

May 15, 2020

Ref: SET-2020-010

Re: Management Discussion and Analysis for Quarter 1' 2020

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 Quarter 1' 2020 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 Hemodialysis services for kidney patients who receive replacement therapy with Hemodialysis by Hemodialysis machinery (Hemodialysis Center) and distribution of medical equipment as well as medical service concerning health and esthetics.

#### 2. Overview of operating results for Quarter 1' 2020.

Thai's economy has trend to growing lower continuously, Especially Service & Travel business which loss a lot of travellers in this year from Coronavirus disease (COVID-19) moreover for the Manufacturing and Export sector have also effect from customer has postpone the purchase order and delivery.

For the year 2020 Filter Vision Public Company Limited (Hereinafter called "The Company") still has carried adjustment of the business strategy to focus on the large project. Moreover 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 to target's group continuously. 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 Hemodialysis 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 10 Hemodialysis Center (106 Hemodialysis Machines) one Hemodialysis Center in Bangkok, three Hemodialysis Centers in

northeastern provinces, two Hemodialysis Centers in western provinces, one Hemodialysis Center in northern province, two Hemodialysis Center in eastern province and one Hemodialysis Center in central. 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. For Quarter 1' 2020 we have received purchase order for installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) for 1 project.

Hi Healthcare Center Co., Ltd. was operated medical service concerning healthcare and esthetics under trademark "Wuttisak Clinic" the Company has change the business strategy for appropriate with the business environment by closed 2 departments which have accumulate loss in Quarter 1' 2020.

### 3. Analysis of Operating Results

Statements of Comprehensive Income – Consolidated (Million Baht)	For 3-month period ended March 31,		Increase (Decrease)	%
	2020	2019		
Revenues from sales and services	156.84	182.43	(25.59)	(14.03%)
Gross profit from sales and services	33.38	37.25	(3.87)	(10.39%)
Other income	1.89	1.20	0.69	57.50%
Selling expenses	(5.84)	(8.94)	(3.10)	(34.68%)
Administrative expenses	(32.71)	(27.44)	5.27	19.21%
Net loss before finance costs and corporate income tax	(3.28)	2.07	(5.35)	(258.45%)
Finance costs	(2.33)	(2.28)	0.05	2.19%
Corporate income tax	(2.06)	0.11	(2.17)	(1,972.73%)
Net profit for the period	(7.67)	(0.10)	(7.57)	(7,570.00%)

Statements of Comprehensive Income – Consolidated (Million Baht)	For 3-month period ended March 31,		Increase (Decrease)	%
	2020	2019		
Other comprehensive income - net of tax	-	-	-	-
Total Comprehensive income for the period	(7.67)	(0.10)	(7.57)	(7,570.00%)
Profit Sharing for the Period				
- The Company's Equity	(6.63)	(0.73)	(5.90)	(808.22%)
- Non-controlling Interest	(1.04)	0.63	(1.67)	(265.08%)

Total Revenues (Revenues from sales and services and other income) was decreased from same period of the year 2019 in an amounting of Baht (24.90) million or (13.56) percent which can be divided into business segments as per information in following table

Revenue by Business Segments	For 3-month period ended March 31,				Increased (Decreased)	%
	2020		2019			
	Million Baht	(%)	Million Baht	(%)		
1. Industrial and OEM (B1) <sup>1</sup>	30.17	19.24%	37.27	20.43%	(7.10)	(19.05%)
2. Commercial and residential (B2) <sup>1</sup>	66.21	42.21%	66.10	36.23%	0.11	0.17%
3. Medical services (B3) <sup>2</sup>	60.46	38.55%	79.06	43.34%	(18.60)	(23.53%)
<b>Total Revenues</b>	156.84	100%	182.43	100.00%	(25.59)	(14.03%)

<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**

For Quarter 1' 2020, Revenue from sales of goods and services for the group was decreased from the same period of the year 2019 in an amounting of Baht (25.59) million or (14.03) percent, which can be described by business segment as follows:

#### ***Industrial and OEM (B1)***

The revenue from this business segment was decreased from the same period of the year 2019 in an amounting of Baht (7.10) million or (19.05) 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 made the Company got purchase order from large project in Quarter 1' 2019 while in Quarter 1' 2020 Thailand has scourged by Coronavirus disease (COVID-19) that effect to delayed operation in many project.

#### ***Commercial and residential (B2)***

The revenue of business segment was increased from the same period of the year 2019 in an amounting of baht 0.11 million or 0.17 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.

#### ***Medical services (B3)***

Revenue from this segment was decreased from the same period of the year 2019 in an amounting of Baht (18.60) million or (23.53) percent. Mainly came from Medical Vision Co., Ltd. which has less revenue from installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems) moreover revenue was decreased from medical service concerning healthcare and esthetics due to temporary stop operation because of Coronavirus disease (COVID-19).

### **3.2 Gross Profit**

The Group's gross profit was decreased from the same period of the year 2019 in an amounting of Baht (3.87) million or (10.39) percent. Mainly came from growth of revenue in last year while fixed cost still constant.

### **3.3 Administration expenses**

The Group's administrative expense was increased from the same period of the year 2019 in an amounting of Baht 5.27 million or 19.21 percent. Due to the Company change the concept to set up

Allowance for Doubtful Debt followed to TFRS 9 Financial Instrument and increased from employee's salaries base.

### 3.4 Operating results

The Group's net loss was increased from the same period of the year 2019 in an amounting of Baht 6.70 million or 690.72 percent. Mainly came from Group's operation loss because of project's revenue was decreased from Thailand has scourged by Coronavirus disease (COVID-19).

## 4. Financial position

Statement of Financial Position – Consolidated (Million Baht)	As at		Increase (Decrease)	%
	March 31, 2020	December 31, 2019		
Asset	839.33	772.52	66.81	8.65%
Liabilities	435.75	361.95	73.80	20.39%
Shareholders' equity	403.58	410.57	(6.99)	(1.70%)
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 March 31, 2020 was increased in an amounting of Baht 66.81 million or 8.65 percent from year end 2019. Significant changes was included

**Trade and other receivable was decreased in an amounting of Baht (28.94) million** due to trade accounts receivable, industrial and OEM business unit (B1) decreased in an amounting of Baht (32.01) million while trade accounts receivable, Hemodialysis unit business was increased in an amounting of Baht 5.20 million.

**Inventory was increased in an amounting of Baht 5.89 million.** Mainly came from work in process of installation for water systems and Hemodialysis center decoration which serviced by Irving Corporation Ltd.

**Other current asset was increased in an amounting of Baht 9.60 million.** Mainly came from retention from the large project in an amounting of Baht 8.99 million.

**Property, Plant and Equipment was decreased in an amounting of Baht (8.46) million.** Mainly came from reclassify asset from financial lease to Right of use Asset followed to TFRS 16 Leases.

**Right of use Asset was increased in an amounting of Baht 78.64 million.** Mainly came from the company has recognize all of leasing agreements on Financial Statement followed to TFRS 16 Leases.

#### **4.2 Liabilities**

The total liability as at 31 March 2020 was increased from the year 2019 by Baht 73.80 million or 20.39 percent. Significant changes was included

**Long term loan from financial institution was decreased in an amounting of Baht (4.34) million** due to loan was repayment in Quarter 1' 2020

**Lease Liability was increased in an amounting of Baht 75.90 million.** Mainly came from the company has recognize all of leasing agreements on Financial Statement followed to TFRS 16 Leases.

**Advance received was decreased in an amounting of Baht (1.97) million** mainly came from advance payment of medical service concerning healthcare and esthetics was decreased due to temporary stop operation because of Coronavirus disease (COVID-19).

**Other current Liability was increased in an amounting of Baht 2.75 million** due to postpone tax payment according to Revenue Department relaxation measures that cause of tax payable was increased in an amounting of Baht 2.67 million.

#### **4.3 Shareholders' equity**

The overall shareholders' equity as at 31 March 2020 was decreased from the year end in an amounting of Baht (6.99) million or (1.70) percent. Mainly came from operation loss in Quarter 1' 2020

### **5. Company's direction in 2020**

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 Hemodialysis with Hemodialysis machines was

increased steadily. For the year 2020 we have plans to start operation new 3 Hemodialysis centers with totally 36 Hemodialysis machines, which according to the business plan.

5.2 Irving Corporation Limited, distribution a Hemodialysis solution product and equipment design and installation of systems related to water treatment systems for medical services which got orders from customers by 5 projects in an amounting of Baht 5.09 million and expected to be completed in 2020.

5.3 Medical Vision Company Limited which service for installation and maintenance of pneumatic tube carrier systems. Present we received 3 purchase orders in an amounting of Baht 8.25 million, which under installation and expected to be completed in 2020.

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 have plan to closed the departments which have accumulate loss in 2020

5.5 Filters Vision Public Company Limited continuously focused on expanding the big project. The Company received purchase order from customer by 5 projects in an amounting of Baht 20.92 million which is expected to be completed in Quarter 2' 2020 and Quarter 3' 2020.

Sincerely Yours,

Wijit Techakasem  
( Dr.Wijit Techakasem )  
Managing Director