

August 15, 2022

Ref: SET-2022-013

Re: Management Discussion and Analysis for the Second Quarter of 2022

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 second quarter of 2022 with the summary as following:-

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 for the second quarter of 2022

In second quarter of 2022, Thailand's domestic economy has shown a continuous recovery from first quarter of 2022, because of people's lower concerns on COVID-19 situation and back to new normal lifestyles. Easing COVID-19 measures, extending tourism-boosting campaigns by Government, and opening borders to welcome tourists that make the number of international tourists increased which effect to made tourist attractions and businesses related to tourist attractions such as shopping center, food and beverage store can operate as usual and made the revenues from sales and services of the Company and its subsidiaries were better than the same period of the prior year.

However, negative factors in second quarter of 2022, the prolonged conflict between Russia and Ukraine, and China's Zero COVID-19 policy and the impact of the baht depreciating greatly have caused higher energy prices as well as product and service costs of group company increase.

The summary of performance in each Business Unit are describe as following;

- Industrial and OEM (B1) still remain the level of recognize revenue of the water system and revenue from sale (Trading) including tools and equipment to serve the permanently maintenance more than the same period of the prior year
- Commercial and residential (B2) which the main customers are convenience store, Restaurant and Beverage can Re-opening their business nearly as usual. Accordingly, the Company's revenue of operation was increased from sale and service.
- Medical services (B3) which operated by the subsidiaries can start operation nearly as usual as before COVID-19 situation. The summary of performance are describe as following;

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, decoration for medical services and dialysis solution continuously.

KT Medical Services Public Company Limited. provides health care facilities for patients with end-stage renal disease treated with Hemodialysis Machine (Hemodialysis Center) Currently, there are 19 Hemodialysis Center (243 Hemodialysis Machines) 1 Hemodialysis Center in Bangkok, 9 Hemodialysis Centers in northeastern provinces, 2 Hemodialysis Center in western province, 4 Hemodialysis Centers in northern provinces, 1 Hemodialysis Center in central province and 2 Hemodialysis Centers in eastern provinces. So far the patients are continuously increasing.

Medical Vision Co., Ltd. has distributed medical equipment. Including sale and installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems). Currently, the company still receive continuously purchase orders from customers.

Hi Healthcare Center Co., Ltd. was temporarily closed all branches since December 31, 2020 due to loss on operation continuously. Until such situation becomes improve and/or until HHC will be having new suitable locations that located in the area instead of such branches in further.

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)	%
	2022	2021			2022	2021		
	Revenues from sales and services	181.62			151.83	29.79		
Gross profit from sales and services	44.82	41.34	3.48	8.43%	98.21	84.40	13.81	16.36%
Other income	1.60	1.12	0.48	43.04%	4.50	1.39	3.11	223.60%
Selling expenses	4.88	4.44	0.44	10.11%	9.81	9.33	0.48	5.16%
Administrative expenses	30.86	28.56	2.30	8.06%	65.19	57.20	7.99	13.97%
Net profit before finance costs and corporate income tax	10.68	9.46	1.22	12.85%	27.71	19.26	8.45	43.86%
Finance costs	1.77	1.77	0.00	0.23%	3.82	3.56	0.26	7.19%
Corporate income tax	(1.99)	(2.23)	(0.24)	(10.72%)	(5.83)	(4.16)	1.67	40.24%
Profit (loss) from continuing operation	6.92	5.46	1.46	26.58%	18.06	11.54	6.52	56.47%
Profit (loss) from discontinued operation	(0.11)	1.26	(1.37)	(108.57%)	(0.25)	3.63	(3.88)	(107.00%)
Profit (loss) for the period	6.81	6.72	0.09	1.38%	17.81	15.17	2.64	17.40%
Total Comprehensive income for the period	6.81	6.72	0.09	1.38%	17.81	15.17	2.64	17.40%
Profit (loss) Sharing for the Period								
- The Company's Equity	5.42	6.68	(1.26)	(18.88%)	14.80	15.12	(0.32)	(2.15%)
- Non-controlling Interest	1.39	0.04	1.35	3,385.00%	3.01	0.05	2.96	5,916.00%

3.1 Revenues from sales and services

Revenues from sales and services was increased from 3 months in the same period of the second quarter of year 2021 in an amounting of Baht 29.79 million or 19.62 percent and increased from 6 months in the same period of the year 2021 in an amounting of Baht 70.76 million or 23.55 percent which can be divided into business segments as per information as the following table.

Revenue by Business Segments	For 3-month period ended June 30,				For 6-month period ended June 30,			
	2022		2021		2022		2021	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Revenues from continuing operations								
1. Industrial and OEM (B1) ¹	25.60	14.09%	28.07	18.52%	55.15	14.86%	50.88	16.93%
2. Commercial and residential (B2) ¹	65.00	35.78%	55.72	36.75%	135.22	36.42%	115.11	38.29%
3. Medical services (B3) ²	91.02	50.11%	68.04	44.72%	180.83	48.71%	134.45	44.72%
Total Revenues from continuing operations	181.62	99.98%	151.83	99.99%	371.20	99.99%	300.44	99.94%
Revenues from discontinued operation								
4. Medical beauty treatment service (B4) ³	0.03	0.02%	0.02	0.01%	0.04	0.01%	0.18	0.06%
Total Revenues from Discontinued Operations	0.03	0.02%	0.02	0.01%	0.04	0.01%	0.18	0.06%
Total Revenues	181.65	100.00%	151.85	100.00%	371.24	100.00%	300.62	100.00%

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

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

³**B4** : Hi Healthcare Center Co., Ltd. (Herein after “**The Subsidiary**”) (**Discontinued Operation**).

Industrial and OEM (B1)

The revenue from this business segment B1 for the 6 month period was increased from the same period of the year 2021 in an amounting of Baht 4.27 million or 8.39 percent, mainly due to the completion of a large water system project that continued from the end of the first quarter of 2022 and revenue that the company selling about tools and equipment of water system was increased.

Commercial and residential (B2)

The revenue of business segment B2 for the period 6 month was increased from the same period of the year 2021 in an amounting of baht 20.11 million or 17.47 percent from the main customers, which are convenience stores, food and beverage outlets. The business was able to open almost as usual, resulting in an increase in revenue related to the Re-opening both in terms of sales revenue and maintenance of water system equipment.

Medical services (B3)

Revenue from this segment B3 for the 6 month period was increased from the same period of the year 2021 in an amounting of Baht 46.38 million or 34.50 percent. Due to the quantity of patients and Hemodialysis center were increased.

3.2 Administration expenses

The Group's administrative expense for the 6 month period was increased from the same period of the year 2021 in an amounting of Baht 7.99 million or 13.97 percent. Mainly cause due to the company record allowance for doubtful accounts of trade accounts receivable and the expense of KT Medical Services Public Company Limited that register into the stock exchange of Thailand.

3.3 Operating results

The Group's net profit for the 6 month period was increased from the same period of the year 2021 in an amounting of Baht 2.64 million or 17.40 percent. The net profit be separate to be 2 sections.

- Firstly, profit (loss) from continuing operation was increased in an amounting Baht 6.52 million or 56.47 percent. Mainly cause came from the operating results of the group of companies increased profit.
- Secondly, profit (loss) from discontinued operation was decreased in an amounting Baht 3.88 million or 107.00 percent by Business B4 (Hi Healthcare Center Company Limited) had lower net profit. Due to the decrease in profit from disposal of tools and equipment.

4. Financial position

Statement of Financial Position – Consolidated (Million Baht)	As at		Increase/ (Decrease)	%
	June 30, 2022	December 31, 2021		
Assets	849.22	843.82	5.40	0.64%
Liabilities	392.86	407.28	(14.42)	(3.54%)
Shareholders' equity	456.36	436.54	19.82	4.54%
Issued and fully paid-up common share (Million Share)	565.14	565.14	-	-
Par (Baht)	0.50	0.50	-	-

4.1 Assets

The total asset as at June 30, 2022 was increased in an amounting of Baht 5.40 million or 0.64 percent from the end of 2021. Significant changes was included.

Cash and cash equivalents was decreased in an amounting of Baht 42.49 million. Mainly from KT Medical Services Public Company Limited paid for the purchase of land and buildings. Including tools and equipment for new branch in year 2022 amounting to baht 32.51 million and the Company paid long-term loans from financial institutions in the amounting of baht. 9.61 million. Mainly cause of increases from Medical Vision Co., Ltd. received from customer amount baht 15.95 million about installation of Pneumatic Tube Carrier Systems.

Trade and other receivable was increased in an amounting Baht 8.24 million. The mainly increase is trade account receivable of KT Medical Services Public Company Limited in consist of hospital at Northeast and West.

Inventory was increased in an amounting Baht 16.05 million. The mainly increase from the Company was arrangement products to support the business reopening after the Covid-19 situation for customers in the section of Industrial and OEM (B1) and Commercial and residential (B2)

Property, buildings and equipment was increased in an amounting of Baht 25.23 million. An increase from KT Medical Service Public Company Limited. purchased land and buildings instead of leased and purchase dialysis machine and medical tools and equipment to open a new branch and building renovation.

Right-of-use asset was decreased in an amounting of Baht 6.06 million. Mainly cause was broken up the lease of land and building of KT Medical Services Public Company Limited change to purchasing.

4.2 Liabilities

The overall liability as at 30 June 2022 was increased from the end of 2021 by Baht 14.42 million or 3.54 percent. Significant changes in consist of:

Bank Overdrafts and short-term loans from financial institutions was increased in an amounting of Baht 5.11 million mainly from the company use credit to pay for foreign goods.

Trade and other payables was decreased in an amounting of Baht 14.10 million. Mainly from a creditor for foreign products of the Company and a decrease mainly from KT Medical Services Public Company Limited to pay a payable for hemodialysis equipment.

Long-term loans was increased in an amounting of Baht 8.24 million. Mainly came from KT Medical Service Public Company Limited because of purchasing land and buildings and loan for purchasing Hemodialysis Machine and the Group Company repaid the loan as due.

Lease Liability was decreased in an amounting of Baht 6.43 million. Mainly came from KT Medical Service Public Company Limited was broken up the lease of land and buildings change to purchasing.

4.3 Shareholders' equity

The overall shareholders' equity as at 30 June 2022 was increased from the end of 2021 in an amounting of Baht 19.82 million or 4.54 percent. Mainly came from operation profit in second quarter of 2022.

5. Company's direction in the year 2022

5.1 Filters Vision Public Company Limited

Industrial and OEM (B1)

Industrial's customers have plan to come back for investing in water system again. Furthermore, the company continuously focused on marketing strategy to be a leader of water treatment technology and sterilization to customer solution. The Company has continuous expansion to product presentation and project for a large leading industrial factory. Present we received purchase order from food and beverage global industrial customer by 9 projects in an amounting of Baht 8.24 million which is expected to be completed in third quarter of 2022.

Commercial and residential (B2)

Since the COVID-19 situation in Thailand was better as mention as above and the government has relieve an epidemic control and tourism-boosting campaigns by Government, and opening borders to welcome tourists. The Company's customer such as restaurant and the hotels in tourist attraction can re-opening again resulting to purchase order of spare part, filter and water system equipment including service and maintenance were increasing along with the customers have plan to purchase new water system and service of permanently maintenance as well customers have plan to expand the business. Therefore, the Company has continuously plan to service the products for serving business expansion from customers.

5.2 KT Medical Service Public Company Limited operates a Hemodialysis center to patients with chronic kidney disease with the quantity of patient was increased steadily. Currently, we have plans to expand branches and Hemodialysis machines. For the year 2022, we expected to expand branches about 3 - 7 branches and increase 50 - 80 Hemodialysis machines according to economic situation.

5.3 Irving Corporation Limited, distribution a Hemodialysis solution product and installation of water treatment systems for medical services which got continuous orders. Currently, we received purchase orders from customers by 8 projects in an amounting of Baht 5.11 million and expected to be completed in third and fourth quarter of 2022.

5.4 Medical Vision Company Limited which service for installation and maintenance of pneumatic tube systems. Currently, we received purchase orders from customers by 5 projects in a total amounting of Baht 9.39 million, which under installation and expected to be completed in second and third and fourth quarter of 2022.

Sincerely Yours,

Wijit Techakasem
(Dr.Wijit Techakasem)
Managing Director