

(Translation)

14th November, 2017

Ref: SET-2017-020

Re: Management's Discussion and Analysis and operating results for the 3rd Quarter 2017

Dear: The President

The Stock Exchange of Thailand

Filter Vision Public Company Limited and its subsidiaries (Hereinafter called "**The Group**") would like to submit Management's discussion and analysis for the 3rd Quarter 2017 with the summary as follows:-

1. Nature of operations of the Group

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

2. Overview of operating results in the Quarter 2/2017.

The overall global economy still has growth direction in fine criteria from continuous consumption of private sector mainly covering with supportive factor from recovery of internal demand of several countries. In the meantime, Thai economy still has continuously expanded in the same direction from investment motivation of both governmental and private sectors, which some part mainly comes from export and tourism sectors and internal expenditure rate has gradually expanded as well. These economic situations led to quarter 3/2017 the Company gained revenue from sales and services for 3-month period amounting to 127.06 MB. And it is expected that measurement to support the earners with lower income of the Government as well as the Cabinet's approval dated November 7, 2017 enforced the measurement "Holiday Shopping" in the last quarter of 2017 shall create positive atmosphere in spending money for retail business much more than normal time.

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

At the same time, the subsidiaries consist of **Irving Corporation Limited** to sell products and equipment design and installation of systems related to water treatment systems for medical services. By the 3rd quarter of this year, the sales of dialysis solution continually increased, due to the success from marketing of the new clients at the end of 2016, **KT Medical Services Co., Ltd.** provides health care facilities for patients with end-stage chronic kidney disease who receive replacement therapy with dialysis kidneys (Dialysis center). In 2016, the KT Medical Services Dialysis Center (The 1st branch - Phatthanakan) was inaugurated where the patients accepted replacement therapy with dialysis machines increased steadily to fully capacity. In the 1st quarter 2017, the subsidiary purchases more dialysis machines to accommodate more patients. In addition, on February 14, 2017, this subsidiary inaugurated a dialysis unit in a government hospital to provide hemodialysis services (The 2nd branch) that still has focused on continuous expansion of dialysis unit. On the past 29th September, 2017 the subsidiary additionally purchased assets from business of a dialysis unit which is business expansion as a plan laid down. And **Medical Vision Co., Ltd.** has distributed medical equipment. In the 1st quarter 2017, it recognized income from complete installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) for 8 projects.

3. Analysis of Operating Results

Statements of Comprehensive Income – Consolidated (Million Baht)	For 3-month period ended September 30,		Increase (Decrease)		2 nd Quarter	Increase (Decrease)		For 9-month period ended September 30,		Increase (Decrease)	
	2017	2016	YoY	%		2017	QoQ	%	2017	2016	YoY
Revenues from sales and services	127.06	118.42	8.64	7.30%	97.55	29.51	30.25%	337.09	278.31	58.78	21.12%
Gross profit from sales and services	31.85	34.66	(2.81)	(8.11%)	24.34	7.51	30.85%	87.80	76.43	11.37	14.88%
Other income	2.67	0.40	2.27	567.50%	1.18	1.49	126.27%	5.47	1.64	3.83	233.54%
Selling expenses	6.89	5.99	0.90	15.03%	5.97	0.92	15.41%	19.29	16.82	2.47	14.68%
Administrative expenses	20.48	17.98	2.50	13.90%	20.22	0.26	1.29%	59.94	53.03	6.91	13.03%
Net profit before finance costs and corporate income tax	7.15	11.09	(3.94)	(35.53%)	(0.67)	7.82	1,167.16%	14.04	8.22	5.82	70.80%
Finance costs	0.36	0.43	(0.07)	16.28%	(0.37)	0.73	197.30%	1.13	1.47	(0.34)	(23.13%)
Corporate income tax	2.06	2.12	(0.06)	(2.83%)	(0.34)	2.40	705.88%	3.19	1.97	1.22	61.93%
Net profit for the period	4.73	8.54	(3.81)	(44.61%)	(0.70)	5.43	775.71%	9.72	4.78	4.94	103.35%
Other comprehensive income - net of tax	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Total Comprehensive income for the period	4.73	8.54	(3.81)	(44.61%)	(0.70)	5.43	775.71%	9.72	4.78	4.94	103.35%

Statements of Profit & Loss – Consolidated (Million Baht)	For 3-month period ended September 30,		Increase (Decrease)		2 nd Quarter	Increase (Decrease)		For 9-month period ended September 30,		Increase (Decrease)		
	2017	2016	YoY	%		2017	QoQ	2017	2016	YoY	%	2017
	Profit Sharing for the Period											
- The Company's Equity	5.29	8.22	(2.93)	(35.64%)	(0.34)	5.63	1,655.88%	10.26	5.18	5.08	98.07%	
- Non-controlling Interest	(0.56)	0.32	(0.88)	(275.00%)	(0.36)	(0.20)	(55.56%)	(0.54)	(0.40)	(0.14)	(35.00%)	

Total revenues (revenues from sales and services and other income) increase from the same period of previous year at Baht 29.51 million or 30.25 per cent; increased from the same period of previous year at 58.78 MB or 21.12 per cent. As a result from the year 2017 the Company got special orders in products and service segments for several projects as well as the subsidiaries has direction of revenue to grow well and continuously. This is resulted from the open of market to new customers of dialysis solution in the end of previous year; the increase of dialysis machines at special clinic for medical treatment by kidney machine - KT Medical Service (the 1st branch – Phatthanakan) to support the continuously increased clients; and the investment in 2 more dialysis units during the past time. All this, the revenue can be classified by business segments as follows:-

Revenue by business segments	For 3-month period ended September 30,				For 9-month period ended September 30,			
	2017		2016		2017		2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)	ล้านบาท	สัดส่วน (%)
1. Industrial and OEM (B1) ¹	24.67	19.42%	34.62	29.23%	65.18	19.34%	72.67	26.11%
2. Commercial and residential (B2) ¹	76.66	60.33%	56.91	48.06%	185.21	54.94%	150.50	54.08%
3. Medical services (B3) ²	25.73	20.25%	26.89	22.71%	86.70	25.72%	55.14	19.81%
Total Revenues	127.06	100.00%	118.42	100.00%	337.09	100.00%	278.31	100.00%

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

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

3.1 Revenue from sales and services.

Operating results in the 3rd quarter 2017 showed that the Group gained revenues from sales and services increased from the same period of prior year at 8.64 MB or 7.30 per cent, which can be explained by business segments as follows:-

Industrial and OEM (B1)

Revenue in this segment decreased at 9.95 MB when compared with the same period of previous year, or 28.74 per cent due to only a special order from only 1 project of Water Dispenser in the 3rd quarter. This is resulted from the core projects were launched and completely delivered in the first half of the year e.g. purifying machine by UV for water in manufacturing process, rain-storage system, and water system installation and water treatment project, etc. However, when compared with the same period of previous year; it can be proved that there are special orders for several projects e. g. installation project of treatment for waste and infected waste, project of capacity expansion for water supply, etc. This is resulted from the slowdown of economic condition during the first half of 2016 effect to not much revenue from projects and major revenue from projects already done marketing recognized in the 3rd quarter of 2016 so that revenue in this segment decreased when compared with the same period of previous year. However, this segment still has obtained regular sales volume for filter elements from product quality, which can well response the customers' demand. Therefore, sales volume of products still obtain continuous growth rate accordingly.

Commercial and residential (B2)

Revenue in this segment has increased 19.75 MB when compared with the same period of previous year or 34.70 per cent. Due to commitment for expanding their business to CLMV, the 3rd quarter 2017 The Company distributes a celli counter beverage dispenser to a customer in Cambodia. Including the sales volume from clients in the convenience store business line, which expand the business to new branch continually such as a water purification system, roller grill, boiler and sandwich machines, as well as preventive maintenance (PM) of the exist customers. These resulted in a significant increase in revenue in this business segment.

Medical services (B3)

Revenue in this segment decreased at 1.16 MB or 4.31 per cent from the same period of last year. The main decrease of revenue is resulted from pneumatic tube for document and parcel delivery was unable to install as targeted. While at the same period of previous year this project able to installed for the first customer as well as able to distribute products in medical equipment segment with total value at 6.00 MB. So that for the last period of 3rd quarter 2017, foreign manufacturer delivered some part of products to the subsidiary already. It is expected to install completely in the last quarter 2017. As well as Irving Corporation Limited gained slightly decreased revenue from sales from the same period of previous year because the 3rd quarter 2016 obtained sales volume of dialysis machines at 0.46 MB and water purifying system at 0.37 MB while the 3rd quarter 2017 revenue from such products not has been not gained yet. Notwithstanding, KT Medical Service Co., Ltd. gained increased revenue at 5.72 MB from the same period of previous year. As a result from in 2017at special clinic for medical services by dialysis machines (the 1st branch – Phattanakan) there were continuously increased patients accepted replacement therapy with dialysis machines steadily until full capacity while there were not so many patients at the same period of previous year. It is included that inauguration of the 2nd dialysis unit in the 1st quarter 2017 resulted increased revenue to KT Medical

Service Co., Ltd. as well as resulted to total revenue of this business segment was decreased from the same period of previous year not so much.

3.2 Gross profit

The Group got decreased gross profit at 2.81 MB or 8.11 per cent when compared with the same period of previous year. Main reason is from new business expansion of a subsidiary in B3 inaugurate in the 1st quarter of 2017 and not yet generate income to cover expenses. Some reason is from depreciation of improved building and design that such depreciation must be recognized in line with contract period. In the same period of previous year there was not yet additional business expansion. As well as the existing business enable to generate income in similar level of expenses. This is resulted to the same period of previous year gained well gross profit when compared with the 3rd quarter 2017. So that if consider gross profit in the 3rd quarter 2017 with the previous quarter, it can be found that the Group gained gross profit higher than the previous quarter at 7.42 MB or 30.37 per cent. This is resulted from sales volume from special order received in the 3rd quarter 2017 is sales volume gained well gross profit. As well as revenue in Subsidiary of B3 expanded its business in the 1st quarter 2017 has well growth direction and can lower the gap of expenses steadily. The said factors result to the 3rd quarter 2017 gained increased gross profit when compared with the previous quarter.

3.3 Selling expenses

The Group's selling expenses increased at 0.92 MB or 15.41 because in the 3rd quarter 2017 the Company organized several academic seminars and product exhibition in line with the intention to contribute knowledge to customers and consumers group regarding proper water quality. As well as contribute understanding in products of the Group to realize the importance of good products and services quality. While the previous quarter there were academic seminars and product exhibition not so much. So that such expenses also led to increased selling expenses form the same period of previous year at 1.01 MB or 17.18 per cent.

3.4 Administration expenses

The Group has administration expenses increased from the same period of previous year at 0.26 MB or 1.29 per cent and increased from the same period of previous year at 2.51 MB or 13.90 per cent. Main reason is from annual compensation adjustment for staff and executives. As well as higher numbers of employees of the Group to reserve and support continuity business growth steadily. Those then result to increased administration expenses when compare with the same period of previous year.

3.5 Finance costs

The Group's finance costs increased at 0.73 MB or 197.30 per cent from the same period of last year. Due to the 3rd quarter, the Company made 2 financial agreements while made 1 financial agreement in the previous quarter and its maturity already completed. This is resulted to financial costs in the 3rd quarter 2017 increased from the previous quarter. But, when compared with the same period of previous year,

financial costs decreased at 0.07 MB or 16.28 per cent. This is resulted form in January 2017, the Group began repaying principal from loan. In addition, the outstanding balance of financial lease contract is decreased from always repayment. These result to the finance costs in the 3rd quarter 2017 decreased from the same period of last year not so much.

3.6 Operating results

The Group's operating results was decreased at 3.81 MB or 44.61 per cent from the same quarter of last year. As a result of the higher total revenue combined with lower overall operating expenses. As a result the operation in the 3rd quarter of 2017, decrease as significantly. These successes are the result from management policies and key expenses in 2016, to prepare us for market expansion and growth for the Group in the year 2017, as previously described in last year

4. Financial position

Statement of Financial Position – Consolidated (Million Baht)	As at		As at	%
	September 30,	December 31,		
	2017	2016		
Assets	729.08	466.93	262.15	56.14%
Liabilities	89.49	107.95	(18.46)	(17.10%)
Shareholders' equity	639.59	358.98	280.61	78.17%
Issued and fully paid-up common share (Million Share)	511.51	308.42	203.09	65.85%
Par (Baht)	0.50	0.50	0.00	0.00%

4.1 Assets

Overall asset in 9-month 2017 was increased from 2016 by Baht 262.15 million or 56.14 per cent. The significant transactions included of, **cash and cash equivalents has net-increase amount 188.55 MB**, which increase from the offering of ordinary shares and exercise of warrants (FVC-W1) in the second quarter of 2017 amounting to Baht 254.45 million and Baht 24.44 million, respectively. While, cash and cash equivalents has decrease due to paid annual bonus to the employees and management amount of Baht 9.49 million, dividend paid to the shareholders in May 2017 amount Baht 6.79 million, purchase of land in Chiang Mai amount Baht 20.02 million, invest in the second branch of Hemodialysis center amount Baht 7.30 million and payment for purchase assets in the 2nd branch of dialysis unit at 10.00 MB, repayment for long-term loan from financial institution at 6.75 MB, repayment for debt to account payable for the order at the end of year 2016 at 13.46 MB, and prepayment to contractors for building and warehouse construction at 2.39 MB and 21.42 MB respectively. Cash and cash equivalents decreased as mentioned above, effect to the Group's **property, plant and equipment and other advances have increased Baht 54.45 million and Baht 2.39**

million, respectively. In addition, trading and other account receivables were increased at 12.69 MB mainly from special orders for 2 projects completed installed in the last period of the 3rd quarter 2107. And **inventory has net increased totaling Baht 3.79 million** to support the customer orders in the next quarter. These factors have resulted in assets to net increase as mentioned above.

4.2 Liabilities

Overall liabilities in the 9-month 2017 was decreased from the end of 2016, by Baht 18.46 million or 17.10 per cent due to **trading and other account payables were decreased at net 15.67 MB**. Some reason is from repayment made to distributors whom got order from the Group at the end of the previous year 2016 at 10.12 MB; and **long-term loan was decreased at 6.75 MB** from repayment in accordance with loan agreement, which specified to pay for the 1st installment in January 2017. Those factors resulted to the Group got net decreased liabilities from operation as stated above.

4.3 Shareholders' equity

The overall shareholders' equity in 9-month 2017 was increased by Baht 280.61 million or 78.17 per cent per cent. Significant changed transactions is comprised of increased registered capital from offering for sales of common shares and warrants (FVC-W2) in the 2nd quarter 2017 at net 277.67 MB (already deducted expenses from such offering at 1.22 MB); and increased form operating results in the previous 9-month period at 9.72 MB; while decreased from dividend paid to shareholders in May 2017 at 6.78 MB. Those are significant factors resulted to overall Shareholders' equity was increased.

5. Company's direction in 2017

Overall significant events are as follows.

5.1 KT Medical Service Company Limited operates to provide health care facilities for patients with end-stage chronic kidney disease who receive replacement therapy with dialysis kidneys. In 2016, with patients accepted replacement therapy with dialysis with dialysis machines increased steadily to fully capacity. In 2017, the Company purchases dialysis machines to accommodate more patients. In addition, on February 14, 2017, the Company opened the second branch of dialysis unit and first hemodialysis service was started on February 15, 2017. Currently, the number of patients undergoing hemodialysis is increasing continually. In addition, the Company has plans to establishing more dialysis units to accommodate the increasing number of patients in presently.

5.2 Medical Vision Company Limited has received purchase order from 8 customer for installation and maintenance of pneumatic tube carrier systems totaled Baht 9.29 million which completed. At present, the Company ordered the products from foreign manufacturers for install to the ordered from customer on a continuous order. Which the growth of business has a good direction.

5.3 Irving Corporation Ltd. in the previous 9-month period enabled to install water purification system for dialysis units for 7 projects at total value of 7.81 MB and still gets order to install such system continuously. Currently, the subsidiary gets orders from 8 customers at total value 8.34 MB including with orders of products in medical segments at 4.57 MB. While current sales volume of dialysis solution still enables to expand to target group continually.

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

5.5 Continue to offer new products, the machine producing high concentration ozonated water for foods and beverage industrial (Biosure) and the machine producing high concentration ozonated Water For commercial laundry application (Biospin), which new innovation product to related purification and treatment water systems in Thailand to the target's consumers after this products is launched on 2015.

5.6 The Group emphasize encouraging to customers aware about the quality water and new technology of water system and innovative of disinfection for food and beverages industrial, through the seminars activity in 2017. Including, take the technology's customer management, Application: Cloud for Customer, to use for management on sales and service.

Sincerely Yours,

Wijit Techakasem
(Dr.Wijit Techakasem)
Managing Director