

(Translation)

November 14, 2018

Ref: SET-2018-017

Re: Management Discussion and Analysis for Quarter 3' 2018

Attn. to: 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 Quarter 3' 2018 with the summary as follows: -

#### 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 dialysis services for kidney patients who receive replacement therapy with dialysis by dialysis machinery (Dialysis Center) and distribution of medical equipment as well as medical service concerning health and esthetics.

#### 2. Overview of operating results in the Quarter 3'2018.

Although the global economy as risk from international of political tensions and economic, and the uncertainty of US economic policy. But, the global economy trend as continued to improve. Thai economy is growing as slowly which the tourism and exports were driving force in past time. Including, the income and unemployment problem as improve from the government measure, such as ameliorate cost of living. In particular, the adjustment to the minimum wage in past. As a result, the 3rd quarter of 2018, the Group's revenue from sales and services increased by Baht 39.78 million from the same quarter in last year. And predict to government policies that focus on the distribution of the economy to the community level to increase the people's income will driving force to the Group's income to grown as continue.

Filter Vision Public Company Limited (Hereinafter called "The Company") still has carried on offering new products continuously. As well, the Company also aims to expand business to CLMV countries (Cambodia, Lao PDR, Myanmar, and Vietnam); which are the countries having interesting growth direction of business. 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 has distributed products and equipment design and installation of systems related to water treatment systems for medical services. In the past, has recognized income from installation of water treatment systems project 8 projects, KT Medical Services Co., Ltd. has provides health care facilities for patients with end-stage renal disease treated with

hemodialysis machine ("Hemodialysis Center"). Currently, there are 4 Hemodialysis Center (with 55 dialysis machines), 1 hemodialysis center in Bangkok, 2 hemodialysis centers in northeastern and 1 hemodialysis center in western, which patients are increase as continuously to fully capacity. And, continue to focus on expanding hemodialysis center. Medical Vision Co., Ltd. has distributed medical equipment. In the 2018, has recognized from installation of Pneumatic Tube Carrier Systems 3 projects. And, Hi Healthcare Center Co., Ltd. was established on September 25, 2017 to operate medical service concerning healthcare and esthetics under trademark "Wuttisak Clinic", which start operate the franchise business on February 10, 2018.

### 3. Analysis of Operating Results

Statements of Comprehensive Income – Consolidated (Million Baht)	For 3-month period ended September 30,		Increase (Decrease)		2nd Quarter	Increase (Decrease)		For 9-month period ended September 30,		Increase (Decrease)	
	2018	2017	YoY	%		2018	QoQ	%	2018	2017	YoY
	Revenues from sales and services	166.84	127.06	39.78	31.31%	164.67	2.17	1.32%	475.61	337.09	138.52
Gross profit from sales and services	24.49	31.85	(7.36)	(23.11%)	22.37	2.12	9.48%	69.46	87.80	(18.34)	(20.89%)
Other income	3.09	2.67	0.42	15.73%	2.98	0.11	3.69%	9.21	5.47	3.74	68.37%
Selling expenses	8.34	6.89	1.45	21.04%	7.06	1.28	18.13%	21.56	19.29	2.27	11.77%
Administrative expenses	25.09	20.48	4.61	22.51%	25.46	(0.37)	(1.45%)	75.52	59.94	15.58	25.99%
Net profit before finance costs and corporate income tax	(5.85)	7.15	(13.00)	(181.82%)	(7.17)	1.32	(18.41%)	(18.40)	14.04	(32.44)	(231.05%)
Finance costs	2.70	0.36	2.34	650.00%	0.89	1.81	203.37%	4.40	1.13	3.27	289.38%
Corporate income tax	(1.62)	2.06	(3.68)	(178.64%)	(3.42)	1.80	(52.63%)	(4.93)	3.20	(8.13)	(254.06%)
Net profit for the period	(6.92)	4.73	(11.65)	(246.30%)	(4.64)	(2.28)	49.14%	(17.87)	9.72	(27.59)	(283.85%)
Other comprehensive income - net of tax	-	-	-	0.00%	-	-	0.00%	-	-	-	0.00%
Total Comprehensive income for the period	(6.92)	4.73	(11.65)	(246.30%)	(4.64)	(2.28)	49.14%	(17.87)	9.72	(27.59)	(283.85%)
Profit Sharing for the Period											
- The Company's Equity	(7.27)	5.29	(12.56)	(237.43%)	(4.86)	(2.41)	49.59%	(18.46)	10.26	(28.72)	(279.92%)
- Non-controlling Interest	0.34	(0.56)	0.90	(160.71%)	0.22	0.12	54.55%	0.58	(0.54)	1.12	(207.41%)

Total revenues (Revenues from sales and services and other income) has increased amount Baht 2.28 million or 1.36 per cent from the last quarter, and increase from the same period of previous year at Baht 142.26 million or 41.53 per cent. Which can be classified to business segments as follows:

Revenue by Business Segments	For 3-month period ended September 30,				For 9-month period ended September 30,			
	2018		2017		2018		2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
1. Industrial and OEM (B1) <sup>1</sup>	28.53	17.10%	24.67	19.42%	70.92	14.91%	65.18	19.34%
2. Commercial and residential (B2) <sup>1</sup>	63.15	37.85%	76.66	60.33%	187.07	39.33%	185.21	54.94%
3. Medical services (B3) <sup>2</sup>	75.17	45.05%	25.73	20.25%	217.62	45.76%	86.70	25.72%
Total Revenues	166.85	100.00%	127.06	100.00%	475.61	100.00%	337.09	100.00%

<sup>1</sup>B1, B2: Filters Vision Public Company Limited (Herein after "The Company").

<sup>2</sup>B3: 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

In the 3<sup>rd</sup> quarter of 2018, the Group had revenue from sales of goods and services increased by Baht 39.78 million or 31.31 per cent from the same period last year, which can be described by business segment as follows:

#### Industrial and OEM (B1)

The revenue from this business segment increased Baht 3.85 million or 15.61 per cent from the same period of last year. Due to the adjustment the business strategy to focused on the large project. and the quality of service and products which can meet the needs of the customers as efficiency. As a result, in the 3rd quarter of 2018, has orders in large projects, such as the Improved treatment system of 300 cubic meters per day project (from delivery 3rd times), repair and improve the settling tank project, installation the ultrafiltration membrane's project and Nitrate Filter system Installation. While, in the same period of 2017, has 1 large project only, include water purification treatment project. As a result, revenue from project has increased as significantly from the previous year. In addition, the revenue from distribution of products has increase continuously. As a result, the revenue of this business group as increased from the same period in last year.

#### Commercial and residential (B2)

The revenue of business segment has decreased at Baht 13.51 million or 17.62 per cent from the same period in last year. Due to the same period in last year has special order from a local client to replacement a beverage dispenser in the local retail all branch. While, in this quarter no this special orders. As a result, the revenue of this business group to decreased as significantly with compared to the same period in last year. However, if not include this special order, the revenue from sales and service of this business group as increase from the same period in last year. Especially, revenue from preventive maintenance (PM), which the demand

of customers who want to maintain the standard and quality of water to use in the production and distribution of beverages to consumers.

### Medical services (B3)

Revenue from this segment increased at Baht 49.44 million or 192.15 per cent from the same period in last year. Due to, the revenue of the new business (Hi Healthcare Center Co., Ltd.), which started operation under the trademark “Wuttisak Clinic” on February 10, 2018, has the revenue from sales and services in 3rd quarter of 2018 amount Baht 42.04 million. And the revenue of KT Medical Services Co., Ltd. (KT Medical service's Hemodialysis Center) still increase from the same period in last year at Baht 9.72 million. Due to, increase the 2 hemodialysis centers in 2018, and the number of dialysis patients has increase as continuously to fully. As a result, the revenue in this segment has grown as significant when compared with the same period in last year.

### 3.2 Gross Profit

The Group's gross profit increased by Baht 2.12 million or 9.48 per cent from the previous quarter, due to income has increased by the income from the B1 projects in the third quarter of 2018, which has gross margins better than project in previous quarter. Including, cost of hemodialysis clinic of the medical services sector has decreased as significantly from previous quarter. These results in higher gross margins.

### 3.3 Selling expenses

Selling expenses as increased at Baht 1.28 million or 18.13 per cent from the previous quarter, mainly from the commissions of the existing and new business groups for stimulate in sales and services. Including, the Company has organize the many important seminars and exhibitions, while this quarter no this expenses. As a result, the selling expenses as increasable.

### 3.4 Administration expenses

The Group's administrative expenses increased from the last quarter amount Baht 0.37 million or 1.45 per cent, and increase from same period of last year amount Baht 4.61 million or 22.51 per cent. Due to the administrative expenses of the new business which operate in the 1st quarter of 2018 (last year has not expense item), In addition, the Group have adjusted employee and management remuneration as usual every year.

### 3.5 Operating results

The Group's net profit decreased by Baht 11.65 million or 246.30 per cent as compared with the same period of last year. Since the new business cannot generate income as cover the expenses incurred. As a result, in 3rd quarter of 2018 was losses. However, this losses incurred from the expenditures that prepare and increase efficiency the management of the business is a priority.

#### 4. Financial position

Statement of Financial Position – Consolidated (Million Baht)	As at		Increase (Decrease)	%
	September 30, 2018	December 31, 2017		
Assets	877.97	787.13	90.84	11.54%
Liabilities	221.57	123.43	98.14	79.51%
Shareholders' equity	656.40	663.70	(7.30)	(1.10%)
Issued and fully paid-up common share (Million Share)	565.14	517.82	47.32	9.14%
Par (Baht)	0.50	0.50	0.00	0.0%

##### 4.1 Assets

The total assets as at September 30, 2018 increased by Baht 90.84 million or 11.54 per cent from the end of 2017. Significant changes included a cash and cash equivalents Baht 136.58 million was decrease, due to payment to contractor and other expense for the new office and warehouse of Baht 34.75 million, Bonus payment to employees and management Baht 11.59 million, the acquisition in franchise agreement and purchase asset agreement amounting to Baht 95.00 million, payment of deposit for purchase asset, rental and service deposit amount Baht 10.64 million and increase transaction such as cash received from loan amount Baht 20.57 million. As the result, the Group's property, plant and equipment increased by Baht 82.86 million due to the purchase of 21 branches, in accordance with the purchase asset agreement of Baht 66.17 million and construction in progress amounted to Baht 36.05 million. And non-current assets increased amount Baht 11.32 million consisting of deposits for purchase of land and buildings of the parent company. Rental and service expenses of the new business group amount Baht 4.45 million and Baht 6.19 million respectively. In addition, trade and other receivable increased by Baht 101.57 million (trade and other receivables of new business amount Baht 70.47 million), inventories increased by Baht 20.16 million (from new business by Baht 15.95 million).

##### 4.2 Liabilities

The total liabilities as at 30 September 2018 increased from the end of 2017 by Baht 98.14 million or 79.51 per cent. Significant changes included trade and other payables of Baht 28.90 million (trade and other payables of the new business increased by Baht 15.45 million), increased in unearned income of Baht 23.01 million, short-term loans from financial institutions increase Baht 26.33 million (for payment to foreign supplier), long-term loans from financial institutions increase Baht 16.11 million (the loan for the construction of a new warehouse and office building and to purchase hemodialysis machine), so these results net increase in operating liabilities.

##### 4.3 Shareholders' equity

The overall shareholders' equity as at 30 September 2018 was decrease from the end of 2017 7.30 million or 1.10 per cent. Significant changes included comprised of increased registered capital amount Baht 23.66 million, due to from offering for sales of common shares and warrants (FVC-W1) at Baht 11.90 million and stock dividend amounting Baht 11.76 million. And Retained earnings decrease from annual dividend payment amount Baht 13.09 million and losses from operation in this 9 month amount baht 17.87 million. This is a significant factor contributing to the decrease of the shareholders' equity.

## 5. Company's direction in 2018

Overall significant events are as follows.

5.1 KT Medical Services Co., Ltd. operates a hemodialysis center to patients with chronic kidney disease. Present, patient who replacement therapy with dialysis with dialysis machines was increased steadily to fully capacity. And October 30, 2018, has opened and operated new hemodialysis center to provide services with 8 dialysis machines which according to the business plan. And still plans to open more dialysis units. In addition, the Company has plans to establishing more dialysis units to accommodate the increasing number of patients in presently.

5.2 Irving Corporation Limited, distribution a dialysis solution product which has ordered as continually in present. And the installation of pure water treatment system for hemodialysis unit. Currently, has ordered from 7 Projects, amount Baht 11.12 million and expected to be completed in the last quarter of 2018.

5.3 Medical Vision Company Limited has received pneumatic tube carrier systems totaled Baht 3.94 million which completed. At present, more orders from government customers are received amount Baht 8.89 million which is under construction.

5.4 Hi Health Care Center Company Limited, operated medical service and medical beauty treatment clinic under the brand "Wuttisak Clinic", which start operate the franchise business on February 10, 2018. And the first half of 2018, has sales and services income amount Baht 121.53 million. And our experience from operate the business in the first quarter to set business strategy for appropriate the business environment in each area. 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 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.

5.6 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.

5.7 Business segment Industrial and OEM (B1) continue marketing strategies that focus on expanding the business in big project work. Currently, three orders have been received from customers totaling 31.10 million baht, which is expected to be recognized in the last quarter of 2018.

Sincerely Yours,

Wijit Techakasem

( Dr.Wijit Techakasem )

Managing Director