customers, including initial maintenance to extend utilization period and to accurately monitor the system;

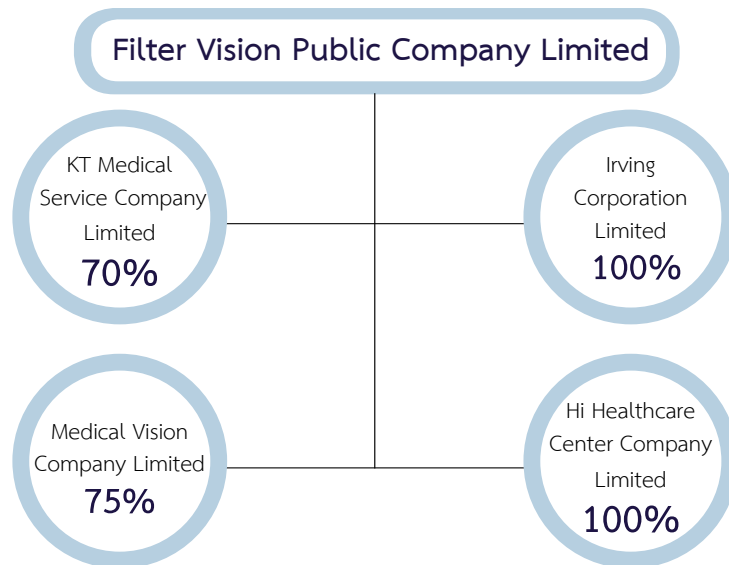
(4) The product distribution and services are provided in the form of rental agreement as an option for the customers. The term of the rental agreement is in 5-8 year-period.

Product and Equipment Procurement

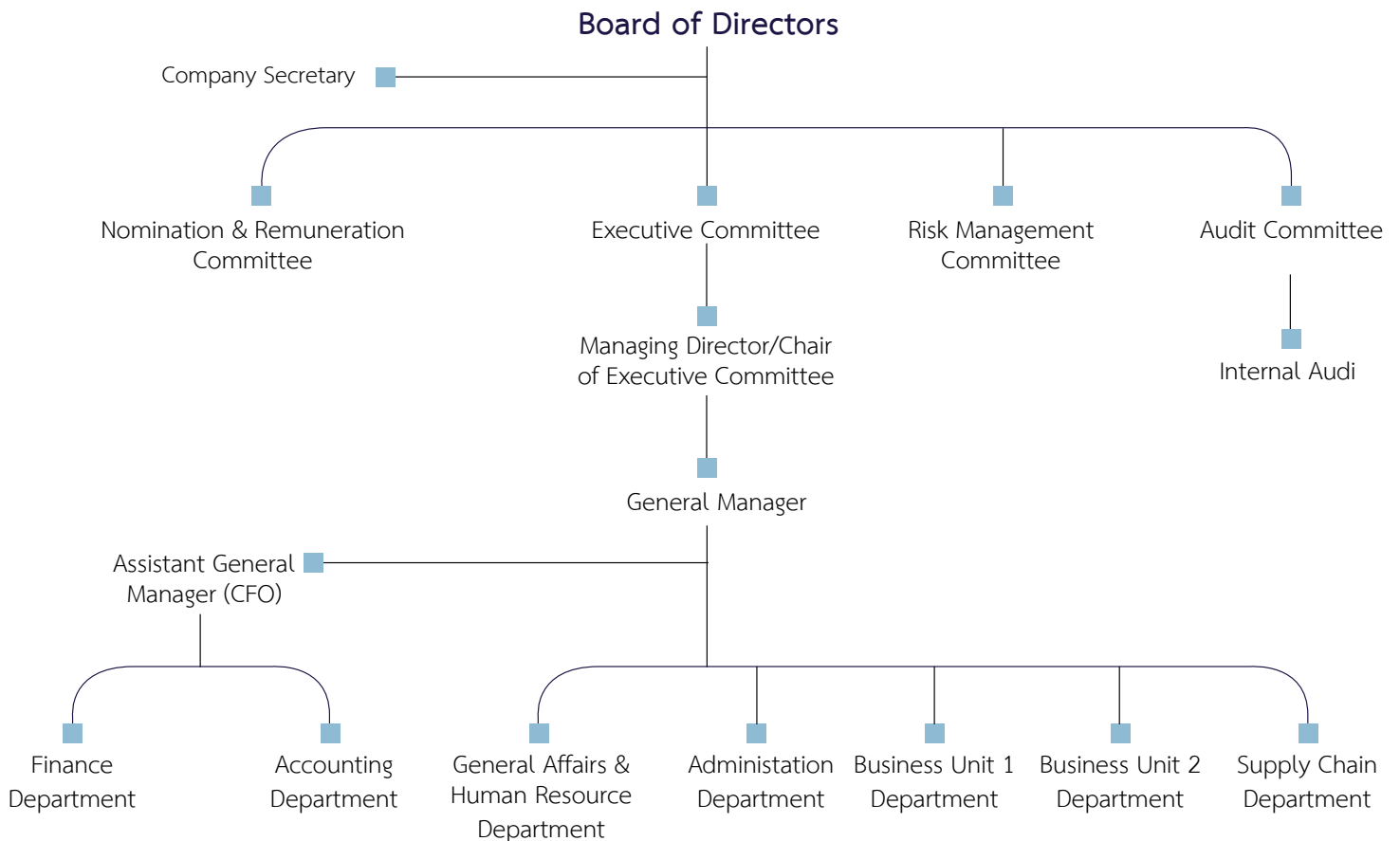
Since the Company and its subsidiaries engage in the import and distribution business concerning water treatment system, including devices, analysis and diagnosis equipment for the medical service. Thus, the procurement of products and equipment mostly are from the importing. In 2018, the proportion was at 64%, increased from that of 2017 (61%), and the rest were the local products, accounting for 36%. According to the product and equipment purchasing orders, it is found that the highest import orders of products and equipment concerning water treatment system came from Pentair Group of Companies because of the Company's having been appointed as Pentair's representative for more than 20 years. Pentair is the leading company in the United States of America which engages in manufacturing and distributing products and equipment concerning water treatment system, as well as providing services of Residential Solutions, Commercial Solutions, Industrial Solutions, Municipal & Infrastructure Solutions, and Agriculture Solutions.

MANAGEMENT STRUCTURE

1. Business Structure



2. Management Structure (as of December 31, 2018)



3. The Board of Directors

The number of Board of Director's has 10 persons consisted of

- 7 Non-Executive Directors consist of 5 independent directors and 2 non-independent directors.
- 3 Executive Directors consist of Managing Director, General Manager, and Assistant General Manager of Finance and Accounting Department.

Director Information

ลำดับ	กรรมการ	ตำแหน่ง
1	Mr.Witit Sujjapong	Independent Director/ Chairman of the Board of Directors
2	Dr.Wijit Techakasem	Director/Chairman of Executive board/Managing Director
3	Mr.Thanetr Khumchoedchoochai	Independent Director/Chairman of the Audit Committee/ Chairman of Risk Management Committee
4	Kiattiporn Sirichaisakul	Independent Director /Nomination & Remuneration Committee/Risk Management Committee/Audit Committee
5	Mr.Teernut Thangsatapompong	Independent Director/Audit Committee
6	Dr.Manit Teeratantikanont	Independent Director/ Chairman of Nomination & Remuneration Committee
7	Mr.Montrie Prajunpanich	Director/Nomination & Remuneration Committee/Risk Management Committee
8	Dr.Denchai Akaradajdachachai	Director
9	Mr.Tanapat Tantiwattanawijit	Director/Executive Director/General Manager
10	Ms.Panchit Chimpalee	Director/Executive Director/Assistant General Manager of Finance and Accounting Department

Authorized Directors

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 Miss Panchit Chimpalee, jointly sign with the Company common seal affixed.

Board of Director's Meetings

It is the duty of each member of the Board to consistently attend the Board's meetings to stay informed of FVC's operation and make business decisions. The Board usually schedules the regular meeting in every 3 months, the schedules of which are arranged in advance every year and submitted to each director at the beginning of the year so all the directors can arrange their schedule for the meetings. In addition, special meetings might be held to consider urgent matters.

When considering the matters presented to the Board, the Chairman of the Board presides over and duly conducts the meetings. All members of the Board are allowed to express their opinions independently. Resolutions are passed with a majority vote, where by one director is eligible for one vote. A director with a vested interest in the issue under consideration shall be excused and/or abstain from voting. In case of a tied vote, the chairman of the meeting will cast his vote to reach a resolution.

The Attendance of the Directors in 2018 (1 January 2018 – 31 December 2018)

Name- Surname	Committee	The Board of Directors	Nomination & Remuneration Committee	Risk Management Committee	Audit Committee	Shareholders Meeting
	Total number of directors	12 directors	4 directors	4 directors	3 directors	12 directors
	Total number of meetings a year	5 times	3 times	1 time	5 times	1 time
1. Mr.Witit Sujjapong	5/5	-	-	-	-	1/1
2. Dr.Wijit Techakasem	5/5	-	1/1	-	-	1/1
3. Mr.Thanetr Khumchoedchoochai	5/5	-	1/1	5/5	-	1/1
4. Mr.Kiattiporn Sirichaisakul	5/5	3/3	1/1	5/5	-	1/1
5. Mr.Teeranut Thangsatapornpong	5/5	-	-	5/5	-	1/1
6. Dr.Jitjumlong Harinasuta	2/5	-	-	-	-	-
7. Dr.Manit Teeratanikanont	5/5	3/3	-	-	-	1/1
8. Mr.danuj Bunnag	1/5	1/3	-	-	-	-
9. Mr.Montrie Prajunpanich	4/5	1/3	1/1	-	-	1/1
10. Dr.Denchai Akaradajdachachai	5/5	-	-	-	-	1/1
11. Mr.Tanapat Tantiwattanawijit	5/5	-	-	-	-	-
12. Ms. Panchit Chimpalee	5/5	-	-	-	-	1/1

*Resigned from the Company's directorship on December 11, 2018

**Resigned from the Company's directorship on April 17, 2018

*** With reference to the Nomination and Remuneration Committee Meeting No. 2/2018 on August 14, 2018; Committee resolved to appoint Mr.Montrie Prajunpanich to hold office as the Nomination and Remuneration director.

Report of Change in Securities Holdings of Directors

Directors	Ordinary shares (FVC)			Warrants (FVC-W2) (units)		
	As at January 1, 2018	As at December 31, 2018	Increase/ (decrease) during financial year	As at January 1, 2018	As at December 31, 2018	Increase/ (decrease) during financial year
1. Mr.Witit Sujjapong	-	-	-	-	-	-
2. Dr.Wijit Techakasem	99,374,377	103,943,666	4,569,289	29,812,312	29,812,312	-
3. Mr.Thanetr Khumchoedchoochai	-	-	-	-	-	-
4. Mr.Kiattiporn Sirichaisakul	-	-	-	-	-	-
5. Mr.Teernut Thangsapornpong	-	-	-	-	-	-
6. Dr.Jitjumlong Harinasuta	-	-	-	-	-	-
7. Dr.Manit Teerantikanont	-	-	-	-	-	-
8. Mr.danuj Bunnag	7,387,650	5,664,610	(1,723,040)	2,628,145	2,199,945	428,200
9. Mr.Montrie Prajunpanich	10,408,242	10,881,343	(473,101)	5,531,750	5,531,750	-
10. Dr.Denchai Akaradajdachachai	-	-	-	-	-	-
11. Mr.Tanapat Tantiwattanawijit	13,914,047	14,546,503	632,456	3,665,070	3,665,070	-
12. Ms. Panchit Chimpalee	-	-	-	-	-	-

4. Executive Committee

Executive Committee are empowered with an authority to operate business under the policy, strategies and goals directed by the Board of Directors, which approves a clear and definite scope of responsibilities to ensure transparency and flexibility of operation. Their duties also encompass controlling and keeping expenses and capital expenditures within the limits approved by the Board in the annual operating plan; managing human resources in line with the prescribed policy; resolving problems or conflicts that affect the Company; and maintaining effective communication with related parties. Executive Committee comprised of 9 members as follows

No.	Name	Position
1	Dr. Wijit Techakasem	Chairman of Executive Board
2	Mr. Tanapat Tantiwattanawijit	Executive Director/General Manager
3	Mr. Pattanapong Kongkarat	Executive Director/B2 Business Manager/ HR & General Affair Manager (Acting)/ Technical Service Manager
4	Ms. Supapan Yienglaengamkoop	Executive Director
5	Ms.Thanapa Techakasem	Executive Director/Administration Manager
6	Mr. Ratthapong Tathong	Executive Director/B1 Business Manager
7	Mr. Somchai Hongsa	Executive Director/Supply chain Manager
8	Ms. Panchit Chimpalee	Executive Director/Assistant General Manager of Finance and Accounting Department
9	Ms. Kanjana Pongpattanadecha	Executive Director

Report of Change in Securities Holdings of Directors

Directors	Ordinary shares (FVC)			Warrants (FVC-W2) (units)		
	As at January 1, 2018	As at December 31, 2018	Increase/ (decrease) during financial year	As at January 1, 2018	As at December 31, 2018	Increase/ (decrease) during financial year
1. Dr.Wijit Techakasem	99,374,377	103,943,666	4,569,289	29,812,312	29,812,312	-
2. Mr.Tanapat Tantiwattanawijit	13,914,047	14,546,503	632,456	-	-	-
3. Mr.Pattanapong Kongkarat	-	-	-	-	-	-
4. Ms.Supapan Yienglaengamkoop	-	47,045	47,045	60,500	60,500	-
5. Ms.Thanapa Techakasem	9,402,991	9,830,399	427,408	3,355,920	3,355,920	-

Report of Change in Securities Holdings of Directors

Directors	Ordinary shares (FVC)			Warrants (FVC-W2) (units)		
	As at January 1, 2018	As at December 31, 2018	Increase/ (decrease) during financial year	As at January 1, 2018	As at December 31, 2018	Increase/ (decrease) during financial year
6. Mr.Ratthapong Tathong	-	-	-	-	-	-
7. Mr.Somchai Hongsa	56,400	303,863	247,463	-	-	-
8. Ms.Panchit Chimpalee	-	-	-	-	-	-
9. Ms.Kanjana Pongpattanadecha	-	-	-	-	-	-
10. Mr. Chanathep Rakprakobkij	-	-	-	-	-	-

5.Company Secretary

With reference to the Board of Director's Meeting No.3/2018 held on August 14, 2018; the Board of Directors resolved to appoint Miss Alisara Sidtigasorn to hold office as the company secretary to comply with the CG principle for listed companies contained in the category of "directors' responsibility" and the terms of the Securities and Exchange Act. This position is charged to provide legal advice and related regulations which are mandatory for the Board to comply with; organize meeting; supervise Board activities to enable them to perform efficiently and effectively for the maximum benefit to FVC; prepare and maintain critical documents, including directors' registration, Board meeting notices and minutes, annual reports; issue shareholders' meeting notices and minutes, and reports of the interests of directors and management.

Company Secretary

Ms. Alisara Sidtigasorn Age 46 years

Company Secretary

Educational qualifications / institute

- Master of Economics Program in Business Economics from National Institute of Development Administration, Bangkok
- Bachelor of Technology, Commercial Technology (Business Information Technology, Sukhothai Thammathirat Open University, Nontaburi
- Bachelor of Science (Economics) from Kasetsart University, Bangkok
- Smart Disclosure Program (SDP), 2017, The Stock Exchange of Thailand
- SCP Straight Through (SCP), 2017, The Stock Exchange of Thailand
- P01 : CSR for Corporate Sustainability, 2017, The Stock Exchange of Thailand
- S01 : Strategic CSR Management, 2017, The Stock Exchange of Thailand
- S02 : Supply Chain and Stakeholder Engagement, 2017, The Stock Exchange of Thailand
- S03 : Corporate Social Initiatives for Sustainable Development, 2017, The Stock Exchange of Thailand
- S04 : Sustainability Risk and Materiality Analysis, 2017, The Stock Exchange of Thailand
- S05 : CSR Evaluation and Data Management, 2017, The Stock Exchange of Thailand
- S06 : Sustainability Reporting, 2017, The Stock Exchange of Thailand

Percentage of shareholding

- None

Family relationship with the executive

- None

Working experience during the past 5 years

- 2018 - Present Company Secretary Filter Vision Public Company Limited
- 2016 - 2018 Assistant Company Secretary Moong Pattana International Public Company Limited
- 2014 - 2015 Manager, Office of CEO Beyond Green Company Limited
- 2011- 2014 Senior Manager Thai Listed Companies Association (TLCA)
- 2006 - 2011 Research Specialist Thai Institutional of Directors Association
- 2005 - 2006 Analyst Krisadamahanakorn Public Company Limited

Illegal Record in past 10 years:

- None

6. Remuneration of Directors and the Management

The Remuneration Committee is required to be in place to support FVC with the determination and validation of a fair and sensible remuneration policy. The committee considers compensation based on appropriateness, individual responsibility of members of the Board, corporate's financial status, and practices of other corporate of the same sector. The compensation is composed of meeting fee for attendance and bonuses.

Remuneration of Directors

The remuneration of the Board of Directors and the Sub-Committee for 2018 approved by the Annual General Meeting of Shareholders 2018 held on April 25, 2018 was determined at THB 1,884,000 the following details.

	Remuneration/Meeting Allowance
Chairman of the Board	Monthly remuneration for THB. 57,000
The Board of Directors	Meeting allowance for THB. 11,000
The Audit Committee	
• Chairman	• Meeting allowance for THB. 17,000
• Member	• Meeting allowance for THB. 11,000
The Risk Management Committee	
• Chairman	• Meeting allowance for THB. 17,000
• Member	• Meeting allowance for THB. 11,000
Nomination&Remuneration	
• Chairman	• Meeting allowance for THB. 17,000
• Member	• Meeting allowance for THB. 11,000

Remuneration of the Board of Directors and Sub-Committee in 2018

Name	Remuneration (Bath)				
	The Board of Director	The Nomination and Remuneration Committee	The Risk Management Committee	The Audit Committee	Total (Bath)
1. Mr.Witit Sujjapong	684,000	-	-	-	684,000
2. Dr.Wijit Techakasem	-	-	-	-	-
3. Mr.Thanetr Khumchoedchoochai	55,000	-	17,000	85,000	157,000
4. Mr.Kiattiporn Sirichaisakul	55,000	33,000	11,000	55,000	154,000
5. Mr.Teernut Thangsatapornpong	55,000	-	-	55,000	110,000
6. Dr.Jitjumlong Harinasuta	22,000	-	-	-	22,000
7. Dr.Manit Teerantikanont	44,000	51,000	-	-	95,000
8. Mr.danuj Bunnag	11,000	11,000	-	-	22,000
9. Mr.Montrie Prajunpanich	44,000	11,000	11,000	-	66,000
10. Dr.Denchai Akaradajdachachai	55,000	-	-	-	55,000
11. Mr.Tanapat Tantiwattanawijit	-	-	-	-	-
12. Ms. Panchit Chimpalee	-	-	-	-	-
Total	1,025,000	106,000	39,000	195,000	1,365,000

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

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 from specified by the Office of the Securities and Exchange Commission. The Remuneration of the the Company and its subsidiary for top executives such as salary, bonus, wage, overtime pay, social security fund contribution, provident fund contribution and others to Executives in 2017 and 2018 for Baht 26.84 million and Baht 30.37 million, respectively.

7. Personnel

	Executives			Employees			Total
	Male	Female	Total	Male	Female	Total	
2016	6	4	10	100	80	180	190
2017	6	4	10	99	89	188	198
2018	6	4	10	98	258	356	366

Remark HHC had 182 employees as of the end of 2018.

The Remuneration of the Company and its Subsidiary for employees such as salary, bonus, wage, overtime pay, social security fund contribution, provident fund contribution and others to Executives in 2017 and 2018 for Baht 84.85 million and Baht 130.94 million, respectively.

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

Human resource Development Policy

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.

Total numbers of employees attending training 2016 - 2018

Type	2016		2017		2018	
	Number of Course	Numbers of Employees	Number of Course	Numbers of Employees	Number of Course	Numbers of Employees
Orientation	4	142	4	205	4	222
In-house Training	7	194	10	571	15	488
Public Training	3	4	7	8	8	8

* Orientation by the Managing Director has held every quarter and requires employees to participate at least once a year

CORPORATE GOVERNANCE

In 2018, the Board of Directors has reviewed the corporate governance policy to be in line with the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (SEC) and sustainable development guidelines of the company. The company aims to allow directors, executives and employees to act as a principle in performing their duties with responsibility to stakeholders as well as society and the environment to generate good returns and sustainable growth for the company and its subsidiaries.

Moreover, the Board of Directors and executives have acknowledged and understood the principles of the Corporate Governance Code for Listed Companies in 2017 of the Securities and Exchange Commission (SEC) and have been used as a guideline for organizational development Sustainability. However, the Board of Directors has considered that there are some parts that have not been implemented with reasons and measures as follows:

Non-compliance Topic	Reasons / Measures
1. The Board of Directors has determined a policy for holding positions of independent directors for not more than 9 years.	The Board of Directors does not specify the term of office of directors and independent directors as it is seen that all directors possess knowledgeable, experienced and qualified, which is beneficial to the business of the company as well as being professional to express opinions independently for the maximum benefit of the company and have responsibility to shareholders and all stakeholders.
2. Does the company provide a Compliance Unit?	The Audit Committee has assigned the internal audit unit (outsource) to inspect the operation system of the company to comply with laws, notifications, rules and other regulations related to the business of the company.

1. Rights of Shareholders

The Company has the policy to support, promote, and facilitate every shareholder both majority and minority, including institutional and foreign shareholders to ensure that they are entitled to all basic rights as owners of the Company which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, stock repurchase, the right to receive information, the right to attend Shareholders' Meeting, the right to propose in advance the Meeting agenda, the right to nominate a person to be a director, the right to make decisions on important affairs of the Company, e.g., the election and removal of directors, the appointment of auditors and determination of the audit fee, dividends, capital reduction and capital increase, amendment of Memorandum of Association and Articles of Association of the Company, as well as Approval of special items or important transactions affecting business direction of the Company. In addition to the basic legal rights of shareholders, the Company has promoted and facilitated the shareholders to exercise their rights as follows.

1.1. Before the meeting date, the Company allowed shareholders to nominate persons to be elected as directors and to propose the agenda of the annual general meeting including sending questions in advance before the meeting date via investor relations (e-mail: ir@filtervision-thai.com) and the company website (www.filtervision.co.th).

1.2. The Company set the agenda and conduct the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders (if any) according to the corporate governance principles, including the AGM Checklist of the Thai Investors Association and the Securities and Exchange Commission with regard to taking care of shareholders to exercise their rights equally.

1.3. For the venue of the shareholders' meeting, the Company considered from the location, room space, sound system and equipment of the meeting room and comfortable travel.

1.4. The Company prepared the notice of the shareholders' meeting with details such as facts and reasons for each agenda. Together with the opinion of the Board of Directors that is clear and sufficient for shareholders by post at least 21 days in advance of the meeting date, and also published on the company website both in Thai and English at least 30 days before the meeting date, so that shareholders have sufficient time to consider each agenda item. Furthermore, the Company avoids additional items which are not places in the agenda prior to the meeting.

1.5. In the case of any shareholder who wishes to appoint a representative, e.g., an independent director or other person, to act as proxy at the meeting, the Company provided the list of independent directors who do not have a conflict of interest regarding the meeting agenda as a proxy for the shareholders.

1.6. Encourage all types of shareholders including institutional shareholders; attend the shareholders' meeting without limitation of their rights even shareholders who come late. In case of proxy, the Company also facilitated the shareholders by preparing personnel for inspection of documents and duty stamps; for free, employed barcode system in registration and vote counting for convenience, fast and accurate.

1.7. Prior to the meeting, the Company will clarify the voting method and vote count as clearly specified in the company's regulations and clearly separating the votes for each agenda such as voting for each director individually and arrange for an independent person or volunteer shareholder to verify the vote counting in the shareholders' meeting.

1.8. Encourage directors and executives to attend the shareholders' meeting to allow shareholders to express their opinions and ask the Board of Directors and executives on matters related to the Company's operations by ensuring that sufficient time is allocated for each agenda.

1.9. Report the resolution of the shareholders' meeting and the voting results for each agenda within the meeting date and recording the minutes of the shareholders' meeting accurately and completely and published on the Company's website within 14 days from the date of the meeting as well as send it to the Stock Exchange of Thailand and the Securities and Exchange Commission via the SET Portal

1.10. Providing direct channel for shareholders to contact and ask for information as below;

- Website www.filtervision.co.th
- Investor relations Tel. +662 518 2722 ext. 644 or ir@filtervision-thai.com
- Company secretary Tel. +662 518 2722 ext. 649 or cs@filtervision-thai.com

2. Equitable Treatment of Shareholders

The company has a policy to treat every shareholder including minor shareholders, major shareholder, foreign shareholders and institutional shareholders equally and ensure that they have basic rights and other rights that should be treated equally. The Company allows minority shareholders to nominate persons to be directors, propose meeting agenda as well as encourage shareholders to express their opinions and ask questions thoroughly at the shareholders' meeting.

The Company has determined that the Company's information shall disclose accurately, adequately and in time for decision making through SET Portal and the Company's website (www.filtervision.co.th), so that everyone can access information equally and thoroughly. In addition, the Board of Directors has established the Insider Trading Policy in order to have appropriate internal information management as well as prevent inside information from leaking before public disclosure in general or being exploited in the wrong way and affect the trading price of the company.

3. Role of Stakeholders

The company has a policy to conduct business with responsibility, transparency and fairness to all stakeholders by ensuring that stakeholders are treated in accordance with the rights that are required by law or agreements with the company. The Company set the business code of conduct for the directors, executives and employees of the company and its subsidiary, strictly abides by this Code in carrying out their duties and functions as well as imposes disciplinary actions for disobedience in the Employee Handbook.

(1) Shareholders	The company has a policy to treat shareholders fairly and facilitate them to use their basic rights under the law, regulations and the rights that shareholders should receive in accordance with good corporate governance principles, such as the dissemination of the invitation letter and supporting documents to the shareholders' meeting on the Company's website, not less than 30 days in advance in order to shareholders to have sufficient time to consider each agenda items
(2) Employees	The Company believes that the employees are its most valuable assets, so that the Company set a policy in order to treat employees with fair and equitable while paying compensation and benefits in accordance with the labor laws. The Company provides fair remuneration on the basis of suitability and duties of each individual as well as comparison with the job at other companies in the same business group. To encourage employees to ongoing knowledgeable development for more opportunities to get a promotion, appointment and relocate fairly including provide safe and healthy work environment.
(3) Customers	The company has a policy to treat customers with care by allowing employees to deliver value to customers through quality products and services at a fair price as well as providing channels for customers to express their opinions, report complaints, suggest or request advice on the use of various products in a convenient way

(4) Partners	The company operates business with partners with integrity; not taking advantage and comply with the agreement conditions; supervise to comply with the business ethics of the Company strictly; and supporting partners to conduct business with social and environmental responsibilities
(5) Competitors	The company is committed to conducting business under the framework of laws and business ethics by treating competitors fairly; do not act as an obstacle to the market mechanism or free competition under the Trade Competition Act.
(6) Creditors	The company has a policy to treat its creditors with commitment to strictly comply with the contract, terms and conditions. In the case of the Company could not meet the contract, the creditors will be notified in order to find solutions and prevent damage in advance.
(7) Community, Social and Environment	The Company conducts business with responsible to community, social and environment including encourage employees at all level to perform their duties with care until become to the Company's culture.
(8) Regulators	The Company has determined that the directors, executives and employees shall be strictly abliged to laws, principles and other regulations including not commit or accept any form of corruptions whether directly an indirectly both theirselves and relevant persons
(10) Mass Media	The company has appointed the person (s) who responsible and supervise the disclosure of information to the media shall be accurately, completely, clearly and in time

The Company has provided channels for all stakeholders to contact, comment or suggest various issues about the business of the Company which includes clues or complain at the company secretary, call 02 518 2722 ext. 649 or cs@filtervision-thai.com, Investor Relations Tel. 02 518 2722 ext. 644 or ir@filtervision-thai.com, or the Company's website www.filtervision.co.th

4. Disclosure and Transparency

The Board of Directors has provided a disclosure and transparency policy to determine guidelines for disclosing important information related to the company both financial and non-financial information which must be complete, accurate and timely, through SET Portal and the company's website (www.filtervision.co.th) in both Thai and English in order to be easily accessible and equally Including complying with laws, rules, regulations and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand And other related regulatory agencies.

In addition, the Company is also committed to complying with the principles of good corporate governance, both at the national level, such as the Corporate Governance Code for Listed Companies 2017, the Corporate Governance Report of Thai Listed Companies (CGR) and international level, such as the ASEAN CG Scorecard and the OECD Principles of Corporate Governance

5. The Board of Directors

5.1. Board Composition

The Company prescribed that there must be no fewer than 5 directors and not less than a half of the total number of directors must have residence in the Kingdom. The Board of Directors shall comprises executive director, non-executive director and independent director with the proportion of independent director is not less than one-third of the total number of directors and must be at least 3 directors. Moreover, the number of executive directors is not more than a half of the total number of directors and must be at least one executive director who has experience in business operation of the Company.

The Board of Directors has a policy that the Chairman of the Board of Directors and the Managing Director shall not be the same person in order to check and balance of the management work by define roles and responsibilities of the Chairman and the Managing Director are clearly separated.

For the board size, it depends on the size and type of business by having elements of knowledge, skills, experience and specific qualifications (Board Skill Matrix) as well as various qualifications in line with the company's goals, strategies and business direction without limiting gender, race or any difference, so that the composition of the Board of Directors is complete and the most beneficial to the Company

5.2. General Qualifications of Director

- (1) Possess the qualifications, not prohibited, in line with the laws, articles of association, principles and relevant regulations
- (2) Possess leadership skill, vision, honesty and ethics in business operation
- (3) Must be knowledgeable, experience and expertise in various professions, which will be the most beneficial to the Company and its subsidiary
- (4) Shall express their independent opinions and judgement on decision-making that will benefit the most to the Company, all shareholders as well as all stakeholders
- (5) Be allocate sufficient time to perform the duties and responsibilities as a director
- (6) Be knowledgeable, understanding of the duties and responsibilities of directors in corporate governance

5.3. Qualifications of Independent Directors

- (1) Holds no more than 0.5% of the total number of voting shares of the Company, subsidiaries, affiliates, major shareholders or controlling persons, including the shares held by related persons
- (2) Is not an authorized director, employee, staff member, advisor on the payroll of the Company, subsidiaries, associates, or major shareholders of the Company
- (3) Is not a director appointed as a representative of director of the Company, major shareholder, or shareholders related to the major shareholders
- (4) Does not obtain benefit or interest whether directly or indirectly; both finance and business administration
- (5) Is not an auditor of the Company, subsidiaries, or juristic person that may have conflict of interest
- (6) Is not a provider of any professional services that receives more than 2 million baht per year in service fees from the Company, subsidiaries, or juristic person that may have conflict of interest
- (7) Is not related by blood or close relatives of the executives or major shareholders
- (8) Is not a director appointed as a representative to protect director's interest of the Company, subsidiaries or major shareholders
- (9) Does not bear any other characteristic which could compromise his/her expression of free views about the Company's business operations

5.4. The Quorum and the Meeting

The Board of Directors set the meeting schedule in advance annually and informs all directors to be able to allocate time to attend the meeting and also encourage each director to regularly attend the meeting which requires a minimum meeting of not less than 4 times a year and may organize special meetings as needed. The Chairman and the Managing Director will jointly consider the meeting agenda, whatever each director can propose the meeting agenda independently. The Company shall disclose the number of meetings and the attendance of each director and sub-committee in the Form 56-1 and the annual report of the company.

In addition, the Board of Directors also has a policy to encourage non-executive directors and independent directors to hold meetings among themselves as necessary or at least once a year without the participation of the management to discuss and express opinions on various issues. In each meeting, the chairman of the meeting will allow each director to express opinions independently, including allocating the meeting time for each agenda appropriately. In the case of that any director has any interest in the matter being considered, the director will inform the meeting and must not participate in expressing opinions and voting on that matter.

The decision-making of the Board of Directors shall be made by majority votes, one director has one vote. If the votes are equal, the Chairman of the meeting shall have an additional vote as a casting vote. In addition, the Company has set a minimum quorum policy at the time when the Board of Directors will vote in the Board of Directors meeting, which requires no less than two-third of the total number of directors.

The Board of Directors requires the Company Secretary to deliver the notice together with supporting documents for each agenda to the directors at least 7 days in advance for the directors to have sufficient time to study the information before attending the meeting. The directors can request additional documents from the management or related persons or invite executives or employees of the company, attending the meeting to clarify various issues and assign the Company Secretary to prepare the minutes of the meeting in writing correctly and completely.

5.5. Election / Appointment of Director

The election of directors to replace those retiring by rotation must be approved by the shareholders' meeting. The Nomination and Remuneration Committee is able to consider, select and nominate to the Board of Directors to appoint new directors to replace in the next board meeting. Unless the term of the director is less than 2 months, the person who is appointed as the replacement director will be in the position of director only for the remaining term of the director to be replaces.

5.6. Term of office

For the term of office the Company is comply with the Public Limited Company Act B.E. 2535 and the Company's Articles of Association that at every annual general meeting, one-third of the directors shall vacate in proportion, if the number of directors is not a multiple of three, the number of directors closest to one-third shall vacate. In subsequent years, the director who has held office longest shall vacate. A retiring director is eligible for re-election. The Nomination and Remuneration Committee will select and propose the appropriate person to hold the position of director to the Board of Directors and present to the shareholders' meeting for approval.

Any vacancy occurring in the board of directors otherwise than by rotation, director shall vacant as follows:

- (1) death
- (2) resignation
- (3) disqualified or prohibited as prescribed under the laws
- (4) the resolution of the shareholders' meeting
- (5) the court's order to vacant.

5.7. Duties and Responsibilities of the Board of Directors

(1) To govern the Company's business operation in line with legislations, regulations, board's resolutions and shareholders' meeting resolutions (Duty of Obedience), with caution, prudence (Duty of Care), morality and honesty (Duty of Royalty), as well as disclose financial information and non-financial information correctly, sufficient and in time (Duty of Disclosure)

(2) Define the vision, mission, objectives, strategies and main business plans as well as allocating resources and budgets to achieve the organization's drive towards sustainability including review them at least once a year

(3) Supervising and monitoring the business operations of the Company to be in accordance with the objectives, strategies, plans and budgets of the Company including corporate governance policy, code of conduct and anti-corruption policy

(4) Supervising the preparation of financial reports and disclosing important information with accuracy, completeness and reliability Including monitoring the adequacy of financial liquidity and the ability to pay debts of the company

(5) Monitor to ensure that the Company has appropriate internal control system and internal audit; and have an effective check and balance mechanism both financial, operation in accordance with laws, rules and related regulations; establish the independent internal audit unit by reporting directly to the Audit Committee

(6) Arrange to have a risk management system; formulate policies and supervise the risk management of the company; and its subsidiaries to be in an adequate and effective level

(7) Appoint and define roles, duties and responsibilities of sub-committees

(8) Appoint and define roles, duties and responsibilities of the Managing Director as the highest position

(9) Appoint persons as directors or executives in subsidiaries as well as monitoring the operations of subsidiaries by regularly reporting performance results

(10) Appoint and remove the Company Secretary to have the duty to support the work of the Board of Directors and its committees; prepare and maintain important documents of the company including any other actions as required by law or as assigned by the Board of Directors

(11) Set corporate governance policy, code of conduct and anti-corruption policy; review and implement those policies in comply with the said policy at least once a year

(12) Monitor and supervise the business operation for the best benefit of the company, every shareholder both major and minor shareholders and institutional shareholders as well as other stakeholders such as employees, customers, partners, competitors, creditors, communities, society and the environment including taking care of getting the rights as required by law

(13) Promote and support the creation of additional value through innovation and technology throughout the business chain to increase the competitiveness of the company by developing knowledge, skills and attributes of employees at all levels to have potential in line with the objectives, goals and vision of the Company

(14) Promoting and cultivating staff consciousness at all levels to have morality, ethics and perform duties with responsibility according to the corporate governance policy, code of conduct and anti-corruption policy including not using undue benefits in the properties, information and opportunities of the company

5.8. Scope of Authority of the Board of Directors

(1) To consider and approve the investment of the company and its subsidiary in projects that are not in the annual budget or use fund more than the project's budget approval or exceeding the other investment budget

(2) To consider and approve the purchase or sale of assets, acquisition, merger and segregation of businesses including joint venture with other persons or juristic persons according to the criteria and announcements of the Stock Exchange of Thailand (SET) or its value exceeding the approval authority of the Managing Director and the Executive Committee

(3) To consider and approve the interim dividend payment

(4) To consider and approve any transactions that result in the capital structure of the company with debt to equity ratio greater than 1.5 : 1.0

(5) To consider and approve any transactions or actions affecting the financial position, liabilities, business strategies And the reputation of the company

(6) To consider and approve any contract that is not related to normal business operation or significant contract regarding normal business operations

(7) To consider and approve the connected transaction between the company and its subsidiaries with connected persons according to the regulations of the Stock Exchange of Thailand (SET) and the Capital Market Supervisory Board of the Securities and Exchange Commission (SEC) announced and items that do not meet these requirements

(8) To consider and approve the change of policies and practices that are significant to the accounting policy, risk management and internal control of the company

(9) To consider and approve the amount of salary and bonus adjustment or criteria for annual remuneration of executives and employees

(10) To consider and approve the organizational structure adjustment at the top executives level above

(11) To consider and delegate authority to the Chairman of the Board of Directors or any one or many directors or any other person performing any work on behalf of the Board of Directors, which the Board of Directors may cancel, revoke, change or amend such authorization as it deems appropriate

(12) Having duties and other responsibilities in accordance with relevant laws, rules, regulations, the Company's Articles of Association and the resolution of the shareholders' meeting

5.9. Scope of Authority of the Chairman of the Board of Directors

(1) Being the Chairman of the board meeting

(2) Sets board meeting agenda in consultation with the Managing Director

(3) Not being a chairman or member of the sub-committee in order to truly perform the duties of the sub-committees.

(4) Strengthen good relations between executive directors and non-executive directors as well as between the directors and the management of the company

5.10. Scope of Duties of the Managing Director

(1) Manage and supervise the operations of the company in order to meet the objectives, goals and plans of various projects approved by the Board of Directors

(2) Seeking new business and investment opportunities related to the company's main business and its subsidiaries in order to increase revenue channels for the company

(3) Acting as a juristic person to bind the company to the extent specified in the company's policy and approval authority authority.

(4) Acting as a juristic person to authorize various matters in accordance with the scope of authority stipulated by the policy and approval authority regulations of the Company.

(5) Report on the Company's performance and quarterly results and its subsidiaries compared to the plan and budget with recommendations to the Board of Directors at least once a quarter

(6) Any assignments by the resolution of the Board of Directors 'meeting and / or the resolution of the shareholders' meeting of the Company

6. Board Committee

6.1. Audit Committee

The Audit Committee is comprised of at least three independent directors, with at least one audit committee having sufficient knowledge and experience in accounting and / or finance to review the financial reporting system and the disclosure of information in financial statements in accordance with financial reporting standards and check the operation of the company according to the policy, regulations as well as laws and regulations of regulatory agencies including having qualifications as specified by the Securities and Exchange Commission

Role, Duties and Responsibilities

(1) Review the financial reporting system and the disclosure of financial information accurately and reliably according to financial reporting standards and law prescribed

(2) Review to ensure that the internal control system and internal audit of the Company is appropriate, adequate and effective including conforming to generally accepted international standards of internal control and internal audit

(3) Review the operation of the company to be in accordance with laws, rules, regulations, resolutions of the shareholders' meeting, as well as the law on securities and exchange and other laws related to the business of the company

(4) Review the audit process and risk management of the company to ensure that risk management is carried out efficiently and effectively in accordance with the risk management policy.

(5) Selecting and propose the appointment and audit fee for the auditor of the Company including evaluating the performance of the auditor and arrange a meeting with the auditor without management at least once a year

(6) Consider and approve the internal audit plan, propose the appointment, removal and transfer of the head of the internal audit department or the internal audit service provider from external agencies to the Board of Directors Including considering the independence of the internal audit unit

(7) Consider connected transactions or items that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission

(8) Promoting the development of financial reporting systems to be in line with international financial reporting standards.

(9) Report the performance of the internal audit of the Audit Committee to the Board of Directors at least 1 time per quarter

(10) If the Audit Committee finds or suspects that there are transactions or actions which may have a significant impact on the financial status and operating results of the Company. The Audit Committee shall report to the Board of Directors in order to proceed with rectification within the time that the Audit Committee deems appropriate

(11) Prepare the performance report to be submitted to the Board of Directors at least once a year and disclosed in the annual report.

(12) Perform other duties as required by laws or assigned by the Board of Directors.

6.2. Remuneration and Nomination Committee

The Nomination and Remuneration Committee consists of not less than three directors, with not less than half of the total number of the Committee and the numbers of executive director as appropriate. The Chairman of the Nomination and Remuneration Committee must be an independent director.

Role, Duties and Responsibilities

- (1) Determine policies, criteria and methods of recruiting as well as consider the selection and nomination of persons to be directors and members of sub-committees to the Board of Directors and / or the shareholders' meeting, as the case may be.
- (2) Consider remuneration and other benefits of directors and sub-committees, proposing to the Board of Directors for consideration and proposing to the shareholders' meeting for approval.
- (3) Consider criteria for succession of the Managing Director's position
- (4) Consider and determine compensation, bonus and other benefits of the Managing Director and propose to the Board of Directors for approval
- (5) Prepare the performance report to be submitted to the Board of Directors at least once a year and disclosed in the annual report.
- (6) Perform other duties as required by laws or assigned by the Board of Directors.

6.3. Risk Management Committee

The Risk Management Committee consists of not less than three members, with at least half of the total numbers of the Committee and the numbers of executive director as appropriate. The Chairman of the Risk Management Committee must be an independent director.

Role, Duties and Responsibilities

- (1) Set the risk management policy and risk management framework of the company adequately and appropriately to the Board of Directors.
- (2) Arrange an assessment, analysis and review risk management policy of the Company's and its subsidiaries; regularly developing a risk management framework and risk management process to meet international standards
- (3) Supervise and monitor the implementation of risk management framework that has been implemented properly
- (4) Risk reporting and significant risk management Including things that should be regularly updated to the Board of Directors; and submitted a performance report at least once a year and disclosed it in the annual report
- (5) Perform other duties as required by laws or assigned by the Board of Directors.

6.4. Executive Committee

The Executive Committee consists of directors and top executives of the Company and its subsidiaries as appropriate with the Managing Director as the Chairman of the Executive Committee and has the authority and duties as assigned by the Board of Directors

Role, Duties and Responsibilities

- (1) Consider, screen and prepare strategies, policies, operational plans and the annual budget of the Company and propose to the Board of Directors for approval
- (2) Conduct the company and its subsidiaries in line with the objectives, policies, regulations, resolutions of the Board of Directors and the resolution of the shareholders' meeting
- (3) Monitor and supervise the business operations of the company and its subsidiaries to achieve the objectives, goals, policies, strategies and plans according to the annual budget as approved by the Board of Directors effectively
- (4) To consider and approve or take any action which is a normal business of the Company under the annual budget limit; or as specified in the approval authority regulations which have been approved by the Board of Directors
- (5) Perform other duties as required by laws or assigned by the Board of Directors.

7. Selection of Director and Executive

The Board of Directors has assigned the Nomination and Remuneration Committee to recruit individuals with knowledge, capabilities, various experiences, honesty and having a business ethics. The candidate shall be a person who has no prohibited characteristics according to the relevant laws, principles, rules and regulations. Moreover, they should have enough time to perform duties according to roles and responsibilities and make the composition of the board complete, appropriate and beneficial to the business of the company

8. Remuneration of Director and Executive

The Company has a policy to determine appropriate remuneration for the Board of Directors and sub-committees in line with the roles, duties and responsibilities. Any directors who are assigned to be members of the sub-committees will receive additional remuneration according to the increased roles and responsibilities, which must be compared with the remuneration of other companies at the same size and type of business. Then propose the remuneration to the shareholders' meeting to approve

For top executive compensation, the Board of Directors entrust to the Nomination and Remuneration Committee to determine the remuneration of the Managing Director in accordance with the Company's strategy, plan and long-term goals, including the evaluation of the performance of the Managing Director in line with concrete criteria consistent with financial performance, the objectives and goals that set and propose to the Board of Directors for approval.

9. Board Self-Assessment

The Board of Directors requires the Company Secretary to arrange an assessment of the Board of Directors and sub-committees, both group and individual, at least once a year. Then the Company Secretary shall report the summary of the evaluation results to the Board of Directors in order to jointly consider the evaluation and determine measures to improve the performance of the Board of Directors and sub-committees which includes reviewing the suitability of the structure and composition of the board as well.

The assessment criteria include: 1) Structure and qualifications of the Board 2) Roles, duties and responsibilities of the Board of Directors 3) Board meetings 4) Relationship with the management 5) Self-development of directors and executive development

10. CEO Performance Evaluation

For performance evaluation of Managing Director and senior management, the Board of Directors has assigned the Nomination and Remuneration Committee to set criteria for evaluating the performance of the Managing Director that shall be in line with the goals, strategies, plans and budgets both in the short and long term of the Company, the overall economics and social conditions. In addition, the Nomination and Remuneration Committee will use the assessment results to be used for consideration of adjusting the annual remuneration and special remuneration of the Managing Director and propose to the Board of Directors for approval.

11. Orientation and Development of Director and Executive

The Board of Directors recognizes the importance of orientation for new directors, therefore assigned the company secretary to present documents and information that are useful to the directors' duties, such as regulations, corporate governance policy and business ethics Including business information of the company to enhance knowledge and understanding of the business and business operations of the company to the new director.

In order to continuously operation development, the Board of Directors therefore encourages and facilitates directors, executives and company secretary to attend seminars and training courses that are beneficial to their duties which includes courses related to good corporate governance and sustainable development.

12. Succession Plan

The Board of Directors governs the succession plan of the top executives (Management Level) and key positions to ensure that the company will have personnel for replace those positions immediately, in particular when the top executive position is vacant or unable to perform the duties. The company continuously considers and evaluates the potential of personnel who posse knowledgable, skills and experiences that are in line with the company's objectives and goals that be as a guideline for developing a knowledge development plan Skills and qualifications necessary for succession.

13. Directorship in Other Companies

The Board of Directors set a policy to specify the number of listed companies in which the directors hold no more than 5 positions that in line with good corporate governance principles The Managing Director and the Company's executives to hold the position of director in no more than 5 other companies, including subsidiaries and must be approved by the Board of Directors.

14. Company Secretary

The Board of Directors appoints Company Secretary to oversee the meeting of the Board of Directors, shareholders' meetings and activities of the Board of Directors; to help the Board of Directors and the Company to comply with relevant laws and regulations as well as encouraging corporate governance to comply with good corporate governance standards.

Role, Duties and Responsibilities

(1) Arranging meetings for shareholders, the Board of Directors and Committees to be complied with laws, the Company's Articles of Association, the Corporate Governance policy and the Charter for the each of the Committees.

(2) Advise and recommendation to the Board of Directors and the Committees on relevant legal issues, rules and the Company's Articles of Association including corporate governance guidelines and follow up to ensure that various activities are consistent and regularly report significant changes to the directors.

(3) Taking minutes of the shareholders' meeting, the Board of Directors and the Committees including follow up of matters arising from meeting resolutions of those meetings

(4) Ensuring the disclosure of information and various information reports To the regulatory agency to be in accordance with the laws, regulations and policies of the Company's information disclosure

(5) Communicate with general shareholders to acknowledge various rights Of shareholders and company news

(6) Maintain reports of interest reported by directors or executives and all important documents such as director registration, notice, meeting minutes and annual report of the company Including the notice and the minutes of the shareholders' meeting

(7) Carry out any other matters as required by law or as assigned by the Board of Directors or as prescribed by the Capital Market Supervisory Board

15. Internal Control and Internal Audit

The Board of Directors requires the establishment of an internal audit function and/or hires an internal audit company to perform duties to monitor the internal control system and regularly review important items. The company set adequate internal control systems in line with international standards both operational and information technology systems to ensure that the Company has its efficiency and effectiveness to determine and assess business risks to Has determined and assessed the risks of the business Define risk prevention measures And supervising compliance with rules and regulations Including relevant laws and regulations

The internal audit function has been determined to be under the supervision of the Audit Committee in order to perform their duties independently, fairly with ethics and professional in line with International Standards for the Professional Practice of Internal Auditing approved by the Audit Committee and report to Audit Committee and the Board of Directors on a quarterly basis.

The Board of Directors requires the establishment of an internal audit unit and / or hires an internal audit company to perform duties to monitor the internal control system and regularly review important items to ensure that the company has adequate internal control systems effective and effectiveness in accordance with international standards for both operational and information technology systems. The Company has determined and assessed the risks of the business, define risk prevention measures and supervising compliance with rules and regulations Including relevant laws and regulations.

The Board of Directors requires that the internal audit department should be under the supervision of the Audit Committee in order to be able to perform their duties independently, fairly, with ethics and professional expertise in accordance with international standards of the internal audit profession. In addition, the annual audit plan, mission and scope of work of the internal audit department must be passed and approved by the Audit Committee and report the audit results to the Audit Committee and the Board of Directors on a quarterly basis.

16. Disclosure and Transparency Policy

The Board of Directors recognizes the important of information so that to ensure the disclosure of information is accurately, adequately and transparently. Moreover, the information must be disclosed carefully, which does not show information that is exaggerated or may be misleading in essence. The Company provides easily access and equitable channels via SET Portal and the Company's website (www.filtervision.co.th) or other channels as specified by the relevant authorities. In addition, the Company define administer measures concerning the disclosure of financial information and non-financial information such as financial statements, operating results, Management Discussion and Analysis (MD&A), Form 56-1 and annual report (Form 56-2) as stipulated by laws and other regulations relevant in particular, financial statements must be reviewed by the auditor that correct as it should be in essence in accordance with generally accepted accounting principles and approved by the Audit Committee and the Board of Directors.

In order to ensure the disclosure of information according to various laws and regulations strictly, the Board of Directors has established an Investor Relations to communicate, provide information and coordinate with external parties such as shareholders, investors, analysts who need financial information performance Including other information publicly disclosed to the public at the same time, it has provided the investor relations ethics to be a framework for their duties. Exclude the investor relations, the company has appointed the Managing Director, General Manager and Assistant General Manager of the Accounting and Finance Department to be the authorized spokesperson to provide information or to disclose the Company's performance or to clarify, if there are rumors or information leakage to the media. For any questions, the shareholders, investors, analysts or interested person shall contact directly through various channels such as LINE application, e-mail and Facebook. In addition, the company has disclosed the Corporate Governance Policy, Code of Conduct and Practice Guidelines, Anti-Corruption Policy, Sustainable Development and information on various activities at the Company's website (www.filtervision.co.th)

17. Insider Trading Policy

The Company has prescribed guidelines for the use of insider information or significant information that has not yet been disclosed to public and may affect the price of the Company's securities. By the rules directors, executives and employees are not permitted to disclose the Company's inside information to outsider or any person who not relevant duties, whether directly o indirectly. Do not trade the company's securities during the 1 month period before disclosing quarterly financial statements and annual financial statements and within 24 hours after disclosing such financial statements, including requiring directors and executives (Section 59 of the Securities and Exchange Act B.E.2535 as amended) to notify the Company Secretary at least 1 day in advance before trading the company's securities. After that, the company secretary shall report to the Board of Directors meeting to prevent misuse inside information.

18. Conflict of Interest Policy

The Board of Directors requires directors and executives to disclose their own or related persons' interests who is related to the company or its subsidiary (Section 89/14 of the Securities and Exchange Act B.E. 2535 and the amendment) to the Company Secretary in order to use the information for examining the duties of directors or executives. Because of, the Company requires directors or executives to make decisions without interest, whether directly or indirectly. In case of directors or executive whoever has any interest to the agenda, they should disclose it and abstain or leave the room to allow the directors and executives make a fair decision.

In addition, the Company has determined guidelines for related party transactions or connected transactions based

on the regulations and reasonable price applied with third party transactions. Furthermore, the Company supervises the implementation of the rules of the regulatory authorities as well as laws, regulations, announcements and related orders strictly.

19. Trade Competition Policy

The Company has a policy to treat competitors fairly and transparently in accordance with the laws, the Company's business code of conduct and the Competition Act, B.E. 2560. In this regard, the Company shall not take advantage or illegal methods with competitors by seeking their confidential information in dishonest, improper as well as violate their intellectual property, discredit them that may be cause negative affect to the Company's reputation or receive civil and criminal penalties. Therefore, the company has determined that employees at all levels strictly adhere to the policy.

20. Procurement Policy

The company is committed to conducting business in accordance with the principles of good corporate governance regarding economic, social and environmental responsibility. The policy set to ensure that the procurement procedure is transparent and fair with consideration of quality, price, quantity, service and delivery of products and services as well as compliance to relevant laws. All partners and suppliers shall be treated equally and non-discrimination with providing complete, accurate, clear, sufficient and equal information and also strictly pursue the anti-corruption policies and never get involved in all types of corruption, either directly or indirectly.

21. Policy on Supervisory of Subsidiaries Companies

The company has a policy to invest in businesses that related or beneficial, including supporting the business of the company and its subsidiaries, to enhance competitiveness and create sustainable value of businesses. The Board of Directors has a policy to appoint representatives, who hold appropriate qualifications and experience to be as directors or executives in subsidiaries. The number of representatives in each subsidiary is determined by the percentage of holding in that entity. A report on the operating results shall be submitted to the Executive Committee and the Board of Directors at least once a quarter to oversee the operational management of the subsidiaries to be in accordance with the policies, goals, plans, strategies and budgets of the company

22. Whistleblowing and Complaint Policy

The Whistleblower and Complaint Policy sets by the Board of Directors who recognizes the importance of conducting business with responsibility according to the principles of good corporate governance. The policy provides the specific channels to report any suspicious activities or those in violation of the law, rules and regulations, code of conduct, anti-corruption policy as well as behaviors that may imply fraud or corruption. Moreover, to ensure that such reporting or provision of information will be kept confidential and not cause trouble to the whistleblower, complainant including informant who provide information in good faith or reject fraud and corruption actions.

Channel of whistleblowing and complaint

- | | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Chairman of Audit Committee | e-mail: thanetrk@gmail.com |
| (2) Chairman of Executive Committee | e-mail: twijit@filtervision-thai.com |
| (3) Company Secretary | e-mail: cs@filtervision-thai.com |
| (4) Website | www.filtervision.co.th |
| (5) Post to | Chairman of Audit Committee or Company Secretary
Filter Vision Public Company Limited
95 Soi Ramintra 117, Ramintra Road, Minburi,
Minburi, Bangkok Thailand 10510 |

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors aims to maintain and sustain the growth of the Company and its subsidiaries, therefore the Company have started the Sustainable Development Project. The goals of the Project are developing and integrating concept of social responsibility and sustainable development into every business process and all stakeholders including balancing economic, social and environmental dimensions. The Project has a period of 3 years from 2018 - 2020. The Sustainability Report for the year 2018 of the company and its subsidiaries has been prepared and published on the company's website. (www.filtervision.co.th)

RISK MANAGEMENT

The Company has realized the importance of risks which may affect the business operation not to achieve the stipulated objectives and goals. Therefore, the Enterprise Risk Management (ERM) is established to initiate the Risk Culture within the organization through training, providing knowledge, and the management's communication to the staff, as well as exchanging and learning the risk management between departments in order to effectively achieve the risk management practice.

Risk from imbalance of revenues between the business groups

The Company's main revenue has generated by the Commercial & Residential business group or "B1" which is accounting for more than 50% of the total revenues. Most of the customers of this business group are convenient stores, coffee shops, and large restaurants in Thailand and oversea, with its wide network of branches and the market of few distributors, as well as the confidence of the customers towards its products and other equipment of water purifying products, and/ or food equipment. In addition, the Company can offer products to serve the demand of the customers and the maintenance service to extend the lifespan of the products which help prevent any business interruption.

Nowadays, the revenue ratio of the Commercial & Residential business group tends to decrease due to the revenue increase from the Medical Services business group of "B3". The Commercial & Residential business group has the revenue of 53.80% in 2017 and 38.90% in 2018. On the other hand, the revenue from the Medical Services business group has increased from 27.30% in 2017 to 45.79% in 2018. This indicates the result of the Company's risk management that can increase the revenue ratio of other business groups to reduce the risk from the imbalance of the revenues between the business groups.

Although most of the customers of the Commercial & Residential business group are in Food and Beverage business group, and the risk from the slowdown of economy or purchasing power of the customers may not have much effect on the consumption, the Company still focuses on the growth of the Industrial and Original Equipment Manufacturer business group or "B1" and the Medical Services business with the average targeted revenue ratio of each group around 30% - 40%.

Risk from Inventory Management

Since the Company is the importer and distributor of products and equipment relating to purifying water system and water treatment, in order to establish the balance to the supply chain, the Company has to maintain the appropriate level of the inventory volume and sufficient services provided to the customers to constantly keep up with the demand of the customers. This also includes the material storing to meet the quality and standard with the realization of the depreciation and obsolescence of the products. However, in terms of the cost management, with the purchase of a large quantity of products, the cost and transportation fee are decreased but this leads to the increase of the warehouse management cost. Therefore, the planning of the appropriate inventory volume must be made by different departments in order to serve the sales plan and after sales service plan. The inventory shelf-life analysis and product balance must be constantly reported to related departments to prevent any opportunity loss of selling products to the customers, loss of customers to competitors, and any effect on future reputation of the Company.

Risk from dependency on a large manufacturer

For more than 20 years, the Company's business operation as the importer and distributor of products and other products relating to water purifying system from overseas, the Company has remained good relationships with Pentair group, the world-class leading company of water solutions with 130 offices in 34 countries and more than 10,000 employees around the world. With confidence, Pentair group has good business operation with stability and creditability. The Company's objective to deliver products and consult services of quality water solutions to households, businesses, and industries in order to access to clean and safety water, the Company, under the sales representative contract, is the product distributor of Pentair group. The good relationship with the Company has remained unchanged through the continuous exchanging of learning, providing advice, and providing opinion toward products and services. The management and staff always participate in meetings, seminars, and training courses in Thailand and overseas. Although the import of products may pose the risk of product price changes due to the foreign exchange rates, Pentair group has the policy to annually lock the product prices in advance. The Company is also informed of the product price changes prior to any change of cost and/ or product prices. This help the sales representative company to plan and change the product price in accordance with the change of prices.

In addition, the Company also searches for and selects new manufacturers to reduce the risk from the dependency on a large manufacturer and the risk from the delay of products and equipment delivery to the customers caused by any accidental business interruption of the large manufacturer such as natural disaster, terrorism, political unrest, etc. If any of the incidences occurs, the Company can deliver the products and equipment to the customers with no delay and cause no damage to the Company's operation and revenue loss from the product distribution.

Risk from dependency on major customers

The Company's business operation, approximately 40% of the revenue comes from Commercial & Residential Business, and most of the customers are convenient stores, coffee shops, and restaurants with franchises or network of branches across the country. With quality and standardized of the products and water purifying system, and food equipment delivery, as well as good after sales service with Preventive Maintenance (PM) which helps maintain the operation of products and equipment, the Company is entrusted by its major customers with constant orders and maintenance services. However, the Company has a plan to reduce risk from dependency on major customers through the expansion of customer base in Thailand and overseas, including the expansion to other businesses.

Risk from fluctuation of foreign exchange rates

The fluctuation of foreign exchange rates can be caused by many local and overseas factors. Therefore, the Company has to establish risk management measure to reduce impact on the cost of products and operating results of the Company with the forward contract. The forward contract is an agreement to sell or buy foreign currency with a bank on the stipulated date as indicated in the contract with the agreed exchange rate. However, upon any tremendous change of the foreign exchange and the change posts significantly affect the cost products; the Company may increase the product prices following the increase of the cost. The customers will be informed of the change in advance. Nonetheless, the prevention measures of the risk from foreign exchange rate are under the consideration and decision of the Executive Committee to utilize appropriate financial tools with certain situations, leading to effective revenue and cost management.

Risk from compliance with relevant legislation, regulations, and standards

The business operation of the Company's subsidiary is medical service and health and beauty, the business which places an importance on standard and safety of the products, the Company, therefore, supervises the operation of the subsidiary to strictly comply with relevant legislation, regulations, and standards, covering medical device standard, Hemodialysis Solution standard, beauty clinic standard, GMP standard, and ISO 13485 standard. Those standards are under the supervision of Food and Drug Administration (FDA), Department of Health Service Support, and The Royal College of Physicians of Thailand. To supervise the compliance and to follow the amendment of relevant legislation, regulations, and standards, the Company has constantly organized training courses for its employees' understanding of legislation, regulations, and standards as well as hiring experts to provide advices on evaluation, assessment, and certification, including development of standards and regulations which lead to the Company's manufacturing and distribution of medical devices and medical services with safety and quality, following international standards and complying with relevant regulations and legislation.

Risk from labor shortage

Due to the ongoing growth of the Company, it has caused the Company to employ personnel with necessary knowledge, expertise, and skill to serve the growth of the business – water purifying system and medical businesses – to reduce the risk from labor shortage and the loss of quality personnel. Therefore, the Company has placed an importance upon its employees starting from the process of selection of good attitude personnel whose knowledge and skill are suitable with the responsibility and position and with appropriate remuneration and benefits with fairness. The Company also provides constant training courses and personnel development courses to encourage promotion opportunity in career path and prepare the employee for the succession plan. In addition, the Company also provides an opportunity to the potential employee to perform their capability through special projects such as Water INT project as well as to promote the competition to create work or innovation which is in accordance with the Company's strategy and goal. The employees are the important factors to drive the business with the capability to maintain continuous growth with sustainability.



INTERNAL CONTROL

In the Board of Director's Meeting No. 1/2019 on 27th February 2019, 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 2018 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. 1/2019 on 27th February 2019;

EY Office Limited reported the Audit Committee for acknowledgement that no observation from account auditing for 2018.

In the Audit Committee's Meeting on 27th February 2019 No. 1/2019, RE-ADDS CO., LTD. was appointed to perform internal auditor of the company for 2019. 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.

CONNECTED TRANSACTIONS

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 2018 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"> • The signatory authorized director, Chairman of the Executive Committee and the Managing Director of the company • The major shareholder of the company in proportion of 18.392%. • The signatory authorized director, the Managing Director, Sales and Marketing Department Manager of Irving Corporation Limited • Signatory Authorized director and managing director of KT Medical Service Company Limited. • Signatory Authorized director and Managing Director of Hi Healthcare Center Company Limited
Miss Thanapa Techakasem	<ul style="list-style-type: none"> • The executive director, and Administrative Department Manager of the company and the younger sister of Dr. Wijit Techakasem • The company's shareholder in the proportion of 1.739%. • The signatory authorized director of Irving Corporation Limited
Mr. Pisarn Techakasem	<ul style="list-style-type: none"> • Shareholders of the company in proportion of 1.678% and the younger brother of the Dr. Wijit Techakasem • Ex-company director from March 18, 2011 to May 11, 2011
PMAV. Marketing Company Limited	Shares have been held by Mr. Montrie Prajunpanich in proportion of 60.00% (The signatory authorized director and shareholder of the company in proportion of 1.925%).

Guarantee of Overdraft Loan

Related Company/Person	Nature of Transaction	Outstanding Debt Value (Baht)
		As of 31 December 2018
Dr. Wijit Techakasem	<ul style="list-style-type: none"> Overdraft loan line of the company for total of 20 million Baht used in normal business operation is divided into 2 contracts as follows. 	10,000,000.00
Miss Thanapa Techakasem		
Mr. Pisarn Techakasem	<ul style="list-style-type: none"> 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 behalf of the titleholder of the Techakasem family's assets 	1,324,363.96
Irving Corporation Limited		
	<ul style="list-style-type: none"> 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. 	

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	Outstanding Debt Value (Baht)
		As of 31 December 2018
Irving Corporation Limited	<p>Guarantee on forward line of the company and Irving Corporation Limited in total line of 20 million Baht consists of below.</p> <ul style="list-style-type: none"> • 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. 	0.00

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	Outstanding Debt Value (Baht)
		As of 31 December 2018
Dr. Wijit Techakasem	<p>Total overdraft loan line of the company for 15 million Baht used in normal business operation is divided into 2 contracts as follows.</p> <ul style="list-style-type: none"> • 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 	5,000,000.00
Miss Thanapa Techakasem		
Mr. Pisarn Techakasem		
Filter Vision Public Company Limited		

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

Related Company/Person	Nature of Transaction	Outstanding Debt Value (Baht)
		As of 31 December 2018
Dr. Wijit Techakasem Miss Thanapa Techakasem Mr. Pisarn Techakasem Filter Vision Public Company Limited	<ul style="list-style-type: none"> 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 	1,031,213.43

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	Outstanding Debt Value (Baht)
		As of 31 December 2018
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 4 contracts as follows.</p> <ul style="list-style-type: none"> 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 	3,271,933.58

การค้ำประกันวงเงินกู้เบิกเกินบัญชีและวงเงินกู้ประจำของบริษัท เคที เมดิคอล เซอร์วิส จำกัด (ต่อ)

Related Company/Person	Nature of Transaction	Outstanding Debt Value (Baht)
		As of 31 December 2018
Filter Vision Public Company Limited	<ul style="list-style-type: none"> Overdraft loan line total 6 million Baht for normal business transaction, secured by title deed and constructed buildings of Filter Vision Public Company Limited and Filter Vision Public Company Limited signed for guarantee of such credit loan 	0.00
	<ul style="list-style-type: none"> 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 	8,966,200.00
	<ul style="list-style-type: none"> Fixed credit line total 18 million Baht for investment, secured by title deed and buildings of Filter Vision Public Company Limited and Filter Vision Public Company Limited signed for guarantee of such credit loan 	0.00

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.

Guarantee of Overdraft of Hi Healthcare Center Company Limited

Related Company/Person	Nature of Transaction	Outstanding Debt Value (Baht)
		As of 31 December 2018
Filter Vision Public Company Limited	Total overdraft and fixed credit loan line of the company for 10 million Baht used in normal business operation	3,545,968.43
	<ul style="list-style-type: none"> Overdraft loan line total 10 million Baht for normal business transaction, and Filter Vision Public Company Limited signed for guarantee of such credit loan 	

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 Hi Healthcare Center 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 2018	
PMAY. Marketing Company Limited	Trade Debtor of Filter Vision Public Company Limited	13,643.57	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
		As of 31 December 2018	
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	29,473,377.76	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.

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
		As of 31 December 2018	
Irving Corporation Limited	sell product Membrane type, filter, UV lamp, filter head, filter tank And Fitting	4,256,630.42	<p>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.</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 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> <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>
Irving Corporation Limited	Service charge revenue from being employed for service and photocopying	433,105.26	<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>

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
		As of 31 December 2018	
Irving Corporation Limited	Revenue from area lease fee and public utility expense, area lease fee, water bill, electricity bill	714,448.14	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 Limited	Interest received Short-term loan (interest rate at 1.15% - 6.620% per annum)	1,780,298.80	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	260,050.00	1. For operating convenience and flexibility of the holding company and the subsidiary company in operation with personnel management ability at maximum efficiency. 2. The company has charged service charge from personnel cost including handling charge for charging inter-service charge.
บริษัท เออร์วิง คอร์ปอเรชั่น จำกัด	Purchase of product Fitting, Electrical Equipment, Pure salt, Flow gauge, Pressure gauge	118,691.47	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. 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.

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
		As of 31 December 2018	
			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.
Irving Corporation Limited	Other income Annual party banquet fee 2018	77,056.81	<p>1. For operating convenience and flexibility of the holding company and its subsidiary in organizing annual party.</p> <p>2. The company has charged banquet fee by the average according to the number of employees of each company, except for the gift for drawing lots and gold for employees who have completed the criteria. The company charges gifts and gold fees from the companies that the employees works with.</p>
KT Medical Service Company Limited	Sell product UV lamp, Fitting for cold and hot water dispenser	27,632.75	For changing UV lamp and Fitting cold and hot water dispensers, the company determines the price and trade conditions applied with third party transactions.
KT Medical Service Company Limited	Revenue from area lease fee	1,086,034.44	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.
KT Medical Service Company Limited	Service charge revenue from being employed for service and photocopying	33,772.39	<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>

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
		As of 31 December 2018	
KT Medical Service Company Limited	Revenue from Management Service	552,690.00	<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 charges service fees based on personnel costs, including management fees for service charges between each other.</p>
KT Medical Service Company Limited	Interest received Short-term loan (interest rate at 6.620% per annum)	83,548.06	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	Other income Annual party banquet fee 2018	42,275.43	<p>1. For operating convenience and flexibility of the holding company and its subsidiary in organizing annual party.</p> <p>2. The company has charged banquet fee by the average according to the number of employees of each company, except for the gift for drawing lots and gold for employees who have completed the criteria. The company charges gifts and gold fees from the companies that the employees works with.</p>
Medical Vision Company Limited	Sell product power supply	9,375.00	The Company sells the power supply (UPS) at the price and trade conditions applied with third party transactions.
Medical Vision Company Limited	Revenue from area lease fee	8,563.86	The company has charged area lease fee in the similar rate as the leased building and area of the lessor and services in the nearby location area.

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
		As of 31 December 2018	
Medical Vision Company Limited	Service charge revenue from being employed for service and photocopying	8,989.19	<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	Revenue from Management Service	216,790.00	<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 charges service fees based on personnel costs, including management fees for service charges between each other.</p>
Medical Vision Company Limited	Interest received Short-term loan (interest rate at 4.525% - 6.620% per annum)	584,209.31	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.
Medical Vision Company Limited	Other income Annual party banquet fee 2018	3,268.25	<p>1. For operating convenience and flexibility of the holding company and its subsidiary in organizing annual party.</p> <p>2. The company has charged banquet fee by the average according to the number of employees of each company, except for the gift for drawing lots and gold for employees who have completed the criteria. The company charges gifts and gold fees from the companies that the employees works with</p>

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
		As of 31 December 2018	
Hi Healthcare Center Company Limited	Sell product Water INT PAD	79,300.00	The company installed an energy saving system (Water INT PAD), at the price and trade conditions applied with third party transactions
Hi Healthcare Center Company Limited	Revenue from Management Service	994,030.00	<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 charges service fees based on personnel costs, including management fees for service charges between each other.</p>
Hi Healthcare Center Company Limited	Interest received Short-term loan (interest rate at 4.525% - 6.620% per annum)	7,997,494.98	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
Hi Healthcare Center Company Limited	Service charge revenue from being employed for service and photocopying	159,617.65	<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>
Hi Healthcare Center Company Limited	Other income Annual party banquet fee 2018 and bank fees	12,962.50	<p>1. For operating convenience and flexibility of the holding company and its subsidiary in organizing annual party.</p> <p>2. The company has charged banquet fee by the average</p>

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
		As of 31 December 2018	
Hi Healthcare Center Company Limited			<p>according to the number of employees of each company, except for the gift for drawing lots and gold for employees who have completed the criteria. The company charges gifts and gold fees from the companies that the employees works with.</p> <p>3. The company charges a bank fee at the same price as price charged by the bank.</p>
PMAV. Marketing Company Limited	Revenue from sale filter, UV lamp for machine producing antioxidants drinking water for healthy and machine producing ozonated water for disinfection within the same product (Biowell) and revenue from maintenance services.	27,051.00	<p>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.</p> <p>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.</p> <p>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.</p> <p>4. The company has determined the price and trade conditionx that applied with third party transactions.</p>

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

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

1. Nature of Business

The Group of Companies engages in distribution of product and equipment, design, assembly and installation, and maintenance service of pure water treatment system, including clinical operation of dialysis services for end stage kidney patients who receive renal replacement therapy or Hemodialysis (Dialysis Center), distribution of medical equipment and devices, and health and aesthetics clinical services.

2. Overview of Operating Results in 2018

Despite the risks of global political and economic tensions and the uncertainty of the US economic policy in 2018, the global economy had continued to improve. On the other hand, the Thai economy had gradually grown with the significant drive from tourism and export in the past year. Trend as continued to improve while the income and the unemployment had been relieved by the government's measure to reduce the public's burden on cost of living, especially on minimum wage adjustment. As a result, in 2018, the Group of Companies' revenues from product distribution and services increased from the previous year by 197.45 million baht. In 2019, due to the existing government's policy and the election held on March 24, 2019, there will lead to the significant increase of demands for products and services in the wholesale business, restaurant business, and hotel and accommodation business, which are the important drives to the Group of Companies' constant sales volume growth.

Filter Vision Public Company Limited ("the Company") has continued to carry on offering its new products and to expand its business to the CLMV countries (Cambodia, Laos PDR, Myanmar, and Vietnam) which are the group of countries with interesting direction of business growth. At present, the Company constantly receives the order volume from the customers of those countries. In addition, the Company regularly organizes marketing activities to provide knowledge on water quality suitable with business model of the customers, as well as activities to promote and provide knowledge on cleaning and disinfection to the targeted groups of customers in order to establish the awareness of importance and enhancement of product quality and good services, which is consistent with the business.

The group of subsidiary companies consists of Irving Corporation Limited engages in distribution of products, equipment, design, assembly, and installation of systems relating to pure water treatment for medical service business. The company has recognized the income from 10 projects of installation of system relating to pure water treatment system for medical service business; KT Medical Services Co., Ltd. is the clinical operation of dialysis services for end stage kidney patients who receive renal replacement therapy or Hemodialysis (Dialysis Center), consisting of 5 centers (63 dialysis machines) - 1 in Bangkok, 3 in the Northeast region, and 1 in the West region - with maximum numbers of patients for Hemodialysis. At present, it still focuses on the expansion of the dialysis center; Medical Vision Company Limited is the distributor of medical equipment and products. In 2018, it received the sales revenue from the 6 installation projects of the pneumatic tube carrier systems; Hi Healthcare Center Company Limited, established on September 25, 2017, provides medical services on health and aesthetics under the trademark "Wuttisak Clinic". It started its first operation service under the Group of Companies' management on February 10, 2018.



3. Analysis of Operating Results

Profit and Loss Statement (Million Baht)	Consolidated Financial Statements			
	2018	2017	+ / (-)	%
Revenues from Sales and Services	656.71	459.26	197.45	42.99%
Gross Profit from Sales and Services	125.50	120.95	4.55	3.76%
Other Revenues	6.10	14.18	(8.08)	(56.98%)
Sales Expenses	(30.05)	(25.64)	4.41	17.20%
Administrative Expenses	(100.78)	(81.31)	19.47	23.95%
Earnings before Interest and Tax (EBIT)	0.77	28.18	(27.41)	(97.27)%
Financial Expenses	(6.67)	(2.41)	(4.26)	(176.76%)
Corporate Income Tax	2.02	(4.08)	6.10	149.51%
Net Profit for the Period	(3.88)	21.69	(25.57)	(117.89%)
Other Comprehensive Incomes - Net of Tax	0.68	0.00	0.68	100.00%
Total Comprehensive Income for the Period	(3.20)	21.69	(24.89)	(114.75%)
Profit Sharing for the Period				
• The Company's Equities	(4.44)	22.06	(26.50)	(120.13%)
• Non-Controlling Stakeholders' Equities	1.24	(0.37)	1.61	435.14%

3.1 Revenues

Total revenues (core revenues and other revenues) increased by 189.37 million baht, or accounting for 40% increase from the previous year, of which can be categorized into business groups as follows:

Revenue by Business Group	2018		2017		Growth Rate (%)
	Million Baht	Ratio (%)	Million Baht	Ratio (%)	
1. Industrial Business and Operators of Water System Business (B1) ¹	100.51	15.31%	86.79	18.90%	15.81%
2. Commercial and Residential Business (B2) ¹	255.47	38.90%	247.08	53.80%	3.40%
3. Medical Service Business (B3) ²	300.73	45.79%	125.39	27.30%	139.84%
Total Revenue	656.71	100.00%	459.26	100.00%	42.99%

¹B1, B2 - Filter Vision Pcl. ("The Company")

²B3 - Irving Corporate Limited, KT Medical Service Co., Ltd., Medical Vision Co., Ltd, Hi Healthcare Center Co., Ltd. ("The Subsidiary")

The Group of Companies' total core revenues in 2018 increased by 197.45 million baht, or accounting for 42.99% increase from the previous year due to factors of each business group as follows:

Industrial Business and Operators of Water System Business (B1)

The revenue of this group increased by 13.72 million baht, or accounting for 15.81% increase due to the business strategy adjustment in 2018 by focusing on business expansion to more numbers of large projects. In addition, with good quality of service operation and products which provided good response to the customers' demand, the orders received in 2018 were from several large water system projects such as installation of wastewater treatment equipment project, installation of 300-cubic-meter-per-day wastewater equipment project, maintenance and improvement of settling tank project, installation of UF Membrane project, and installation of Nitrate Filter system project, etc. On the other hand, in 2017, the revenue from the large projects was slightly lower while the revenue from product distribution of industrial water system equipment had continued to grow, leading to the noticeable revenue growth of this business group from the previous year.

Commercial and Residential Business (B2)

The revenue of this business group increased by 8.39 million baht, or accounting for 3.40% increase from the previous year. The increase mainly came from the increase of the revenue from Preventive Maintenance (PM) of the products due to the rising demand of the food and beverage customers to maintain the standard and quality of water used in food and beverage production process provided to the consumers. However, the revenue growth from product distribution and water system installation was similar to the previous year, leading to a slight growth from the previous year of this business group.

Medical Service Business (B3)

The revenue of this business group increased by 175.34 million baht, or accounting for 139.84% increase from the previous year. The increase came from the increase of the revenue from the new business (Hi Healthcare Center Co., Ltd.) which was first operated under the trademark "Wuttisak Clinic" on February 10, 2018, generating the revenue from sales and services of by 164.18 million baht in 2018. In addition, the revenue from KT Medical Service Co., Ltd. (KT Medical Service - Hemodialysis Center) continued to grow from the previous year by 32.00 million baht, or accounting for 110.55% increase due to the opening of another 2 dialysis centers in 2018, as well as the constant increase of patient numbers reaching the maximum service capacity, leading to the tremendous growth of the revenue from this business group from the previous year

3.2 Gross Profit

The Group of Companies' gross profits in 2018 and 2017 were at 125.50 million baht and 120.95 million baht, respectively and the gross profit margin were equivalent to 19.11% and 26.34%, respectively. The decrease of the gross profit was caused by the new business started in 2018 which had high cost of sale per sale such as depreciation from the branch purchase of which the passage of life considered by the appraiser as short in comparison with the high value of the asset. This led to the depreciation of the equipment for services worth 5.22 million baht. In addition, the physician fees were as high as 42.65 million baht in order to keep the physician with the business amid high competition within the market of the business also caused the decrease of the gross profit from the previous year. However, upon consideration of the gross profit of each business group of the Group of Companies, apparently, the gross profit margin was higher than that of the previous year, especially on the gross profit margin of the clinical operation of dialysis services which increased from the previous year by 203.31%.

3.3 Other Revenues

Other revenues decreased by 8.08 million baht, or accounting for 56.98% decrease from the previous year, mainly caused by the decrease of the interest received from the investment in promissory notes. In 2018, there was no investment in the promissory notes. The mentioned factor had caused other revenues to decrease from the previous year.

3.4 Sales Expenses

The sales expenses of the Group of Companies increased from the previous year by 4.41 million baht, or accounting for 17.20% increase, mainly caused by the commission fee of the existing businesses and the new business to stimulate higher sale and service revenue. The factor had led to the increase of the sale expenses.

3.5 Administrative Expenses

The administrative expenses increased by 19.47 million baht, or accounting for 23.95% increase from the previous year, mainly caused by the administrative expenses of the new business of medical clinic of health and aesthetics on February 10, 2018 (in the previous year, the expenses covered only the company's registration), together with the annual adjustment of the Group of Companies' employee and management remunerations which was performed every year. Those factors were the cause of higher administrative expenses.

3.6 Operating Results – Net

For the year 2018, the Group of Companies' net profit decreased by 25.57 million baht, or accounting for 117.89% decrease from the previous year since the new business could not generate return to cover the expenses and this caused loss to the operating results. However, the loss partially came from the expense to prepare and to increase the efficiency of the administration of the business.

4. Financial Position

Statement of Financial Position - Consolidated (Million Baht)	As at		Increase (Decrease)	%
	December 31, 2018	December 31, 2017		
Total Assets	954.82	787.13	167.69	21.30%
Total Liabilities	283.75	123.43	160.32	129.89%
Shareholders' Equities	671.07	663.70	7.37	1.11%
No. of issued and fully paid-up common shares (Million Shares)	565.14	517.82	47.32	9.14%
Par (Baht)	0.50	0.50	0.00	0.00%

4.1 Assets

The total assets as at December 31, 2018 increased by 167.69 million baht or by 21.30% from the end of 2017. The significant changes consisted of the net decrease of the cash and the cash equivalents of 137.87 million baht which were caused by the wage payment to the contractor and other expenses for the construction of the new office building and the new warehouse of 34.75 million baht, the fixed asset purchase of 60.86 million baht, the annual bonus payment to the employees and the management of 11.59 million baht, the purchase of franchise rights and assets of 95.00 million baht, the payment of the rental and service deposit of 7.65 million baht. On the other hand, the increase came from the proceed received from the right exercising to purchase common shares of the warrant holders (FVC-W1) worth 11.90 million baht and the overdraft and loan received from financial institutions worth 65.03 million baht. The cash and the cash equivalents had led to the net increase of 99.00 million baht of property, plant, and equipment of which consisting of the purchase of 21 branches from franchise right holders worth 38.55 million baht, the new office building and warehouse worth 36.05 million baht, and the purchase of land, building, and equipment for the expansion of the new dialysis center worth 35.57 million baht. Moreover, the 8.49 million baht increase of non-current assets mainly came from the payment of the rental and service deposit of 7.65 million baht. On the other hand, there was an increase of the accounts receivable and other receivables by 114.41 million baht from the accounts receivable and other receivables of the new business worth 82.14 million baht. The inventory's increase of 27.35 million baht came from 21.09 million baht of the new business' inventory.

4.2 Liabilities

The total liabilities as at 31 December 2018 increased from the end of 2017 by 160.32 million baht or by 129.89%. The significant changes consisted of the increase of 65.41 million from the accounts payable and other payables, mainly came from the increase of 38.46 million baht of the accounts payable and other payables of the new business, 17.39 million baht of accounts payable of dialysis machines, the increase of deferred income by 26.20 million baht, the increase of the overdraft and short-term loans from financial institutions by 38.83 million baht to support the operation and to repay foreign suppliers, and the increase of the long-term loan from financial institutions by 20.06 million baht which was an additional loan for the construction of the office building and the new warehouse and to purchase dialysis machines. As a result, those factors led to the net increase in operating liabilities.

4.3 Shareholders' Equities

The shareholders' equities in 2018 increased by 7.37 million baht from the end of 2017, or accounting for 1.11%. The significant changes of transactions consisted of 23.66 million baht increase of the paid-up capital, comprising the right exercising to purchase common shares of the warrant holders (FVC-W1) worth 11.89 million baht and the payment of stock dividend worth 11.77 million baht, and 13.09 million baht decrease of the accumulated profit due to the dividend payment for 2017 operating results, including the "loss" of 3.20 million baht for 2018 operating results. Those were the significant factors which caused the decrease of the shareholders' equities.

5. Cash Flow Statements

For the year 2018, the Group of Companies' net cash and cash equivalents from all activities had a net decrease by 137.87 million baht from the previous year. The details of the cash flow can be categorized by activity as follows:

Cash Flow Statements (Million Baht)	Consolidated Financial Statements		
	2018	2017	+ / (-)
Net cash provided by (used in) operating activities	(52.55)	(5.01)	(47.54)
Net cash provided by (used in) investing activities	(149.80)	(211.04)	61.24
Net cash provided by (used in) financing activities	64.48	296.03	(231.55)
Net increase (decrease) in cash and cash equivalents	(137.87)	79.98	(217.85)

5.1 Cash flow from operating activities

The Group of companies' net cash flow used in operating activities increased by 47.54 million baht due to significant transactions of operating activities as follows:

1. The cash flow received from the accounts receivable and other receivables decreased by 105.88 million baht from the previous year (decrease of cash receipts) due to the accounts receivable and other receivables of the new business worth 82.14 million baht. At present, it is in the process of filing a lawsuit against the debtor. In addition, this also included the account receivables of the clinical business of dialysis center worth 24.11 million baht. With the increase of the revenue and the account receivables was a government agency which had a long period of disbursement procedures, these factors caused the Group of Companies' cash flow to decrease.

2. The increase of the cash flow by 61.43 million baht of accounts payable and other payables from the previous year (decrease of the repayment to the accounts payable) mainly came from the accounts payable and other payables of the new business worth 38.69 million baht and other payable from the asset acquisition for the clinical business of dialysis center worth 14.18 million baht. Those were from the negotiation ability of the management with

the manufacturers and distributors to extend the payment period. Therefore, those factors led to the decrease of the cash flow for repayment.

3. The increase of the cash flow by 26.20 million baht of the deferred income from the previous year (the first operating date was on February 10, 2018) came from organizing sale promotion activities of the new business to attract the customers to the services and the advance payment for the services.

4. The increase of the cash flow by 16.30 million baht of the inventory came from product stocking for distribution and services of clinical business of health and aesthetics worth 21.09 million baht, and product stocking for pneumatic tube carrier system project of which the launch will be in the first quarter of 2019 worth 5.29 million baht.

5.2 Cash flow from investing activities

The decrease of the cash flow in investing activities decreased by 61.24 million baht from the previous year was caused by several high value investments in fixed assets in 2017 such as land, the construction of office building and new warehouse (under construction), the expansion and acquisition of assets of dialysis unit, advance payment for the franchise right, and the purchase of the assets of the new business and the dialysis machines for hemodialysis service of the subsidiary worth 216.00 million baht. While in 2018, there was only payment to purchase the franchise right and the remaining assets of the new business worth 88.79 million baht, and the purchase of assets for operation worth 60.86 million baht. Those were the factors which caused the apparent decrease of the cash flow used in investing activities.

5.3 Cash flow from financing activities

The Company's cash flow from financing activities decreased by 231.55 million baht from the previous year. The significant transaction of financing activities in 2017 was the cash received from the capital increase and the proceeds received from the right exercising to purchase common shares of the warrant holders (FVC-W1) worth 280.82 million baht. On the other hand, in 2018, there was merely additional proceed from the right exercising to purchase common shares of the warrant holders (FVC-W1) worth 11.89 million baht. However, in 2018, the Company's cash received from the overdraft and the short-term loans was at 38.83 million baht while there was no transaction in the previous year. These were the factors that caused the significant decrease of the cash flow from financing activities from the previous year.

6. Financial Ratio

	Consolidated Financial Statements		
	2018	2017	+ / (-)
Liquidity ratio			
• Current Ratio (X)	2.04	5.75	(3.71)
• Quick Ratio (X)	1.06	3.39	(2.33)
• Average Collection Period (Days)	85	80	(5)
• Average Holding Period (Days)	206	217	(11)
Profitability Ratio			
• Gross Profit Margin (%)	19.07%	26.34%	(7.27%)
• Operating Profit Margin (%)	0.12%	6.14%	(6.02%)
• Net Profit Margin (%)	(0.59%)	4.58%	(5.17%)

Financial Ratio

	Consolidated Financial Statements		
	2018	2017	+ / (-)
Efficiency Ratio			
• Return on equity (%)	(0.58%)	4.24%	4.82%
• Return on assets (%)	(0.45%)	3.46%	3.91%
Financial Policy Ratio			
• Debt to equity ratio (X)	0.42	0.19	0.23
Information per share **			
• Basic earnings per share (Baht)	(0.01)	0.04	(0.05)
• Book value per share (Baht)	0.59	0.65	(0.69)

Remarks **

1. Basic Earnings Per Share in 2017 was calculated from 535 million weighted average common shares and price per book value per share in 2017 was calculated from numbers of common shares as at the end of 2017, totaling 518 million shares.

2 Basic Earnings Per Share in 2018 was calculated from 556 million weighted average common shares and price per book value per share in 2017 was calculated from numbers of common shares as at the end of 2018, totaling 565 million shares.

6.1 Liquidity Ratio

In 2018, the Group of Companies had invested 220.00 million baht in the health and aesthetics business. Most of the working capitals were used in the investment and the operation of the business. In addition, the debt collection from the accounts receivable had a tendency to delay from the previous year partly came from the constant increase of the accounts receivable of the health and aesthetics business. At present, it is in the process of filing a lawsuit against the debtor. These factors had affected the constant decline of the current ratio from last year. However, upon consideration of the ability to sell products, the selling period of the products had been improving from the previous year. Therefore, it is believed that the good selling rate and the good cooperation of debt collection of the Finance Department and the Sales Department will help recover the current ratio of the Group of Companies.

6.2 Profitability Ratio

In the first quarter of 2018, the Group of Companies had signed a franchise agreement and entered into an asset purchase agreement with Wuttisak Clinic Inter Group Co., Ltd. with the amount of 220.00 million baht. However, with the limitation of time in comparison with the investment cost in high value assets as well as increasing service costs such as remunerations of employees and physicians, depreciation of assets, and rental and service fee. These factors had affected the unfavorable return on equity of the Group of Companies when comparing with that of the previous year.

6.3 Financial Policy Ratio

Upon consideration of the financial policy ratio, it is found that the debt to equity ratio apparently increased from the previous year. It is because, in 2018, the Group of Companies had taken an additional loan from a financial institution for new office and warehouse decoration, dialysis center business expansion, efficiency enhancement of new business administration, as well as applying for other loans for liquidity improvement of the operation of the Group of Companies. In addition, there was an increase of debts caused by the deferred income of the health and aesthetics business. However, this transaction means the revenue recognition which will result in the good operating results of the Company.

7. Company's Direction in 2018

Overall significant events are as follows:

7.1 KT Medical Service Co., Ltd is the medical service center which provides blood filtering service with artificial kidney to patients suffering from end-stage kidney disease. At present, the numbers of patients are continually reaching the maximum service capacity. According to the business plan to continuously expand the dialysis unit, in the first quarter of 2019, a dialysis unit will be opened on the Northern region with 8 dialysis machines and the other 4 machines will be added within the same quarter to serve the increasing numbers of the patients.

7.2 Irving Corporation Limited mainly engages in distribution of dialysis solution which receives constant ordering, and installation of purified water treatment system for dialysis unit. At present, the company has received orders from 6 projects worth 4.98 million baht and it is expected that some of the projects will be completely installed within quarter 1 of 2019.

7.3 Medical Vision Co., Ltd., provides services of the pneumatic tube carrier systems installation and maintenance within health facility. In 2018, the company completed the installation of the pneumatic tube carrier systems, totaling 6 projects. At present, there are 5 projects installation orders from the customers from the government sector, worth totaling 17.08 million baht. Two of the projects which are worth 4.08 million baht have already been installed. It is expected that another two projects which are worth 5.05 million baht in total will be completed installed within quarter one of 2019.

7.4 Hi Healthcare Center Co., Ltd., the provider of medical clinic service of health and aesthetics under the trademark, "Wuttisak Clinic", of which the service was started under the franchise agreement on February 10, 2018, recognized the revenue from sales from the previous operation at 164.18 million baht. With its experience and business strategy suitable with business environment of each area, it is believed that the revenue from sales and services will continue to increase as well as the present cost of sales and service will appropriately decrease, leading to good operating results.

7.5 In 2018, WATER INTPAD: Water Intelligent, the new product of power saving innovation for air-conditioners had been sold constantly. With its quality and efficiency, in 2019, the Company has received an order worth 7.00 million baht from a local customer to install the product with the air-conditioners in the plant's area. It is expected that the partial installation will be completed within quarter 1 of 2019.

7.6 The marketing strategy of Industrial Business and Operators of Water System Business (B1) still focuses on business expansion to large water system projects. At present, there are orders received from 3 projects worth 11.05 million baht, some of which are expected to be completed within quarter 1 of 2019.

REPORT OF CERTIFIED AUDITOR

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 2018, 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 2018, 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.

Business combination

As discussed in Note 3 to the financial statements, in February 2018 the Company's subsidiary acquired of franchise agreement and an assets purchase agreement to operate medical services for health and beauty. As at the date of acquisition, the Company's subsidiary recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised 2017) Business combinations. In addition, I checked the value of the acquisition to supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs. I also assessed the fair value of assets acquired specified in the documentation of measurement under the acquisition method by considering the methods and significant assumptions used in calculating the fair value of assets, reviewing the components of the financial model, comparing significant assumptions with historical information of the Company's subsidiary and industry with financial costs of the Company's subsidiary and industry and testing of the calculation of the fair value. I also assessed the rationale of goodwill recognised from the business combination, and reviewing the disclosures related to the business combination in the notes to financial statements.

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 any form of assurance conclusion thereon.

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

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: 27 February 2019

STATEMENT OF FINANCIAL POSITION

Filter Vision Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	8	10,555,956	148,430,484	5,604,118	136,249,362
Current investments	9	6,902	6,835	6,902	6,835
Trade and other receivables	7, 10	216,852,187	102,439,117	71,214,830	58,660,453
Current portion of receivables from					
financial lease agreements and installment sales	11	6,886,206	6,587,222	4,010,293	3,814,147
Inventories	12	177,475,862	150,121,627	128,770,547	127,201,601
Short-term loans to related parties	7	-	-	234,748,415	142,700,000
Advance payments for purchases of goods		4,798,565	2,745,855	1,859,169	2,712,262
Other current assets		19,292,532	15,332,981	1,988,378	3,499,697
Total current assets		435,868,210	425,664,121	448,202,652	474,844,357
Non-current assets					
Restricted bank deposits	13	11,939,093	11,818,753	7,010,469	6,938,345
Receivables from financial lease agreements					
and installment sales - net of current portion	11	9,713,618	14,557,007	4,133,906	7,809,824
Investments in subsidiaries	14	-	-	151,474,461	76,474,611
Investment properties	15	-	-	32,192,666	19,781,388
Property, plant and equipment	16	305,926,685	206,926,951	187,413,200	156,084,169
Intangible assets	17	49,023,327	2,701,175	1,607,442	2,204,193
Goodwill	3	116,573,615	-	-	-
Deferred tax assets	28	13,164,819	4,527,752	3,154,003	2,888,298
Deposits for acquiring assets	18	-	116,822,430	-	-
Other non-current assets		12,612,720	4,116,257	498,065	833,987
Total non-current assets		518,953,877	361,470,325	387,484,212	273,014,815
Total assets		954,822,087	787,134,446	835,686,864	747,859,172

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	19	38,832,823	-	26,496,872	-
Trade and other payables	7, 20	121,936,533	56,529,441	43,858,693	34,232,102
Current portion of long-term loans	21	9,035,000	6,835,000	6,994,000	4,794,000
Current portion of liabilities under hire purchase and					
financial lease agreements	22	1,353,084	1,503,986	927,838	1,280,827
Income tax payable		2,554,004	1,436,717	1,231,570	1,436,717
Advance received for sales of goods		3,834,633	2,480,398	3,680,191	2,375,840
Unearned revenue		26,198,745	-	-	-
Other current liabilities		10,109,873	5,185,207	5,345,027	1,329,751
Total current liabilities		213,854,695	73,970,749	88,534,191	45,449,237
Non-current liabilities					
Long-term loans - net of current portion	21	44,385,200	26,528,000	37,460,000	25,366,000
Liabilities under hire purchase and financial lease					
agreements - net of current portion	22	6,422,656	3,985,739	2,911,897	3,839,735
Provision for long-term employee benefits	23	18,113,204	16,780,481	14,598,033	13,803,083
Other non-current liabilities		971,977	2,161,987	659,678	1,953,438
Total non-current liabilities		69,893,037	49,456,207	55,629,608	44,962,256
Total liabilities		283,747,732	123,426,956	144,163,799	90,411,493

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Shareholders' equity					
Share capital	24				
Registered					
711,005,673 ordinary shares of Baht 0.50 each					
(2017: 685,586,723 ordinary shares of Baht 0.50 each)		355,502,836	342,793,362	355,502,836	342,793,362
Issued and paid-up					
565,142,536 ordinary shares of Baht 0.50 each					
(2017: 517,817,905 ordinary shares of Baht 0.50 each)		282,571,268	258,908,953	282,571,268	258,908,953
Share premium	24	314,000,677	314,000,677	314,000,677	314,000,677
Retained earnings					
Appropriated - statutory reserve	26	7,325,590	6,178,590	7,325,590	6,178,590
Unappropriated		49,094,916	67,775,392	87,625,530	78,359,459
Other components of shareholders' equity		3,365,197	3,365,197	-	-
Equity attributable to owners of the Company		656,357,648	650,228,809	691,523,065	657,447,679
Non-controlling interests of the subsidiaries	14	14,716,707	13,478,681	-	-
Total shareholders' equity		671,074,355	663,707,490	691,523,065	657,447,679
Total liabilities and shareholders' equity		954,822,087	787,134,446	835,686,864	747,859,172
		-	-	-	-

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

Filter Vision Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Revenues from sales and services	7	637,057,664	450,690,819	343,301,685	334,174,640
Revenues from construction services	7	19,652,710	8,569,043	17,687,009	5,200,000
Revenues from financial lease agreements and installment sales		1,532,408	1,836,800	532,728	718,405
Other income	7	4,571,279	12,342,958	17,577,597	16,418,983
Total revenues		662,814,061	473,439,620	379,099,019	356,512,028
Expenses					
Cost of sales and services	7	514,042,395	331,738,579	234,093,217	240,079,806
Cost of construction services	7	17,167,338	6,573,307	15,867,158	3,688,823
Selling and distribution expenses		30,051,524	25,639,924	19,186,910	15,314,781
Administrative expenses	7	100,786,843	81,306,652	79,001,829	66,753,702
Total expenses		662,048,100	445,258,462	348,149,114	325,837,112
Profit before finance cost and income tax		765,961	28,181,158	30,949,905	30,674,916
Finance cost	7	(6,669,002)	(2,414,421)	(3,324,106)	(1,868,967)
Profit (loss) before income tax		(5,903,041)	25,766,737	27,625,799	28,805,949
Income tax revenues (expenses)	28	2,020,589	(4,079,393)	(4,704,059)	(4,684,016)
Profit (loss) for the year		(3,882,452)	21,687,344	22,921,740	24,121,933
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax	23, 28	680,593	-	584,922	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		680,593	-	584,922	-
Other comprehensive income for the year		680,593	-	584,922	-
Total comprehensive income for the year		(3,201,859)	21,687,344	23,506,662	24,121,933
Profit (loss) attributable to:					
Equity holders of the Company		(5,155,478)	22,060,984	22,921,740	24,121,933
Non-controlling interests of the subsidiaries		1,273,026	(373,640)		
		(3,882,452)	21,687,344		
Total comprehensive income attributable to:					
Equity holders of the Company		(4,439,885)	22,060,984	23,506,662	24,121,933
Non-controlling interests of the subsidiaries		1,238,026	(373,640)		
		(3,201,859)	21,687,344		
Earnings per share	29				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.009)	0.041	0.041	0.045
Diluted earnings per share					
Profit attributable to equity holders of the Company		-	0.035	0.038	0.038

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 2018

Consolidated financial statements										(Unit: Baht)
Equity attributable to the parent's shareholders										
Other components of equity										
Note	Issued and paid-up share capital	Share premium	Retained earnings			Surplus on business combination under common control	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	
			Appropriated	Unappropriated						
	154,211,387	137,880,369	4,968,590	53,709,708	3,365,197	354,135,251	4,852,271	358,987,522		
Balance as at 1 January 2017										
Profit for the year										
Other comprehensive income for the year										
Total comprehensive income for the year										
Increase in share capital										
Exercise of warrants to ordinary shares										
25	27,591,872	-	-	-	-	27,591,872	-	27,591,872	-	27,591,872
Unappropriated retained earnings transferred										
to statutory reserve										
26	-	-	1,210,000	(1,210,000)	-	-	-	-	-	-
Dividends paid										
31	-	-	-	(6,785,300)	-	(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										
Balance as at 31 December 2017										
	258,908,953	314,000,677	6,178,590	67,775,392	3,365,197	650,228,809	13,478,681	663,707,490		
Balance as at 1 January 2018										
Loss for the year										
Other comprehensive income for the year										
Total comprehensive income for the year										
Exercise of warrants to ordinary shares										
24, 25	11,894,603	-	-	(4,439,885)	-	(4,439,885)	1,238,026	(3,201,859)	11,894,603	
Unappropriated retained earnings transferred										
to statutory reserve										
26	-	-	1,147,000	(1,147,000)	-	-	-	-	-	-
24, 31	11,767,712	-	-	(11,767,712)	-	-	-	-	-	-
31	-	-	-	(1,325,879)	-	-	(1,325,879)	-	-	(1,325,879)
Balance as at 31 December 2018										
	282,571,268	314,000,677	7,325,590	49,094,916	3,365,197	656,357,648	14,716,707	671,074,355		

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

Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

Separate financial statements							(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
				Appropriated	Unappropriated		
Balance as at 1 January 2017		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		77,105,694	176,120,308	-	-	253,226,002	
Exercise of warrants to ordinary shares	25	27,591,872	-	-	-	27,591,872	
Unappropriated retained earnings transferred to statutory reserve	26	-	-	1,210,000	(1,210,000)	-	
Dividends paid	31	-	-	-	(6,785,300)	(6,785,300)	
Balance as at 31 December 2017		258,908,953	314,000,677	6,178,590	78,359,459	657,447,679	
Balance as at 1 January 2018		258,908,953	314,000,677	6,178,590	78,359,459	657,447,679	
Profit for the year		-	-	-	22,921,740	22,921,740	
Other comprehensive income for the year		-	-	-	584,922	584,922	
Total comprehensive income for the year		-	-	-	23,506,662	23,506,662	
Exercise of warrants to ordinary shares	24, 25	11,894,603	-	-	-	11,894,603	
Unappropriated retained earnings transferred to statutory reserve	26	-	-	1,147,000	(1,147,000)	-	
Stock dividends paid	24, 31	11,767,712	-	-	(11,767,712)	-	
Dividends paid	31	-	-	-	(1,325,879)	(1,325,879)	
Balance as at 31 December 2018		282,571,268	314,000,677	7,325,590	87,625,530	691,523,065	

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before tax	(5,903,041)	25,766,737	27,625,799	28,805,949
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	22,929,125	11,122,880	9,413,966	6,625,988
Allowance for doubtful accounts (reversal)	2,120,937	(105,538)	920,039	18,655
Loss from obsolete inventories	-	80	-	-
Loss from stock destruction	455,383	-	267,343	-
Reversal of adjust cost of inventories to net realisable value	(319,491)	(40,689)	(386,463)	(114,823)
Unrealised loss (gain) on exchange	(73,513)	149,881	(78,315)	148,935
Loss (gain) on disposal/write-off of property, plant and equipment	(350,858)	70,105	5,955	70,105
Write-off of withholding tax	64,950	20,754	18,319	8,834
Amortisation of power supply equipment rental	8,647	-	8,647	-
Write-off retention	-	16,000	-	16,000
Provision for long-term employee benefits	2,246,787	1,925,371	1,589,426	1,509,416
Allowance for warranty	262,586	25,797	-	-
Financial lease agreements and installment income	(368,833)	(1,260,700)	-	-
Preventive maintenance income	(1,193,358)	(1,134,099)	-	-
Concentration Hemodialysis solution fluid income	(603,116)	(523,584)	-	-
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	2,975,569	1,171,651	2,649,987	1,126,217
Interest income	(1,759,550)	(7,208,198)	(11,127,807)	(7,759,905)
Profit from operating activities before changes in operating assets and liabilities	20,492,224	30,352,873	30,906,896	30,455,371
Operating assets (increase) decrease				
Trade and other receivables	(116,306,075)	(10,427,398)	(6,383,071)	2,870,987
Receivables from financial lease agreements and installment sales	8,092,481	8,207,088	4,012,500	4,012,500
Inventories	(27,476,237)	(11,182,352)	(1,435,937)	(4,377,877)
Advance payments for purchases of goods	(2,058,073)	(752,399)	847,737	(718,235)
Other current assets	(4,297,068)	(8,585,350)	1,371,028	1,129,825
Other non-current assets	(7,296,735)	(731,597)	374,922	(659,697)
Operating liabilities increase (decrease)				
Trade and other payables	51,559,660	(9,869,392)	9,653,838	(10,367,042)
Advance received from sales of goods	1,354,234	(409,479)	1,304,351	(303,757)
Unearned revenue	26,198,745	-	-	-
Other current liabilities	5,043,411	1,715,565	4,015,276	(537,535)
Cash paid for long-term employee benefits	(63,324)	-	(63,324)	-
Other non-current liabilities	(1,293,760)	1,744,389	(1,293,761)	1,765,989
Cash flows (used in) from operating activities	(46,050,517)	61,948	43,310,455	23,270,529
Interest received	105,322	257,474	76,204	202,240
Cash paid for income tax	(6,607,815)	(5,332,345)	(5,340,944)	(4,146,095)
Net cash flows from (used in) operating activities	(52,553,010)	(5,012,923)	38,045,715	19,326,674

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 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in restricted bank deposits	(120,340)	(133,742)	(72,124)	(82,559)
Increase in current investments	(67)	(72)	(67)	(72)
Interest received	121,299	5,122,152	3,397,264	5,906,813
Increase in short-term loan to related parties	-	-	(92,048,415)	(106,200,000)
Increase in investment in subsidiaries	-	-	(74,999,850)	(45,999,950)
Proceeds from sales of property, plant and equipment	529,235	735,405	3,309	735,405
Cash paid for acquiring business	(88,785,047)	-	-	-
Purchases of property, plant, equipment	(60,862,860)	(99,180,802)	(38,495,670)	(76,156,983)
Purchases of investment properties	-	-	(13,081,940)	-
Purchases of intangible assets	(685,370)	(757,200)	(297,770)	(560,400)
Deposits for acquiring assets	-	(116,822,430)	-	-
Net cash flows used in investing activities	(149,803,150)	(211,036,689)	(215,595,263)	(222,357,746)
Cash flows from financing activities				
Increase in bank overdrafts and				
short - term loans from financial institutions	38,832,823	-	26,496,872	-
Repayment of liabilities under financial lease agreements	(1,885,894)	(3,336,695)	(1,646,836)	(3,046,867)
Repayment of long-term loan	(6,140,000)	(7,724,000)	(4,256,000)	(7,567,000)
Cash receipt from long-term loan	26,197,200	24,810,000	18,550,000	21,450,000
Cash received from increase share capital	-	253,226,002	-	253,226,002
Construction of warrants to ordinary shares	11,894,603	27,591,872	11,894,603	27,591,872
Cash paid for interest expenses	(3,091,221)	(747,442)	(2,808,456)	(744,942)
Increase in equity attributable to non-controlling				
interests of subsidiaries	-	9,000,050	-	-
Dividends paid	(1,325,879)	(6,785,300)	(1,325,879)	(6,785,300)
Net cash flows from financing activities	64,481,632	296,034,487	46,904,304	284,123,765
Net increase (decrease) in cash and cash equivalents	(137,874,528)	79,984,875	(130,645,244)	81,092,693
Cash and cash equivalents at beginning of year	148,430,484	68,445,609	136,249,362	55,156,669
Cash and cash equivalents at end of year (Note 8)	10,555,956	148,430,484	5,604,118	136,249,362
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Purchase of vehicles under financial lease agreements	3,790,000	5,048,000	-	5,048,000
Purchase of property, plant and equipment and intangible assets				
for which cash has not been paid	18,552,191	6,491,759	9,481	233,052
Decrease in deposits for acquiring assets	(116,822,430)	-	-	-
Stock dividends paid	11,767,712	-	11,767,712	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Filter Vision Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

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 statement 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	
			2018	2017
			%	%
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	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. Acquisition of medical services for health and beauty business

In February 2018, Hi Healthcare Center Co., Ltd (the subsidiary of Filter Vision Public Company Limited) acquired of franchise agreement and an assets purchase agreement to operate medical services for health and beauty at a total of Baht 206 million (net of value added tax or other related taxes).

The net book value of acquired assets as at the acquisition date are as follows:

(Unit: Thousand Baht)

Furniture, fixtures and equipment (Note 16)	38,552
Service mark (Note 17)	3,210
Franchise licenses (Note 17)	46,729
Other current assets	542
Total assets	89,033
Assets value at the acquisition date	89,033
The purchase price over the net assets	116,574
Purchase price	205,607

During 2018, the Company has assessed the fair value of the assets acquired assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items and the process completed in during 2018 within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No. 3 (revised 2017), Business Combinations.

The Company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill. Details of purchase price are as follows.

(Unit: Thousand Baht)

Fair value of net assets received	89,033
Goodwill	116,574
Purchase price	205,607

4. 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 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 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 for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018), which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries expects the adoption of this accounting standard to result in the following adjustments.

- Service-type warranties - The Company and its subsidiaries have determined that service-type warranties should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised in full upon delivery of the goods.
- Commission paid to obtain a contract - The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

5. Significant accounting policies

5.1 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 services

The Company and subsidiary recognise revenue from construction services 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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	1 - 12 and 20 years
Furnitures and fixtures	1 - 18 years
Medical equipment	2 - 11 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.

5.8 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
Franchise licenses	The term of agreement (12 years)
Service mark	The term of agreement (12 years)

5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.10 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.

5.11 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.

5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and its subsidiaries' 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.

5.13 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.

5.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company, 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 and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

5.15 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.

5.16 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.

5.17 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.

6. 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.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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.

7. 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% - 6.62% per annum
Water analysis service expenses	Cost plus margin
Purchases of goods	Cost plus margin

During the years ended 31 December 2018 and 2017, 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		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Transactions with subsidiaries</u>				
(being eliminated in the consolidated financial statements)				
Sales of goods	-	-	4,373	5,105
Service income	-	-	2,399	1,082
Rental and utilities service income	-	-	1,809	1,853
Interest income	-	-	10,446	1,776
Other income	-	-	136	-
Water analysis service expenses	-	-	260	212
Purchases of goods	-	-	119	428
<u>Transactions with related companies</u>				
Sales of good	17	17	17	17
Sales income	10	9	10	9

As at 31 December 2018 and 2017, 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	
	2018	2017	2018	2017
<u>Trade and other receivables - related parties (Note 10)</u>				
Subsidiaries	-	-	10,623	3,287
Related company	14	8	14	8
Total	14	8	10,637	3,295

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term loans to related parties				
Subsidiaries	-	-	234,748	142,700

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade and other payables - related parties (Note 20)				
Subsidiaries	-	-	76	33
Directors	4,668	3,444	4,269	3,122
Total	4,668	3,444	4,345	3,155

Short-term loans to related parties

As at 31 December 2018 and 2017, the balances of short-term loans to related parties and the movement are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 December	During the year		31 December
	2017	Increase	Decrease	2018
Short-term loans to related parties				
Subsidiaries				
Irving Corporation Ltd.	36,100	19,600	(28,600)	27,100
KT Medical Service Co., Ltd.	-	8,100	(3,500)	4,600
Medical Vision Co., Ltd.	6,500	15,084	(2,600)	18,984
Hii Healthcare Center Co., Ltd.	100,100	199,703	(115,739)	184,064
Total	142,700	242,487	(150,439)	234,748

Short-term loans to related parties are not collateralised and due at call. Interest is charged at rates of 4.53% - 6.62% per annum (2017: 1.15% - 6.62% per annum).

Directors and management's benefits

During the years ended 31 December 2018 and 2017, 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	
	2018	2017	2018	2017
Short-term employee benefits	29,676	26,169	24,490	21,881
Post-employment benefits	697	674	570	551
Total	30,373	26,843	25,060	22,432

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	526	749	211	654
Bank deposits	10,030	147,681	5,393	135,595
Total	10,556	148,430	5,604	136,249

As at 31 December 2018, bank deposits carried interests between 0.05% and 0.375% per annum (2017: between 0.05% and 0.375% per annum).

9. Current investments

Fixed deposits were for 6 months term, bearing interest rates at 1.00% per annum (2017: 1.00% per annum).

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	356	175
Past due				
Up to 3 months	14	8	246	807
Total trade receivables - related parties	14	8	602	982
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	37,593	37,180	24,424	24,915
Past due				
Up to 3 months	72,179	55,689	31,597	29,464
3 - 6 months	28,529	7,677	1,537	741
6 - 12 months	55,572	2,098	1,234	105
Over 12 months	8,271	4,070	2,621	36
Total trade accounts receivable				
- unrelated parties	202,144	106,714	61,413	55,261

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Other receivables				
Interest receivables - related parties	-	-	8,787	1,666
Interest receivables - unrelated parties	47	47	36	35
Other receivables - related parties	-	-	1,248	647
Other receivables - unrelated parties	21,124	175	138	158
Total other receivables	21,171	222	10,209	2,506
Total trade and other receivables	223,329	106,944	72,224	58,749
Less: Allowance for doubtful accounts	(6,477)	(4,505)	(1,009)	(89)
Trade and other receivables - net	216,852	102,439	71,215	58,660

11. Receivables from financial lease agreements and installment sales

11.1 As at 31 December 2018 and 2017, 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	
	2018	2017	2018	2017	2018	2017
Receivables from financial lease agreements and installment sales	10,337	10,130	16,137	23,328	26,474	33,458
Less: Deferred service income	(1,831)	(1,858)	(4,380)	(5,790)	(6,211)	(7,657)
Less: Amount representing finance charges	(1,471)	(1,685)	(2,043)	(2,972)	(3,514)	(4,657)
Total accounts receivable	7,035	6,587	9,714	14,557	16,749	21,144
Less: Allowance for doubtful accounts	(149)	-	-	-	(149)	-
Receivables from financial lease agreements and installment sales, net	6,886	6,587	9,714	14,557	16,600	21,144

	(Unit: Thousand Baht)					
	Separate financial statements					
	Current portion of receivables from installment sales		Long-term portion of receivable from installment sales		Total	
	2018	2017	2018	2017	2018	2017
Receivables from installment sales	4,347	4,347	4,276	8,268	8,623	12,636
Less: Amount representing finance charges	(337)	(533)	(142)	(478)	(479)	(1,012)
Total accounts receivable	4,010	3,814	4,134	7,810	8,144	11,624
Less: Allowance for doubtful accounts	-	-	-	-	-	-
Receivables from installment sales, net	4,010	3,814	4,134	7,810	8,144	11,624

11.2 As at 31 December 2018 and 2017, 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)

Consolidated financial statements						
Aging	Receivables from financial lease agreements and installment sales		Allowance for doubtful accounts		Receivables from financial lease agreements and installment sales, net	
	2018	2017	2018	2017	2018	2017
Not yet due	-	-	-	-	-	-
Past due:						
Up to 3 months	11,261	17,849	-	-	11,261	17,849
3 - 6 months	5,339	3,295	-	-	5,339	3,295
Over 6 months	149	-	(149)	-	-	-
Total	16,749	21,144	(149)	-	16,600	21,144

(Unit: Thousand Baht)

Separate financial statements						
Aging	Receivables from installment sales		Allowance for doubtful accounts		Receivables from installment sales, net	
	2018	2017	2018	2017	2018	2017
Not yet due	-	-	-	-	-	-
Past due:						
Up to 3 months	8,144	11,624	-	-	8,144	11,624
3 - 6 months	-	-	-	-	-	-
Over 6 months	-	-	-	-	-	-
Total	8,144	11,624	-	-	8,144	11,624

11.3 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.

11.4 As at 31 December 2018 and 2017, 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			
	2018		2017	
	Minimum payments receivable	Present value of payments receivable	Minimum payments Receivable	Present value of payments receivable
Within one year	10,337	6,886	10,130	6,587
After one year but not more than five years	16,137	9,714	23,328	14,557
Total	26,474	16,600	33,458	21,144
Less: Deferred service income	(6,211)		(7,657)	
Less: Amounts representing finance charges	(3,514)		(4,657)	
Present value of minimum lease payments	16,749		21,144	
Less: Allowance for doubtful account	(149)		-	
Present value of minimum lease payments, net	16,600		21,144	

(Unit: Thousand Baht)

	Separate financial statements			
	2018		2017	
	Minimum payments Receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	4,347	4,010	4,347	3,814
After one year but not more than five years	4,276	4,134	8,288	7,810
Total	8,623	8,144	12,635	11,624
Less: Amounts representing finance charges	(479)		(1,011)	
Present value of minimum lease payments	8,144		11,624	
Less: Allowance for doubtful account	-		-	
Present value of minimum lease payments, net	8,144		11,624	

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
			2018	2017	2018	2017
Finished goods	115,669	101,487	(423)	(405)	115,246	101,082
Raw material	757	1,086	(7)	(12)	750	1,074
Work in process	12,398	6,811	-	-	12,398	6,811
Supplies and spare parts	28,948	28,929	(178)	(510)	28,770	28,419
Goods in transit	20,312	12,736	-	-	20,312	12,736
Total	178,084	151,049	(608)	(927)	177,476	150,122

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
			2018	2017	2018	2017
Finished goods	83,588	90,313	(66)	(305)	83,522	90,008
Work in process	5,469	2,042	-	-	5,469	2,042
Supplies and spare parts	23,129	22,712	(98)	(245)	23,031	22,467
Goods in transit	16,749	12,685	-	-	16,749	12,685
Total	128,935	127,752	(164)	(550)	128,771	127,202

13. 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.

14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2018 and 2017 are as follows:

Company's name	Paid-up capital		Shareholding Percentage		Cost		Allowance for impairment of investment		(Unit: Thousand Baht) Carrying amounts based on cost method - net	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
				(%)						
Irving Corporation Ltd.	25,000	25,000	100	100	15,975	15,975	-	-	15,975	15,975
KT Medical Service Co., Ltd.	40,000	40,000	70	70	28,000	28,000	-	-	28,000	28,000
Medical Vision Co., Ltd.	10,000	10,000	75	75	7,500	7,500	-	-	7,500	7,500
Hi Healthcare Center Co., Ltd.	100,000	25,000	100	100	100,000	25,000	-	-	100,000	25,000
					151,475	76,475	-	-	151,475	76,475

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.

In February 2018, Hi Healthcare Center Co., Ltd. ("HHC") called up the remaining 75% uncalled portion totalling of Baht 75 million. The Company had already paid for the aforementioned called up capital.

14.2 Details of investments in subsidiaries that have material non-controlling interests as at and for the years ended 31 December 2018 and 2017.

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Comprehensive income allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
KT Medical Service Co., Ltd.	30	30	14,047	11,674	2,373	363	-	-
Medical Vision Co., Ltd.	25	25	670	1,805	(1,135)	(737)	-	-

14.3 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 2018 and 2017

(Unit: Thousand Baht)

	KT Medical Service Co., Ltd.		Medical Vision Co., Ltd.	
	2018	2017	2018	2017
Current assets	42,447	22,045	24,431	13,998
Non-current assets	55,988	32,495	3,458	2,207
Current liabilities	41,060	14,450	25,177	8,972
Non-current liabilities	10,552	1,178	33	14

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December			
	KT Medical Service Co., Ltd.		Medical Vision Co., Ltd.	
	2018	2017	2018	2017
Revenue	63,319	30,172	10,025	12,743
Profit (loss)	8,021	1,213	(4,533)	(2,950)
Other comprehensive income	(110)	-	(8)	-
Total comprehensive income	7,911	1,213	(4,541)	(2,950)

Summarised information about cash flow

(Unit: Thousand Baht)

	For the year ended 31 December			
	KT Medical Service		Medical Vision	
	Co., Ltd.		Co., Ltd.	
	2018	2017	2018	2017
Cash flow used in operating activities	(10,497)	(70)	(11,842)	(14,078)
Cash flow used in investing activities	(9,586)	(22,586)	(30)	(367)
Cash flow from financing activities	13,465	29,395	12,217	6,486
Net increase (decrease) in cash and cash equivalents	(6,618)	6,739	345	(7,959)

15. Investment properties

(Unit: Thousand Baht)

	Separate financial statements			
	Land	Buildings	Building improvements	Total
Cost				
1 January 2017	9,748	6,341	5,048	21,137
31 December 2017	9,748	6,341	5,048	21,137
Additions	5,124	7,835	123	13,082
31 December 2018	14,872	14,176	5,171	34,219
Accumulated depreciation				
1 January 2017	-	417	316	733
Depreciation for the year	-	317	306	623
31 December 2017	-	734	622	1,356
Depreciation for the year	-	362	308	670
31 December 2018	-	1,096	930	2,026
Net book value				
31 December 2017	9,748	5,607	4,426	19,781
31 December 2018	14,872	13,080	4,241	32,193

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 2018 was Baht 1.1 million (2017: 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 31 million (2017: Baht 20 million) appraised by the independent valuer on 9 and 11 January 2019 (2017: 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 21.

16. 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	Medical equipment	Vehicles	Assets under installation and under construction
							Total
Cost							
As at 1 January 2017	58,600	37,141	17,774	19,756	-	16,868	150,139
Additions	30,481	1,744	2,490	14,794	-	5,048	104,304
Disposals/write-off	-	-	(60)	(460)	-	(2,233)	(2,753)
As at 31 December 2017	89,081	38,885	20,204	34,090	-	19,683	251,690
Increase from business combination	-	-	12,293	208	26,051	-	38,552
Additions	5,786	87,223	3,569	13,301	1,401	3,790	164,713
Disposals/write-off	-	-	(623)	(254)	-	(524)	(87,201)
As at 31 December 2018	94,867	126,108	35,443	47,345	27,452	22,949	367,754
Accumulated depreciation							
As at 1 January 2017	320	11,607	12,580	5,579	-	6,495	36,581
Depreciation for the year	6	3,525	2,111	3,177	-	1,235	10,054
Depreciation on disposals/ write-off	-	-	(36)	(352)	-	(1,484)	(1,872)
As at 31 December 2017	326	15,132	14,655	8,404	-	6,246	44,763
Depreciation for the year	6	5,466	3,794	4,372	3,489	1,048	18,175
Depreciation on disposals/ write-off	-	-	(571)	(233)	-	(307)	(1,111)
As at 31 December 2018	332	20,598	17,878	12,543	3,489	6,987	61,827
Net book value							
As at 31 December 2017	88,755	23,753	5,549	25,686	-	13,437	206,927
As at 31 December 2018	94,535	105,510	17,565	34,802	23,963	15,962	305,927
Depreciation for the year							
2017 (Depreciation of Baht 5.2 million included in cost of sales and services, and the balance in administrative expenses)							10,054
2018 (Depreciation of Baht 10.6 million included in cost of sales and services, and the balance in administrative expenses)							18,175

(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
Cost							
As at 1 January 2017	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
Additions	662	79,020	2,122	901	-	36,076	118,781
Disposals/write-off	-	-	(282)	(99)	-	(79,594)	(79,975)
As at 31 December 2018	80,169	105,048	16,411	7,463	18,185	23	227,299
Accumulated depreciation							
As at 1 January 2017	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	-	32,409
Depreciation for the year	6	4,269	1,487	1,217	870	-	7,849
Depreciation on disposals/write-off	-	-	(282)	(90)	-	-	(372)
As at 31 December 2018	332	16,400	12,391	4,212	6,551	-	39,886
Net book value							
As at 31 December 2017	79,181	13,897	3,385	3,576	12,504	43,541	156,084
As at 31 December 2018	79,837	88,648	4,020	3,251	11,634	23	187,413
Depreciation for the year							
2017 (Depreciation of Baht 1.0 million included in cost of sales and services, and the balance in administrative expenses)							5,123
2018 (Depreciation of Baht 1.2 million included in cost of sales and services, and the balance in administrative expenses)							7,849

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 21.

As at 31 December 2018, the Company and its subsidiaries has motor vehicles acquired under hire purchase agreements, with net book value amounting to approximately Baht 8.6 million (2017: Baht 7.7 million), the Company only: Baht 4.3 million (2017: Baht 6.7 million).

As at 31 December 2018, 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 26 million (2017: Baht 18 million), the Company only: Baht 19 million (2017: Baht 15 million).

17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Franchise licenses	Service mark	Licenses	Computer software	Total
Cost					
1 January 2017	-	-	2,626	4,922	7,548
Additions	-	-	-	757	757
31 December 2017	-	-	2,626	5,679	8,305
Increase from business combination	46,729	3,210	-	-	49,939
Additions	-	-	-	685	685
31 December 2018	46,729	3,210	2,626	6,364	58,929
Accumulated amortisation					
1 January 2017	-	-	1,703	2,832	4,535
Amortisation for the year	-	-	263	806	1,069
31 December 2017	-	-	1,966	3,638	5,604
Amortisation for the year	2,911	268	262	861	4,302
31 December 2018	2,911	268	2,228	4,499	9,906
Net book value					
31 December 2017	-	-	660	2,041	2,701
31 December 2018	43,818	2,942	398	1,865	49,023

(Unit: Thousand Baht)

	Separate financial statements		
	Licenses	Computer software	Total
Cost			
1 January 2017	2,626	3,470	6,096
Additions	-	560	560
31 December 2017	2,626	4,030	6,656
Additions	-	298	298
31 December 2018	2,626	4,328	6,954
Accumulated amortisation			
1 January 2017	1,703	1,869	3,572
Amortisation for the year	263	617	880
31 December 2017	1,966	2,486	4,452
Amortisation for the year	262	633	895
31 December 2018	2,228	3,119	5,347
Net book value			
31 December 2017	660	1,544	2,204
31 December 2018	398	1,209	1,607

18. Deposits for acquiring assets

In December 2018, 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 220 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.

Subsequently, in February 2018, HHC entered into a franchise agreement and an assets purchase agreement of "Wuttisak Clinic" with Wuttisak Clinic Intergroup Company Limited to purchase 25 branches of Wittisak Clinic from totaling 119 branches to operate medical services for health and beauty. Total amounts of franchise agreement and asset purchase agreement are Bath 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 as mentioned in Note 3.

19. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)			
	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Bank overdrafts	MOR, MOR-0.5	18,903	-	6,567	-
Promissory note	6.00	19,930	-	19,930	-
Total		38,833	-	26,497	-

20. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Trade accounts payable - related parties		-	-	45	33
Trade accounts payable - unrelated parties		66,283	29,639	21,033	14,277
Accrued expenses- related parties		4,668	3,444	4,269	3,122
Accrued expenses- unrelated parties		24,514	16,819	15,111	11,823
Other payables - related parties		-	-	31	-
Other payables - unrelated parties		26,472	6,627	3,370	4,977
Total		121,937	56,529	43,859	34,232

21. Long-term loan

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2018	2017	2018	2017
1	MLR-1	Monthly installments as from January 15, 2017	5,954	8,810	5,954	8,810
2	MLR-1.75	Monthly installments as from November 17, 2017	38,500	21,350	38,500	21,350
3	MLR-1.75	Monthly installments as from November 24, 2017	8,966	3,203	-	-
Total			53,420	33,363	44,454	30,160
Less: Current portion			(9,035)	(6,835)	(6,994)	(4,794)
Long-term loans, net of current portion			44,385	26,528	37,460	25,366

Movements of long-term loans during the period ended 31 December 2018 are summarised below.

			(Unit: Thousand Baht)	
			Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018			33,363	30,160
Add: Addition loan			26,197	18,550
Less: Repayment of loans			(6,140)	(4,256)
Balance as at 31 December 2018			53,420	44,454

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 2018, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 22.0 million (2017: Baht 33.9 million).

22. Liabilities under hire purchase and finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Liabilities under hire purchase and finance lease agreements	9,657	6,511	4,472	6,119
Less: Deferred interest expenses	(1,881)	(1,021)	(632)	(988)
Total	7,776	5,490	3,840	5,121
Less: Current portion	(1,353)	(1,504)	(928)	(1,281)
Liabilities under hire purchase and finance lease agreements - net of current portion	6,423	3,986	2,912	3,840

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 2018					
	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	1,971	7,686	9,657	1,213	3,259	4,472
Deferred interest expenses	(618)	(1,263)	(1,881)	(285)	(347)	(632)
Present value of future minimum lease payments	1,353	6,423	7,776	928	2,912	3,840

(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

23. Provision for long-term employee benefits

As at 31 December 2018 and 2017, provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	16,780	14,899	13,803	12,315
Included in profit or loss:				
Current service cost	1,635	1,378	1,089	1,060
Interest cost	612	547	500	449
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	(133)	-	(535)	-
Financial assumptions changes	(199)	-	(318)	-
Experience adjustments	(519)	-	122	-
Benefits paid during the year	(63)	(44)	(63)	(21)
Provision for long-term employee benefits at end of year	18,113	16,780	14,598	13,803

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is between 23 and 29 years (the Company only: 26 years) (2017: between 24 and 28 years (the Company only: 28 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.47 - 3.52	2.62 - 3.55	2.55 - 2.92	2.62 - 3.40
Salary increase rate	7.32 - 8.51	8.51	7.32	8.51
Turnover rate	0 - 50	0 - 50	0 - 42	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 2018 and 2017 are summarised below:

(Unit: Thousand Baht)

As at 31 December 2018

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(765)	825	(622)	672
Salary increase rate	764	(715)	625	(585)
Turnover rate	(204)	216	(154)	172

(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

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 5 million (The Company only: Baht 4 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

24. Share capital

On 25 April 2018, an Annual General Meeting of the Company's shareholders passed the resolutions to approve the Company as the following.

- Approved a resolution to pay a dividend from operation result of 2017 to the Company's shareholders comprising a cash dividend and stock dividend totaling Baht 0.02556 per share, as detailed below:
 - (a) Approved the dividend payment of Baht 0.00256 per share, or a total of Baht 1.33 million, to the shareholders.
 - (b) Approved the 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, equivalent to a dividend of Baht 0.023 per share, or a total of Baht 11.77 million.

The Company registered the increase in its issued and paid-up share capital as a result of the stock dividend to the Ministry of Commerce on 11 June 2018.

- Approved the decrease in the Company's registered share capital from Baht 342,793,362 to Baht 340,043,210 by cancelling the 5,500,304 unallocated registered ordinary shares with a par value of Baht 0.50 per share. The Company registered the decrease in its registered share capital to the Ministry of Commerce on 21 May 2018.
- Approved the increase in the Company's registered share capital from Baht 340,043,210 to Baht 355,502,837 through the issuance of 30,919,254 new ordinary shares with a par value of Baht 0.50 per share to be reserved for the exercise of warrants No.1 (FVC - W1) and No.2 (FVC - W2) offering to the existing shareholder of the Company who subscribe for the capital increase ordinary share proportionately to their shareholding. The Company registered the increase in its registered share capital to the Ministry of Commerce on 22 May 2018.

Subsequently, in June 2018, the holders of the warrants exercised the rights to purchase the Company common shares in the amount of 23,789,206 shares at par value Baht 0.50 totalling Baht 11,894,603. The Company registered the change of issued and paid-up share capital with the Ministry of Commerce on 8 June 2018.

Movements in the number of ordinary shares, the paid-up share capital and share premium during the year 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	685,587	342,793	
Decrease during year	(5,500)	(2,750)	
Increase during year	30,919	15,460	
At end of year	711,006	355,503	
<u>Issued and paid-up share capital</u>			
At beginning of year	517,818	258,909	314,001
Increase in capital from stock dividend	23,535	11,767	-
Increase during year	23,789	11,895	-
At end of year	565,142	282,571	314,001

25. Warrants

25.1 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 (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 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.

On 27 April 2018, the Company changed exercise ratio to 1 unit of warrant to 1.463 new ordinary share.

On 14 May 2018, the holders of the warrants exercised 16,260,583 units. As at 31 December 2018, the unexercised warrants were 521,623 units. (2017: 16,782,206 units)

Reconciliation of number of FVC-W1 warrants

	(Unit: Units)	
	Consolidated and Separate financial statements	
	2018	2017
Number of warrants at the beginning of year	16,782,206	56,227,349
Exercised during the year (Note 24)	(16,260,583)	(39,445,143)
Number of warrants at the end of year	521,623	16,782,206

25.2 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 1.04545 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 0.957 per share (2017: Baht 1.000 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.

On 27 April 2018, the Company changed exercise ratio to 1 unit of warrant to 1.04545 new ordinary share and exercise price as Baht 0.957 per share.

As at 31 December 2018 and 2017, the unexercised warrants were 138,790,207 units.

Reconciliation of number of FVC-W2 warrants

	(Unit: Units)	
	Consolidated and	
	Separate financial statements	
	2018	2017
Number of warrants at the beginning of year	138,790,207	-
Issued warrants during the year	-	138,790,207
Number of warrants at the end of year	138,790,207	138,790,207

26. 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.

27. Expenses by nature

Significant expenses by nature for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salary and wages and other employee benefits	130,939	84,849	66,623	58,720
Directors and management's benefits	30,373	26,843	25,060	22,432
Subcontract service fee	33,100	19,409	16,883	8,084
Depreciation and amortisation	22,929	11,123	9,414	6,626
Purchases of goods	304,210	252,994	189,545	199,018
Changes in finished goods and work in process	19,769	(11,299)	(3,298)	(4,298)
Physician's benefits	54,693	6,208	-	-

28. Income tax

Income tax expense for the years ended 31 December 2018 and 2017 is made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Corporate income tax charge	6,786	4,962	5,116	4,962
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,807)	(883)	(412)	(278)
Income tax expenses (revenues) reported in the statement of comprehensive income	(2,021)	4,079	4,704	4,684

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax on actuarial gain	170	-	146	-
	170	-	146	-

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2018 and 2017 can be presented as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Accounting profit (loss) before tax	(5,903)	25,767	27,626	28,806
Applicable tax rates	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(1,181)	5,153	5,525	5,761
Tax effect of intercompany transactions	401	36	-	-
Effects of:				
Non-deductible Revenues	(1,612)	(2,049)	(753)	(1,064)
Additional expense deductions allowed	(94)	(13)	(68)	(13)
Total	(1,706)	(2,062)	(821)	(1,077)
Unused tax losses expected to be unutilised in the future	465	952	-	-
Income tax expenses (revenues) reported in the statement of comprehensive income	(2,021)	4,079	4,704	4,684

The components of deferred tax assets and deferred tax liabilities as at 31 December 2018 and 2017 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	1,325	902	202	17
Allowance for diminution in value of inventories	121	185	32	110
Provision for long-term employee benefits	3,574	3,356	2,920	2,761
Unused tax losses	8,933	907	-	-
Others	513	447	-	-
Total	14,466	5,797	3,154	2,888
Deferred tax liabilities				
Receivables from financial lease agreements	(1,301)	(1,269)	-	-
Total	(1,301)	(1,269)	-	-
Deferred tax assets - net	13,165	4,528	3,154	2,888

As at 31 December 2018, subsidiaries have temporary differences and unused tax losses totaling Baht 17.6 million (2017 Baht 15.3 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.

29. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of the stock dividend as discussed in Notes 24 and 31. The number of ordinary shares of the prior period used for the calculation, as presented herein for comparative purposes, has been adjusted in proportion to the change in the number of shares, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit (loss) 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 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 (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares) (Restated)	(Baht)	(Baht) (Restated)
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	(5,155)	22,061	556,474	535,046	(0.009)	0.041
Effect of dilutive potential ordinary shares						
Warrants						
FVC-W1	-	-	344	13,661		
FVC-W2	-	-	48,422	87,165		
Diluted earnings(loss) per share						
Profit (loss) attributable to ordinary shareholders						
assuming the conversion of warrants to ordinary shares	(5,155)	22,061	605,260	635,872	-	0.035

No presentation of diluted loss per share in the consolidated statement of comprehensive income for the year ended 31 December 2018 since the diluted loss per share become anti-dilutive figure.

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares) (Restated)	(Baht)	(Baht) (Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	22,922	24,122	556,474	535,046	0.041	0.045
Effect of dilutive potential ordinary shares						
Warrants						
FVC-W1	-	-	344	13,661		
FVC-W2	-	-	48,422	87,165		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	22,922	24,122	605,206	635,872	0.038	0.038

30. 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 following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

	Sales and services of industrial and original equipment manufacturing water system segment		Sales and services of commercial, and residential segment		Sales and services of medical service segment		Constriction services		Eliminated		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	83	82	255	247	299	121	20	9	-	-	657	459
Inter-segment revenues	5	6	-	-	15	13	1	1	(21)	(20)	-	-
Total revenue	88	88	255	247	314	134	21	10	(21)	(20)	657	459
Profit from operation segments	32	29	78	66	14	25	3	2	(1)	-	128	121
Unallocated income and expenses:												
Revenues from financial lease agreements and installment sales												
Other income											4	12
Selling expenses											(30)	(26)
Administrative expenses											(101)	(81)
Finance cost											(7)	(2)
Income tax expense											2	(4)
Profit (loss) for the year											(4)	22
Other comprehensive income - net of income tax											1	-
Total comprehensive income for the year											(3)	22

The segment assets of the Company and its subsidiaries as at 31 December 2018 and 2017 are as follows:

(Unit: Million Baht)

	Sales and services of industrial and original equipment manufacturing water system segment and commercial and residential segment*		Sales and services of medical service segment		Eliminated		Consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Property, plant and equipment	220	176	90	33	(4)	(2)	306	207
Other assets							649	580
Total assets							955	787

* 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 2018, the Company and its subsidiaries have revenue from one major customer in amount of Baht 59 million, arising from sales and services of commercial and residential segment (2017: Baht 52 million derived from one major customer, arising from sales services of commercial and residential segment).

31. Dividends / stock dividends

Dividends / stock dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for the year 2017	Annual General Meeting of the shareholders on 25 April 2018	1,326	0.00256
Stock dividends for the year 2017	Annual General Meeting of the shareholders on 25 April 2018	11,768	0.02300
Total dividend and stock dividend paid in 2018		13,094	0.02556
Dividends for the year 2016	Annual General Meeting of the shareholders on 27 April 2017	6,786	0.02200
Total dividend paid in 2017		6,786	0.02200

32. 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 26 April 2017, 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.

33. 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 2018 amounting to approximately Baht 1.9 million (2017: Baht 1.9 million), the Company only: Baht 1.6 million, (2017: Baht 1.4 million) were recognised as expenses.

34. Commitments and contingent liabilities**34.1 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 2018 and 2017, 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	
	2018	2017	2018	2017
Payable				
in up to 1 year	7.7	8.7	5.3	6.2
in over 1 and up to 5 years	4.8	10.0	3.7	7.4

34.2 Subcontracted work commitments

As at 31 December 2018, the Company and its subsidiaries had outstanding commitments in respect of subcontracted work of Baht 3 million (2017: Baht 10 million).

34.3 Royalty fee and marketing fee commitments

The subsidiary has commitment from acquisition of medical services for health and beauty business as mentioned in Note 3. The subsidiary will pay a royalty fee and marketing fee of 6% and 4% of revenue, respectively. The agreement has period of 8 years which can be extended for a further 4 years. However, if the subsidiary's annual net profit is not reached as guaranteed in the agreement. Subsidiary is entitled to net such royalty fee and marketing fee with net profit as guaranteed in the agreement.

34.4 Guarantees

As at 31 December 2018, the Company and its subsidiaries have outstanding bank guarantees regarding to guarantee of contractual performance totalling of approximately Baht 12.1 million (2017: Baht 7.3 million) (the Company only: Baht 6.9 million, 2017: Baht 3.8 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.

34.5 Litigations

In September 2018, the Company's subsidiary has been sued by two local companies as co-defendant in a civil lawsuit petitioning for revocation of franchise sale and asset sales agreements. At present, the case is in the process of appointing both co-plaintiff's witnesses and co-defendant's witnesses. The subsidiary's management and its legal counsellor consider the subsidiary likely to win the case since the subsidiary acted in good faith and paid compensation for the transactions.

Subsequently, In February 2019, the subsidiary has sued the franchise's owner of "Wuttisak Clinic" in a civil lawsuit petitioning for breach of franchise sale and asset sales agreements, claiming for compensation total of approximately Baht 187 million. The Court has set a date of 25 June 2019 for mediation and set a date of 19 August 2019 for the settlement and determine the proceedings for prosecution or witness examination.

In year 2018, the subsidiary's net profits for the year is not as guaranteed in the agreement, as discussed in Note 34.3. The subsidiary is able to claim the compensation for the year 2018 in the amount of approximately Baht 47.8 million. However, the subsidiary has not recorded the compensation income in year 2018 since the Court is in the process of trial and it depends on negotiating the compromise of the parties and/or the Court's judgement.

35. Fair value hierarchy

As at 31 December 2018 and 2017, 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 2018		
	Level 1	Level 2	Level 3
Total			
Assets for which fair value are disclosed			
Investment properties	-	31	-
			31

(Unit: Million Baht)

	31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	20	-	20
Liabilities for which fair value are disclosed				
Derivatives	-	1	-	1

36. Financial instruments

36.1 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 2018

Consolidated financial statements

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial Assets						
Cash and cash equivalents	11	-	-	-	11	-
Trade and other receivables	-	-	-	217	217	-
Receivables from financial lease agreements and installment sales	7	10	-	-	17	MOR, MLR-1
Restricted bank deposits	-	12	-	-	12	0.85 - 1.05
	18	22	-	217	257	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	20	-	19	-	39	MOR, MOR-0.5, 6.00
Trade and other payables	-	-	-	122	122	-
Long-term loans	-	-	53	-	53	MLR-1, MLR-1.75
Liabilities under hire purchase and finance lease agreements	1	6	-	-	7	5.64-9.03
	21	6	72	122	221	

(Unit: Million Baht)

As at 31 December 2018

Separate financial statements

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial Assets						
Cash and cash equivalents	6	-	-	-	6	-
Trade and other receivables	-	-	-	71	71	-
Receivables from installment sales	4	4	-	-	8	MLR-1
Short-term loans to related parties	235	-	-	-	235	4.53-6.62
Restricted bank deposits	-	7	-	-	7	1.05
	245	11	-	71	327	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	20	-	6	-	26	MOR-0.5, 6.00
Trade accounts payable	-	-	-	44	44	-
Long-term loans	-	-	44	-	44	MLR-1, MLR-1.75
Liabilities under hire purchase and finance lease agreements	1	3	-	-	4	6.76-9.03
	21	3	50	44	118	

(Unit: Million Baht)

As at 31 December 2017						
Consolidated financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial Assets						
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
	155	26	-	102	283	
Financial liabilities						
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
	2	4	33	57	96	

(Unit: Million Baht)

As at 31 December 2017						
Separate financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial Assets						
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
	283	15	-	59	357	
Financial liabilities						
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
	1	4	30	34	69	

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 2018 and 2017 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	109	166	265	267	32.4036	32.6407
Pound Sterling	-	-	-	4	41.0040	43.9241
Euro	-	1	125	15	37.0731	38.9753
Won	133	-	-	-	0.0290	0.0306
Yen	1,427	-	-	-	29.2558	28.9806

Separate financial statements						
Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	109	166	265	267	32.4036	32.6407
Pound Sterling	-	-	-	4	41.0040	43.9241
Euro	-	-	24	14	37.0731	38.9753
Won	133	-	-	-	0.0290	0.0306
Yen	1,427	-	-	-	29.2558	28.9806

Foreign exchange contracts outstanding at 31 December 2018 and 2017 are summarised below:

31 December 2018				
Foreign currencies	Bought	Sold	Contractual exchange rate	
	amount	amount	Bought	Sold
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	247	-	32.4280 - 32.6490	-
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	-

36.2 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	
	As at 31 December 2018	As at 31 December 2017
	Fair value	Fair value
	Loss	Loss
Derivatives		
Forward exchange contracts	0.1	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.

37. 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 2018, debt-to-equity ratio of the Company and its subsidiaries was 0.43:1 (2017: 0.19:1) and the Company's was 0.21:1 (2017: 0.14:1).

38. Reclassifications

Certain amounts in financial statements have been reclassified to conform to the current year's classifications with no effect to previously reported net profit or shareholders' equity as follow:

(Unit: Thousand Baht)				
For the year ended 31 December 2017				
	Consolidated		Separate	
	statement of income		statement of income	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Revenues</u>				
Revenues from sales and services	450,691	459,260	334,175	339,375
Revenues from construction services	8,569	-	5,200	-
<u>Expenses</u>				
Cost of sales and services	331,739	338,312	240,080	243,769
Cost of construction services	6,573	-	3,689	-

39. Events after the reporting period

On 27 February 2019, 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 2019, for approval of dividend payment of Baht 0.01 per share, or a total of Baht 5.7 million. Such dividends will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.



FILTER VISION PUBLIC COMPANY LIMITED