



บริษัท เอ็ม วิชั่น จำกัด (มหาชน)
M Vision Public Company Limited

11/1 ซ. รามคำแหง 121 ถ. รามคำแหง แขวงหัวหมาก เขตบางกะปิ กรุงเทพฯ 10240
11/1 Ramkhamhaeng 121 Ramkhamhaeng Rd. Huamark, Bangkok Bangkok 10240
Tel. 02-735-1201,02,04 Fax : 0-2735-2719

No. 256111002

14 November 2018

Subject: Management Discussion and Analysis for the third quarter ended 30 September 2018

To: President
The Stock Exchange of Thailand

M Vision Public Company Limited (“the Company”) are pleased to submit this Management Discussion and Analysis for the three-month and nine-month periods ended 30 September 2018 with details as follows:

Summary overview

Thailand Mobile Expo event 3/2018 was the most successful event since the Company was established with the highest revenue of Baht 42 million. As a result, revenue from the main event business increased by Baht 15.8 million or 44.7% when compared to the same period last year. In addition, the attendees increased by 10% and cash flow from the event reached Baht 2,000 million. Most attendees were interested in IT equipment and IT technology including others relating technology which was launched for the first time in this event.

Operating Results Overview

Operating results of the Company for three-month and nine-month periods ended 30 September 2018 and 2017 are as follows:

Unit: Million Baht	For three-month period ended 30 September				For nine-month period ended 30 September			
	2018	2017	Increase/(Decrease)		2018	2017	Increase/(Decrease)	
Sales	110.7	40.0	70.7	177%	131.7	79.3	52.4	66%
Service income	57.6	48.2	9.4	19%	219.6	161.0	48.6	30%
Total Sales	168.3	88.2	80.1	91%	341.3	240.3	101.0	42%
Cost of sales	110.9	37.0	73.9	220%	131.0	71.4	59.6	84%
Allowance for diminution in value of inventories	68.7	0.1	68.6	69,961%	68.8	0.2	68.6	38,676%
Cost of services	33.0	23.0	10.0	44%	117.2	80.9	36.3	45%
Total Cost	212.6	60.1	152.5	254%	317.0	152.5	164.5	108%



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Unit: Million Baht	For three-month period				For nine-month period			
	ended 30 September				Ended 30 September			
	2018	2017	Increase/(Decrease)		2018	2017	Increase/(Decrease)	
Gross profit	(44.3)	28.1	(72.4)	(257%)	24.3	87.8	(63.5)	(72%)
Other income	0.2	0.4	(0.2)	(58%)	0.3	0.5	(0.2)	(27%)
Selling expenses	6.6	8.0	(1.4)	(18%)	14.1	16.6	(2.5)	(15%)
Administrative expenses	16.9	13.2	3.7	28%	48.8	37.7	11.1	30%
Financial Cost	0.6	0.4	0.2	76%	1.5	0.9	0.6	63%
Profit before income tax expenses	(68.2)	6.9	(75.1)	(1,069%)	(39.8)	33.1	(72.9)	(220%)
Income tax expenses	13.6	(1.3)	14.9	1,153%	7.9	(6.4)	14.3	223%
Net profit	(54.6)	5.6	(60.2)	(1,069%)	(31.9)	26.7	(58.6)	(219%)

1. Sales

For three-month period ended 30 September 2018, sales from E-Commerce segment considerably increased by Baht 70.7 million or 177% when compared with the same quarter of last year. This was resulting from an exclusive mobile phone project, a new project in the third quarter of 2018, recorded sales in this quarter of approximately Baht 82 million.

2. Service income

For three-month period ended 30 September 2018, service income increased by Baht 9.4 million or 19% when compared with the same quarter of last year. This was mainly from increasing in revenue from main business, Thailand Mobile Expo event, which the Company sold all exhibitions and advertising spaces. This was the last Thailand Mobile Expo event held at Queen Sirikit convention center in this year. The revenue was approximately Baht 42 million, compared with Baht 28 million for the three months ended 30 September 2017. This service income was the highest revenue since the Company was established.



3. Cost of sales

For three-month period ended 30 September 2018, cost of sales increased by Baht 142.5 million or 44% when compared with the same quarter of last year. This was due to rising up in line with sales of the new exclusive mobile phone project.

4. Allowance for diminution in value of inventories

For three-month period ended 30 September 2018, the Company had recorded the allowance for diminution in value of inventories to net realizable value of Baht 68.3 million since the customer of the exclusive mobile phone project is not compliance with a memorandum, didn't buy the products as agreed. As a result, as at 30 September 2018, the Company had outstanding balance of inventories from the exclusive mobile phone project by Baht 145.7 million. Base on the current status, mobile phone market is highly competitive and prices mostly fall sharply. As a result, the Company had to record such allowance for diminution in value inventories to reflect the expected price to be sold.

5. Cost of services

The cost of services for the three-month period ended 30 September 2018 increased by Baht 10 million or 44% when compared to the same period of last year. The cost of event organizer increased in line with revenue increasing. Besides, the caravan depreciation increased similarly to the increasing in number of caravans.

6. Selling expenses

For three-month period ended 30 September 2018, selling expenses decreased by Baht 1.4 million or 18% when compared to the same period of last year. This main reason was adjustment of the commission policy. Moreover, the ratio of selling expenses to total revenue for the third quarter of 2018 was 3.9%, decreased from the third quarter of 2017 which was 9.0%.



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7. Administrative expenses

For three-month period ended 30 September 2018, administrative expenses increased by Baht 3.7 million or 28% when compared to the same period of last year. The main reason was the increased in employee expenses.

8. Net loss

The Company's net loss for three-month period and nine-month periods ended 30 September 2018 was Baht 54.6 million and Baht 31.9 million, respectively. The main reason was the allowance for diminution in value of inventories by Bath 68.3 million as described in no.4.

9. Litigation

As at 30 September 2018, the Company is submitting a testimony responding to the ongoing litigation and filing a counterclaim against a company whom had the memorandum for the exclusive mobile phone project. The Company's lawyer suggested that the Company hadn't breached the above memorandum, and the Company's management concurred that the case would be ruled in favor of the Company. Consequently, the Company has not established any loss reserve in its accounts, from suing of claiming a compensation for damage of Baht 9.2 million for its non-compliance with the memorandum.

Yours sincerely,

Mr.Opas Cherdphan

Chief Executive Officer

M Vision Public Company Limited