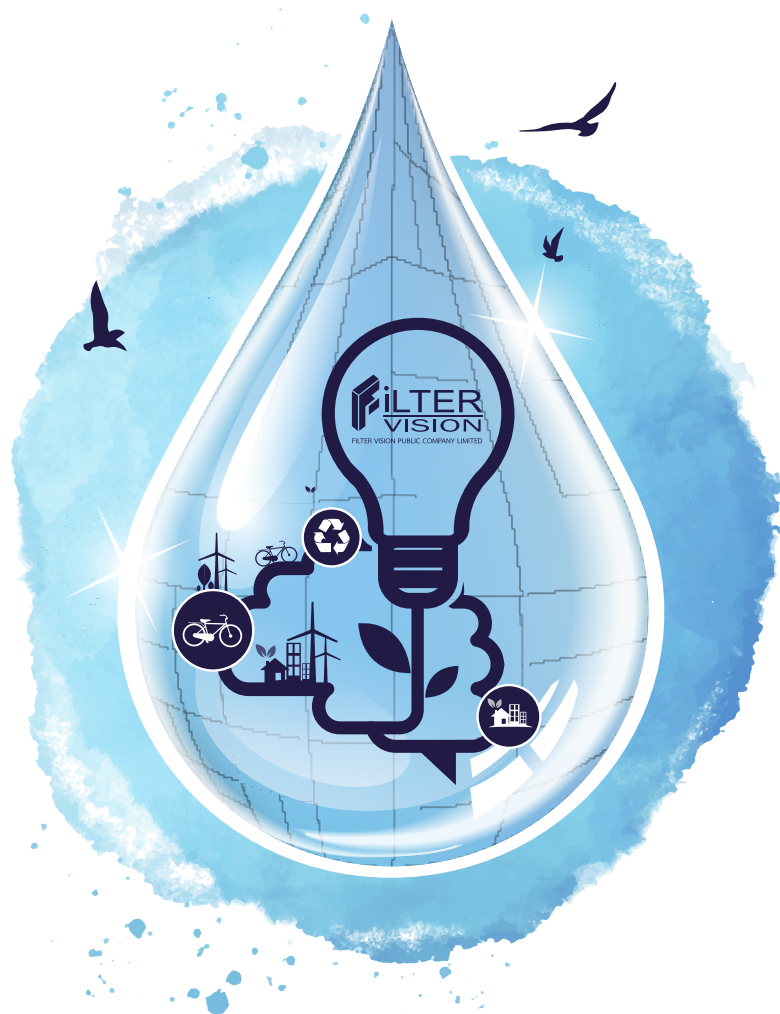




ANNUAL REPORT 2019

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VISION

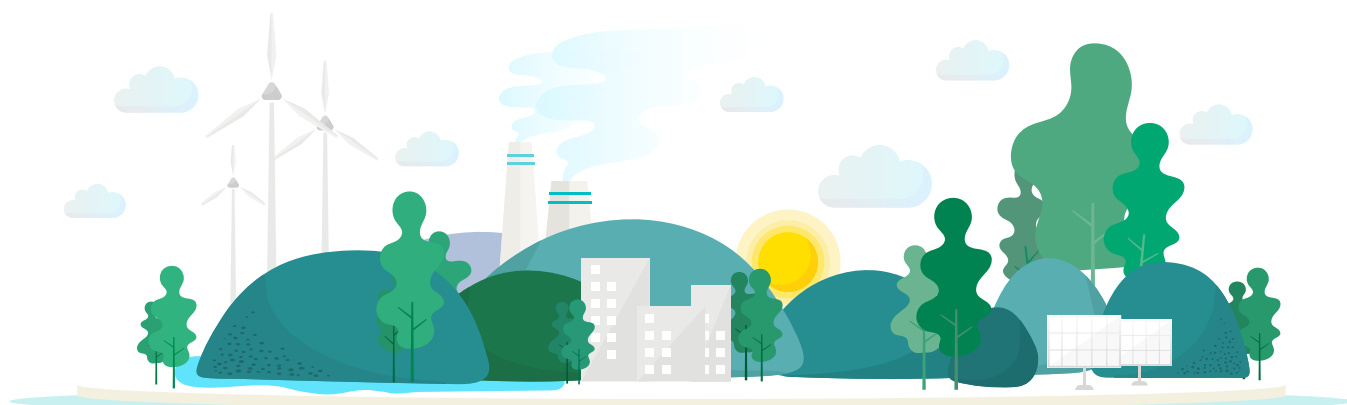
We lift your life.

MISSION

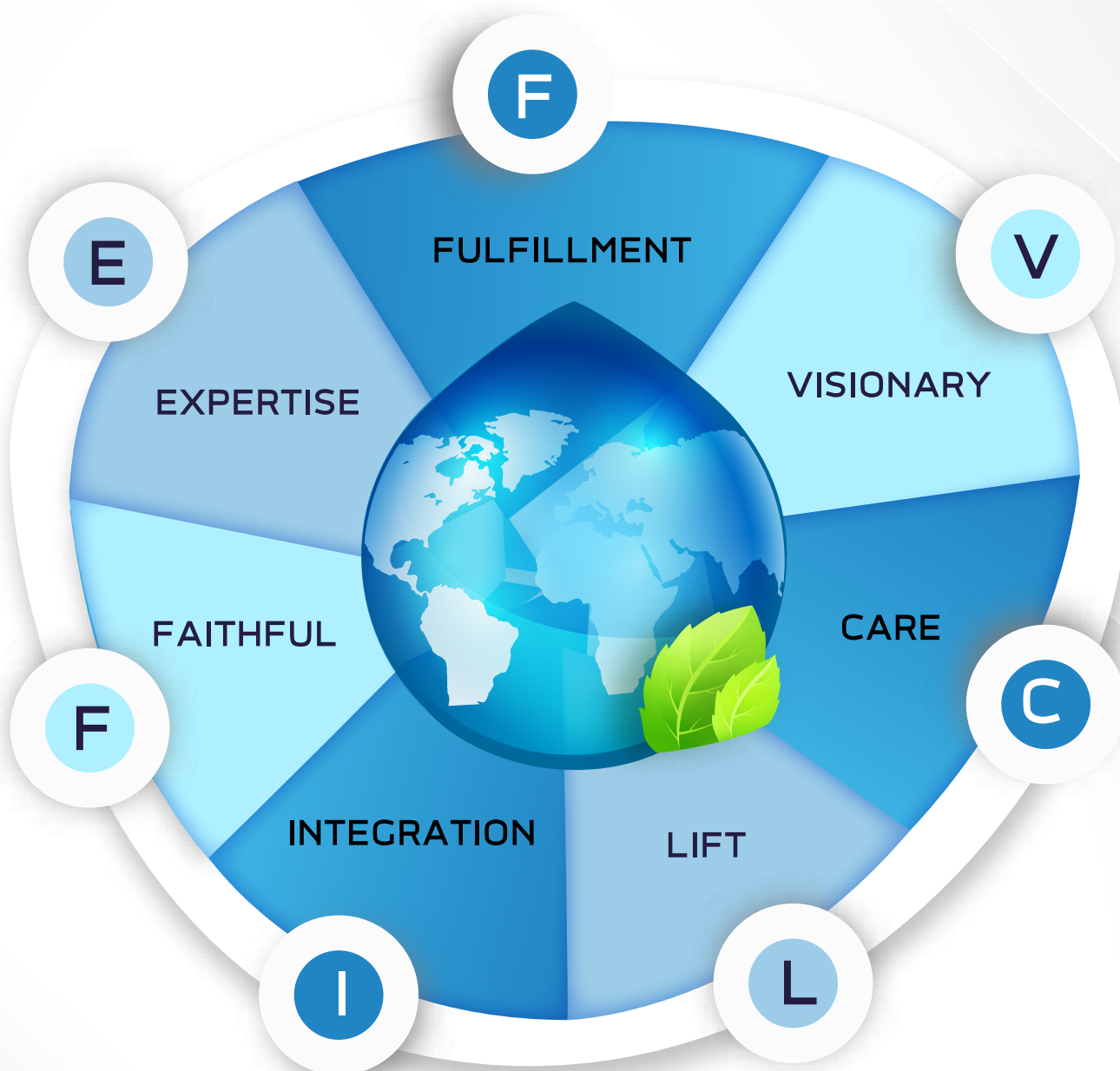
HUMAN
TOUCH,
EXPERTISE
AND
INNOVATION

INTEGRATED
FINANCIAL
AND
NON-FINANCIAL
BENEFITS

COLLABORATIVE
SHARING
FOR
SUSTAINABLE
DEVELOPMENT



CORE VALUES



Core Value

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



Mr. Witit Sujjapong
Chairman of the Board of Directors

The slowdown of the local and international economies caused by the trade dispute between the United States of America and the People Republic of China has affected the Thai economy which depends mainly on the export. As a result, it also leads to lower demand, less expenditure from the private sector, and lack of consumer confidence. In 2019, the Thai economy reported the growth rate at 2.4% compared to 4.1% in 2018 (Office of the National Economic and Social Development). It was another challenging year of the Company. However, in 2019, the group of companies still maintained its revenue growth at 24.99% with the increase of the revenue by 160.85 million baht from 656.71 million baht in 2018 to 817.56 million baht. The increase of the revenue came from the Company's business strategy adjustment and business expansion to large projects. In 2020, the Company continues its strategy and aims to maintain the growth rate of the business group.

In addition, in 2019, the Board of Directors considered reviewing and improving the business ethics and the code of conducts in order to be appropriate and in accordance with the development of the good corporate governance. The business ethics and the code of conducts are the duty guidelines for directors, executives, and employees who play an important role to establish confidence among shareholders, investors, customers,

trading partners, employees, as well as stakeholders. The Company's business determination focuses on building value to the organization with sustainability, generating growth to the organization, disseminating income to related parties, taking care of the environment, managing resources with awareness, developing eco-friendly products, and having responsibility toward society by developing good quality of life and sustainability for all groups of stakeholders.

On behalf of the Board of Directors of Filter Vision Public Company Limited, I would like to thank the management and employees of the Company and the subsidiaries for their physical and spiritual dedication to work with their entire capacity till we achieved great results. In addition, the Company would like to express its sincere appreciation to the shareholders, customers, trading partners, financial institutions, and related parties for your continuous confidence and support to the Company and the subsidiaries. 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, leading to the unceasing growth of the business of the group of companies and good and sustainable returns in the long run.

MESSAGE FROM CHAIRMAN OF EXECUTIVE BOARD AND MANAGING DIRECTOR



Mr. Wijit Techakasem
Chairman of Executive Board and Managing Director



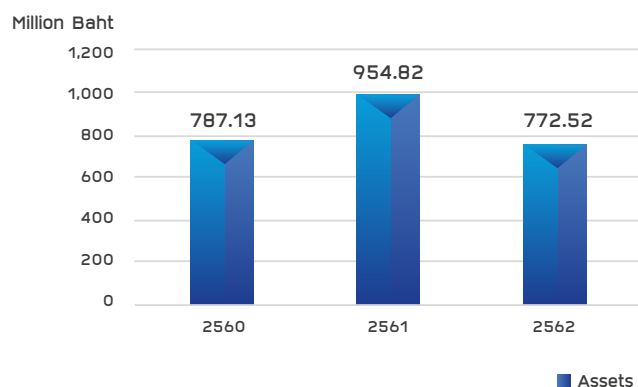
Despite the slowdown of the Thai economy in 2019 due to the trade war between the United States of America and the People Republic of China which had widely affected the business and industrial sectors as the supply chain of both countries, the determination of the Company's executive and employees drove the total revenue in 2019 to continue to grow 656.71 million baht in 2018 to 817.56 million baht in 2019, accounting for 24.49% growth. The growth mainly came from the marketing strategy improvement and the business expansion to large projects of the Industrial and Original Equipment Manufacturer Business Group (B1), leading to the increase of the B1 revenue from 100.51 million baht to 218.73 million baht, accounting for 117.62% increase. However, although the revenue of the group of companies in 2019 was at satisfactory level with high expansion rate, the operating results of the group of companies confronted the loss of 251.96 million baht due to the allowance for impairment of the assets of 186.29 million baht and the allowance for doubtful accounts of 60.28 million baht of Hi Healthcare Center Co., Ltd.. In addition, the surrounding business factors had caused Hi Healthcare Center Co., Ltd. to close down its 8 branches with accumulated loss, reduce areas of some branches to reduce expenses, as well as to decrease present cost of sales and services to appropriate

level. As a result, the operating results of Hi Healthcare Center Co., Ltd., will be improved in 2020.

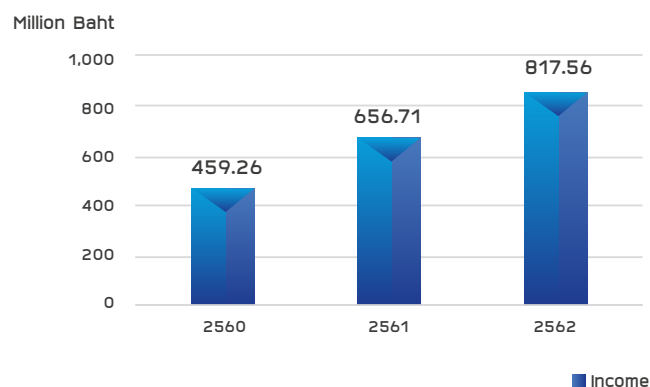
Since there were many challenges occurred in the previous year, the group of companies continues to extend the strategy that proved successful in 2019 i.e. the marketing strategy to focus on large projects of B1 of which have already been completed and around 96 million baht revenue will be recognized in 2020. This also includes the opening of at least 5 dialysis units and numbers of beds for services to match with the rising numbers of patients suffering from end-stage kidney disease. In addition, in 2020, the Company will continue the restructuring of the business groups in order to clearly categorize the business and this is expected to be completed within the first quarter of 2020.

Lastly, I'd like to reassure that the Board of Directors, executives, and employees of the groups of business are determined to drive the operating results of the Company to achieve goals and business strategy in order to maintain revenue growth with continuity and sustainability, as well as to generate returns to the shareholders and provide sustainable value to all stakeholders. In addition, I'd like to express my sincere appreciation to customers, trading partners, government organizations, executives, employees, and all related parties of the group of companies for their perpetual supports.

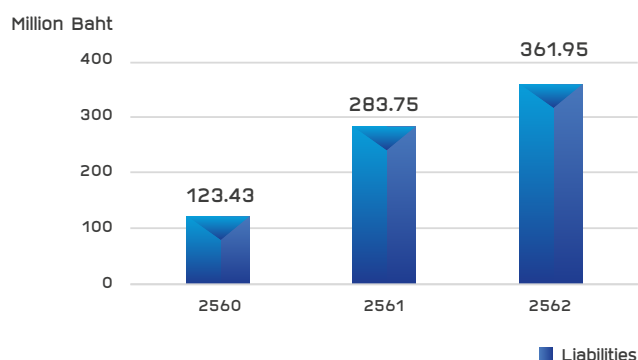
Assets



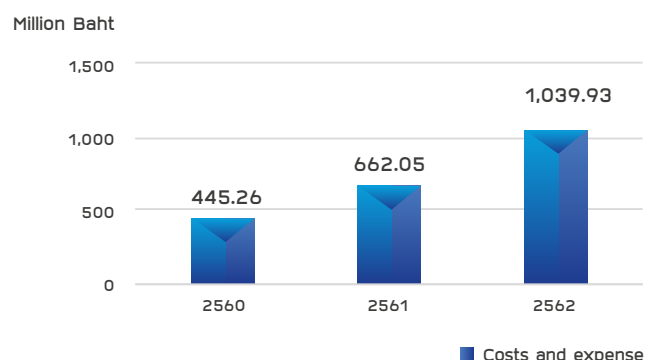
Income



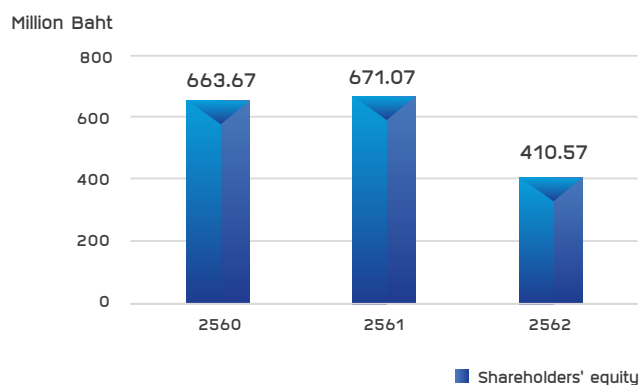
Liabilities



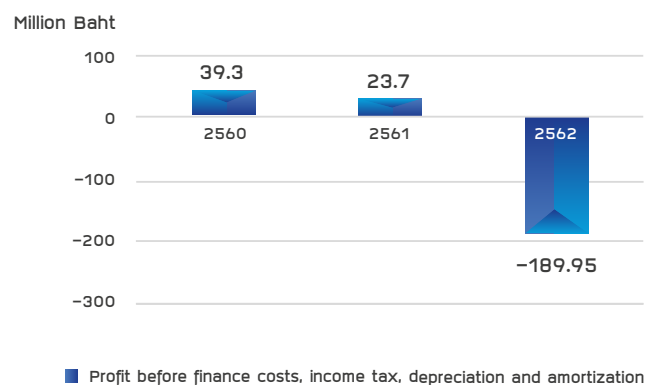
Costs and Expenses



Shareholders' Equity



Profit before finance costs, income tax, depreciation and amortization (EBITDA)



FINANCIAL HIGHLIGHTS

Filter Vision Public Company Limited and subsidiaries

| Item | 2019 | 2018 | 2017 |
|---------------------------------|--------|-----------|-----------|
| Liquidity ratio | | | |
| Current ratio (Time) | 5.75 | 2.04 | 1.56 |
| Quick ratio (Time) | 3.39 | 1.06 | 0.85 |
| Average collection period | 80 | 85 | 59 |
| Days of inventory | 217 | 206 | 106 |
| Profitability ratio | | | |
| Gross profit margin (%) | 26.34% | 19.07% | 22.21% |
| Operating profit margin (%) | 6.14% | 0.12% | (26.16%) |
| Net profit margin (%) | 4.58% | (0.59%) | (30.64%) |
| Efficiency Ratio | | | |
| Return on equity (%) | 4.24% | (0.58%) | (122.54%) |
| Return on assets (%) | 3.46% | (0.45%) | (65.15%) |
| Financial Policy Ratio | | | |
| Debt to equity ratio (Time) | 0.19 | 0.42 | 0.88 |
| Information per share | | | |
| Basic earnings per share (Baht) | 0.0426 | (0.00900) | (0.44600) |
| Book value per share (Baht) | 0.65 | 0.59 | 0.36 |

THE BOARD OF DIRECTORS



- 1. Mr.Witit Sujjapong** : Independent Director and Chairman of the Board of Directors
- 2. Dr.Manit Teeratantikanont , M.D.** : Independent Director and Chairman of Nomination & Remuneration Committee
- 3. Mr.Wijit Techakasem, PH.D.** : Director, Chairman of Executive Committee and Managing Director
- 4. Mr.Thanetr Khumchoedchoochai** : Independent Director, Chairman of Risk Management Committee and Chairman of Audit Committee
- 5. Mr.Montrie Prajunpanich** : Director and Nomination & Remuneration Committee
- 6. Mr.Kiattiporn Sirichaisakul** : Independent Director, Nomination&Remuneration Committee, Risk Manament Committee and Audit Committee
- 7. Mr.Teeranut Thangsataponnpong** : Independent Director and Audit Committee
- 8. Mr.Tanapat Tantiwattanawijit** : Director, Executive Director and General Manager
- 9. Ms. Panchit Chimpalee** : Director, Executive Director and Assistant General Manager (Accounting and Financial Department)

THE BOARD OF DIRECTORS



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

Age 66 years

Appointment date as director

9 August 2017 (2 year 5 months)

Educational / Training

Master Of Economics Hitotsubashi University (Japanese Government Scholarship)

Bachelor Of Economics Hitotsubashi University (Japanese Government Scholarship)

Thai Institute of Directors Association

Train of the Trainer (TOT) 1/2013

The Executive Director Course (EDC) 1/2012

Directors Certification Program (DCP) 57/2005

Percentage of shareholding

None

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

2017 - Present Chairman of the Board of Directors, Filter Vision Public Company Limited

2012 - Present Chairman of Audit Committee, Easy Buy Public Company Limited

Non-Listed companies

2017 - Present Director, Avantems Company Limited

2012 - Present Director, Wisecomnet Company Limited

2010 - Present Director, Advanced concept plating Company Limited

2010 - Present Independent Director and Chairman of Audit Committee Ford Capital Public Company Limited

2004 - 2005 President CAT Telecom Public Company Limited

Illegal Record in past 10 years

None

Meeting Attendance in 2019

Annual General Meeting 1/1

Board of Directors 5/5

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



Dr. Mani Teeratanthakorn, M.D.
Independent Director and Chairman of
Nomination & Remuneration Committee

Age 69 years

Appointment date as director

10 April 2012 (7 year 9 months)

Educational / 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 Certificate Program (DCP) 279/2019
- Director Accreditation Program (DAP) 99/2012

Percentage of shareholding

None

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

- 2012 - Present Independent Director, FILTER VISION Public Company Limited

Non - Listed companies

- 2016 - Present Chairman, BANPHAEO GENERAL HOSPITAL
- 2009 - 2011 Director - General of Department of Medical Science
- 2005 - 2007 Deputy Permanent Secretary, The Ministry of Public Health

Illegal Record in past 10 years

None

Meeting Attendance in 2019

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

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



Mr. Wijit Techakasem, PH.D.
Director, Chairman of Executive
Committee and Managing Director

Age 56 years

Appointment date as director

11 May 1995 (24 year 7 months)

Educational / 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

Director Certification Program (DCP) 32/2003

Thai Listed Companies Association

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

Percentage of shareholding

18.57%

Family relationship with the executive

Older brother of Ms. Thanapha Techakasem

Spouse of Ms. Kanjana Pongpattanadecha

Working experience during the past 5 years

Listed companies

2019 - Present Independent Director, Successmore Being
Public Company Limited

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 2019

Annual General Meeting 1/1

Board of Directors 5/5

Risk Management Committee 1/1

**Be a professional service provider; including a service
law firm or financial advisor who is given compensation
in the past 2 years**

Yes

**Conduct any business which of the same nature
and significantly in competition to the business of the
Company or its subsidiary**

None



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

Age 55 years

Appointment date as director

7 April 2011 (8 year 9 months)

Educational / Training

- Master of Business Administration, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University
- Bachelor of Laws, Thammasat University

Thai Institute of Directors Association

- Director 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 during the past 5 years

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, Filter Vision Public Company Limited

Non – Listed companies

- 2006 - 2015 Director, Malachi Company Limited

Illegal Record in past 10 years

None

Meeting Attendance in 2019

- | | |
|---------------------------|-----|
| Annual General Meeting | 1/1 |
| Board of Directors | 5/5 |
| Audit Committee | 4/4 |
| Risk Management Committee | 1/1 |

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



Mr. Montrie Prajunpanich
Director and Nomination &
Remuneration Committee

Age 54 years

Appointment date as director

7 April 2011 (8 year 9 months)

Educational / Training

- DOT. (Organization Development and Transformation)
CEBU Doctors University, Philippines
- 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

1.93%

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

- 2018 - Present Nomination and Remuneration Committee,
Filter Vision Public Company Limited
- 2011 - Present Director, Filter Vision Public Company Limited

Non- Listed companies

- 2012 - Present Executive Committee, Altermed
Company Limited
- 2011 - Present Director, VR Stephy Company Limited
- 2010 - Present Executive Committee, Vamp Intelligent
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 2019

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

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



Mr. Kiattiporn Sirichaisakul
Independent Director,
Nomination & Remuneration Committee,
Risk Management Committee and Audit
Committee

Age 51 years

Appointment date as director

7 April 2011 (8 year 9 months)

Educational / Training

Bachelor of Commerce and Accountancy, Thammasat University

Thai Institute of Directors Association

Director Accreditation Program (DAP) 2006/50

Percentage of shareholding

None

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

- 2018 - Present Nomination and Remuneration Committee, Filter Vision Public Company Limited
- 2017 - Present Risk Management Committee, Filter Vision Public Company Limited
- 2014 - Present Independent Director and Audit Committee, Filter Vision Public Company Limited
- 2006 - Present Independent Director and 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 Director, Piyavate Hospital Public Company Limited
- 1992 - Present Certified Public Accountant, Finer Accounting Service Office

Illegal Record in past 10 years

None

Meeting Attendance in 2019

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

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



Mr. Teeranut Thangsatapornpong
Independent Director and Audit
Committee

Age 46 years

Appointment date as director

9 August 2017 (2 year 5 months)

Educational / 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, Thailand

Certified Investment and Securities Analyst (CISA)

Thai Institute of Directors Association

Director Certification Program (DCP) 161/2012

Percentage of shareholding

None

Family relationship with the executive

None

Working experience during the past 5 years

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 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 2019

- Annual General Meeting -/1
- Board of Directors 5/5
- Audit Committee 3/4

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



Mr. Tanapat Tantiwattanawijit
Director Executive Director and
General Manager

Age 50 years

Appointment date as director

7 April 2011 (8 year 9 months)

Educational / Training

Bachelor of Agro-Industry Prince of Songkla University

Thai Institute of Directors Association

Director Accreditation Program (DAP) 99/2012

Thammasat University

Thammasart Leader Program, Thammasart University (2019)

Percentage of shareholding

2.57%

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

2011 - Present Director, Filter Vision Public Company Limited

1996 - Present Executive Director and 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 2019

Annual General Meeting 1/1

Board of Directors 5/5

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

Yes

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None



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

Age 46 years

Appointment date as director

7 April 2011 (8 year 9 months)

Educational / Training

- Master of Accountancy, Thammasat University
- Bachelor of Accountancy, Thammasat University

Thai Institute of Directors Association

- Anti-Corruption: The practical Guide (ACPG) 20/2015
- Company Secretary Program (CSP) 56/2014
- Director Accreditation Program (DAP) 99/2012

Percentage of shareholding

None

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

- 2011 - Present Director Filter Vision Public Company Limited
- 2010 - Present Executive Director and Assistant General Manager (Accounting and Financial Department), Filter Vision Public Company Limited

Non – Listed companies

- 2009 - 2010 Accounting Manager, Asiasoft Public Company Limited

Illegal Record in past 10 years

None

Meeting Attendance in 2019

- Annual General Meeting 1/1
- Board of Directors 5/5

Be a professional service provider; including a service law firm or financial advisor who is given compensation in the past 2 years

None

Conduct any business which of the same nature and significantly in competition to the business of the Company or its subsidiary

None

MANAGEMENT TEAM



Mr. Pattanapong Kongkarat

Executive Director, B2 Business Manager, HR & General Affair Manager, Technical Service Manager

Age 57 years

Educational/Training

🔹 Bachelor of Laws, Ramkhamhaeng University

Percentage of shareholding

🔹 None

Family relationship with the executive

🔹 None

Working experience during the past 5 years

Listed companies

- 🔹 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, Filter Vision Public Company Limited
- 🔹 2001 - 2014 Sale and Marketing Manager, Filter Vision Public Company Limited

Illegal Record in past 10 years

🔹 None

Ms. Supapan Yeamlaengamkul

Executive Director

Age 54 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

🔹 0.01%

Family relationship with the executive

🔹 None

Working experience during the past 5 years

Listed companies

- 🔹 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 54 years

Educational/Training

💧 Bachelor School of Communication Arts, Bangkok University

Thai Institute of Directors Association

💧 Director Accreditation Program (DAP) 99/2012

Percentage of shareholding

💧 1.74%

Family relationship with the executive

💧 Young sister of Dr. Wijit Techakasem

Working experience during the past 5 years

💧 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 50 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 during the past 5 years

💧 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 and Supply chain Manager

Age 49 years

Educational/Training

Master of Business Administration (Marketing), Ramkhamhaeng University

Bachelor Degree, Faculty of Science, Agro-Industry Technology Management, Prince of Songkla University

Percentage of shareholding

0.18%

Family relationship with the executive

None

Working experience during the past 5 years

Listed companies

2017 - Present Supply Chain Management 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 37 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, Dr. Wijit Techakasem

Working experience during the past 5 years

2018 - Present General Manager, Hi Healthcare Center Company Limited

2015 - Present General Manager, KT Medical Service Company Limited

Illegal Record in past 10 years

None



Mr. Supanut Promsriping
Accounting and Finance Manager

Age 29 years

Educational/Training

- 💧 Bachelor of Accountancy (Accounting), Kasetsart University
- 💧 CFO's Orientation Course for New IPOs No. 4, The Stock Exchange of Thailand
- 💧 Essence, Effects, Guidelines, and Case Study of TFRS 9, TFRS 15 and TFRS 16, The Stock exchange of Thailand

Percentage of shareholding

- 💧 None

Family relationship with the executive

- 💧 None

Working experience during the past 5 years

- 💧 2019 - Present Accounting and Finance Manager,
Filter Vision Public Company Limited
- 💧 2017 - 2019 Senior Office, Accounting and Finance
Department, Tipco Asphalts Public Company
Limited
- 💧 2013 - 2017 Assistant Auditor, Deloitte Touche Tohmatsu
Jaiyos Company Limited

Illegal Record in past 10 years

- 💧 None

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

To Shareholders

The Board of Directors is responsible for financial statements and the consolidated financial statements of Filter Vision Public Company Limited and its subsidiaries including financial information are provided in the 2019 Annual Report. The financial statements are prepared in accordance with Thai Financial Reporting Standards, using appropriate accounting policies that are applied on a consistent basis. The financial statements are also prepared with careful consideration and, use of appropriate estimates and judgments. All information related to the accounting policies and the financial statements, including the conventions and practices used for the preparation of the financial statements, are adequately disclosed in the notes to the financial statements. The financial statements have been audited by independent certified public accountants whose unqualified opinions are stated in the audit report.

The Board of Directors has required the management of the Company to adopt and maintain effective internal control and risk management systems to provide reasonable assurance on the accuracy, reliability and adequate to protect the Company's assets; and the prevention against fraud and irregularities which have material effects on the accuracy and reliability of the Company's financial report.

The Board of Directors has appointed the Audit Committee, consisted of 3 independent directors responsible for the quality of the Company's financial reporting and internal control system. In this respect, the Audit Committee's opinion regarding such matters is stated in the Annual Report under the Audit Committee's Report.

The Board of Directors is of the view that the Company's overall internal control system is adequate and appropriate to assure the credibility of the financial statements and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2019, are reliable pursuant to applicable financial reporting standards, and are correct, complete and accurate according to accounting standards, related laws and regulations.



Mr. Witit Sujjapong
Chairman of the Board of Directors

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

Appointed by the Board of Directors, the Audit Committee consists of 3 independent directors, chaired by Mr. Thanetr Khamcherdchoochai, with Mr. Kiattiporn Sirichaisakul and Mr. Teeranut Thangsatapornpong as committee members. All of whom command expertise and experience in economics, accounting, and finance, business management and auditing as stipulated under the notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company Secretary, Ms. Alisara Sidtigasorn serves as the secretary to the committee.

The Audit Committee independently performed its duties as assigned by the Board of Directors and in accordance with the Corporate Governance Policy. In 2019, the Audit Committee held 4 meetings, including consultations with, the external auditor, the internal auditor, and the management. Furthermore, the Audit Committee held 1 non-executive meeting with the external auditor to independently analyzed auditor's performance, the internal control system relating to financial statements audit, cooperation from the management and the internal auditor, audit plans, as well as the external auditor's report.

This year, performance highlights are as follows:

1) Review of Financial Reports

The Audit Committee reviewed quarterly and annually financial reports of the Company and its subsidiaries, cooperation with the external auditor and the management. In this regard, the Audit Committee inquired and reviewed the accuracy, completeness and adjustments to material items that effected the financial statements, the sufficiency of the information disclosure, and emphasized Key Audit Matters (KAMs) in the external auditor's report. The Audit Committee was of the opinion that the Company's financial statements as at December 31, 2019 are accurate, creditable, and useful for financial statements users. The external auditors audited financial statements and provided unqualified opinions.

2) Review of Related Party Transaction and Connected Transaction

The Audit Committee had considered and reviewed the related party transaction and the connected transaction or the transaction with possible conflict of interest of the Company and its subsidiaries in accordance with the notifications of the Stock Exchange of Thailand Board and the Capital Market Supervisory Board. The Audit Committee found that the Company and its subsidiaries had observed regular business practices, exercising fairness and sensibility for the maximum benefit of the Company and its shareholders. All transactions had secured the approval of the management or the Board of Directors before their execution.

3) 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), as well as the approval of the outcomes of internal control system adequacy assessment stating the Company commands a suitable and adequate internal control system.

The results reported by the internal auditors and the external auditors revealed no issue or flaw that could significantly impact to the Company. However, the management had consistently implemented recommendations of the Audit Committee, the external auditors, and the internal auditors.

Furthermore, the Audit Committee ensured that the internal audit maintained its independence and reported directly to the Audit Committee. The Audit Committee also examined its operation to ensure strict adherence to the approved year plans, as well as reviewed the appropriateness and adequacy of auditing resources for maximum effectiveness and efficiency.

4) Review of Risk Management

Due to importance of risk management, the Board of Directors assigned the Risk Management Committee and the management to oversee and prescribe assessment of internal and external risk factors, risk potential, and impacts as well as complied risk management plans to prevent or mitigate potential impacts on the business to an acceptable level. The management is responsible for reporting risk developments regularly.

The Audit Committee reviewed the efficiency of the Company's risk management based on its performance and found that the Company's management had effectively reduced risks to an acceptable level.

5) Review of Corporate Governance and Legislation Compliance

The Audit Committee attaches importance to strictly operate business along with good corporate governance and compliance with securities exchange laws and associated securities regulations. The Audit Committee reviewed the operation to ensure that the Company and its subsidiaries were performed with accuracy and appropriateness under normal business conditions and prescribed system.

6) 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, independency, adequacy of resources, including auditing remuneration and the performance outcomes in the previous year as well as in compliance with the notifications of the Securities and Exchange Commission. The Audit Committee had considered selecting EY Office Company

Limited to be the auditor of the Company and its subsidiaries for the year 2020 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 2019, the Audit Committee had performed the duties as assigned by the Board of Directors and in accordance with the Corporate Governance Policy, cooperation from the Board of Directors, the management, the external auditors and related department. The Audit Committee was the opinion that the Company and its subsidiaries reliable present material information and fully consistent with the general financial reporting standards and acknowledged sufficient disclosure of connected transactions, good corporate governance, appropriate risk management, sufficient internal control systems, and full compliance with all the laws, and regulations relevant to the operation of the Company and its subsidiaries.

On behalf of the Audit Committee



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. Mani Theeratanthanon, 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 2019, the Nomination and Remuneration Committee held a total of three meetings and the summary of relevant duties performed by the Nomination and Remuneration Committee are as follows:

- 💧 Consider and propose the 2019 director's remuneration to the Board of Directors for consideration before proposing to 2020 Annual General Meeting of Shareholders for further approval.

- 💧 Consider and set the specific performance and appropriate criteria for assessing the Managing Director's performance and propose to the Board of Directors for approval.

- 💧 Consider and prepare the Company's board skills matrix to determine the board structure and qualification needed on the Board of Directors for good corporate governance as well as objectives, targets and strategies of the Company.

In 2019, the Nomination and Remuneration Committee has prudently and carefully performed their duties and responsibilities as assigned by the Board of Directors and specified in the Corporate Governance Policy with transparency, aiming primarily for the maximum benefit to the Company and its shareholders.



Dr. Mani Theeratanthanon
Chairman of the Nomination and Remuneration Committee

GENERAL INFORMATION

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 MacArthur 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.”**
- 2019** Revised Business Ethics and Code of Conduct of the Company in accordance with the Vision and Mission, which determined the conduct of directors, executives and employees at all levels.
In May 2019, opened new hemodialysis center in Tak province and another one, Bangnamprieo Hospital, ChaChoengsao province in December 2019
Adjusted business strategies to suit the changing business environment and circumstances by closing of Wuttisak Clinic in 8 branches which has accumulated losses are (1) Anusawarichai Branch (2) Big C Mahachai Branch (3) Big C Ratchadamri Branch (4) Tesco Lotus Borwin Branch (5) Tesco Lotus Ban Pong Branch (6) Tesco Lotus Ban Chang Branch (7) Tesco Lotus Prachinburi Branch and (8) Lotus Amata Nakorn Branch

FVC 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 |

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 | : | Hemodialysis Clinic. |
| 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 |

References

| | |
|--|---|
| Regulatory Agency of Security Issuing Company | <p>The Securities and Exchange Commission</p> <p>333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900</p> <p>Tel. 02-033-9999</p> <p>Fax 02-033-9660</p> <p>e-mail info@sec.or.th</p> <p>Website www.sec.or.th</p> |
| Regulatory Agency of Listed Company | <p>The Stock Exchange of Thailand</p> <p>Building of the stock Exchange of Thailand</p> <p>93 Ratchadaphisek Road, Din Daeng, Bangkok 10400</p> <p>Tel. 02-009-9000</p> <p>Fax 02-009-9991</p> <p>e-mail SETContactCenter@set.or.th</p> <p>Website www.set.or.th</p> |
| Securities Registrar | <p>Thailand Securities Depository Company Limited</p> <p>14th Floor, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400</p> <p>Tel. 02-009-9999</p> <p>Fax 02-009-9991</p> <p>e-mail SETContactCenter@set.or.th</p> <p>Website www.set.or.th/tsd</p> |
| Auditor | <p>E Y Office Company Limited</p> <p>Ms. Runnapa Lertsuwankul , C.P.A. Registration No. 3516 or</p> <p>Mr. Chayapol Suppasdtanon, C.P.A. Registration No. 3972 or</p> <p>Ms. Sumana Punpongsanon, C.P.A. Registration No. 5872 or</p> <p>Ms. Pimjai Manitkajohnkit, C.P.A. Registration No. 4521 or</p> <p>Ms. Rosaporn Decharkom , C.P.A. Registration No.5659 or</p> <p>Ms. Orawan Techawatanasirikul, C.P.A. Registration No. 4807 or</p> <p>33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Road, Khlongtoey, Bangkok 10110</p> <p>Tel. 02-264-9090</p> <p>Fax 02-264-0789-90</p> <p>e-mail EY.Thailand@th.ey.com</p> <p>Website www.ey.com</p> |
| Legal Advisors | <p>Premier Lawyer Company Limited</p> <p>Name of Lawyer Mr.Phod Khomanant</p> <p>Tel. 02-984-4266</p> <p>Fax 02-984-4267</p> <p>e-mail phodkhomanant@gmail.com</p> |

Information of Securities and Shareholders

FVC Securities

Common Shares

As of December 31, 2019, 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 30, 2019 which closing date consisted of











| No. | Shareholders | No. of ordinary shares | % of total shares |
|-----|---|------------------------|-------------------|
| 1 | Mr. Wijit Techakasem | 104,943,666 | 18.569% |
| 2 | Qbizm Company Limited | 19,281,126 | 3.412% |
| 3 | Mr. Anuroj Seniprakornkrai | 15,000,000 | 2.654% |
| 4 | Global Consumer Public Company Limited | 14,838,209 | 2.626% |
| 5 | Mr. Tanapat Tantiwattanawijit | 14,546,503 | 2.574% |
| 6 | Mr. Anuroj Seniprakornkrai by AEC Securities Public Company Limited | 12,032,450 | 2.129% |
| 7 | Mr. Burachote Techakasem | 11,841,758 | 2.095% |
| 8 | Thaniya Realsted Company Limited | 11,613,636 | 2.055% |
| 9 | Mr. Montrie Prajunpanich | 10,881,343 | 1.925% |
| 10 | Mr. Nobparuj Jindasombatcharoen | 10,000,000 | 1.769% |
| 11 | Miss Thanapa Techakasem | 9,830,399 | 1.739% |
| 12 | Mr. Pisarn Techakasem | 9,484,209 | 1.678% |
| 13 | Mrs.Janjira Jatnalin by AEC Securities Public Company Limited | 8,765,854 | 1.551% |
| 14 | Mr.Jran Jatnalin by AEC Securities Public Company Limited | 8,699,045 | 1.539% |
| 15 | Mr. Burawat Techakasem | 8,569,590 | 1.516% |
| 16 | Thai NVDR Company Limited | 6,979,546 | 1.235% |
| 17 | PP Prime Public Company Limited | 6,622,222 | 1.172% |
| 18 | Mr. Boonchai Jirakranont | 6,190,000 | 1.095% |
| 19 | Mr. Peerapas Limthamaisorn | 6,015,000 | 1.064% |
| 20 | Mr. Pongsapak Jindasombatcharoen | 5,832,049 | 1.032% |
| | Total | 301,966,605 | 53.432% |

Detail of the shareholder of Techakasem's family

| Shareholders | No. of ordinary shares | % of total shares |
|------------------------------|------------------------|-------------------|
| 1. Mr.Wijit Techakasem | 104,943,666 | 18.569 |
| 2. Mr.Burachote Techakasem | 11,841,758 | 2.095 |
| 3. Miss 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 | 370,000 | 0.065 |
| 10. Miss Bongkoch Techakasem | 112,272 | 0.020 |
| 11. Mr.Wisit Techakasem | 20,454 | 0.004 |
| 12. Mr.Banphot Techakasem | 10,454 | 0.002 |
| Total | 149,086,971 | 26.380 |

Issuance of Other Securities

| Securities name | Description |
|--|--|
| The warrants to purchase Common shares No.1 (FVC-W1) | 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 May 14, 2018 |

| Securities name | Description |
|--|---|
| The warrants to purchase Common shares No.2 (FVC-W2) |  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 June 26, 2020 |

Policy of Dividend Paymentu

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 (%) |
|------|-----------------------------|---------------|--------------------------|-----------------------------------|--|
| 2016 | 15,859,567 | 258,051,700 | 0.050 | 12,902,585 | 81.36 |
| 2017 | 13,512,539 | 308,422,774 | 0.022 | 6,785,301 | 50.21 |
| 2018 | 24,121,933 | 517,817,905 | 0.02556 | 13,235,426 | 54.87 |
| 2019 | 22,921,740 | 565,142,536 | 0.01 | 5,651,425 | 24.66 |

NATURE OF BUSINESS

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 Limited 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 "OEM"

In 2019, 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.

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.

(4) Water INT PAD - 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.

Product**Water Filtration System**

Shelco Single Cartridge Housings
for Liquids



Shelco SUS Multi-Cartridge
Housings



Shelco BAG FILTER HOUSINGS



Everpure Water Filtration
For Food Service,
Vending & Drinking Water



Everpure Water Filter
System For Drink
Water



Everpure Water Filtration
For Food Service,
Coffee Machine



Everpure Water Filtration
For Coffee Machine



Everpure Water Filter System
For Ice Machine



Everpure Water Filter System For
Food Service

Food & Beverage Equipment

UNIVERSAL BARRIER-FREE VERSACOOLER II W/
HANDS-FREE VERSA FILLER Energy and Water
Conservation Technology M: PG8SBFSLY m

Waterlogic Water Dispenser
System

Waterlogic Water Dispenser
WL2000 Series

Toredo Soup Kettle M: AT51588

Toredo Homemate Sandwich
Maker M: HOM-121182

Toredo Steamer for bun
M: SM-545



Toredo Food Warmer
M:CS-465

Toredo Oden Warmer Machine
M: OM-8



Toredo Fritel Fryers
M: FR-1265



Toredo Roller Grill Fryers
M:RF55



Toredo HOTDOG Warmer
M:HR-30



Everpure COLDRINK® 1-MC2
SYSTEM



Everpure MRS-600HE II HIGH EFFICIENCY
RO SYSTEM(EV9970-54)



Everpure HIGH FLOW CSR
TWIN-MC2 SYSTEM

Disinfection & Sanitization



+HOCL Slightly Acidic
Electrolyzed Water



ATG UV Systems SW RANGE Series



ATG UV Systems UVLW Range -
800 Watt Amalgam



Biosure Ice & Beverage
Disinfection System



Biowell Infection Control
Hydro - Ozonizer



Biowell Dissolved Ozone Solution for
Medical Water Disinfection



Biotek Professional Dissolved Ozone Generators



Biospin Professional Ozone Laundry for Energy
Saving & Disinfection

Green Technology



WATER INT PAD Intelligent water injection PAD



WIZY Rainwater Harvesting System

B3 : Medical Service Business

Medical Service Business or “B3” engages in medical center business for kidney disease patients. The business operation of B3 consists of hemodialysis service with dialysis machine, analysis devices for medical services distribution, and medical clinic for health and beauty of which operated by the four subsidiaries as follows:

(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) **HT Medical Services Co., Ltd. (HTMS)** provides hemodialysis service with dialysis machines for patients suffering from end-stage kidney diseases who receive the treatment of blood filtering with artificial kidney (artificial kidney unit). In 2019, there were 6 branches of artificial kidney units in 5 provinces, namely, Bangkok, Sri Saket, Ubon Ratchathani, Tak, and Chachoengsao.



(3) **Medical Vision Co., Ltd. (MV)** engages in importing, distributing, and providing maintenance services for equipment, devices, analytic devices for medical services, including installing pneumatic tube carrier systems for receiving and delivering documents and objects for medical examination.



(4) **Hi Healthcare Center Company Limited (HHC)** provides medical services on skincare and aesthetics under the trademark “**Wuttisak Clinic**”, totaled at 21 branches covering Bangkok, the eastern region, and the western region of Thailand.



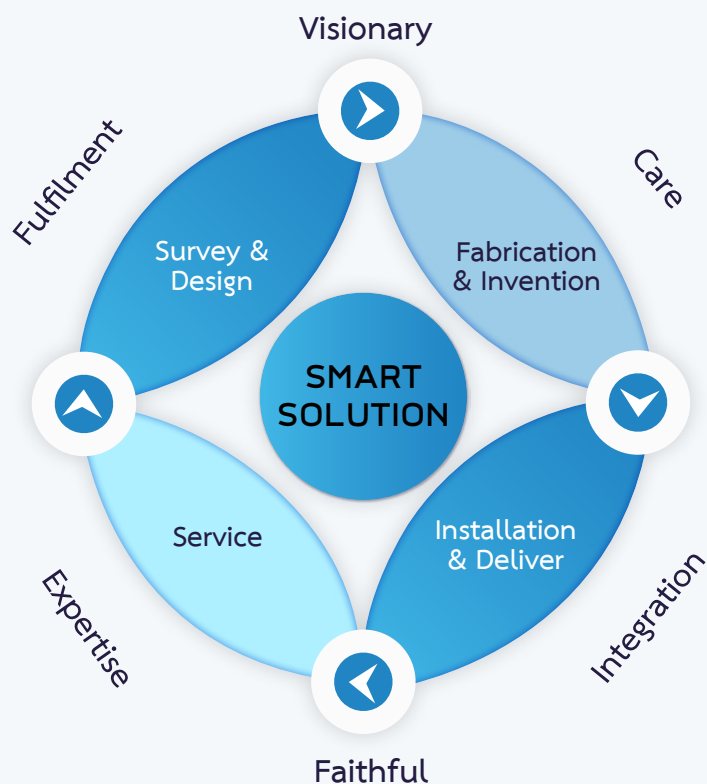
Water Treatment Equipment

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 Toredo, 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 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 example 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

The 2.4% growth of the Thai economy in 2019 was a decrease from 4.1% in 2018 due to the slowdown of the World's economy, the U.S.- China trade war, the appreciation of the Thai Baht as well as the delay of the government's 2020 budget expenditure and the impact from the drought occurred in many areas. However, most of the Company's client businesses are related to 4 basic needs, therefore, despite the slowdown of the economy, the sales volume of the Company in 2019 continued to increase. Nonetheless, Office of the National Economic and Social Development Council expected that the Thai economy in 2020 would grow by 2% due to the outbreak of COVID-19.

Revenue structure by business group

| | 2016 | | 2017 | | 2018 | | 2019 | |
|---|----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| | MB | Ratio (%) | MB | Ratio (%) | MB | Ratio (%) | MB | Ratio (%) |
| Industrial Business and Operators of Water System Business (B1) | 98.16 | 24.89% | 86.79 | 18.90% | 100.51 | 15.31% | 218.73 | 26.75% |
| Commercial and Residential Business (B2) | 209.20 | 53.05% | 247.08 | 53.80% | 255.47 | 38.90% | 288.67 | 35.31% |
| Medical Service Business (B3) | 86.95 | 22.05% | 125.39 | 27.30% | 300.73 | 45.79% | 310.16 | 37.94% |
| Total Revenue | 394.31 | 100% | 459.26 | 100% | 656.71 | 100% | 817.56 | 100% |
| (%) | (8.06%) | | (16.47%) | | (42.99%) | | (24.99%) | |

The 2019 revenue structure categorized by business groups was more balanced due to the 118.22 million baht or 117.62% increase of the revenue from B1 business group compared to the revenue in 2018. The increase was mainly from the marketing strategy improvement by focusing more on large projects which led to the increase of the revenue proportion structure of B1 business group from 15.31% in 2018 to 26.75% in 2019. While the revenue from B2 business group reported an increase of 33.20 million baht or 35.31% growth, B3 business group also reported the revenue increase by 9.43 million baht or 3.14% increase and was at 37.94% of the revenue structure or decreased by 7.85% in 2019. The decrease of the revenue proportion of B3 business group was caused by the loss in operating results of Hi Healthcare Center Co., Ltd. in 2019 due to the 186.29 million baht of the allowance for impairment and 60.28 million baht of the allowance for doubtful accounts.

B1: Industrial and Original Equipment Manufacturer "OEM"

In 2019, the industrial and original equipment manufacturer business group or B1 reported the total revenue of 218.73 million baht, increased by 118.22% from 100.51 million baht in 2018, accounting for 26.75% of the revenue proportion, increased by 15.31% from the previous year. The increase came from marketing strategy improvement by focusing on clients from large projects of water purification system and water treatment system of which the results started to become prominent in 2019. In addition, in order to maintain the growth rate and to response to the sustainability of the organization with environmental focus and reduction of natural resource use, B1 business group launched Sand Filler, the new product, providing high filtering quality and water saving. The new product was widely installed and operated at several industrial factories affected by drought in the northeast region.

Moreover, B1 business group also launched another new product, Oasis, the water dispenser. Oasis consists of water filtration set and Ultraviolet Germicidal Irradiation (UV). The product had been already installed and operated at Chiangmai International Airport.

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

The Commercial and Residential Group or B2 in 2019 had total revenue of 288.67 million baht, increased from 255.47 million baht in 2018, equivalence to 35.31% of the Company's total revenue in 2019 which decreased from 38.90% in 2018. 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.

The revenue of B2 business group in 2019 at 11.21 million baht was generated by Water INT PAD. Water INT PAD is the power saving system for air-conditioners which can reduce electricity consumption of no less than 20%. In order to expand the business and to maintain the growth, B2 business group had expanded its business to hotel group and received good response. However, the hotel and tourism business received a negative impact from the world's economy, foreign tourists tended to spend less. On the other hand, B2 business group had continued to expand its oversea operation, especially to countries with high economic growth rate.

B3: Medical Service Business

In 2019, the medical service business is still growing but not as outstanding as the previous year. The income increased by Baht 9.43million due to the opening of some new dialysis units and the increase in the number of beds that the service was unable to perform according to the plan. From the economic slowdown and consumer purchasing power decreased, some branches of Wuttisak Clinic have accumulated losses. Therefore, the company needs to reduce costs and expenses by reducing spaces in some branches including closing service for 8 branches.

(1) Irving Corporation Limited (IRV)

IRV's revenue main income sources are 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) HT Medical Service Co., Ltd. (HTMS)

In 2019, there were 6 dialysis units, consisting of 1 unit in Bangkok, 3 units in northeast region, and 6 units in western region with a total dialysis machines of 75 machines in service. The Company places an emphasis on providing access to hemodialysis service with dialysis machine for all patients suffering from end-stage kidney diseases. These patients can exercise their social welfare rights without paying any additional cost. This led to an increasing number of patients to the maximum service capacity. In addition, it is expected that the revenue of HTMS will grow in line with the opening of the dialysis units at least 5 units in 2020 with the increase of 98 dialysis machines to serve with the increasing numbers of patients.

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

In 2019, MV's revenue mainly came from the sales and installation of the Pneumatic Tube System to government hospitals for 9 projects. 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 2020, 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)

The skin and aesthetics service business under the trademark of "Wuttisak Clinic" was opened in February 2018, totaling 21 branches. Despite the slowdown of local and foreign economy which had affected the local purchasing power and consumption, the company had to adjust its business to be in accordance with the economic situation and surrounding factors which negatively affected the business operation by shutting down 8 branches with accumulated loss, reducing area of some branches to decrease the rental fee, reducing cost of sales and services to appropriate level. However, the Company continued to hold marketing activities and PR coverage in some areas of which the business was expected to continue to grow.

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.

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;

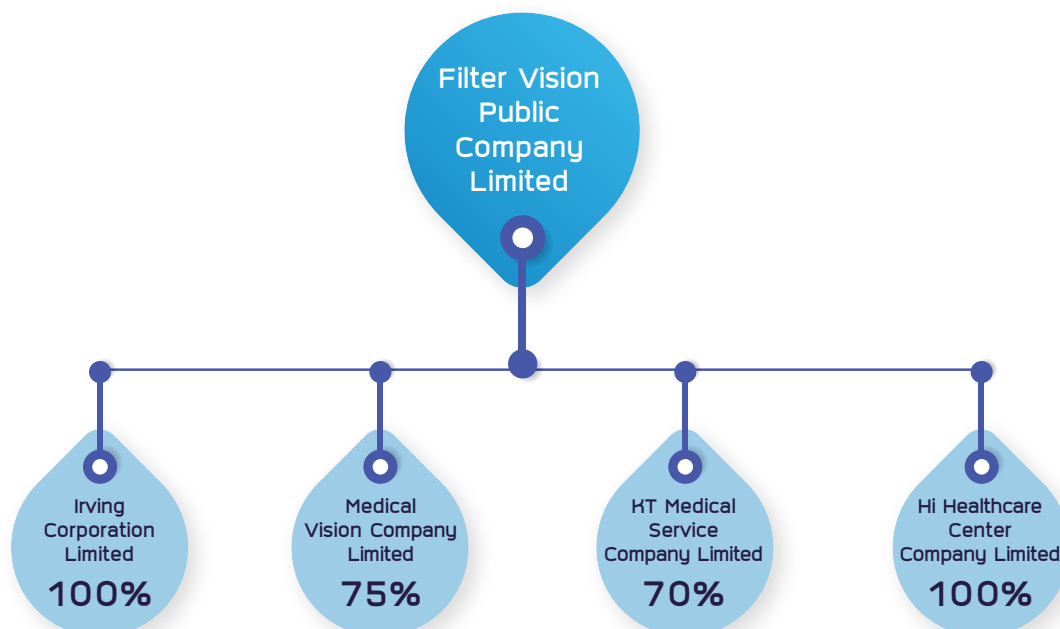
(4) The product distribution and services are provided in the form of rental agreement as an option for the customers. The term of the rental agreement is in 5-8 year-period.

Product and Equipment Procurement

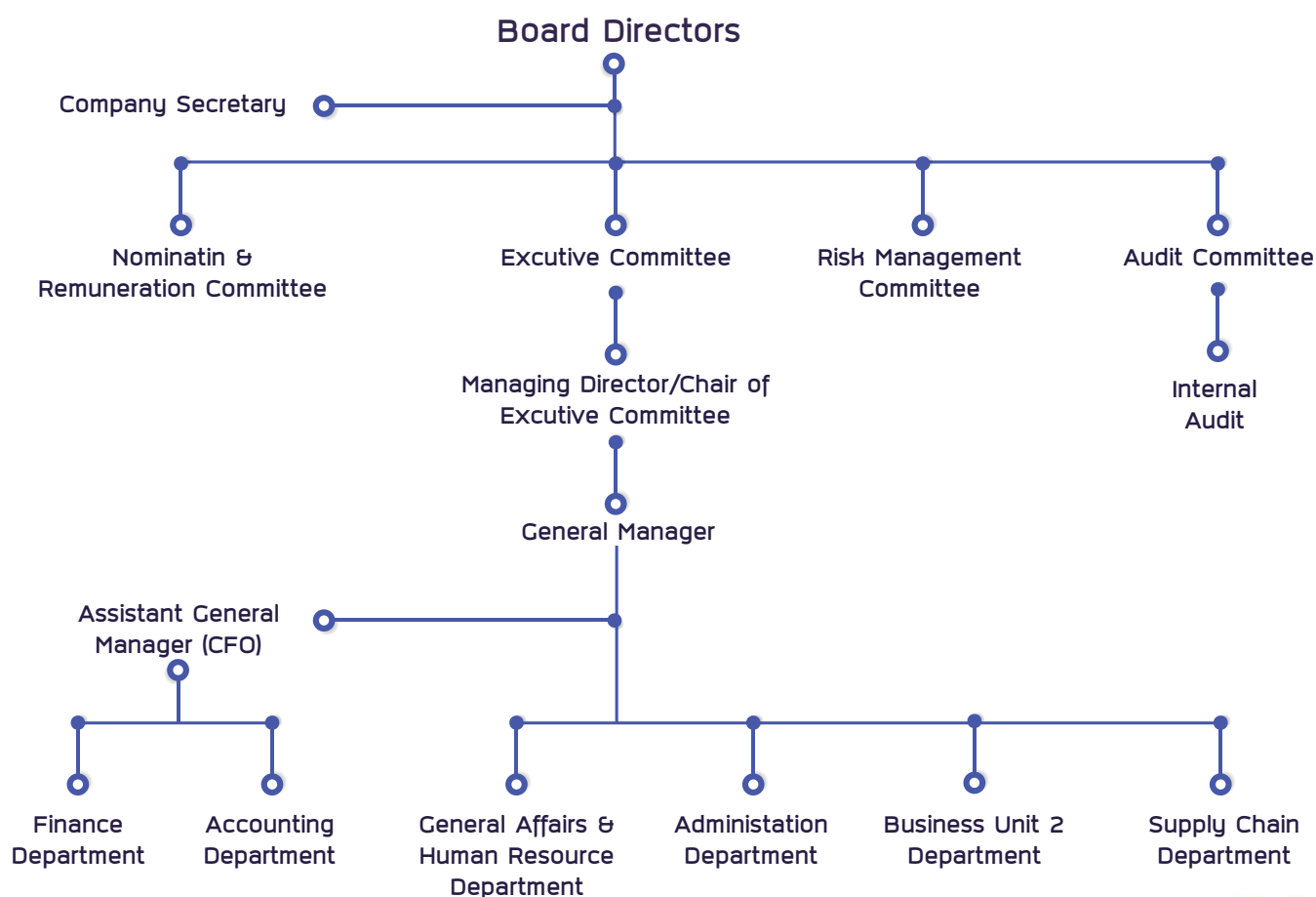
Since the Company and its subsidiaries engage in the import and distribution business concerning water treatment system, including devices, analysis and diagnosis equipment for the medical service. Thus, the procurement of products and equipment mostly are from the importing. In 2019, the proportion was at 49.62%, decreased from that of 2018 (60.23%), and the rest were the local products, accounting for 50.38%. 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



3. The Board of Directors

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

7 Non-Executive Directors consist of 2 independent directors and 5 non-independent directors.

3 Executive Directors consist of Managing Director, General Manager, and Assistant General Manager of Finance and Accounting Department.

The Sub-committees

| No. | Name | Position | Appointed Date |
|-----|-------------------------------------|---|----------------|
| 1 | Mr.Witit Sujjapong | Independent Director/ Chairman of the Board | 9 August 2017 |
| 2 | Dr.Manit Teeratantikanont, M.D. | Independent Director/ Chairman of Nomination & Remuneration Committee | 10 April 2012 |
| 3 | Mr.Wijit Techakasem, Ph.D | Director/Chairman of Executive Committee/Managing Director | 11 May 1995 |
| 4 | Mr.Thanetr Khumchoedchoochai | Independent Director/Chairman of the Audit Committee/ Chairman of Risk Management | 7 April 2011 |
| 5 | Mr.Kiattiporn Sirichaisakul | Independent Director /Nomination & Remuneration Committee/Risk Management Committee/Audit Committee | 7 April 2011 |
| 6 | Mr.Denchai Akaradajdachachai, Ph.D. | Director | 27 April 2017 |
| 7 | Mr.Montrie Prajunpanich | Director/Nomination & Remuneration Committee/Risk Management Committee | 7 April 2011 |
| 8 | Mr. Teeranut Thangsatapornpong | Independent Director/Audi Committee | 6 August 2017 |
| 9 | Mr.Tanapat Tantiwattanawijit | Director/Executive Director/General Manager | 7 April 2011 |
| 10 | Mr.Tanapat Tantiwattanawijit | Director/Executive Director/Assistant General Manager of Finance and Accounting Department | 7 April 2011 |

Authorized Directors

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

Board Skill Matrix



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 2019 (1 January 2019 – 31 December 2019)

| Committee | The Board of Directors | The Nomination and Remuneration Committee | The Risk Management Committee | The Audit Committee | The 2019 Meeting of Shareholders |
|--|------------------------|---|-------------------------------|---------------------|----------------------------------|
| | Total 10 directors | Total 3 directors | Total 4 directors | Total 3 directors | Total 10 directors |
| | Total 5 times/ year | Total 3 times/ year | Total 1 time/ year | Total 4 time/ year | Total 1 time/ year |
| 1. Mr.Witit Sujjapong | 5/5 | | | | 1/1 |
| 2. Dr.Manit Teeratantikanont, M.D. | 5/5 | 3/3 | | | 1/1 |
| 3. Mr.Wijit Techakasem, Ph.D | 5/5 | | 1/1 | | 1/1 |
| 4. Mr.Thanetr Khumchoedchoochai | 5/5 | | 1/1 | 4/4 | 1/1 |
| 5. Mr.Kiattiporn Sirichaisakul | 5/5 | 3/3 | 1/1 | 4/4 | 1/1 |
| 6. Mr.Denchai Akaradajdachachai, Ph.D. | 3/5 | | | | -/1 |
| 7. Mr.Montrie Prajunpanich | 3/5 | 3/3 | 1/1 | | 1/1 |
| 8. Mr.Teernut Thangsatapornpong | 5/5 | | | 3/4 | -/1 |
| 9. Mr.Tanapat Tantiwattanawijit | 5/5 | | | | 1/1 |
| 10. Ms.Panchit Chimpalee | 5/5 | | | | 1/1 |

Report of Change in Securities Holdings of Directors

| Directors | Ordinary shares (shares) | | | Warrants (units) | | |
|--|--------------------------|-------------------------|--|-----------------------|------------------------|--|
| | As at January 1, 2019 | As at December 30, 2019 | Increase/ (decrease) during financial year | As at January 1, 2019 | As at December 9, 2019 | Increase/ (decrease) during financial year |
| 1 .Mr.Witit Sujjapong | - | - | - | - | - | - |
| 2. Dr.Manit Teeratantikanont, M.D. | - | - | - | - | - | - |
| 3. Mr.Wijit Techakasem, Ph.D | 103,943,666 | 104,943,666 | 1,000,000 | 29,812,312 | 29,812,312 | - |
| 4. Mr.Thanetr Khumchoedchoochai | - | - | - | - | - | - |
| 5. Mr.Kiattiporn Sirichaisakul | - | - | - | - | - | - |
| 6. Mr.Denchai Akaradajdachachai, Ph.D. | - | - | - | - | - | - |
| 7. Mr.Montrie Prajunpanich | 10,881,343 | 10,881,343 | - | 5,531,750 | 5,531,750 | - |
| 8. Mr.Teernut Thangsatapornpong | - | - | - | - | - | - |
| 9. Mr.Tanapat Tantiwattanawijit | 14,546,503 | 14,546,503 | - | 3,665,070 | 3,665,070 | - |
| 10. 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 | Mr.Wijit Techakasem, Ph.D | Chairman of Executive Committee |
| 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 Yiemplaengamkoop | 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 (shares) | | | Warrants (units) | | |
|---------------------------------|--------------------------|-------------------------|--|-----------------------|------------------------|--|
| | As at January 1, 2019 | As at December 30, 2019 | Increase/ (decrease) during financial year | As at January 1, 2019 | As at December 9, 2019 | Increase/ (decrease) during financial year |
| 1. Mr.Wijit Techakasem, Ph.D | 103,943,666 | 104,943,666 | 1,000,000 | 29,812,312 | 29,812,312 | - |
| 2. Mr.Tanapat Tantiwattanawijit | 14,546,503 | 14,546,503 | - | 3,665,070 | 3,665,070 | - |
| 3. Mr.Pattanapong Kongkarat | - | - | - | - | - | - |
| 4. Ms.Supapan Yiemplaengamkooi | 47,045 | 47,045 | - | 60,500 | - | - |
| 5. Ms.Thanapa Techakasem | 9,830,399 | 9,830,399 | - | 3,355,920 | 3,355,920 | - |
| 6. Mr.Ratthapong Tathong | - | - | - | - | - | - |
| 7. Mr.Somchai Hongsa | 303,863 | 1,000,063 | 696,200 | - | - | - |
| 8. Ms.Panchit Chimpalee | - | - | - | - | - | - |
| 9. Ms.Kanjana Pongpattanadecha | - | - | - | - | - | - |
| 10. Mr.Supanut Promsiripong | - | - | - | - | - | - |

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 47 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 2019 approved by the Annual General Meeting of Shareholders 2019 held on April 29, 2019 was determined at THB. 1,884,000 the following details.

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

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

| Name | Remuneration (Bath) | | | | Total (Bath) |
|-----------------------------------|------------------------|---|-------------------------------|---------------------|--------------|
| | The Board of Directors | The Nomination and Remuneration Committee | The Risk Management Committee | The Audit Committee | |
| 1. Mr.Witit Sujjapong | 684,000 | - | - | - | 684,000 |
| 2. Mr.Wijit Techakasem, Ph.D | - | - | - | - | - |
| 3. Mr.Thanetr Khumchoedchoochai | 55,000 | - | 17,000 | 68,000 | 140,000 |
| 4. Mr.Kiattiporn Sirichaisakul | 55,000 | 33,000 | 11,000 | 44,000 | 143,000 |
| 5. Mr.Teernut Thangsatapornpong | 55,000 | - | - | 33,000 | 88,000 |
| 6. Dr.Manit Teeratanikanont, M.D. | 55,000 | 51,000 | - | - | 106,000 |

Remuneration of the Board of Directors and Sub-Committee in 2018 (continue)

| Name | Remuneration (Bath) | | | | Total (Bath) |
|---------------------------------------|------------------------|---|-------------------------------|---------------------|------------------|
| | The Board of Directors | The Nomination and Remuneration Committee | The Risk Management Committee | The Audit Committee | |
| 7.Mr.Montrie Prajunpanich | 33,000 | 33,000 | 11,000 | - | 77,000 |
| 8.Mr.Denchai Akaradajdachachai, Ph.D. | 33,000 | - | - | - | 33,000 |
| 9.Mr.Tanapat Tantiwattanawijit | - | - | - | - | - |
| 10.Ms.Panchit Chimpalee | - | - | - | - | - |
| Total | 970,000 | 117,000 | 39,000 | 145,000 | 1,271,000 |

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.

Executive Remuneration

The Company's policy is to pay incentive remuneration for 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 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.

In this regard, the Board of Directors and the Nomination and Remuneration Committee are evaluating the performance of the managing director and use the evaluation data to determine both short-term and long-term compensation and propose to the Board of Directors for approval

7. Personnel

As of 30 December 2019, there are total number of employees (Excluding the management) of the Company and its subsidiaries in the amount of 200 persons. The company operates the business according to the manpower plan in accordance with the fluctuation of economic conditions, including giving importance to the allocation of appropriate human resources to be able to perform duties efficiently and effectively.

In the year 2017 - 2019, the Company and its subsidiaries do not have any significant changes in the number of personnel that may affect the company's business operations in any way.

| | Executives | | | Employees | | | Total |
|-------------|------------|--------|-----------|-----------|--------|------------|------------|
| | Male | Female | Total | Male | Female | Total | |
| 2019 | 6 | 4 | 10 | 99 | 89 | 188 | 198 |
| 2018 | 6 | 4 | 10 | 98 | 258 | 356 | 366 |
| 2017 | 6 | 4 | 10 | 103 | 87 | 200 | 210 |

In 2019, the Company and its subsidiaries paid monetary compensation to non-executive employees, such as salaries, bonuses, wages, overtime pay, contributions to the Social Security Fund, and contributions to the provident fund and others totaling 136.86 million baht, increased from 130.94 million baht in 2018. As the total management remuneration was 36.76 million baht, increased from 30.37 million baht in 2018. And subsidiaries have no significant labor disputes over the past 3 years.

Human Resource Development Policy

Employees are important resources to drive the organization to achieve the stipulated plan and goals; therefore, the company has established continuous training and development for employees of all levels, performance evaluation system, and performance indicators at the organizational and agency levels. The human resources and general activities department has cooperated with other units to prepare training plans and courses for employees from each level of each department. Needs and necessities explorations are implemented to enhance each department's performance with efficiency and effectiveness as stipulated.

In addition, the Company has implemented knowledge encouragement project for employees in order to provide them with knowledge and promote their ability in order to perform their duties as assigned with efficiency.

In 2019, the Company provided internal and external training courses, namely,

| Course | Number of Employees |
|--|---------------------|
| Water Filtration System 101 | 5 |
| Water Sampling for Chemical Analysis/ Microbes and Contaminants Analysis | 47 |
| Water Filtration System of Major Brand Clients | 13 |
| Improvement Techniques to increase efficiency of warehouse management | 30 |
| Management and Development of Administration 4.0 | 46 |
| Work Safety (Customer Services); | 138 |
| Improvement Techniques to increase efficiency of warehouse management | 32 |
| Total | 311 |

Corporate Governance

In 2019, the Board of Directors has reviewed the business ethics and code of conduct to be in line with the development of good corporate governance including mission, vision and core values of the Company as well as guidelines for sustainable development guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. 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 (outsourced) 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 following the Good Corporate Governance principles with responsibility toward all stakeholders in terms of economy, society, and environment. In 2019, the Board of Directors had revised and amended the business ethics and code of conduct for the directors, executives and employees of the company and its subsidiary to strictly abide by this Code in carrying out their duties and functions as well as imposes disciplinary actions for disobedience of the code. This is disclosed in the Company's website at www.filtervision.co.th

| | |
|---|---|
| (1) Policies and Practices toward Shareholders / Investors | <ol style="list-style-type: none"> 1) To comply with legislations, regulations, resolution of the shareholders' meeting, resolution of the Board of Directors, the Good Corporate Governance Policy, the business ethics, and the Company's policy; 2) To perform business with responsibility, carefulness and honesty under reasonable decisions for the utmost benefit to the shareholders and with fairness toward all groups of shareholders, namely, major shareholders, individual shareholders, and institutional shareholders. This also includes providing accurate, complete and sufficient information to shareholders for their decision-making. 3) To perform business with responsibility and commitment to continuously build growth and value to organization which lead shareholders' good returns. |
| (2) Policies and Practices toward Employees | <ol style="list-style-type: none"> 1) To comply with legislations and regulations related to staff and to avoid any unfair action or action that results in negative impact on employees; 2) To act to employees with politeness, respect to individuality and human honors in accordance with the human rights; 3) To act to employees with fairness by following equality principle from recruiting, appointing to positions, transferring, awarding and punishment, as well as providing remuneration based on skill, knowledge, ability, and achieved positions; 4) To prepare human resource development plan in order to increase employees' skill, knowledge, and ability following their assigned roles, duties, and works through internal and external training/ seminar, as well as to promote knowledge exchanging between employees; 5) To provide appropriate welfare and benefits such as annual health check-up, medical expenses, accident insurance, provident fund, etc. as well as to establish Welfare Committee which consists of representatives from employer and employees to mutually discuss with employer to offer benefits to employees; 6) To manage the workplace environment for the safety of employees' life and property following the Occupational Safety, Health and Environment principle; 7) To cultivate core values of the organization through communication and promoting mutual decent behaviors of all employees following the Company's expected direction in order to drive the organization to the goals and achievement as envisioned; 8) To provide channels for suggestion, comment, and complaints for employees upon unfair treatment or offensive which will be considered and rectified with fairness for all parties concerned. |
| (3) Policies and Practices toward Customers | <ol style="list-style-type: none"> 1) To procure, design, assemble, install, and deliver quality products and services as agreed with customers in fair price; 2) To provide accurate information to customers without exaggerating the fact which may lead to misunderstanding of the qualification, quality, or condition of products and/or services; 3) To provide after sales services and product warrantee under proper condition and duration, as well as to comply with the Customer Protection Act and related laws; 4) To act toward customers with politeness and service mind; 5) To keep customers' secret as confidential by not to disclosing customer's information without consent or misusing the information for one's own or others' benefits; 6) A channel for clients to file complaints or comment can be contacted at customer service center tel. 02 518 2722 or www.filtervision.co.th |

| | |
|--|---|
| (4) Intellectual Property Policies | <ol style="list-style-type: none"> 1) Do not perform violations of property rights, namely, copyrights, patent, trademarks of others; 2) Use copyrighted programs for computer as provided by the Company and shall not install or use pirated programs; 3) To keep customers' confidentiality and other information received from customers, including information from stakeholders, unless receiving permission from the owner of the information. The use of the information of customers or stakeholders shall be performed with carefulness not to be known to third parties; 4) To deploy results or information in operation, related persons must ensure the non-violation of the intellectual property of others. |
| (5) Human Rights Policies | <ol style="list-style-type: none"> 1) To act toward all employees with fairness and equality from the process of recruitment, remuneration, performance evaluation, and other matters without discrimination; 2) To respect human rights and place the importance on human honors and basic rights of individuality by determining to act toward everyone with equality and fairness; 3) Do not encourage, support, or participate in any action against human rights principles by not employing forced labor, labor trafficking, or illegal child labor. |
| (6) Procurement Policies | <ol style="list-style-type: none"> 1) To perform purchasing process in accordance with rules, regulations, and related legislations with efficiency and effectiveness; 2) To perform purchasing process with realization of needs, worthiness, quality, price, service, and ability to meet product and service delivery schedule; 3) Purchasing process shall be revealed and open opportunity for transparent, fair, and verifiable competition. 4) To select suppliers with strong business performance and stability, who comply with legislation, perform business with responsibility, follow human rights, and realize the importance of community, society, and environment. |
| (7) Practice and Policies toward Trading Partners | <ol style="list-style-type: none"> 1) Evaluation and selection of trading partner principle shall be clearly stipulated with comparison of prices, quality, services, and other conditions with transparency, fairness, and verification; 2) To provide accurate and sufficient information to trading partners with equality without prejudice and discrimination; 3) Not to support products or any action against intellectual property by using products and services with copyrights, patent, and trademarks; 4) To prepare proper contract of fairness without taking advantages of trading partners, to strictly follow agreed conditions or contract, as well as to meet payment schedule. In case a condition or contract cannot be complied with, prior notice shall be made to trading partners to mutually consider problem solving to reduce possible impact; 5) To promote and collaborate with trading partners to protect against all kinds of corruption without requesting for any benefit from trading partners except for a reasonable opportunity/ tradition acceptable to public. The thing or benefit's value shall not exceed 2,000 baht and shall be reported to supervisor immediately together with it shall not have influence to a decision being unfair for work; 6) Not to disclose information nor trading confidentiality of trading partners and third parties except with the consent of trading partners. |

| | |
|---|---|
| (8) Practices and Policies toward Competitors | <ol style="list-style-type: none"> 1) Not to fraudulently or inappropriately seek confidential information from or about its competitors; 2) Not to damage competitors' reputation by abusive accusation(s); 3) Not to conduct any violation against intellectual property of others or trading partners and shall comply with legislation of intellectual property; 4) Not to provide support to mutual practice to perform or conform to unfair price proposed to customers. |
| (8) Practice and Policies toward Creditors | <ol style="list-style-type: none"> 1) Loans received from creditors or financial institutions shall be used for objectives as agreed with creditors or financial institution; 2) Debt, loans, and interest shall be paid as scheduled and all agreed contract and conditions shall be strictly followed; 3) In the event that any particular condition cannot be met, the Company will inform any creditor(s) concerned beforehand and seek a mutually acceptable solution to prevent possible damage may occur. |
| (9) Practice and Policies toward Community, Society, and Environment | <ol style="list-style-type: none"> 1) To perform business with responsibility by committing to morality and ethics and being well aware of negative impact on community, society, and environment, as well as supply-chain; 2) To provide and promote eco-friendly products and innovation development and to support and encourage trading partners' eco-friendly products and services produced with resource reduction process; 3) To promote employment and income generation within communities where the Company has business operation as well as to support and encourage employees; 4) To promote development of quality of life and potential of underprivileged people in the community and society so that they can live their lives and depend on themselves with their honors; 5) To hold religious activities with no limitation nor belief separation as well as to hold traditional activities to continue value of society and Thai tradition; 6) To report the operation of responsibility toward community, society, and environment to stakeholders in Sustainable Development Goals Report. |
| (10) Safety and Occupational Health Policies | <ol style="list-style-type: none"> 1) To comply with legislations and regulations related to safety and occupational healthy in business operation of the Company; 2) To provide sufficient and efficient practice and plan for safety and occupational health operation; 3) To ensure the protection and control of risks from work-related accident and injury, including human errors and possible mistakes which may occur; 4) To consistently provide knowledge and to disseminate information on safety and occupational health for the understanding of executives and employees and stakeholders; 5) To evaluate and monitor the operation of safety and occupational health at least once a year. |

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. 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 knowledgably, 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 of 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.

The Attendance of the Directors in 2019 (1 January 2019 – 31 December 2019)

| | The Board of Directors | The Nomination and Remuneration Committee | The Risk Management Committee | The Audit Committee | The 2018 Meeting of Shareholders |
|--|------------------------|---|-------------------------------|---------------------|----------------------------------|
| Committee | Total 10 directors | Total 3 directors | Total 4 directors | Total 3 directors | Total 10 directors |
| | Total 5 times/year | Total 3 times/year | Total 1 time/year | Total 4 times/year | Total 1 time/year |
| 1. Mr.Witit Sujjapong | 5/5 | | | | 1/1 |
| 2. Dr.Manit Teeratantikanont, M.D. | 5/5 | | 1/1 | | 1/1 |
| 3. Mr.Wijit Techakasem, Ph.D | 5/5 | | 1/1 | 4/4 | 1/1 |
| 4. Mr.Thanetr Khumchoedchoochai | 5/5 | 3/3 | 1/1 | 4/4 | 1/1 |
| 5. Mr.Kiattiporn Sirichaisakul | 5/5 | | | 4/4 | -/1 |
| 6. Mr.Denchai Akaradajdachachai, Ph.D. | 5/5 | 3/3 | | | 1/1 |
| 7. Mr.Montrie Prajunpanich | 3/5 | 3/3 | 1/1 | | 1/1 |
| 8. Mr.Teernut Thangsapornpong | 3/5 | | | | 1/1 |
| 9. Mr.Tanapat Tantiwattanawijit | 5/5 | | | | 1/1 |
| 10. Ms.Panchit Chimpalee | 5/5 | | | | 1/1 |

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 replaced.

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

5.7 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.

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

Chairman of Audit Committee e-mail: thanetrk@gmail.com

Chairman of Executive Committees e-mail : twijit@filtervision-thai.com

Company Secretary e-mail: cs@filtervision-thai.com

Website www.filtervision.co.th

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

Sustainable Development

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 2019 of the company and its subsidiaries has been prepared and published on the company's website. (www.filtervision.co.th)

Risk Management

The Company's Board of Directors has realized the importance of risks which may affect the business operation as the obstruction to achieve the stipulated objectives and goals. Therefore, the Risk Management Committee is appointed to monitor the management's risk management of the organization (the Company and subsidiaries) and to encourage the establishment of 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 organizations in order to effectively achieve the risk management practice.

Strategic Risk

1. Risks from revenue imbalance between business group

In 2019, the Company reported the total revenue of 817.56 million baht, increased by 160.85 million baht from the previous year. The revenue from the Industrial and Original Equipment Manufacturer business group or "B1" generated the highest revenue increase of 118.22 million baht (117.62% increase) from 100.51 million baht in 2018 to 218.73 million baht in 2019. However, when comparing the revenue between business group, the revenue from the Medical Services business group or "B3" takes the largest proportion of the revenue, accounting for 37.94%, decreased from 45.79% in 2018. The revenue proportion from the Commercial and Residential business or "B2" is the second largest proportion, accounting for 35.31%, decreased from 38.90% in 2018. On the other hand, the Industrial and Original Equipment Manufacturer business group (B1) has the revenue proportion of 26.75%, increased from 15.31% in 2018. This reflects the Company's ability to reduce the risk from revenue imbalance between business groups

2. Risks from investment expansion to new business by focusing on growth opportunity

The medical and beauty services business is the sunrise business with continuous growth rate and the Company has expanded its business to medical service business despite not having experience in the business operation. The Company opened its first hemodialysis center on Pattanakarn Road with nephrologists and medical team and nurses provide full support and services. In 2019, the Company opened 7 hemodialysis centers in total and 2 centers were under renovation. However, the Company has planned to open at least 5 hemodialysis centers in 2020 where the 3-healthcare coverage plans, namely, healthcare coverage (gold card), social security, and civil servant medical benefit scheme, can be applied here.

In 2018, the Company performed its business operation as franchisee of Wuttisak Clinic in order to enter

the health and service business which had the tendency of high growth. According to the studies of The Center for Economic and Business Forecasting, University of the Thai Chamber of Commerce, the beauty and health service business has been the rising business for 6 consecutive years. However, the Company's investment in the business with no experience of business operation may lead to any risk since it has no expertise in the new business when comparing with its existing business. Nonetheless, the Company has adjusted its business strategy in accordance with economic situation by closing 8 branches with accumulated loss and reducing office spaces of some branches, as well as adjusting cost of sales and services to achieve the cost at competitive level. As a result, by doing so, the business performance will be improved in the long run.

Operational Risk

3. Risks from human resource shortage

Human resource is an important factor to drive the organization to achievement. The Company, therefore, shall recruit knowledgeable and competent people from several channels, either internal or external recruitment as well as provide employee development with career path advancement and prepare them for succession plan, establish learning culture by learning from on-the-job experience (doing and learning from mistakes), promote good attitude in workplace, and offer appropriate and fair remuneration and welfare.

4. Risks from inventory management

The Company is the importer and distributor of products and equipment relating to purifying water system and water treatment, therefore, the Company has to maintain the appropriate inventory level, sufficient services provided to the customers, and to constantly keep up with the demand of the customers. This also includes material storing with quality and standard as a prevention of loss and damages during storing, as well as 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 of products and transportation fee are decreased but there is an increase of the warehouse management cost. Therefore, the planning of the appropriate inventory level must be mutually 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 the Company's reputation in the future.

5. Risk from dependency on a large manufacturer

For more than 20 years, the Company has remained good relationships with Pentair group, the 85-year world-class leading company of water solutions with 120 branches in 25 countries. In 2019, the Company's orders to Pentair are accounting for 37.10% of the total orders, decrease from 41.36% in 2018. It is apparent that the Company has high dependency on Pentair and with the delay delivery of products; this could cause impacts on the Company's product delivery and projects. Despite the ongoing distributor contract with Pentair, the Company also selecting new manufacturers in order to prevent risk toward operation and revenue loss of product distribution of the Company, as well as delay delivery of products and equipment due to the halt of business operation of the large manufacturer caused by inevitable events such as natural disaster, terrorism, political uprising, etc.

6. Risk from dependency on major customers

In 2019, B2's revenue was derived from the top 10 customer more than 50% of B2's total revenue. The group of customers consists of restaurants, convenient stores, and coffee shops of which business operation is franchise business with many branches. Therefore, the reduction of branch expansion or branch closing plan of these customers due to economic situations or changes of business strategy may affect the Company's performance. However, the Company has prepared to reduce the risk from dependency on major customers of B2 business group through customer base expansion and revenue proportion increase generated by other business groups.

Financial Risk**7. Risk from fluctuation of foreign exchange rates**

In 2019, the fluctuation of the foreign exchange rate had positively affected on the Company's business due to the expense decrease of the imported products. However, with the slowdown of the world's economy, the unsettled trade war between the U.S. and China, unpredictable measures and policies of each country's government, the Company established risk management policy to reduce impact on product cost and the Company's operating results through forward contract of

foreign currencies. 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. 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.

8. Risk from financing and financial cost for business operation

In 2019, the slowdown of the world's economy and the U.S.-China trade war together with the domestic slowdown of investment and consumption might affect the investment and financing plan of the Company. Therefore, the Company has closely followed the movement of the financial and capital markets and considered increasing financing options, including advance financial planning as a preparation for sufficient financing and expense requirement. The financial cost and risk must be at appropriate level.

Compliance Risk**9. Risk from compliance with relevant legislation, regulations, and standards**

The Company's emphasis on strict compliance with relevant legislation, regulations, and standards is a way to perform its business in accordance with the good corporate governance. The Company's business is related to health and safety of the customers which include water quality standard, medical device standard, hemodialysis solution standard, aesthetic clinic standard, GMP standard, and ISO 13485 standard. 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 help the Company to perform its business operation following related notifications, regulations, standards, and legislations.

INTERNAL CONTROL

In the Board of Director's Meeting No. 1/2020 on 28th February 2020, 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 2019 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. 1/2020 on 28th February 2020;

EY Office Limited reported the Audit Committee for acknowledgement that no observation from account auditing for 2019.

In the Audit Committee's Meeting on 28th February 2020 No. 1/2020, 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 2019 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. |
| Hi Healthcare Center Company Limited | - The Company holds 100.00% 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 18.57%. - 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 1.74%. - The signatory authorized director of Irving Corporation Limited |
| Mr. Pisarn Techakasem | <ul style="list-style-type: none"> - Shareholders of the company in proportion of 1.68% 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 40.00% (The signatory authorized director and shareholder of the company in proportion of 1.93%). |

Guarantee of Overdraft Loan

| Related Company/ Person | Nature of Transaction | Outstanding Debt Value (Baht) As of 31 December 2019 |
|----------------------------|--|---|
| Dr. Wijit Techakasem | - Overdraft loan line of the company for total of 20 million Baht used in normal business operation is divided into 2 contracts as follows.  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  Overdraft loan line for total of 10 million Baht secured by land and buildings of the company as collateral and Irving Corporation Limited for joint guarantee on such overdraft loan line. | 0.00 |
| Miss Thanapa Techakasem | | |
| Mr. Pisarn Techakasem | | 0.0 |
| Irving Corporation Limited | | |


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 Term Loan

| Related Company/ Person | Nature of Transaction | Outstanding Debt Value (Baht) As of 31 December 2019 |
|----------------------------|--|---|
| KT Medical Service Limited | - Term loan line of the company in total line of 10 million Baht to compensate for the purchase land and 2 storey building (Hemodialysis Center) in Chiang Ngoen, Muang Tak district, Tak as details below.  Term Loan line for total of 10 million Baht secured by land and buildings of the company as collateral and KT Medical Service Limited for joint guarantee on such the term loan line. | 8,831,000.00 |


Necessity and Reasonability

It is the guarantee of Term loan line of the company in total line of 10 million Baht to compensate for the purchase land and 2 storey building (Hemodialysis Center) in Chiang Ngoen, Muang Tak district, Tak secured by land and buildings of the company as collateral and KT Medical Service Limited for joint guarantee on such the term loan line. Such transactions have caused benefit in business operation and the guarantee has been executed to conform to the bank's condition.

Opinion of the Audit Committee

The Audit Committee had the opinion that the guarantee of term loan secured by land and buildings of the company as collateral and KT Medical Service Limited for joint guarantee on such the loan line 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 Term Loan

| Related Company/ Person | Nature of Transaction | Value (Baht) As of 31 December 2019 |
|----------------------------|---|--|
| Irving Corporation Limited | - Term loan line of the company in total line of 4.7 million Baht to purchase SAP software as details below.  Term Loan line for total of 4.7 million Baht secured by land of the company as collateral including Thai Credit Guarantee Corporation and Irving Corporation for joint guarantee on such the loan line. | 4,564,825.50 |

Necessity and Reasonability

It is the guarantee of Term loan line to purchase SAP software secured by land of the company as collateral including Thai Credit Guarantee Corporation and Irving Corporation for joint guarantee on such the loan line has caused positive effect to the company. In addition, it has been executed to conform to the bank's condition.

Opinion of the Audit Committee

The Audit Committee had the opinion that the guarantee of term loan secured by land of the company as collateral including Thai Credit Guarantee Corporation and Irving Corporation for joint guarantee on such the loan line has caused positive effect to the company. In addition, it has been executed to conform to the bank's condition. It was deemed that such transaction has been necessary, reasonable and beneficial to the company.

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

| Related Company/ Person | Nature of Transaction | Value (Baht) |
|----------------------------|---|------------------------|
| | | As of 31 December 2019 |
| 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. | 7,165,908.37 |

Necessity and Reasonability

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

Opinion of the Audit Committee

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

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

| Related Company/ Person | Nature of Transaction | Value (Baht) As of 31 December 2019 |
|--|---|--|
| Dr. Wijit Techakasem Miss Thanapa Techakasem Mr. Pisarn Techakasem Filter Vision Public Company Limited | <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> <p>💧 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</p> <p>💧 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</p> | <p>0.00</p> <p>0.00</p> |

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 HT Medical Service Company Limited

| Related Company/ Person | Nature of Transaction | Value (Baht) As of 31 December 2019 |
|--------------------------------------|---|--|
| Filter Vision Public Company Limited | - 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. | |
| | 💧 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 | 0.00 |
| | 💧 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 |
| | 💧 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 | 7,082,200.00 |
| | 💧 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 | 6,228,000.00 |

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 | Value (Baht) As of 31 December 2019 |
|--------------------------------------|---|--|
| Filter Vision Public Company Limited | - Total overdraft and fixed credit loan line of the company for 10 million Baht used in normal business operation • Overdraft loan line total 10 million Baht for normal business transaction, 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 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 2019 | |
| PMAV. Marketing Company Limited | Trade Debtor of Filer Vision Public Company Limited | 0.00 | To be a trade debtor of normal business. |

Opinion of the Audit Committee

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

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

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Necessity and Reasonability |
|------------------------------|--|--|--|
| | | For the Year Ended 31 December 2019 | |
| 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 | 36,758,705.55 | The company has considered on salary, bonus, provident fund, social security and employee benefit for approval on the employment and payment in labor market rate depending on knowledge, capability, and experience in responsible position in comparison with the same type of business. The meeting allowance has been approved by Nomination and Remuneration Subcommittee under consideration in comparison with the same business and size of the listed company in the Stock Exchange. |
| Irving Corporation Limited | sell product Membrane type, filter, UV lamp, filter head, filter tank And Fitting | 5,260,816.50 | <ol style="list-style-type: none"> 1. The Holding Company (Filter Vision PLC) has been approved to be the dealer of the main products from the foreign seller that is imported by its subsidiary company (Irving Corporation Limited) to be used as raw material or component part of the equipment in assembly and installation of water system for project work installation or sale to the customers of the group of the companies. 2. Value of inter-selling price is determined under the policy that total cost price plus contribution margin for operating cost. It is regarded as wholesale price so that the subsidiary company shall take it for installation in order to add value accordingly. The value of product selling price and service charge sold or installed in project work for the last buyer that is regarded as the ordinary customer is fair value in accordance with competitive market situation in general. |

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

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Necessity and Reasonability |
|----------------------------|--|--|--|
| | | For the Year Ended 31 December 2019 | |
| | | | 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. |
| Irving Corporation Limited | Service charge revenue from being employed for service and photocopying | 353,962.93 | <ol style="list-style-type: none"> 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 in the same price as the service charge of the general photocopier service provider. |
| Irving Corporation Limited | Revenue from area lease fee and public utility expense, area lease fee, water bill, electricity bill | 686,325.62 | The company has charged area lease fee and public utility expense in the similar rate as the leased building and area of the lessor and services in the nearby location area. |
| Irving Corporation Company | Interest received Short-term loan (interest rate at 4.525% - 6.620% per annum) | 1,731,208.35 | 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 | Water analysis service charge Water analysis for infection inspection charge | 358,750.00 | <ol style="list-style-type: none"> 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. |

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Necessity and Reasonability |
|----------------------------|--|--|---|
| | | For the Year Ended 31 December 2019 | |
| Irving Corporation Limited | Purchase of product Fitting, Electrical Equipment, Pure salt, Flow gauge, Pressure gauge | 265,173.36 | <ol style="list-style-type: none"> 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. 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 | Project Management Fee | 434,830.00 | <ol style="list-style-type: none"> 1. For operating convenience and flexibility of the holding company and its subsidiary in organizing annual party. 2. The company has charged fees from personnel costs, including management fees for inter-service charges. |

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Transaction Value (Baht) |
|------------------------------------|---|--|---|
| | | For the Year Ended 31 December 2019 | |
| KT Medical Service Company Limited | Sell product water dispenser “Waterlogic” | 78,100.00 | 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 and infranstructure fee | 1,962,416.52 | 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 | 27,663.11 | 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 in the same price as the service charge of the general photocopier service provider. |
| KT Medical Service Company Limited | Revenue from Management Service | 1,226,840.00 | 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 charges service fees based on personnel costs, including management fees for service charges between each other. |
| KT Medical Service Company Limited | Interest received Short-term loan (interest rate at 6.620% per annum) | 1,292,400.72 | The subsidiary has been granted for financial support used as working |

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Necessity and Reasonability |
|--------------------------------|---|-------------------------------------|---|
| | | For the Year Ended 31 December 2019 | |
| | | | 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 | Service charge revenue from being employed for service and photocopying | 5,625.00 | The Company sells the power supply (UPS) at the price and trade conditions applied with third party transactions. |
| Medical Vision Company Limited | Service charge revenue from being employed for service and photocopying | 14,141.10 | <ol style="list-style-type: none"> 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 in the same price as the service charge of the general photocopier service provider. |
| Medical Vision Company Limited | Revenue from Management Service | 344,560.00 | <ol style="list-style-type: none"> 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 charges service fees based on personnel costs, including management fees for service charges between each other. |
| Medical Vision Company Limited | Interest received Short-term loan (interest rate at 6.620% per annum) | 1,196,177.47 | 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. |

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Transaction Value (Baht) |
|--------------------------------------|---|--|---|
| | | For the Year Ended 31 December 2019 | |
| Hi Healthcare Center Company Limited | Revenue from Management Service | 2,357,980.00 | <ol style="list-style-type: none"> 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 charges service fees based on personnel costs, including management fees for service charges between each other. |
| Hi Healthcare Center Company Limited | Revenue from area lease fee | 228,685.20 | 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. |
| Hi Healthcare Center Company Limited | Interest received Short-term loan (interest rate at 4.525% - 6.620% per annum) | 11,497,578.45 | 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 | 292,128.84 | <ol style="list-style-type: none"> 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 in the same price as the service charge of the general photocopier service provider. |
| PMAV. Marketing Company Limited | Revenue from sale filter, UV lamp for machine producing antioxidants drinking water for healthy and machine producing | 90,237.00 | <ol style="list-style-type: none"> 1. The Holding Company (Filter Vision PLC) has been approved to be the dealer of products "Biowell" from foreign vendor which make |

| Related Company/ Person | Nature of Transaction | Transaction Value (Baht) | Necessity and Reasonability |
|----------------------------|--|--|---|
| | | For the Year Ended 31 December 2019 | |
| | ozonated water for disinfection within the same product (Biowell) and revenue from maintenance services. | | <p>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 operations of the Group

The Group has principally engaged in distribution of product and equipment, design, assembly and installation, and maintenance service of pure water treatment system; including operate clinical business which Hemodialysis services for kidney patients who receive replacement therapy with Hemodialysis by Hemodialysis machinery (Hemodialysis Center) and distribution of medical equipment as well as medical service concerning health and esthetics.

2. Overview of operating results for the year 2019.

Thai's economic has trend to growing lower continuously, Not only exporting business but Travelling business also have trend to growing less than expected and moreover Thai foreign exchange rate of the Baht was appreciate that cause Financial Institutions Policy Committee announce to decrease the policy rate to 1.25% per year that is the second time in 1 years while the government's consumption still growing lower continuously, due to Thailand's budget for fiscal year 2020 was not announced.

Filter Vision Public Company Limited (Hereinafter called "**The Company**") still has carried adjustment of the business strategy to focus on the large project since last year and we got purchase order from big industry in this year in an amounting of Baht 89.84 million. Moreover the Company still development quality of product and service followed by client's standard that appropriate with

their business. The Company also organized the marketing activities to educate the water quality to target's group continuously. At the same time, the subsidiaries consist of Irving Corporation Limited has distributed products and equipment design and installation of systems related to water treatment systems for medical services. So far the Company still received purchase order for project of installation water treatment systems for medical services and Hemodialysis Solution continuously.

KT Medical Services Co.,Ltd. provides health care facilities for patients with end-stage renal disease treated with Hemodialysis Machine (Hemodialysis Center) Currently, there are 6 Hemodialysis Center (75 Hemodialysis Machines) one Hemodialysis Center in Bangkok, three Hemodialysis Centers in northeastern provinces and two Hemodialysis Centers in western provinces. So far the patients are continuously increasing and now the company continuously to focus on expanding hemodialysis Center.

Medical Vision Co.,Ltd. has distributed medical equipment. For the year 2019 we can recognize income from complete installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) for 9 projects.

Hi Healthcare Center Co.,Ltd. was operated medical service concerning healthcare and esthetics under trademark "**Wuttisak Clinic**" the Company has change the business strategy for appropriate with the business environment by closed 8 departments which have accumulate loss in year 2019. Moreover the Company has promotional activity, made an advertisement in each area for increased sale.

3. Analysis of Operating Results

| Statements of Comprehensive Income – Consolidated (Million Baht) | For 12-month period ended December 31, | | Increase (Decrease) | % |
|---|--|--------|------------------------|--------------|
| | 2019 | 2018 | | |
| Revenues from sales and services | 817.56 | 656.71 | 160.85 | 24.49% |
| Gross profit from sales and services | 181.55 | 125.50 | 56.05 | 44.66% |
| Other income | 4.85 | 6.10 | (1.25) | (20.49%) |
| Selling expenses | 38.82 | 30.05 | 8.77 | 29.18% |
| Administrative expenses | 365.10 | 100.78 | 264.32 | 262.27% |
| Net loss before finance costs and corporate income tax | (217.52) | 0.77 | (218.29) | (28,349.35%) |
| Finance costs | (12.49) | (6.67) | (5.82) | (87.26%) |
| Corporate income tax | (21.95) | 2.02 | (23.97) | (1,186.63%) |
| Net profit for the period | (251.96) | (3.88) | (248.08) | (6,393.81%) |
| Other comprehensive income - net of tax | (2.90) | 0.68 | (3.58) | (526.47%) |
| Total Comprehensive income for the period | (254.86) | (3.20) | (251.66) | (7,864.38%) |
| Profit Sharing for the Period | | | | |
| - The Company's Equity | (255.15) | (4.44) | (250.71) | (5,646.62%) |
| - Non-controlling Interest | 0.29 | 1.24 | (0.95) | (76.61%) |

Total Revenues (Revenues from sales and services and other income) was increased from the year 2018 in an amounting of Baht 159.60 million or 24.08 percent which can be divided into business segments as per information in following table

| Revenue by Business Segments | For 12-month period ended December 31, | | | | Increase (Decrease) | % |
|---|---|---------|-----------------|---------|------------------------|---------|
| | 2019 | | 2018 | | | |
| | Million Baht | (%) | Million Baht | (%) | | |
| 1. Industrial and OEM (B1) ¹ | 218.73 | 26.75% | 100.51 | 15.31% | 118.22 | 117.62% |
| 2. Commercial and residential (B2) ¹ | 288.67 | 35.31% | 255.47 | 38.90% | 33.20 | 13.00% |
| 3. Medical services (B3) ² | 310.16 | 37.94% | 300.73 | 45.79% | 9.43 | 3.14% |
| Total Revenues | 817.56 | 100.00% | 656.71 | 100.00% | 160.85 | 24.49% |

¹B1, B2: Filters Vision Public Company Limited (Herein after “The Company”).

²B3: Irving Corporation Ltd., KT Medical Services Co., Ltd., Medical Vision Co., Ltd. and Hi Healthcare Center Co., Ltd. (Herein after “The Subsidiaries”).

3.1 Revenues from sales and services

For the year 2019, Revenue from sales of goods and services for the group was increased from the year 2018 in an amounting of Baht 160.85 million or 24.29 percent, which can be described by business segment as follows:

Industrial and OEM (B1)

The revenue from this business segment was increased from the year 2018 in an amounting of Baht 118.22 million or 117.62 percent mainly came from the Company has adjustment of the business strategy to focus on the large project since last year including with the quality of service and products which can meet efficiency the customer needs that made the Company got purchase order from large project such as Industrial water supply system, Pre Treatment system etc. and we start recognize revenue from these projects in each Quarter of 2019 while in the year 2018 the Company has just started adjustment of the business strategy to focus on the large project.

Commercial and residential (B2)

The revenue of business segment was increased from the year 2018 in an amounting of baht 33.20 million or 13.00 percent. Mainly income came from Preventive Maintenance (PM) from food and beverage business which they would like to maintain the standard and quality of water to production and distribution for food and beverage business, while revenue from sales of goods and services were increased closely from the previous year that the reason why revenue from this business was higher than last year.

Medical services (B3)

Revenue from this segment was increased from the year 2018 in an amounting of Baht 9.43 million or 3.14 percent. Mainly came from Medical Vision Co., Ltd. which

recognized revenue from complete installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) in this year in an amounting of Baht 20.02 million.

3.2 Gross profit

The Group's gross profit was increased from the year 2018 in an amounting of Baht 56.05 million or 44.66 percent. Mainly came from Thai foreign exchange rate of the Baht was appreciate more than the previous year and effected to cost of goods sold was decreased from the last year. Moreover Gross Profit was increased from growth of revenue in current year while fixed cost still constant.

3.3 Selling expenses and Distribution expense

Selling expense and Distribution expense was increased from the year 2018 in an amounting of Baht 8.77 million or 29.18 percent. Mainly came from commission expense from Hi Healthcare center Co., Ltd. for improve sale and service.

3.4 Administration expenses

The Group's administrative expense was increased from the year 2018 in an amounting of Baht 264.32 million or 262.27 percent. Mainly came from Hi Healthcare center Co., Ltd. has recognize allowance for impairment and allowance for doubtful debt in an amounting of Baht 186.29 million and Baht 60.28 million respectively.

3.5 Operating results

The Group's net loss was increased from the year 2018 in an amounting of Baht 248.08 million or 6,393.81 percent. Mainly came from Hi Healthcare center Co., Ltd. has recognize allowance for impairment and allowance for doubtful debt in an amounting of Baht 186.29 million and Baht 60.28

4. Financial position

| Statement of Financial Position – Consolidated (Million Baht) | As at | | Increase (Decrease) | % |
|---|-------------------|-------------------|---------------------|----------|
| | December 31, 2019 | December 31, 2018 | | |
| Asset | 772.52 | 954.82 | (182.30) | (19.09%) |
| Liabilities | 361.95 | 283.75 | 78.20 | 27.56% |
| Shareholders' equity | 410.57 | 671.07 | (260.50) | (38.82%) |
| Issued and fully paid-up common share (Million Share) | 565.14 | 565.14 | 0.00 | 0.00% |
| Par (Baht) | 0.50 | 0.50 | 0.00 | 0.00% |

4.1 Assets

The total asset as at December 31, 2019 was decreased in an amounting of Baht 182.30 million or 19.09 percent from year end 2018. Significant changes was included

Trade and other receivable was increased in an amounting of Baht 4.96 million due to trade accounts receivable, industrial and OEM business unit (B1) increased in an amounting of Baht 39.31 million, trade accounts receivable, Hemodialysis unit business was increased in an amounting of Baht 14.55 million, trade accounts receivable, Pneumatic Tube Carrier Systems was increased in an amounting of Baht 5.96 million while trade accounts receivable and other receivables, health and beauty clinics group was decreased in an amounting Baht 47.20 million that mainly came from the allowance for doubtful accounts.

Goodwill was decreased in an amounting of Baht 116.57 million. Mainly came from Hi Healthcare Center Co., Ltd. has recognize allowance for impairment in an amounting of Baht 116.57 million.

Other non-current asset was increased in an amounting of Baht 8.11 million. Mainly came from retention from the large project in an amounting of Baht 7.82 million.

Property, Plant and Equipment was decreased in an amounting of Baht 11.05 million. Mainly came from Hi Healthcare Center Co., Ltd. has recognize allowance for impairment in PPE.

Intangible Asset was decreased in an amounting of Baht 47.87 million. Mainly came from Hi Healthcare Center Co., Ltd. has recognize allowance for impairment in Intangible assets.

4.2 Liabilities

The total liability for the year 2019 was increased from the year 2018 by Baht 78.20 million or 27.56 percent. Significant changes was included

Trade and other payables was increased in an amounting of Baht 51.30 million due to trade payable from purchase goods, Other payables from project work and Other payables from purchase Hemodialysis machines.

Advance received was increased in an amounting of Baht 7.59 million due to advance payment of business for health and beauty.

Long term loan from financial institution was increased in an amounting of Baht 11.28 million due to receiving a loan to compensate for the purchase of land together with the construction of 2-storey buildings and the purchase of Hemodialysis machines. During the period, the loan was repayment according to the financial institution conditions.

Provision for long-term employee benefits was increased in an amounting of Baht 11.36 million due to changes in the additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate according to the Labor Protection Act (No. 7) BE 2562 moreover provision for long-term employee benefits was increased from Financial Institutions Policy Committee announce to decrease the interest's policy rate.

4.3 Shareholders' equity

The overall shareholders' equity from the year end 2019 was decrease from year end 2018 in an amounting of Baht 260.50 million or 38.82 percent. Mainly came from operation loss and dividend paid in an amounting of Baht 5.65 million.

5. Company's direction in 2020

Overall significant events are as follows.

5.1 HT Medical Services Co., Ltd. operates a Hemodialysis center to patients with chronic kidney disease. Present patient who replacement therapy with Hemodialysis with Hemodialysis machines was increased steadily. For the year 2020 we have plans to open new 10 Hemodialysis centers with totally 98 Hemodialysis machines, which according to the business plan.

5.2 Irving Corporation Limited, distribution a Hemodialysis solution product and equipment design and installation of systems related to water treatment systems for medical services which got orders from customers by 3 projects in an amounting of Baht 3.15 million and expected to be completed in 2020.

5.3 Medical Vision Company Limited, which service for installation and maintenance of pneumatic tube carrier systems. Present we received 2 purchase orders in an amounting of Baht 2.62 million, which under installation and expected to be completed in 2020.

5.4 Hi Health Care Center Company Limited, operated medical service and medical beauty treatment clinic under the brand "Wuttisak Clinic", has change the business strategy for appropriate with the business environment by closed 8 departments which have accumulate loss in current year and decreased rental area for some branch for reduce rental fee and moreover the Company has promotional activity, made an advertisement in each area for increased sale. We believe that sales and service income will grow as continuously and reduce the cost of sales and services that are currently available. And the result is good operation.

5.5 Filters Vision Public Company Limited, continuously focused on expanding the big project. The Company has received order for Buffer Tank system in an amounting of Baht 14.40 million, Construction water treatment system in an amounting of Baht 9.20 million and Sale filter to the big project in an amounting of Baht 72.40 million which is expected to be completed in 2020.

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 2019, 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 2019, 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.

Emphasis of matters

My opinion is not modified in respect of these matters.

I draw attention to the following Notes to the consolidated financial statements.

- a) As discussed in Note 3 to the consolidated financial statements, in February 2018, Hi Healthcare Center Co., Ltd. (the Company's subsidiary) entered into the Franchise Agreement and the Asset Sales Agreement with a company, who is the owner of the "Wuttisak Clinic" franchise, to operate medical services for health and beauty business. During 2019, as discussed in Note 10 and Note 17 to the consolidated financial statements, the subsidiary set up allowance for doubtful accounts of trade and other receivables amounting to Baht 60 million, and evaluated impairment of goodwill, intangible assets and equipment relating to medical services for health and beauty business, which their carrying amounts are grouped in the same cash generating unit, and recognised losses from impairment of the goodwill amounting to Baht 117 million, impairment of the intangible assets amounting to Baht 43 million and impairment of the equipment amounting to Baht 26 million. In addition, as discussed in Note 35.6 to the consolidated financial statements, in September 2018, the subsidiary was sued by two local companies, which are shareholders of the company who is the owner of the franchise, as the second co-defendant with the company who is the owner of the franchise in a civil lawsuit, petitioning for revocation of the Franchise Agreement and the Asset Sales Agreement. At present, this case is being considered by the court, and thus the outcome cannot be determined at this time and depends on the future judicial process. The future operations of the subsidiary are dependent on the outcome of the above lawsuit and the performance of the subsidiary's business in the future.
- b) As discussed in Note 7 and Note 14 to the consolidated financial statements, in 2019 the Company had set up allowance for doubtful accounts of short-term loans to and interest receivable from Hi Healthcare Center Co., Ltd. amounting to Baht 227 million and allowance for impairment of investment in such subsidiary amounting to Baht 100 million in the separate financial statements.

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.

2

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 and services 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 and services 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 and services 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.

Impairment of goodwill, intangible assets and equipment in the consolidated financial statements and impairment of investment in a subsidiary and allowance for doubtful accounts for short-term loans to and interest receivable from the subsidiary in the separate financial statements

As disclosed in Note 7, Note 14, Note 16, Note 17 and Note 18 to the consolidated financial statements, a subsidiary has a large capital deficit. This subsidiary has goodwill, intangible assets and equipment relating to medical services for health and beauty business with net book value, before deducting of allowance for impairment, in the consolidated financial statements as of 31 December 2019 were Baht 117 million, Baht 43 million and Baht 26 million, respectively. In addition, as of 31 December 2019, the separate financial statements included cost of investment in this subsidiary of Baht 100 million and short-term loans to and interest receivable from this subsidiary of Baht 227 million. I have paid particular attention to the determination of impairment loss on goodwill, intangible assets and equipment relating to medical services for health and beauty business of the subsidiary in the consolidated financial statements, and impairment loss on investment in subsidiary and the allowance for doubtful accounts with respect to short-term loans to and interest receivable from the subsidiary in the separate financial statements. Since these accounts required the exercise of significant management judgement with respect to using of the financial model to calculate the realisable values, identifying the cash generating units, estimating projections of the future operating performance of the subsidiary, estimating the cash inflows that are expected to be generated from that group of assets in the future, and determining of an appropriate discount rate and key assumptions, there is thus a risk with respect to the amount of impairment loss and the allowance for doubtful accounts.

I assessed the identified cash generating units and financial model and gained an understanding of and tested the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets as well as reviewed the discount rate applied by making enquiry of responsible executives and comparing details with sources of information about the subsidiary and the industry.

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 internal control that I identify during my audit.

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

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

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

Orawan Techawatanasirikul
Certified Public Accountant (Thailand) No. 4807

EY Office Limited
Bangkok: 28 February 2020

STATEMENT OF FINANCIAL POSITION

Filter Vision Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 10,792,311 | 10,555,956 | 5,775,119 | 5,604,118 |
| Current investments | 9 | 6,971 | 6,902 | 6,971 | 6,902 |
| Trade and other receivables | 7, 10 | 221,813,612 | 216,852,187 | 101,846,571 | 71,214,830 |
| Current portion of receivables from | | | | | |
| financial lease agreements and installment sales | 11 | 6,791,847 | 6,886,206 | 3,949,998 | 4,010,293 |
| Short-term loans to related parties | 7 | - | - | 71,735,000 | 234,748,415 |
| Inventories | 12 | 172,639,896 | 177,475,862 | 136,165,239 | 128,770,547 |
| Advance payments for purchases of goods | | 2,518,276 | 4,798,565 | 2,225,343 | 1,859,169 |
| Other current assets | | 14,504,245 | 19,292,532 | 2,618,491 | 1,988,378 |
| Total current assets | | 429,067,158 | 435,868,210 | 324,322,732 | 448,202,652 |
| Non-current assets | | | | | |
| Restricted bank deposits | 13 | 12,060,663 | 11,939,093 | 7,083,342 | 7,010,469 |
| Investments in subsidiaries | 14 | - | - | 51,474,661 | 151,474,461 |
| Receivables from financial lease agreements | | | | | |
| and installment sales - net of current portion | 11 | 5,755,840 | 9,713,618 | 518,283 | 4,133,906 |
| Investment properties | 15 | - | - | 31,524,489 | 32,192,666 |
| Property, plant and equipment | 16 | 294,879,965 | 305,926,685 | 180,835,719 | 187,413,200 |
| Goodwill | 3, 17 | - | 116,573,615 | - | - |
| Intangible assets | 18 | 1,145,709 | 49,023,327 | 918,039 | 1,607,442 |
| Deferred tax assets | 28 | 8,887,586 | 13,164,819 | 70,537,183 | 3,154,003 |
| Other non-current assets | | 20,721,652 | 12,612,720 | 8,111,746 | 498,065 |
| Total non-current assets | | 343,451,415 | 518,953,877 | 351,003,462 | 387,484,212 |
| Total assets | | 772,518,573 | 954,822,087 | 675,326,194 | 835,686,864 |

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 2019

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Note | 2019 | 2018 | 2019 | 2018 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from | | | | | |
| financial institutions | 19 | 37,213,204 | 38,832,823 | 37,154,016 | 26,496,872 |
| Trade and other payables | 7, 20 | 173,237,188 | 121,936,533 | 64,990,172 | 43,858,693 |
| Current portion of long-term loans | 21 | 14,545,591 | 9,035,000 | 10,060,591 | 6,994,000 |
| Current portion of liabilities under hire purchase and | | | | | |
| financial lease agreements | 22 | 1,480,434 | 1,353,084 | 1,007,837 | 927,838 |
| Income tax payable | | 3,172,806 | 2,554,004 | 3,172,806 | 1,231,570 |
| Advance received for customers | | 1,631,044 | 3,834,633 | 1,451,914 | 3,680,191 |
| Unearned revenue | | 33,788,185 | 26,198,745 | 542,734 | - |
| Other current liabilities | | 10,011,704 | 10,109,873 | 5,404,974 | 5,345,027 |
| Total current liabilities | | 275,080,156 | 213,854,695 | 123,785,044 | 88,534,191 |
| Non-current liabilities | | | | | |
| Long-term loans - net of current portion | 21 | 50,158,435 | 44,385,200 | 41,333,235 | 37,460,000 |
| Liabilities under hire purchase and financial lease | | | | | |
| agreements - net of current portion | 22 | 4,942,222 | 6,422,656 | 1,904,061 | 2,911,897 |
| Provision for long-term employee benefits | 23 | 29,467,514 | 18,113,204 | 22,397,710 | 14,598,033 |
| Other non-current liabilities | | 2,303,836 | 971,977 | 1,488,032 | 659,678 |
| Total non-current liabilities | | 86,872,007 | 69,893,037 | 67,123,038 | 55,629,608 |
| Total liabilities | | 361,952,163 | 283,747,732 | 190,908,082 | 144,163,799 |

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 2019

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------|-------------------------------|-------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Shareholders' equity | | | | | |
| Share capital | 24 | | | | |
| Registered | | | | | |
| 711,005,673 ordinary shares of Baht 0.50 each | | 355,502,836 | 355,502,836 | 355,502,836 | 355,502,836 |
| Issued and paid-up | | | | | |
| 565,142,536 ordinary shares of Baht 0.50 each | | 282,571,268 | 282,571,268 | 282,571,268 | 282,571,268 |
| Share premium | 24 | 314,000,677 | 314,000,677 | 314,000,677 | 314,000,677 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 26 | 7,325,590 | 7,325,590 | 7,325,590 | 7,325,590 |
| Unappropriated | | (211,707,794) | 49,094,916 | (119,479,423) | 87,625,530 |
| Other components of shareholders' equity | | 3,365,197 | 3,365,197 | - | - |
| Equity attributable to owners of the Company | | 395,554,938 | 656,357,648 | 484,418,112 | 691,523,065 |
| Non-controlling interests of the subsidiaries | 14 | 15,011,472 | 14,716,707 | - | - |
| Total shareholders' equity | | 410,566,410 | 671,074,355 | 484,418,112 | 691,523,065 |
| Total liabilities and shareholders' equity | | 772,518,573 | 954,822,087 | 675,326,194 | 835,686,864 |
| | | - | - | - | - |

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

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Directors

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Filter Vision Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

| | <u>Note</u> | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|-------------|--|--------------------|--------------------------------------|--------------------|
| | | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Revenues from sales and services | 7 | 658,502,805 | 637,057,664 | 360,297,269 | 343,301,685 |
| Revenues from construction services | 7 | 159,052,728 | 19,652,710 | 153,131,140 | 17,687,009 |
| Revenues from financial lease agreements and installment sales | | 1,523,911 | 1,532,408 | 336,582 | 532,728 |
| Other income | 7 | 3,330,710 | 4,571,279 | 24,211,468 | 17,577,597 |
| Total revenues | | 822,410,154 | 662,814,061 | 537,976,459 | 379,099,019 |
| Expenses | | | | | |
| Cost of sales and services | 7 | 521,895,643 | 514,042,395 | 231,864,209 | 234,093,217 |
| Cost of construction services | 7 | 114,111,791 | 17,167,338 | 110,416,936 | 15,867,158 |
| Selling and distribution expenses | | 38,822,753 | 30,051,524 | 22,721,490 | 19,186,910 |
| Administrative expenses | 7 | 178,803,231 | 100,786,843 | 89,430,118 | 79,001,829 |
| Loss on impairment of investments in subsidiaries | 14 | - | - | 99,999,800 | - |
| Loss on impairment of short-term loans to and interest receivable from subsidiary | 7 | - | - | 227,393,307 | - |
| Loss on impairment of equipment | 16 | 26,262,069 | - | - | - |
| Loss on impairment of goodwill | 17 | 116,573,615 | - | - | - |
| Loss on impairment of intangible assets | 18 | 43,456,804 | - | - | - |
| Total expenses | | 1,039,925,906 | 662,048,100 | 781,825,860 | 348,149,114 |
| Profit (loss) before finance cost and income tax | | (217,515,752) | 765,961 | (243,849,401) | 30,949,905 |
| Finance cost | 7 | (12,490,230) | (6,669,002) | (7,040,737) | (3,324,106) |
| Profit (loss) before income tax | | (230,005,982) | (5,903,041) | (250,890,138) | 27,625,799 |
| Income tax revenues (expenses) | 28 | (21,953,061) | 2,020,589 | 51,113,407 | (4,704,059) |
| Profit (loss) for the year | | (251,959,043) | (3,882,452) | (199,776,731) | 22,921,740 |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Actuarial gain (loss) | | (3,620,763) | 850,741 | (2,096,300) | 731,152 |
| Less: Income tax effect | 23, 28 | 723,042 | (170,148) | 419,259 | (146,230) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | (2,897,721) | 680,593 | (1,677,041) | 584,922 |
| Other comprehensive income for the year | | (2,897,721) | 680,593 | (1,677,041) | 584,922 |
| Total comprehensive income for the year | | (254,856,764) | (3,201,859) | (201,453,772) | 23,506,662 |

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 2019

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|--------------|
| Note | 2019 | 2018 | 2019 | 2018 |
| Profit (loss) attributable to: | | | | |
| Equity holders of the Company | (252,266,291) | (5,155,478) | (199,776,731) | 22,921,740 |
| Non-controlling interests of the subsidiaries | 307,248 | 1,273,026 | | |
| | <u>(251,959,043)</u> | <u>(3,882,452)</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | (255,151,529) | (4,439,885) | (201,453,772) | 23,506,662 |
| Non-controlling interests of the subsidiaries | 294,765 | 1,238,026 | | |
| | <u>(254,856,764)</u> | <u>(3,201,859)</u> | | |
| Earnings per share | 29 | | | |
| Basic earnings (loss) per share | | | | |
| Profit (loss) attributable to equity holders of the Company | <u>(0.446)</u> | <u>(0.009)</u> | <u>(0.353)</u> | <u>0.041</u> |
| Diluted earnings per share | | | | |
| Profit attributable to equity holders of the Company | | | | <u>0.038</u> |

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 2019

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | | |
|---|--------|----------------------------------|---------------|----------------------------------|----------------|--|--|--|--|----------------------------|
| Equity attributable to the parent's shareholders | | | | | | | | | | |
| | Note | Issued and paid-up share capital | Share premium | Retained earnings | | | Other components of equity | | | |
| | | | | Appropriated - statutory reserve | Unappropriated | 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 | Total shareholders' equity |
| Balance as at 1 January 2018 | | 258,908,953 | 314,000,677 | 6,178,590 | 67,775,392 | 3,365,197 | 3,365,197 | 650,228,809 | 13,478,681 | 663,707,490 |
| Loss for the year | | - | - | - | (5,155,478) | - | - | (5,155,478) | 1,273,026 | (3,882,452) |
| Other comprehensive income for the year | | - | - | - | 715,593 | - | - | 715,593 | (35,000) | 680,593 |
| Total comprehensive income for the year | | - | - | - | (4,439,885) | - | - | (4,439,885) | 1,238,026 | (3,201,859) |
| Exercise of warrants to ordinary shares | 25 | 11,894,603 | - | - | - | - | - | 11,894,603 | - | 11,894,603 |
| Unappropriated retained earnings transferred to statutory reserve | 26 | - | - | 1,147,000 | (1,147,000) | - | - | - | - | - |
| Stock dividends paid | 24, 32 | 11,767,712 | - | - | (11,767,712) | - | - | - | - | - |
| Dividends paid | 32 | - | - | - | (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 | 3,365,197 | 656,357,648 | 14,716,707 | 671,074,355 |
| Balance as at 1 January 2019 | | 282,571,268 | 314,000,677 | 7,325,590 | 49,094,916 | 3,365,197 | 3,365,197 | 656,357,648 | 14,716,707 | 671,074,355 |
| Loss for the year | | - | - | - | (252,266,291) | - | - | (252,266,291) | 307,248 | (251,959,043) |
| Other comprehensive income for the year | | - | - | - | (2,885,238) | - | - | (2,885,238) | (12,483) | (2,897,721) |
| Total comprehensive income for the year | | - | - | - | (255,151,529) | - | - | (255,151,529) | 294,765 | (254,856,764) |
| Dividends paid | 32 | - | - | - | (5,651,181) | - | - | (5,651,181) | - | (5,651,181) |
| Balance as at 31 December 2019 | | 282,571,268 | 314,000,677 | 7,325,590 | (211,707,794) | 3,365,197 | 3,365,197 | 395,554,938 | 15,011,472 | 410,566,410 |

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

Filter Vision Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

| Separate financial statements | | | | | | | (Unit: Baht) |
|--|--------|----------------------------------|---------------|----------------------------------|----------------|----------------------------|--------------|
| | Note | Issued and paid-up share capital | Share premium | Retained earnings | | Total shareholders' equity | |
| | | | | Appropriated - statutory reserve | Unappropriated | | |
| 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 | 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, 32 | 11,767,712 | - | - | (11,767,712) | - | |
| Dividends paid | 32 | - | - | - | (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 | |
| Balance as at 1 January 2019 | | 282,571,268 | 314,000,677 | 7,325,590 | 87,625,530 | 691,523,065 | |
| Loss for the year | | - | - | - | (199,776,731) | (199,776,731) | |
| Other comprehensive income for the year | | - | - | - | (1,677,041) | (1,677,041) | |
| Total comprehensive income for the year | | - | - | - | (201,453,772) | (201,453,772) | |
| Dividends paid | 32 | - | - | - | (5,651,181) | (5,651,181) | |
| Balance as at 31 December 2019 | | 282,571,268 | 314,000,677 | 7,325,590 | (119,479,423) | 484,418,112 | |

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 2019

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------------|-------------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from operating activities | | | | |
| Profit (loss) before tax | (230,005,982) | (5,903,041) | (250,890,138) | 27,625,799 |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities | | | | |
| Depreciation and amortisation | 27,569,687 | 22,929,125 | 12,214,930 | 9,413,966 |
| Allowance for doubtful accounts | 63,269,008 | 2,120,937 | 119,168 | 920,039 |
| Loss on impairment of investments in subsidiaries | - | - | 99,999,800 | - |
| Loss on impairment of short-term loans to and interest receivable from subsidiary | - | - | 227,393,307 | - |
| Loss on impairment of property, plant and equipment | 26,262,069 | - | - | - |
| Loss on impairment of goodwill | 116,573,615 | - | - | - |
| Loss on impairment of intangible assets | 43,456,804 | - | - | - |
| Loss from obsolete inventories | 102,551 | - | - | - |
| Loss from stock destruction | 182,260 | 455,383 | 182,260 | 267,343 |
| Reversal of adjust cost of inventories to net realisable value | (17,097) | (319,491) | (19,564) | (386,463) |
| Unrealised gain on exchange | (77,011) | (73,513) | (77,009) | (78,315) |
| Loss (gain) on disposal/write-off of property, plant and equipment | 2,090,169 | (350,858) | - | 5,955 |
| Write-off of withholding tax | 4,648 | 64,950 | 4,648 | 18,319 |
| Amortisation of power supply equipment rental | - | 8,647 | - | 8,647 |
| Long-term employee benefits expenses | 7,775,048 | 2,246,787 | 5,790,560 | 1,589,426 |
| Allowance for warranty | (574,533) | 262,586 | - | - |
| Financial lease agreements and installment income | (1,503,800) | (368,833) | - | - |
| Preventive maintenance income | (1,219,148) | (1,193,358) | - | - |
| Concentration Hemodialysis solution fluid income | (650,125) | (603,116) | - | - |
| Interest expenses | 6,324,232 | 2,975,569 | 5,026,910 | 2,649,987 |
| Interest income | (1,782,126) | (1,759,550) | (16,138,763) | (11,127,807) |
| Profit from operating activities before changes in operating assets and liabilities | 57,780,269 | 20,492,224 | 83,606,109 | 30,906,896 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (68,131,370) | (116,306,075) | (39,301,226) | (6,383,071) |
| Receivables from financial lease agreements and installment sales | 8,846,384 | 8,092,481 | 4,012,500 | 4,012,500 |
| Inventories | 4,568,183 | (27,476,237) | (7,557,457) | (1,435,937) |
| Advance payments for purchases of goods | 2,280,289 | (2,058,073) | (366,175) | 847,737 |
| Other current assets | 5,952,916 | (4,297,068) | (630,113) | 1,371,028 |
| Other non-current assets | (8,304,625) | (7,296,735) | (7,809,680) | 374,922 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 36,220,043 | 51,559,660 | 21,031,508 | 9,653,838 |
| Advance received from customers | (2,203,589) | 1,354,234 | (2,228,277) | 1,304,351 |
| Unearned revenue | 7,589,440 | 26,198,745 | 542,734 | - |
| Other current liabilities | 495,063 | 5,043,411 | 59,947 | 4,015,276 |
| Cash paid for long-term employee benefits | (41,500) | (63,324) | (41,500) | (63,324) |
| Other non-current liabilities | 2,036,203 | (1,293,760) | 782,672 | (1,293,761) |
| Cash flows (used in) from operating activities | 47,087,706 | (46,050,517) | 52,101,042 | 43,310,455 |
| Interest received | 21,669 | 105,322 | 10,837 | 76,204 |
| Cash paid for income tax | (18,147,440) | (6,607,815) | (13,913,925) | (5,340,944) |
| Net cash flows from (used in) operating activities | 28,961,935 | (52,553,010) | 38,197,954 | 38,045,715 |

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 2019

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from investing activities | | | | |
| Increase in restricted bank deposits | (121,570) | (120,340) | (72,873) | (72,124) |
| Increase in current investments | (69) | (67) | (69) | (67) |
| Interest received | 236,055 | 121,299 | 15,999,759 | 3,397,264 |
| Increase in short-term loan to related parties | - | - | (56,042,154) | (92,048,415) |
| Increase in investment in subsidiaries | - | - | - | (74,999,850) |
| Proceeds from sales of property, plant and equipment | 2,187,053 | 529,235 | - | 3,309 |
| Cash paid for acquiring business | - | (88,785,047) | - | - |
| Purchases of property, plant and equipment | (27,336,754) | (60,862,860) | (3,428,600) | (38,495,670) |
| Purchases of investment properties | - | - | (448,050) | (13,081,940) |
| Purchases of intangible assets | (107,300) | (685,370) | (107,300) | (297,770) |
| Net cash flows used in investing activities | (25,142,585) | (149,803,150) | (44,099,287) | (215,595,263) |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts and short - term loans from financial institutions | (1,557,804) | 38,832,823 | 10,718,958 | 26,496,872 |
| Repayment of liabilities under financial lease agreements | (1,644,331) | (1,885,894) | (1,212,738) | (1,646,836) |
| Repayment of long-term loan | (11,336,174) | (6,140,000) | (7,760,175) | (4,256,000) |
| Cash receipt from long-term loan | 22,620,000 | 26,197,200 | 14,700,000 | 18,550,000 |
| Construction of warrants to ordinary shares | - | 11,894,603 | - | 11,894,603 |
| Cash paid for interest expenses | (6,029,031) | (3,091,221) | (4,738,056) | (2,808,456) |
| Dividends paid | (5,635,655) | (1,325,879) | (5,635,655) | (1,325,879) |
| Net cash flows (used in) from financing activities | (3,582,995) | 64,481,632 | 6,072,334 | 46,904,304 |
| Net increase (decrease) in cash and cash equivalents | 236,355 | (137,874,528) | 171,001 | (130,645,244) |
| Cash and cash equivalents at beginning of year | 10,555,956 | 148,430,484 | 5,604,118 | 136,249,362 |
| Cash and cash equivalents at end of year (Note 8) | 10,792,311 | 10,555,956 | 5,775,119 | 5,604,118 |
| | - | - | - | - |
| Supplemental cash flows information | | | | |
| Non-cash transactions | | | | |
| Purchase of vehicles under financial lease agreements | - | 3,790,000 | - | - |
| Purchase of property, plant and equipment and intangible assets for which cash has not been paid | 33,632,751 | 18,552,191 | 109,400 | 9,481 |
| Decrease in deposits for acquiring assets | - | (116,822,430) | - | - |
| Stock dividends paid | - | 11,767,712 | - | 11,767,712 |
| Increase in accrued dividend | 243,550 | 228,024 | 243,550 | 228,024 |
| Transfer of other non-current assets to property, plant and equipment | 196,000 | - | 196,000 | - |

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 2019

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

2. Basis for preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Filter Vision Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--------------------------------|---|--------------------------|----------------------------|------|
| | | | 2019 | 2018 |
| | | | % | % |
| 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 Group 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.

3. Acquisition of medical services for health and beauty business

In February 2018, Hi Healthcare Center Co., Ltd. (the Company's subsidiary) entered into the Franchise Agreement and the Asset Sales Agreement with a company, who is the owner of the "Wuttisak Clinic" franchise, to operate medical services for health and beauty business, at total consideration price 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 18) | 3,210 |
| Franchise license (Note 18) | 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 (Note 17) | 116,574 |
| Purchase price | 205,607 |

4. New financial reporting standards

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

During the period, the Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 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.

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

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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 Group believes that adoption of these standards will not have any significant impact on the financial statements.

IFRS 16 Leases

IFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under IFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted and plans to adopt IFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

5. Significant accounting policies**5.1 Revenue recognition***Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled receivables” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company's and its subsidiaries' right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance received from customers” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Service income from financial lease agreements

The Group 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 Group cases recognition of revenue when the receivables are overdue more than 3 installments.

Revenue from construction services

The Group 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 - 10 years |
| Vehicles | 5 - 10 years |

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

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 Groups' 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 Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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 Group.

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 Group retirement under labor law and other employee benefit plans. The Groups treats these severance payment obligations as a defined benefit plan. In addition, the Group 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.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

5.15 Provisions

Provisions are recognised when the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

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.

Litigation

A subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

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 | 4.53% - 6.62% per annum (2018: 1.15% - 6.62% per annum) |
| Water analysis service expenses | Cost plus margin |
| Construction service expenses | Cost plus margin |
| Purchases of goods | Cost plus margin |

During the years ended 31 December 2019 and 2018, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

For the year ended 31 December

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------|----------------------------------|--------|
| | 2019 | 2018 | 2019 | 2018 |
| <u>Transactions with subsidiaries</u> | | | | |
| (being eliminated in the consolidated financial statements) | | | | |
| Sales of goods | - | - | 5,345 | 4,373 |
| Service income | - | - | 4,617 | 2,399 |
| Rental and utilities service income | - | - | 2,877 | 1,809 |
| Interest income | - | - | 15,717 | 10,446 |
| Other income | - | - | - | 136 |
| Water analysis service expenses | - | - | 359 | 260 |
| Construction service expenses | - | - | 435 | - |
| Purchases of goods | - | - | 265 | 119 |
| <u>Transactions with related companies</u> | | | | |
| Sales of good | 88 | 17 | 88 | 17 |
| Sales income | 2 | 10 | 2 | 10 |

As at 31 December 2019 and 2018, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-------|----------------------------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| <u>Trade and other receivables - related parties (Note 10)</u> | | | | |
| Subsidiaries | - | - | 10,278 | 10,623 |
| Related company | - | 14 | - | 14 |
| Total trade and other receivables - related parties | - | 14 | 10,278 | 10,637 |
| Less: Allowance for doubtful accounts | - | - | (8,337) | - |
| Total trade and other receivables - related parties - net | - | 14 | 1,941 | 10,637 |
| <u>Short-term loans to related parties</u> | | | | |
| Subsidiaries | - | - | 290,790 | 234,748 |
| Less: Allowance for doubtful accounts | - | - | (219,055) | - |
| Total short-term loans to related parties - net | - | - | 71,735 | 234,748 |
| <u>Trade and other payables - related parties (Note 20)</u> | | | | |
| Subsidiaries | - | - | 389 | 76 |
| Directors | 5,281 | 4,668 | 4,823 | 4,269 |
| Total | 5,281 | 4,668 | 5,212 | 4,345 |

Short-term loans to related parties

As at 31 December 2019 and 2018, 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 |
| | 2018 | Increase | Decrease | 2019 |
| <u>Short-term loans to related parties</u> | | | | |
| Subsidiaries | | | | |
| Irving Corporation Ltd. | 27,100 | 42,800 | (43,750) | 26,150 |
| KT Medical Service Co., Ltd. | 4,600 | 32,200 | (8,220) | 28,580 |
| Medical Vision Co., Ltd. | 18,984 | 7,550 | (9,529) | 17,005 |
| Hi Healthcare Center Co., Ltd. | 184,064 | 34,991 | - | 219,055 |
| Total short-term loans to related parties | 234,748 | 117,541 | (61,499) | 290,790 |
| Less: Allowance for doubtful accounts | - | (219,055) | - | (219,055) |
| Total short-term loans to related parties - net | 234,748 | (101,514) | (61,499) | 71,735 |

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 (2018: 4.53% - 6.62% per annum).

In 2019, the Company had set up allowance for doubtful accounts of short-term loans to and interest receivable from Hi Healthcare Center Co., Ltd. amounting to Baht 227 million in the separate financial statements.

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group 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 | |
| | 2019 | 2018 | 2019 | 2018 |
| Short-term employee benefits | 32,487 | 29,676 | 26,052 | 24,490 |
| Post-employment benefits | 4,272 | 697 | 3,593 | 570 |
| Total | 36,759 | 30,373 | 29,645 | 25,060 |

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with their related parties, as described in Note 35.5 to the consolidated financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---------------|----------------------|--------|----------------------|-------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash | 530 | 526 | 259 | 211 |
| Bank deposits | 10,262 | 10,030 | 5,516 | 5,393 |
| Total | 10,792 | 10,556 | 5,775 | 5,604 |

As at 31 December 2019, bank deposits carried interests between 0.05% and 0.375% per annum (2018: 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 (2018: 1.00% per annum).

10. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------|----------------------|--------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| <u>Trade accounts receivable - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | - | - | 278 | 356 |
| Past due | | | | |
| Up to 3 months | - | 14 | 210 | 246 |
| Total trade receivables - related parties | - | 14 | 488 | 602 |
| <u>Trade accounts receivable - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 90,426 | 37,593 | 70,260 | 24,424 |
| Past due | | | | |
| Up to 3 months | 78,129 | 72,179 | 26,617 | 31,597 |
| 3 - 6 months | 12,778 | 28,529 | 1,090 | 1,537 |
| 6 - 12 months | 17,940 | 55,572 | 996 | 1,234 |
| Over 12 months | 70,284 | 8,271 | 1,916 | 2,621 |
| Total trade accounts receivable | | | | |
| - unrelated parties | 269,557 | 202,144 | 100,879 | 61,413 |

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Other receivables | | | | |
| Interest receivables - related parties | - | - | 8,578 | 8,787 |
| Interest receivables - unrelated parties | 48 | 47 | 36 | 36 |
| Other receivables - related parties | - | - | 1,212 | 1,248 |
| Other receivables - unrelated parties | 21,895 | 21,124 | 119 | 138 |
| Total other receivables | 21,943 | 21,171 | 9,945 | 10,209 |
| Total trade and other receivables | 291,500 | 223,329 | 111,312 | 72,224 |
| Less: Allowance for doubtful accounts | (69,686) | (6,477) | (9,466) | (1,009) |
| Trade and other receivables - net | 221,814 | 216,852 | 101,846 | 71,215 |

In 2019, a subsidiary had set up allowance for doubtful accounts of trade and other receivables amounting to Baht 60 million.

11. Receivables from financial lease agreements and installment sales

11.1 As at 31 December 2019 and 2018, 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 | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Receivables from financial lease agreements and installment sales | 9,800 | 10,337 | 10,855 | 16,137 | 20,655 | 26,474 |
| Less: Deferred service income | (1,667) | (1,831) | (3,668) | (4,380) | (5,335) | (6,211) |
| Less: Amount representing finance charges | (1,089) | (1,471) | (1,431) | (2,043) | (2,520) | (3,514) |
| Total accounts receivable | 7,044 | 7,035 | 5,756 | 9,714 | 12,800 | 16,749 |
| Less: Allowance for doubtful accounts | (252) | (149) | - | - | (252) | (149) |
| Receivables from financial lease agreements and installment sales, net | 6,792 | 6,886 | 5,756 | 9,714 | 12,548 | 16,600 |

| | (Unit: Thousand Baht) | | | | | |
|---|---|-------|--|-------|-------|-------|
| | Separate financial statements | | | | | |
| | Current portion of receivables from installment sales | | Long-term portion of receivable from installment sales | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Receivables from installment sales | 4,080 | 4,347 | 530 | 4,276 | 4,610 | 8,623 |
| Less: Amount representing finance charges | (130) | (337) | (12) | (142) | (142) | (479) |
| Total accounts receivable | 3,950 | 4,010 | 518 | 4,134 | 4,468 | 8,144 |
| Less: Allowance for doubtful accounts | - | - | - | - | - | - |
| Receivables from installment sales, net | 3,950 | 4,010 | 518 | 4,134 | 4,468 | 8,144 |

11.2 As at 31 December 2019 and 2018, 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 | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Not yet due | - | - | - | - | - | - |
| Past due: | | | | | | |
| Up to 3 months | 10,017 | 11,261 | - | - | 10,017 | 11,261 |
| 3 - 6 months | 2,531 | 5,339 | - | - | 2,531 | 5,339 |
| Over 6 months | 252 | 149 | (252) | (149) | - | - |
| Total | 12,800 | 16,749 | (252) | (149) | 12,548 | 16,600 |

(Unit: Thousand Baht)

| Separate financial statements | | | | | | |
|-------------------------------|------------------------------------|-------|---------------------------------|------|---|-------|
| Aging | Receivables from installment sales | | Allowance for doubtful accounts | | Receivables from installment sales, net | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Not yet due | - | - | - | - | - | - |
| Past due: | | | | | | |
| Up to 3 months | 4,468 | 8,144 | - | - | 4,468 | 8,144 |
| 3 - 6 months | - | - | - | - | - | - |
| Over 6 months | - | - | - | - | - | - |
| Total | 4,468 | 8,144 | - | - | 4,468 | 8,144 |

11.3 The Group'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 2019 and 2018, 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 | | | |
|--|-----------------------------------|--------------------------------------|-----------------------------|--------------------------------------|
| | 2019 | | 2018 | |
| | Minimum payments receivable | Present value of payments receivable | Minimum payments Receivable | Present value of payments receivable |
| Within one year | 9,800 | 6,792 | 10,337 | 6,886 |
| After one year but not more than five years | 10,855 | 5,756 | 16,137 | 9,714 |
| Total | 20,655 | 12,548 | 26,474 | 16,600 |
| Less: Deferred service income | (5,335) | | (6,211) | |
| Less: Amounts representing finance charges | (2,520) | | (3,514) | |
| Present value of minimum lease payments | 12,800 | | 16,749 | |
| Less: Allowance for doubtful account | (252) | | (149) | |
| Present value of minimum lease payments, net | 12,548 | | 16,600 | |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|--------------------------------|--|--------------------------------|--|
| | 2019 | | 2018 | |
| | Minimum payments Receivable | Present value of payments receivable | Minimum payments receivable | Present value of payments receivable |
| Within one year | 4,080 | 3,950 | 4,347 | 4,010 |
| After one year but not more than five years | 530 | 518 | 4,276 | 4,134 |
| Total | 4,610 | 4,468 | 8,623 | 8,144 |
| Less: Amounts representing finance charges | (142) | | (479) | |
| Present value of minimum lease payments | 4,468 | | 8,144 | |
| Less: Allowance for doubtful account | - | | - | |
| Present value of minimum lease payments, net | 4,468 | | 8,144 | |

12. Inventories

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|-----------------------------|-----------------------------------|---------|--|-------|-------------------|---------|
| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Finished goods | 117,567 | 115,669 | (497) | (423) | 117,070 | 115,246 |
| Raw material | 726 | 757 | (7) | (7) | 719 | 750 |
| Work in process | 8,423 | 12,398 | - | - | 8,423 | 12,398 |
| Supplies and spare parts | 32,673 | 28,948 | (189) | (178) | 32,484 | 28,770 |
| Goods in transit | 13,944 | 20,312 | - | - | 13,944 | 20,312 |
| Total | 173,333 | 178,084 | (693) | (608) | 172,640 | 177,476 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|-----------------------------|-------------------------------|---------|--|-------|-------------------|---------|
| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Finished goods | 91,517 | 83,588 | (37) | (66) | 91,480 | 83,522 |
| Work in process | 5,336 | 5,469 | - | - | 5,336 | 5,469 |
| Supplies and spare parts | 26,501 | 23,129 | (107) | (98) | 26,394 | 23,031 |
| Goods in transit | 12,955 | 16,749 | - | - | 12,955 | 16,749 |
| Total | 136,309 | 128,935 | (144) | (164) | 136,165 | 128,771 |

13. Restricted bank deposits

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

14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2019 and 2018 are as follows:

| Company's name | Paid-up capital | | Shareholding Percentage | | Cost | | Allowance for impairment of investment | | Carrying amounts based on cost method - net | |
|--------------------------------|-----------------|---------|-------------------------|------|---------|---------|--|------|---|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | (%) | | | | | | |
| 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 | 100,000 | 100 | 100 | 100,000 | 100,000 | (100,000) | - | - | 100,000 |
| | | | | | 151,475 | 151,475 | (100,000) | - | 51,475 | 151,475 |

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.

The above investments in subsidiaries included investment in a subsidiary which has a large capital deficit as of 31 December 2019. In 2019, the Company had set up allowance for impairment of investment in such subsidiary amounting to Baht 100 million in the separate financial statements.

14.2 Details of investments in subsidiaries that have material non-controlling interests as at and for the years ended 31 December 2019 and 2018.

| 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 | |
|------------------------------|---|------|--|--------|---|---------|--|------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | (%) | (%) | | | | | | |
| KT Medical Service Co., Ltd. | 30 | 30 | 14,331 | 14,047 | 285 | 2,373 | - | - |
| Medical Vision Co., Ltd. | 25 | 25 | 680 | 670 | 10 | (1,135) | - | - |

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 2019 and 2018

| | (Unit: Thousand Baht) | | | |
|-------------------------|------------------------------|--------|--------------------------|--------|
| | KT Medical Service Co., Ltd. | | Medical Vision Co., Ltd. | |
| | 2019 | 2018 | 2019 | 2018 |
| Current assets | 60,995 | 42,447 | 21,674 | 24,431 |
| Non-current assets | 90,748 | 55,988 | 3,717 | 3,458 |
| Current liabilities | 91,590 | 41,060 | 22,651 | 25,177 |
| Non-current liabilities | 12,383 | 10,552 | 20 | 33 |

Summarised information about comprehensive income

| | (Unit: Thousand Baht) | | | |
|----------------------------|--------------------------------|--------|--------------------------|---------|
| | For the year ended 31 December | | | |
| | KT Medical Service Co., Ltd. | | Medical Vision Co., Ltd. | |
| | 2019 | 2018 | 2019 | 2018 |
| Revenue | 91,348 | 63,319 | 23,625 | 10,025 |
| Profit (loss) | 990 | 8,021 | 40 | (4,533) |
| Other comprehensive income | (42) | (110) | - | (8) |
| Total comprehensive income | 948 | 7,911 | 40 | (4,541) |

Summarised information about cash flow

| | (Unit: Thousand Baht) | | | |
|-----------------------------|--------------------------------|----------|--------------------------|----------|
| | For the year ended 31 December | | | |
| | KT Medical Service Co., Ltd. | | Medical Vision Co., Ltd. | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash flow from (used in) | | | | |
| operating activities | 32,119 | (10,497) | 3,248 | (11,842) |
| Cash flow used in investing | | | | |
| activities | (54,127) | (9,586) | (24) | (30) |
| Cash flow from (used in) | | | | |
| financing activities | 22,511 | 13,465 | (3,292) | 12,217 |
| Net increase (decrease) in | | | | |
| cash and cash equivalents | 503 | (6,618) | (68) | 345 |

15. Investment properties

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---------------------------------|-------------------------------|-----------|-----------------------|--------|
| | Land | Buildings | Building improvements | Total |
| Cost | | | | |
| 1 January 2018 | 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 |
| Additions | - | - | 448 | 448 |
| 31 December 2019 | 14,872 | 14,176 | 5,619 | 34,667 |
| Accumulated depreciation | | | | |
| 1 January 2018 | - | 734 | 622 | 1,356 |
| Depreciation for the year | - | 362 | 308 | 670 |
| 31 December 2018 | - | 1,096 | 930 | 2,026 |
| Depreciation for the year | - | 709 | 408 | 1,117 |
| 31 December 2019 | - | 1,805 | 1,338 | 3,143 |
| Net book value | | | | |
| 31 December 2018 | 14,872 | 13,080 | 4,241 | 32,193 |
| 31 December 2019 | 14,872 | 12,371 | 4,281 | 31,524 |

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 2019 was Baht 1.9 million (2018: Baht 1.1 million). Such lease agreement covering for one year, maturity in December 2019 and September 2020, 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 appraised by the independent valuer on 9 and 11 January 2019, using the market approach and replacement cost approach.

The Company's investment properties are mortgaged with the financial institution to secure bank overdrafts, short-term loan and long-term loan of the Company, as discussed in Note 19 and Note 21 to the consolidated financial statements.

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 2018 | 89,081 | 38,885 | 20,204 | 34,090 | - | 19,683 | 49,747 | 251,690 |
| Increase from business combination | - | - | 12,293 | 208 | 26,051 | - | - | 38,552 |
| Additions | 5,124 | 8,291 | 3,569 | 7,095 | 1,401 | 3,790 | 49,643 | 78,913 |
| Transfer in (out) | 662 | 78,932 | - | 6,206 | - | - | (85,800) | - |
| Disposals/write-off | - | - | (623) | (254) | - | (524) | - | (1,401) |
| As at 31 December 2018 | 94,867 | 126,108 | 35,443 | 47,345 | 27,452 | 22,949 | 13,590 | 367,754 |
| Additions | - | 1,388 | 6,474 | 6,484 | 153 | - | 28,037 | 42,536 |
| Transfer in (out) | - | - | - | 7,674 | - | - | (7,674) | - |
| Disposals/write-off | - | - | (3,097) | (25) | (2,219) | - | - | (5,341) |
| As at 31 December 2019 | 94,867 | 127,496 | 38,820 | 61,478 | 25,386 | 22,949 | 33,953 | 404,949 |
| Accumulated depreciation | | | | | | | | |
| As at 1 January 2018 | 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 |
| Depreciation for the year | 6 | 7,513 | 4,226 | 5,904 | 3,851 | 1,541 | - | 23,041 |
| Depreciation on disposals/ write-off | - | - | (575) | (9) | (477) | - | - | (1,061) |
| As at 31 December 2019 | 338 | 28,111 | 21,529 | 18,438 | 6,863 | 8,528 | - | 83,807 |
| Allowance for impairment | | | | | | | | |
| As at 1 January 2018 | - | - | - | - | - | - | - | - |
| As at 31 December 2018 | - | - | - | - | - | - | - | - |
| Additions | - | - | 7,601 | 138 | 18,523 | - | - | 26,262 |
| As at 31 December 2019 | - | - | 7,601 | 138 | 18,523 | - | - | 26,262 |
| Net book value | | | | | | | | |
| As at 31 December 2018 | 94,535 | 105,510 | 17,565 | 34,802 | 23,963 | 15,962 | 13,590 | 305,927 |
| As at 31 December 2019 | 94,529 | 99,385 | 9,690 | 42,902 | - | 14,421 | 33,953 | 294,880 |
| Depreciation for the year | | | | | | | | |
| 2018 (Depreciation of Baht 10.6 million included in cost of sales and services, and the balance in administrative expenses) | | | | | | | | 18,175 |
| 2019 (Depreciation of Baht 12.4 million included in cost of sales and services, and the balance in administrative expenses) | | | | | | | | 23,041 |

In 2019, a subsidiary reviewed the value of equipment for supporting medical services for health and beauty business which the carrying amount of the equipment is grouped in the same cash generating unit as the goodwill and the intangible assets as described in Note 17 and Note 18 to the consolidated financial statements, and recognised allowance for impairment of the equipment totaling Baht 26 million.

(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 2018 | 79,507 | 26,028 | 14,571 | 6,661 | 18,185 | 43,541 | 188,493 |
| Additions | - | 88 | 2,122 | 901 | - | 36,076 | 39,187 |
| Transfer in (out) | 662 | 78,932 | - | - | - | (79,594) | - |
| Disposals/write-off | - | - | (282) | (99) | - | - | (381) |
| As at 31 December 2018 | 80,169 | 105,048 | 16,411 | 7,463 | 18,185 | 23 | 227,299 |
| Additions | - | 940 | 672 | 2,113 | - | - | 3,725 |
| Disposals/write-off | - | - | - | - | - | - | - |
| As at 31 December 2019 | 80,169 | 105,988 | 17,083 | 9,576 | 18,185 | 23 | 231,024 |
| Accumulated depreciation | | | | | | | |
| As at 1 January 2018 | 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 |
| Depreciation for the year | 6 | 6,383 | 1,529 | 1,443 | 941 | - | 10,302 |
| Depreciation on disposals/write-off | - | - | - | - | - | - | - |
| As at 31 December 2019 | 338 | 22,783 | 13,920 | 5,655 | 7,492 | - | 50,188 |
| Net book value | | | | | | | |
| As at 31 December 2018 | 79,837 | 88,648 | 4,020 | 3,251 | 11,634 | 23 | 187,413 |
| As at 31 December 2019 | 79,831 | 83,205 | 3,163 | 3,921 | 10,693 | 23 | 180,836 |
| Depreciation for the year | | | | | | | |
| 2018 (Depreciation of Baht 1.2 million included in cost of sales and services, and the balance in administrative expenses) | | | | | | | 7,849 |
| 2019 (Depreciation of Baht 1.4 million included in cost of sales and services, and the balance in administrative expenses) | | | | | | | 10,302 |

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 Group and secure bank overdraft, short-term loans and long-term loan of the Group, as discussed in Note 19 and Note 21 to the consolidated financial statements.

As at 31 December 2019, the Group has motor vehicles acquired under hire purchase agreements, with net book value amounting to approximately Baht 7.4 million (2018: Baht 8.6 million), the Company only: Baht 3.8 million (2018: Baht 4.3 million).

As at 31 December 2019, 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 29.4 million (2018: Baht 26 million), the Company only: Baht 20.4 million (2018: Baht 19 million).

17. Goodwill

Goodwill as at 31 December 2019 and 2018 represents the goodwill from acquired of medical services for health and beauty business by Hi Healthcare Center Co., Ltd. (the Company's subsidiary) with details as follows:

| | (Unit: Thousand Baht) | |
|---------------------------------------|-----------------------------------|---------|
| | Consolidated financial statements | |
| | 2019 | 2018 |
| Goodwill | | |
| Medical service for health and beauty | 116,574 | 116,574 |
| Less: Allowance for impairment | (116,574) | - |
| Goodwill - net | - | 116,574 |

Goodwill represents the excess of the cost of business acquiring over the fair value of assets acquired and liabilities assumed at acquisition date. The Group has tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

In 2019, a subsidiary evaluated impairment of goodwill, intangible assets and equipment relating to medical services for health and beauty business, which their carrying amounts are grouped in the same cash generating unit, by comparing the carrying amount of the cash generating unit to their recoverable amounts. The recoverable amounts are the value in use which is determined by using estimated future cash flow projections which are referred from financial projection approved by the management based on the assumptions that the Franchise Agreement of the subsidiary will be terminated in February 2030 and discounted to their present value using the pre-tax discount rate reflecting specific risks relating to the subsidiary.

As a result of the impairment assessment of the assets referred above, the subsidiary recognised losses from impairment totaling Baht 186 million in profit or loss in the consolidated financial statements for the year 2019. The impairment losses are comprised of impairment of the goodwill amounting to Baht 117 million, impairment of the intangible assets amounting to Baht 43 million and impairment of the equipment amounting to Baht 26 million as described in Note 16 and Note 18 to the consolidated financial statements.

18. Intangible assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | |
|---------------------------------------|-----------------------------------|-----------------|----------|----------------------|--------|
| | Franchise license | Service mark | Licenses | Computer software | Total |
| Cost | | | | | |
| 1 January 2018 | - | - | 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 |
| Additions | - | - | - | 107 | 107 |
| 31 December 2019 | 46,729 | 3,210 | 2,626 | 6,471 | 59,036 |
| Accumulated amortisation | | | | | |
| 1 January 2018 | - | - | 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 |
| Amortisation for the year | 3,270 | 237 | 262 | 758 | 4,527 |
| 31 December 2019 | 6,181 | 505 | 2,490 | 5,257 | 14,433 |
| Allowance for impairment | | | | | |
| 1 January 2018 | - | - | - | - | - |
| 31 December 2018 | - | - | - | - | - |
| Additions | 40,548 | 2,705 | - | 204 | 43,457 |
| 31 December 2019 | 40,548 | 2,705 | - | 204 | 43,457 |
| Net book value | | | | | |
| 31 December 2018 | 43,818 | 2,942 | 398 | 1,865 | 49,023 |
| 31 December 2019 | - | - | 136 | 1,010 | 1,146 |

In 2019, a subsidiary reviewed the value of intangible assets relating to medical services for health and beauty business, comprised of franchise license and service mark, which the carrying amounts of those intangible assets are grouped in the same cash generating unit as the goodwill and the equipment as described in Note 16 and Note 17 to the consolidated financial statements, and recognised allowance for impairment of the intangible assets totaling Baht 43 million.

(Unit: Thousand Baht)

| | Separate financial statements | | |
|---------------------------------|-------------------------------|-------------------|-------|
| | Licenses | Computer software | Total |
| Cost | | | |
| 1 January 2018 | 2,626 | 4,030 | 6,656 |
| Additions | - | 298 | 298 |
| 31 December 2018 | 2,626 | 4,328 | 6,954 |
| Additions | - | 107 | 107 |
| 31 December 2019 | 2,626 | 4,435 | 7,061 |
| Accumulated amortisation | | | |
| 1 January 2018 | 1,966 | 2,486 | 4,452 |
| Amortisation for the year | 262 | 633 | 895 |
| 31 December 2018 | 2,228 | 3,119 | 5,347 |
| Amortisation for the year | 262 | 534 | 796 |
| 31 December 2019 | 2,490 | 3,653 | 6,143 |
| Net book value | | | |
| 31 December 2018 | 398 | 1,209 | 1,607 |
| 31 December 2019 | 136 | 782 | 918 |

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

(Unit: Thousand Baht)

| | Interest rate (% per annum) | Consolidated financial statements | | Separate financial statements | |
|-----------------|--------------------------------------|--------------------------------------|--------|----------------------------------|--------|
| | | 2019 | 2018 | 2019 | 2018 |
| Bank overdrafts | MOR | 59 | 18,903 | - | 6,567 |
| Promissory note | 5.75-6.00, MOR-0.75, LIBOR+2.5 | 37,154 | 19,930 | 37,154 | 19,930 |
| Total | | 37,213 | 38,833 | 37,154 | 26,497 |

As at 31 December 2019, bank overdrafts and short-term loans from financial institutions of the Group of Baht 130 million (2018: Baht 95 million) the Company only: Baht 95 million (2018: Baht 60 million) are secured by mortgage of the Company's land and construction as discussed in Note 15 and Note 16 to the consolidated financial statements and bank overdrafts of subsidiaries are secured by the Company.

20. Trade and other payables

| (Unit: Thousand Baht) | | | | |
|--|----------------------|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade accounts payable - related parties | - | - | 270 | 45 |
| Trade accounts payable - unrelated parties | 78,408 | 66,283 | 33,526 | 21,033 |
| Accrued expenses- related parties | 5,281 | 4,668 | 4,823 | 4,269 |
| Accrued expenses- unrelated parties | 34,770 | 24,514 | 21,296 | 15,111 |
| Other payables - related parties | - | - | 119 | 31 |
| Other payables - unrelated parties | 54,778 | 26,472 | 4,956 | 3,370 |
| Total | 173,237 | 121,937 | 64,990 | 43,859 |

21. Long-term loan

| (Unit: Thousand Baht) | | | | | | | |
|--|-------------------|---|------------------|----------------------|---------------|----------------------|---------------|
| Loan | Interest rate (%) | Repayment schedule | Due date | Consolidated | | Separate | |
| | | | | financial statements | | financial statements | |
| | | | | 2019 | 2018 | 2019 | 2018 |
| 1 | MLR-1 | Monthly installments as from 15 January 2017 | 15 January 2021 | 3,098 | 5,954 | 3,098 | 5,954 |
| 2 | MLR-1.75 | Monthly installments as from 17 November 2017 | 17 October 2026 | 34,900 | 38,500 | 34,900 | 38,500 |
| 3 | MLR-1.75 | Monthly installments as from 24 November 2017 | 24 October 2025 | 7,082 | 8,966 | - | - |
| 4 | MLR-1.75 | Monthly installments as from 5 March 2019 | 5 February 2027 | 6,228 | - | - | - |
| 5 | MLR-1.75 | Monthly installments as from 16 May 2019 | 16 April 2024 | 8,831 | - | 8,831 | - |
| 6 | MLR-1 | Monthly installments as from 30 November 2019 | 30 November 2024 | 4,565 | - | 4,565 | - |
| Total | | | | 64,704 | 53,420 | 51,394 | 44,454 |
| Less: Current portion | | | | (14,546) | (9,035) | (10,061) | (6,994) |
| Long-term loans, net of current portion | | | | 50,158 | 44,385 | 41,333 | 37,460 |

Movements of long-term loans during the period ended 31 December 2019 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--------------------------------|---|-------------------------------------|
| Balance as at 1 January 2019 | 53,420 | 44,454 |
| Add: Addition loan | 22,620 | 14,700 |
| Less: Repayment of loans | (11,336) | (7,760) |
| Balance as at 31 December 2019 | 64,704 | 51,394 |

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 2019, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 14.1 million (2018: Baht 22.0 million).

22. Liabilities under hire purchase and finance lease agreements

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|---------|----------------------------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Liabilities under hire purchase and finance lease agreements | 7,686 | 9,657 | 3,259 | 4,472 |
| Less: Deferred interest expenses | (1,264) | (1,881) | (347) | (632) |
| Total | 6,422 | 7,776 | 2,912 | 3,840 |
| Less: Current portion | (1,480) | (1,353) | (1,008) | (928) |
| Liabilities under hire purchase and finance lease agreements - net of current portion | 4,942 | 6,423 | 1,904 | 2,912 |

The Group 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 2019 | | | | | | |
| | Consolidated financial statements | | | Separate financial statements | | |
| | Less than | | | Less than | | |
| | 1 year | 1 - 5 years | Total | 1 year | 1 - 5 years | Total |
| Future minimum lease payments | 1,974 | 5,712 | 7,686 | 1,213 | 2,046 | 3,259 |
| Deferred interest expenses | (494) | (770) | (1,264) | (205) | (142) | (347) |
| Present value of future minimum lease payments | 1,480 | 4,942 | 6,422 | 1,008 | 1,904 | 2,912 |
| (Unit: Thousand Baht) | | | | | | |
| 31 December 2018 | | | | | | |
| | Consolidated financial statements | | | Separate financial statements | | |
| | Less than | | | Less than | | |
| | 1 year | 1 - 5 years | Total | 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 |

23. Provision for long-term employee benefits

As at 31 December 2019 and 2018, provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

| (Unit: Thousand Baht) | | | | |
|---|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Provision for long-term employee benefits at beginning of year | 18,113 | 16,780 | 14,598 | 13,803 |
| Included in profit or loss: | | | | |
| Current service cost | 2,370 | 1,635 | 1,481 | 1,089 |
| Interest cost | 731 | 612 | 574 | 500 |
| Past service cost | 4,674 | - | 3,736 | - |
| Included in other comprehensive income: | | | | |
| Actuarial loss arising from | | | | |
| Demographic assumptions changes | - | (133) | - | (535) |
| Financial assumptions changes | 3,621 | (199) | 2,096 | (318) |
| Experience adjustments | - | (519) | - | 122 |
| Benefits paid during the year | (41) | (63) | (41) | (63) |
| Employee transfer | - | - | (46) | - |
| Provision for long-term employee benefits at end of year | 29,468 | 18,113 | 22,398 | 14,598 |

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 4.67 million (The Company only: Baht 3.74 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Group expects to pay Baht 2.30 million of long-term employee benefits during the next year (Separate financial statements: Baht 2.19 million) (2018: Baht 0.10 million, separate financial statements: Baht 0.02 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is between 13 and 22 years (the Company only: 13 years) (2018: between 23 and 29 years (the Company only: 26 years)).

Significant actuarial assumptions are summarised below:

| | (Unit: percent per annum) | | | |
|----------------------|---------------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Discount rate | 1.44 - 3.46 | 2.47 - 3.52 | 1.50 - 1.71 | 2.55 - 2.92 |
| Salary increase rate | 7.32 - 8.51 | 7.32 - 8.51 | 7.32 | 7.32 |
| Turnover rate | 0 - 50 | 0 - 50 | 0 - 42 | 0 - 42 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

| | (Unit: Thousand Baht) | | | |
|----------------------|------------------------|----------|----------------------|----------|
| | As at 31 December 2019 | | | |
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Increase | Decrease | Increase | Decrease |
| | 0.5% | 0.5% | 0.5% | 0.5% |
| Discount rate | (1,021) | 1,097 | (808) | 869 |
| Salary increase rate | 1,142 | (1,067) | 908 | (849) |
| Turnover rate | (331) | 338 | (230) | 254 |

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:

| | Consolidated and Separate financial statements | | |
|---|---|------------------------------|--|
| | Number of share (Thousand shares) | Amount (Thousand Baht) | Share premium (Thousand Baht) |
| <u>Registered share capital</u> | | | |
| As at 1 January 2018 | 685,587 | 342,793 | |
| Decrease during year | (5,500) | (2,750) | |
| Increase during year | 30,919 | 15,460 | |
| As at 31 January 2018 | 711,006 | 355,503 | |
| As at 31 December 2019 | 711,006 | 355,503 | |
| <u>Issued and paid-up share capital</u> | | | |
| As at 1 January 2018 | 517,818 | 258,909 | 314,001 |
| Increase in capital from stock dividend | 23,535 | 11,767 | - |
| Increase during year | 23,789 | 11,895 | - |
| As at 31 January 2018 | 565,142 | 282,571 | 314,001 |
| As at 31 December 2019 | 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 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 Company had 521,623 unexercised FVC-W1 warrants which were expired during the current period.

Reconciliation of number of FVC-W1 warrants

| | (Unit: Units) | |
|---|---|--------------|
| | Consolidated and Separate financial statements | |
| | 2019 | 2018 |
| Number of warrants at the beginning of year | 521,623 | 16,782,206 |
| Exercised during the year (Note 24) | - | (16,260,583) |
| Expired | (521,623) | - |
| Number of warrants at the end of year | - | 521,623 |

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 (2017: 1.00000 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 2019 and 2018, the unexercised warrants were 138,790,207 units.

Reconciliation of number of FVC-W2 warrants

| | (Unit: Units) | |
|---|-------------------------------|-------------|
| | Consolidated and | |
| | Separate financial statements | |
| | 2019 | 2018 |
| Number of warrants at the beginning of year | 138,790,207 | 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 2019 and 2018 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Salary and wages and other employee benefits | 136,864 | 130,939 | 76,033 | 66,623 |
| Directors and management's benefits | 36,759 | 30,373 | 29,645 | 25,060 |
| Subcontract service fee | 129,344 | 33,100 | 98,236 | 16,883 |
| Depreciation and amortisation | 27,649 | 22,929 | 12,215 | 9,414 |
| Purchases of goods | 288,091 | 304,210 | 221,673 | 189,545 |
| Changes in finished goods and work in process | (2,051) | 19,769 | 7,788 | (3,298) |
| Physician's benefits | 38,331 | 54,693 | - | - |

28. Income tax

Income tax expense for the years ended 31 December 2019 and 2018 is made up as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Current income tax: | | | | |
| Corporate income tax charge | 16,953 | 6,786 | 15,851 | 5,116 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 5,000 | (8,807) | (66,964) | (412) |
| Income tax expenses (revenues) reported in the statement of comprehensive income | 21,953 | (2,021) | (51,113) | 4,704 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

| | (Unit: Thousand Baht) | | | |
|---------------------------------------|-----------------------|------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Deferred tax on actuarial gain (loss) | (723) | 170 | (419) | 146 |
| | (723) | 170 | (419) | 146 |

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2019 and 2018 can be presented as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Accounting profit (loss) before tax | (230,006) | (5,903) | (250,890) | 27,626 |
| Applicable tax rates | 20% | 20% | 20% | 20% |
| Accounting profit (loss) before tax multiplied by applicable tax rate | (46,001) | (1,181) | (50,178) | 5,525 |
| Tax effect of intercompany transactions | 500 | 401 | - | - |
| Effects of: | | | | |
| Non-deductible expenses (revenues) | 48,429 | (1,612) | (918) | (753) |
| Additional expense deductions allowed | (18) | (94) | (17) | (68) |
| Total | 48,411 | (1,706) | (935) | (821) |
| Unused tax losses expected to be unutilised in the future | 19,043 | 465 | - | - |
| Income tax expenses (revenues) reported in the statement of comprehensive income | 21,953 | (2,021) | (51,113) | 4,704 |

The components of deferred tax assets and deferred tax liabilities as at 31 December 2019 and 2018 are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|--------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 1,932 | 1,325 | 225 | 202 |
| Allowance for diminution in value of inventories | 118 | 121 | 29 | 32 |
| Allowance for impairment in investment | - | - | 20,000 | - |
| Allowance for doubtful accounts for short-term loans and interest receivable | - | - | 45,479 | - |
| Provision for long-term employee benefits | 5,746 | 3,574 | 4,479 | 2,920 |
| Unused tax losses | 1,676 | 8,933 | - | - |
| Others | 724 | 513 | 325 | - |
| Total | 10,196 | 14,466 | 70,537 | 3,154 |

| | (Unit: Thousand Baht) | | | |
|----------------------------------|-----------------------|---------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Deferred tax liabilities | | | | |
| Receivables from financial lease | | | | |
| agreements | (1,308) | (1,301) | - | - |
| Total | (1,308) | (1,301) | - | - |
| Deferred tax assets - net | 8,888 | 13,165 | 70,537 | 3,154 |

As at 31 December 2019, subsidiaries have temporary differences and unused tax losses totaling Baht 343 million (2018: Baht 17.6 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 Note 32 to the consolidated financial statements. 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 (loss) per share and diluted earnings per share:

| Consolidated financial statements | | | | | |
|---|--------------------|---|----------------------|---------------------------|---------|
| Loss for the year | | Weighted average number of ordinary shares | | Loss per share | |
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| Basic loss per share | | | | | |
| Loss attributable to equity holders of the Company | | | | | |
| (252,266) | (5,155) | 565,143 | 556,474 | (0.446) | (0.009) |
| Separate financial statements | | | | | |
| Profit (loss) for the year | | Weighted average number of ordinary shares | | Earnings (loss) per share | |
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| Basic earnings (loss) per share | | | | | |
| Profit (loss) attributable to equity holders of the Company | | | | | |
| (199,777) | 22,922 | 565,143 | 556,474 | (0.353) | 0.041 |
| Effect of dilutive potential ordinary shares | | | | | |
| Warrants | | | | | |
| FVC-W1 | - | | 344 | | |
| FVC-W2 | - | | 48,422 | | |
| Diluted earnings (loss) per share | | | | | |
| Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares | | | | | |
| | 22,922 | | 605,206 | | 0.038 |

No presentation of diluted loss per share in the consolidated statement of comprehensive income for the year 2019 and 2018 and separated statement of comprehensive income for the year 2019 since the diluted loss per share become anti-dilutive figure.

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 Group 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 2019 and 2018, 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 | | Eliminated | | Consolidated financial statements | |
|--|--|------|---|------|---|------|------------|------|-----------------------------------|-------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues from external customers | 219 | 101 | 289 | 255 | 310 | 301 | - | - | 818 | 657 |
| Inter-segment revenues | 7 | 5 | - | - | 28 | 16 | (35) | (21) | - | - |
| Total revenue | 226 | 106 | 289 | 255 | 338 | 317 | (35) | (21) | 818 | 657 |
| Profit from operation segments | 71 | 34 | 101 | 78 | 12 | 15 | (2) | (1) | 182 | 126 |
| Unallocated income and expenses: | | | | | | | | | | |
| Revenues from financial lease agreements and installment sales | | | | | | | | | 1 | 2 |
| Other income | | | | | | | | | 3 | 4 |
| Selling expenses | | | | | | | | | (39) | (30) |
| Administrative expenses | | | | | | | | | (365) | (101) |
| Finance cost | | | | | | | | | (12) | (7) |
| Income tax expense (revenue) | | | | | | | | | (22) | 2 |
| Loss for the year | | | | | | | | | (252) | (4) |
| Other comprehensive income - net of income tax | | | | | | | | | (3) | 1 |
| Total comprehensive income for the year | | | | | | | | | (255) | (3) |

The segment assets of the Group as at 31 December 2019 and 2018 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 | |
|-------------------------------|--|------|--|------|------------|------|--------------------------------------|------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Property, plant and equipment | 212 | 220 | 89 | 90 | (6) | (4) | 295 | 306 |
| Other assets | | | | | | | 478 | 649 |
| Total assets | | | | | | | 773 | 955 |

* 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 Group 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 2019, the Group has revenue from two major customers in amount of Baht 91 million and Baht 62 million, arising from sales and services of industrial and original equipment manufacturing water system segment and commercial and residential segment (2018: Baht 59 million derived from one major customer, arising from sales and services of commercial and residential segment).

31. Revenue from contracts with customers

31.1 Revenue Classification

(Unit: Baht)

| | For the year ended 31 December | | | |
|--|--------------------------------|--------------------|----------------------|--------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Type of goods or service: | | | | |
| Sales and services of industrial and original equipment manufacturing water system | 218,725,602 | 100,510,674 | 224,758,040 | 105,519,097 |
| Sales and services of commercial and residential | 288,670,369 | 255,469,597 | 288,670,369 | 255,469,597 |
| Sales and services of medical service | 310,159,562 | 300,730,103 | - | - |
| Total revenue from contracts with customers | <u>817,555,533</u> | <u>656,710,374</u> | <u>513,428,409</u> | <u>360,988,694</u> |
| Timing of revenue recognition: | | | | |
| Revenue recognised at a point in time | 451,511,087 | 395,279,172 | 342,776,985 | 329,556,595 |
| Revenue recognised over time | 366,044,446 | 261,431,202 | 170,651,424 | 31,432,099 |
| Total revenue from contracts with customers | <u>817,555,533</u> | <u>656,710,374</u> | <u>513,428,409</u> | <u>360,988,694</u> |

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 30 to the consolidated financial statements relating to the segment information:

(Unit: Baht)

| | For the year ended 31 December | | | |
|---|--------------------------------|--------------------|----------------------|--------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| External customers | 817,555,533 | 656,710,374 | 507,395,972 | 355,980,271 |
| Inter-segment | 34,992,898 | 20,887,208 | 6,032,437 | 5,008,423 |
| Total revenue | 852,548,431 | 677,597,582 | 513,428,409 | 360,988,694 |
| Adjustments and eliminations | (34,992,898) | (20,887,208) | - | - |
| Total revenue from contracts with customers | <u>817,555,533</u> | <u>656,710,374</u> | <u>513,428,409</u> | <u>360,988,694</u> |

31.2 Revenue recognised in relation to contract balances

In 2019, amounts of Baht 20.6 million that were included in advances received from customers at the beginning of the year were recognised as revenue. (the Company only: Baht 2.7 million).

32. Dividends / stock dividends

| Dividends / stock dividends | Approved by | Total dividends (Thousand Baht) | Dividend / stock dividend per share (Baht) |
|---|---|------------------------------------|---|
| Dividends for the year 2018 | Annual General Meeting of the shareholders on 29 April 2019 | 5,651 | 0.01000 |
| Total dividend paid in paid in 2019 | | 5,651 | 0.01000 |
| 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 |

33. 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 April 2018. The agreement was automatic renewable for a period of one year unless the agreements is not terminated.

Subsequently, on 28 February 2019, the Company has renewed the distributor agreement with the former foreign company, which original agreement was expired in April 2019. The new agreement was valid for two years and was due on 5 April 2021.

34. Provident fund

The Group 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 Group 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 2019 amounting to approximately Baht 2.1 million (2018: Baht 1.9 million), the Company only: Baht 1.7 million, (2018: Baht 1.6 million) were recognised as expenses.

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of approximately Baht 4.5 million (2018: Nil), relating to the software installation. (the Company only: Baht 3.2 million, 2018: Nil).

35.2 Operating lease commitments

The Group 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.

The 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 | |
| | 2019 | 2018 | 2019 | 2018 |
| Payable | | | | |
| in up to 1 year | 25.1 | 7.7 | 4.5 | 5.3 |
| in over 1 and up to 5 years | 19.8 | 4.8 | 3.3 | 3.7 |

35.3 Subcontracted work commitments

As at 31 December 2019, the Group had outstanding commitments in respect of subcontracted works of Baht 2 million (2018: Baht 3.3 million) (the Company only: Baht 1.7 million, 2018: Baht 3.3 million).

Subsequently, in February 2019, the subsidiary sued the company who is the owner of the franchise, which is the first co-defendant of the case above, in a civil lawsuit petitioning for breach of the Franchise Agreement and the Asset Sales Agreement, claiming compensation of approximately Baht 187 million. At present, this case is in the process of examination of the plaintiff's witnesses and the defendant's witnesses.

The subsidiary's net profit for the years 2018 and 2019 were not as guaranteed in the Franchise Agreement, as discussed in Note 35.4 to the consolidated financial statements, and the subsidiary is entitled to claim compensation the years 2018 and 2019. However, the subsidiary did not record the compensation income since court proceedings were in process and income recognition depends on negotiation of a compromise between the parties and/or the court's judgement.

36. Fair value hierarchy

As at 31 December 2019 and 2018, 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 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | 31 | - | 31 |
| | (Unit: Million Baht) | | | |
| | 31 December 2018 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | 31 | - | 31 |

37. Financial instruments

37.1 Financial risk management

Financial instruments of the Group, 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.

Subsequently, in February 2019, the subsidiary sued the company who is the owner of the franchise, which is the first co-defendant of the case above, in a civil lawsuit petitioning for breach of the Franchise Agreement and the Asset Sales Agreement, claiming compensation of approximately Baht 187 million. At present, this case is in the process of examination of the plaintiff's witnesses and the defendant's witnesses.

The subsidiary's net profit for the years 2018 and 2019 were not as guaranteed in the Franchise Agreement, as discussed in Note 35.4 to the consolidated financial statements, and the subsidiary is entitled to claim compensation the years 2018 and 2019. However, the subsidiary did not record the compensation income since court proceedings were in process and income recognition depends on negotiation of a compromise between the parties and/or the court's judgement.

36. Fair value hierarchy

As at 31 December 2019 and 2018, 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 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | 31 | - | 31 |
| | (Unit: Million Baht) | | | |
| | 31 December 2018 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | 31 | - | 31 |

37. Financial instruments

37.1 Financial risk management

Financial instruments of the Group, 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 Group 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 Group 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 Groups' 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 Group 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 2019 | | | | | |
|---|-----------------------------------|-------------|---------------|--------------|-------|--|
| | Consolidated financial statements | | | | | |
| | Fixed interest rates | | | | | |
| | Within | | Floating | Non-interest | | |
| | 1 year | 1 - 5 years | interest rate | bearing | Total | Interest rate |
| | | | | | | (% per annum) |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 11 | - | - | - | 11 | - |
| Trade and other receivables | - | - | - | 222 | 222 | - |
| Receivables from financial lease agreements and installment sales | 7 | 6 | - | - | 13 | MOR, MLR - 1 |
| Restricted bank deposits | - | 12 | - | - | 12 | 0.75 – 1.05 |
| | 18 | 18 | - | 222 | 258 | |
| Financial liabilities | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | 19 | - | 18 | - | 37 | MOR, MOR - 0.75, LIBOR +2.5, 5.75-6.00 |
| Trade and other payables | - | - | - | 173 | 173 | - |
| Long-term loans | - | - | 65 | - | 65 | MLR - 1, MLR - 1.75 |
| Liabilities under hire purchase and finance lease agreements | 1 | 5 | - | - | 6 | 5.64 - 9.03 |
| | 20 | 5 | 83 | 173 | 281 | |

(Unit: Million Baht)

| As at 31 December 2019 | | | | | | |
|--|-------------|---------------------------|-------------------------|-------|----------------------------------|--|
| 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 | - | - | - | 102 | - | |
| Receivables from installment sales | 3 | 1 | - | 4 | MLR - 1 | |
| Short-term loans to related parties | 26 | - | 46 | 72 | 4.53 - 6.62 | |
| Restricted bank deposits | - | 7 | - | 7 | 1.05 | |
| | 35 | 8 | 46 | 191 | | |
| Financial liabilities | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | 19 | - | 18 | 37 | MOR -0.75, LIBOR +2.5, 5.75-6.00 | |
| Trade accounts payable | - | - | - | 65 | - | |
| Long-term loans | - | - | 51 | 51 | MLR - 1, MLR - 1.75 | |
| Liabilities under hire purchase and finance lease agreements | 1 | 2 | - | 3 | 8.01 - 9.30 | |
| | 20 | 2 | 69 | 156 | | |

(Unit: Million Baht)

| | As at 31 December 2018 | | | | | |
|---|-----------------------------------|-------------|---------------------------|-------------------------|-------|--------------------------------|
| | Consolidated financial statements | | | | | |
| | Fixed interest rates | | | | | |
| | Within 1 year | 1 - 5 years | Floating interest rate | Non-interest bearing | Total | Interest rate (% per annum) |
| 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 | |

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 2019 and 2018 are summarised below.

| Consolidated financial statements | | | | | | |
|-----------------------------------|------------------------|------------|-----------------------------|------------|------------------------------------|---------|
| Foreign currency | Financial assets as at | | Financial liabilities as at | | Average exchange rate as at | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| US dollar | 1 | 109 | 901 | 265 | 30.1084 | 32.4036 |
| Pound Sterling | - | - | 11 | - | 39.4435 | 41.0040 |
| Euro | - | - | 9 | 125 | 33.6780 | 37.0731 |
| Won | 133 | 133 | - | - | 0.0260 | 0.0290 |
| Yen | - | 1,427 | - | - | 27.5434 | 29.2558 |
| Yuan | 2 | - | - | - | 4.2993 | 4.7085 |

| Separate financial statements | | | | | | |
|-------------------------------|------------------------|------------|-----------------------------|------------|------------------------------------|---------|
| Foreign currency | Financial assets as at | | Financial liabilities as at | | Average exchange rate as at | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| US dollar | 1 | 109 | 901 | 265 | 30.1084 | 32.4036 |
| Pound Sterling | - | - | 11 | - | 39.4435 | 41.0040 |
| Euro | - | - | - | 24 | 33.6780 | 37.0731 |
| Won | 133 | 133 | - | - | 0.0260 | 0.0290 |
| Yen | - | 1,427 | - | - | 27.5434 | 29.2558 |
| Yuan | 2 | - | - | - | 4.2993 | 4.7085 |

Foreign exchange contracts outstanding at 31 December 2019 and 2018 are summarised below:

| 31 December 2019 | | | | |
|--------------------|------------|------------|------------------------------------|------|
| Foreign currencies | Bought | Sold | Contractual exchange rate | |
| | amount | amount | Bought | Sold |
| | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| US dollar | 755 | - | 30.12500 - 30.58407 | - |

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 2019 and 2018 are summarised below.

| Consolidated financial statements | | | | | | |
|-----------------------------------|------------------------|------------|-----------------------------|------------|------------------------------------|---------|
| Foreign currency | Financial assets as at | | Financial liabilities as at | | Average exchange rate as at | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| US dollar | 1 | 109 | 901 | 265 | 30.1084 | 32.4036 |
| Pound Sterling | - | - | 11 | - | 39.4435 | 41.0040 |
| Euro | - | - | 9 | 125 | 33.6780 | 37.0731 |
| Won | 133 | 133 | - | - | 0.0260 | 0.0290 |
| Yen | - | 1,427 | - | - | 27.5434 | 29.2558 |
| Yuan | 2 | - | - | - | 4.2993 | 4.7085 |

| Separate financial statements | | | | | | |
|-------------------------------|------------------------|------------|-----------------------------|------------|------------------------------------|---------|
| Foreign currency | Financial assets as at | | Financial liabilities as at | | Average exchange rate as at | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| US dollar | 1 | 109 | 901 | 265 | 30.1084 | 32.4036 |
| Pound Sterling | - | - | 11 | - | 39.4435 | 41.0040 |
| Euro | - | - | - | 24 | 33.6780 | 37.0731 |
| Won | 133 | 133 | - | - | 0.0260 | 0.0290 |
| Yen | - | 1,427 | - | - | 27.5434 | 29.2558 |
| Yuan | 2 | - | - | - | 4.2993 | 4.7085 |

Foreign exchange contracts outstanding at 31 December 2019 and 2018 are summarised below:

| 31 December 2019 | | | | |
|--------------------|------------|------------|------------------------------------|------|
| Foreign currencies | Bought | Sold | Contractual exchange rate | |
| | amount | amount | Bought | Sold |
| | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| US dollar | 755 | - | 30.12500 - 30.58407 | - |

| 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 | - |

37.2 Fair values of financial instruments

Since the majority of the Groups' 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 2019 | As at 31 December 2018 |
| | Fair value | Fair value |
| | Loss | Loss |
| Derivatives | | |
| Forward exchange contracts | 0.1 | 0.1 |

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 Group had considered to counterparty credit risk when determining the fair value of derivatives.

38. 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 2019, debt-to-equity ratio of the Group was 0.88:1 (2018: 0.43:1) and the Company's was 0.39:1 (2018: 0.21:1).

39. Events after the reporting period

- 39.1 On 29 January 2020, the Company entered into a Combined Credit Line agreement with a bank with credit facility of Baht 25 million. The credit facility is secured by the mortgage of land of the Company and the guarantee provided by a subsidiary.

39.2 On 28 February 2020, 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 2020, to propose the Meeting for approval the following significant matters.

- (a) To approve a decrease in the Company's registered share capital from Baht 355,502,836 to Baht 355,120,379 by cancelling the 764,915 unallocated registered ordinary shares with a par value of Baht 0.50 per share.
- (b) To approve an increase in the Company's registered share capital from Baht 355,120,379 to Baht 417,913,944 through the issuance of 125,587,230 new ordinary shares with a par value of Baht 0.50 per share.
- (c) To approve the allocation of 125,587,230 newly issued ordinary shares with a par value of Baht 0.50 per share to be reserved for the exercise of Warrant No. 3 (FVC – W3), which will be issued to the existing shareholders who exercise their right to subscribe to the newly issued ordinary shares (Rights Offering).
- (d) To approve the issuance of 125,587,230 warrants to purchase the Company's ordinary shares (FVC – W3), to be allocated to the existing shareholders who exercise their rights to subscribe to the newly issued ordinary shares (Rights Offering).

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2020.

We lift your life.



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