

August 14, 2019

Ref: SET-2019-010

Re: Management Discussion and Analysis for Quarter 2' 2019

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 2' 2019 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 2'2019.

Continued from the first Quarter of 2019 until second Quarter, the world economic still be tense from political crisis in many country and War trade crisis between USA and China which were heavy retaliate. China's currency has weakened to lower than 7 Yuan per 1 USD that is the first time in 11 years after USA announce to increasing the rate of tariff for importing products from China. However, the global economy still has continuously growing up. While Thai's economic has trend to growing lower than expectation, 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 0.25% per year from 1.75% per year to 1.50% per year that is the first time in 4 years. However investment from inside and outside of Thailand will be increased from this policy Retail business, Whole sale business, Restaurant and Hotel business will be increased and it will driving our Group's sale to continue as well

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 first quarter of 2019 in an amounting of Baht 89.84 million and we start to recognize some revenue in this quarter moreover the Company still has carried on offering new products continuously which is an innovation of power saving in Air Conditioner (WATER INT PAD: Water Intelligent). In addition 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, 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. So far the Company still received purchase order for project of installation water treatment systems for medical services and Dialysis 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 Dialysis Machines) a hemodialysis Center in Bangkok, three hemodialysis Center in northeastern provinces and two hemodialysis Center 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. Now we can recognize income from complete installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) for 6 projects.

Hi Healthcare Center Co., Ltd. was operated medical service concerning healthcare and esthetics under trademark "Wuttisak Clinic", which start operate the franchise business on February 10, 2018. So far we can generate income for each branch continuously.

3. Analysis of Operating Results

Statements of Comprehensive Income – Consolidated (Million Baht)	For 3-month period ended June 30,		Increase (Decrease)	%	For 6-month period ended June 30,		Increase (Decrease)	%
	2019	2018			2019	2018		
	Revenues from sales and services	258.16			164.67	93.49		
Gross profit from sales and services	47.38	22.37	25.01	111.80%	84.63	44.97	39.66	88.19%
Other income	1.44	2.98	(1.54)	(51.68%)	2.64	6.12	(3.48)	(56.86%)
Selling expenses	(9.41)	(7.06)	2.35	33.29%	(18.35)	(13.22)	5.13	38.80%
Administrative expenses	(63.03)	(25.46)	37.57	147.56%	(90.46)	(50.42)	40.04	79.41%
Net loss before finance costs and corporate income tax	(23.62)	(7.17)	16.45	229.43%	(21.54)	(12.55)	8.99	71.63%
Finance costs	(3.85)	(0.89)	2.96	332.58%	(6.13)	(1.71)	4.42	258.48%
Corporate income tax	5.85	3.42	2.43	71.05%	5.95	3.31	2.64	79.76%
Net profit for the period	(21.62)	(4.64)	16.98	365.95%	(21.72)	(10.95)	10.77	98.36%
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
Total Comprehensive income for the period	(21.62)	(4.64)	16.98	365.95%	(21.72)	(10.95)	10.77	98.36%
Profit Sharing for the Period								
- The Company's Equity	(21.52)	(4.86)	16.66	342.80%	(22.24)	(11.19)	11.05	98.75%
- Non-controlling Interest	(0.10)	0.22	(0.32)	(145.45%)	0.53	0.24	0.29	120.83%

Total Revenues (Revenues from sales and services and other income) was increased from 3 months in the same period of previous year in an amounting of Baht 91.95 million or 54.85 percent and increased from 6 months in the same period of previous year in an amounting of Baht 128.36 million or 40.76 percent which can be divided into business segments as per information in following table

Revenue by Business Segments	For 3-month period ended June 30,				For 6-month period ended June 30,			
	2019		2018		2019		2018	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
1. Industrial and OEM (B1) ¹	102.82	39.83%	25.97	15.76%	140.10	31.80%	42.39	13.73%
2. Commercial and residential (B2) ¹	79.60	30.83%	61.79	37.52%	145.70	33.07%	123.92	40.13%
3. Medical services (B3) ²	75.74	29.34%	76.91	46.72%	154.80	35.13%	142.45	46.14%
Total Revenues	258.16	100.00%	164.67	100.00%	440.60	100.00%	308.76	100.00%

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

²**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 2nd Quarter of 2019, Revenue from sales of goods and services for the group was increased from the same period of previous year in an amounting of Baht 93.49 million or 56.77 percent, which can be described by business segment as follows:

Industrial and OEM (B1)

The revenue from this business segment was increased from the same period of last year in an amounting of Baht 76.85 million or 295.92 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 cause we got purchase order form the big industry in the first quarter of 2019 such as industrial water supply system and we start recognize revenue from this project in this Quarter while the same period of previous year 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 has increased from the same period of previous year in an amounting of baht 17.81 million or 28.82 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 same period of previous year that the reason why revenue from this business was higher than last year.

Medical services (B3)

Revenue from this segment was decreased from the same period of previous year in an amounting of Baht 1.16 million or 1.51 percent. Due to revenue from Hi Healthcare Center Co., Ltd. (Operate medical service concerning healthcare and esthetics under trademark “Wuttisak Clinic”) was decreased from the same period of previous year in an amounting of Baht 10.93 million or 24.42 percent. However revenue from others companies in Medical services business still continuously growing up such as Revenue from KT Medical Services Co., Ltd. (Hemodialysis Center) was increased from the same period of previous year in an amounting of Baht 7.93 million or 59.40 percent. Mainly came from the number of dialysis patients continuously increased. Moreover Revenue from Irving Corporation Co., Ltd (Distributed products and equipment design and installation of systems related to water treatment systems for medical services) was increased from the same period of previous year in an amounting of Baht 1.95 million or 11.07 percent. Mainly came from the project of installation water treatment systems for medical services.

3.2 Gross Profit

The Group's gross profit was increased from the same period of previous year in an amounting of Baht 25.01 million or 111.80 percent. Mainly came from the Company start recognize revenue from big project in this quarter while the same period of previous year the Company has just started adjustment of the business strategy to focus on the large project.

3.3 Selling expenses and Distribution expense

Selling expense and Distribution expense was increased from the same period of previous year in an amounting of Baht 2.35 million or 33.29 percent. Mainly came from commission expense from Hi Healthcare center Co., Ltd. for improve sale and service in this year.

3.4 Administration expenses

The Group's administrative expense was increased from the same period of previous year in an amounting of Baht 37.57 million or 147.56 percent. Mainly came from Hi Healthcare center Co., Ltd. has recognize allowance for doubtful debt in an amounting of baht 31.98 million in this quarter.

3.5 Operating results

The Group's net profit was decreased from the same period of previous year in an amounting of Baht 16.98 million or 365.95 percent. Mainly came from Hi Healthcare Center Co., Ltd. can't generate

income for cover expense. However almost of loss was happened from allowance for doubtful debt in an amounting of baht 31.98 million. In addition revenue from others companies in Medical services business still continuously growing up.

4. Financial position

Statement of Financial Position – Consolidated (Million Baht)	As at		Increase (Decrease)	%
	June 30, 2018	December 31, 2017		
Asset	1,016.09	954.82	61.27	6.42%
Liabilities	372.39	283.75	88.64	31.24%
Shareholders' equity	643.70	671.07	(27.37)	(4.08%)
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 June 30, 2019 was increased in an amounting of Baht 61.27 million or 6.42 percent from the end of 2018. Significant changes was included

Cash and cash equivalents was decreased in an amounting of Baht 3.09 million, which was a significant decrease from purchase property, annual bonus payments to employees and executives, corporate income tax payment, dividend payment and the repayment of principal and interest totaling approximately 52.10 million baht. And mainly increase from receiving loans from financial institutions and advance receipts totaling approximately 47.25 million baht

Trade and other receivable was increased in an amounting Baht 55.80 million due to trade accounts receivable, industrial and OEM business unit (B1) increased in an amounting Baht 67.50 million, trade accounts receivable, hemodialysis unit business increased in an amounting Baht 12.69 million, but trade accounts receivable and other receivables, health and beauty clinics group decreased in an amounting Baht 25.23 million that mainly comes from the allowance for doubtful accounts

Inventories was increased in an amounting of Baht 2.95 million. In order to support the maintenance work (Preventive Maintenance-PM) 7.98 million baht, while the products of Hi Healthcare Center Co., Ltd. decreased by 5.97 million baht from the year 2018 due to manage to purchase the product itself that according to the appropriateness of sales volume

Deferred tax assets Increased by Baht 14.65 million due to unused tax losses and allowance for doubtful accounts of Hi Healthcare Center Co., Ltd. amounting to approximately 13.58 million baht. Provision for long-term employee benefits of approximately 2.2 million baht according to the 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.

4.2 Liabilities

The total liability in the first half of 2019 was increased from the end of 2018 by Baht 88.64 million or 31.24 percent. Significant changes included

Bank overdrafts and short-term loans from financial institutions Increased in an amounting of Baht 28.33 million because the company used as a revolving credit to pay for product payables.

Trade and other payables was increased in an amounting of Baht 40.76 million **due to trade** and other payables of project work was increased in an amounting of Baht 27.41 million, including accrued operating expense was increased in an amounting of Baht 12.83 million

Advance received was increased in an amounting of Baht 4.76 million due to advance payment of business for health and beauty.

Long term loan from financial institution was increased in an amounting of Baht 8.29 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 paid according to the financial institution conditions.

Provision for long-term employee benefits was increased in an amounting of Baht 6.21 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.

4.3 Shareholders' equity

The overall shareholders' equity in the first half of 2019 was decrease from the end of 2018 in an amounting of Baht 27.37 million or 4.08 percent. Mainly came from operation loss

5. Company's direction in 2019

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.

Now we have plans to open two new hemodialysis centers with 8 dialysis machines, One is in North province of Thailand and another one is in East province of Thailand which according to the business plan.

5.2 Irving Corporation Limited, distribution a dialysis solution product which has ordered as continually in present. Currently, has ordered from 3 Projects, amount Baht 3.98 million and expected to be completed in third quarter of 2019.

5.3 Medical Vision Company Limited which service for installation and maintenance of pneumatic tube carrier systems. Present we received 2 purchase orders for totaling Baht 10.31 million, which under installation and expected to be completed in third quarter of 2019.

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 7 departments which have accumulate loss in July 2019 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 Continuously introducing new products which are energy-saving innovations for air conditioners (WATER INT PAD: Water Intelligent). Present the Company got purchase order from two customer for install such products with a cooling machine at the factory building with a value of Baht 10.50 million which was recognize as revenue in Quarter 2 in an amounting of Baht 7.73 million and expect to be complete and recognize the remaining amount as revenue in third quarter of 2019.

5.6 In business segment Industrial and OEM (B1) continue marketing strategies that focus on expanding the big project. The Company has received order for the big project totaling Baht 14.86 million, which is expected to be completed in the fourth quarter of 2019. And moreover the Company will recognize the remaining amount from the old project as revenue in third quarter of 2019 in an amounting of Baht 26.39 million.

Sincerely Yours,

Wijit Techakasem

(Dr.Wijit Techakasem)

Managing Director