

August 14, 2020

Ref: SET-2020-013

Re: Management Discussion and Analysis for Quarter 2' 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 the Quarter 2' 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 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 2'2020.

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 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 11 Hemodialysis Center (127 Hemodialysis Machines) One Hemodialysis Center in Bangkok, Four Hemodialysis Centers in

northeastern provinces, Three Hemodialysis Centers in western provinces, One Hemodialysis Center in northern province and Two Hemodialysis Center in eastern province. 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. Including sale and installation of air tube systems for transfer documents and parcel (Pneumatic Tube Carrier Systems).

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)	%
	2020	2019			2020	2019		
	Revenues from sales and services	138.46			258.16	(119.70)		
Gross profit from sales and services	32.69	47.38	(14.69)	(31.00%)	66.08	84.63	(18.55)	(21.92%)
Other income	0.94	1.44	(0.5)	(34.72%)	2.83	2.64	0.19	7.20%
Selling expenses	4.67	9.41	(4.74)	(50.37%)	10.51	18.35	(7.84)	(42.72%)
Administrative expenses	60.28	63.03	(2.75)	(4.36%)	93.00	90.46	2.54	2.81%
Net loss before finance costs and corporate income tax	(31.32)	(23.62)	(7.70)	(32.60%)	(34.60)	(21.54)	(13.06)	(60.63%)
Finance costs	(2.91)	(3.85)	(0.94)	(24.42%)	(5.24)	(6.13)	(0.89)	(14.52%)
Corporate income tax	2.99	5.85	(2.86)	(48.89%)	0.93	5.96	(5.03)	(84.40%)
Net profit for the period	(31.24)	(21.62)	(9.62)	(44.50%)	(38.91)	(21.71)	(17.20)	(79.23%)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
Total Comprehensive income for the period	(31.24)	(21.62)	(9.62)	(44.50%)	(38.91)	(21.71)	(17.12)	(79.23%)

Profit Sharing for the Period								
- The Company's Equity	(29.87)	(21.52)	(8.35)	(38.80%)	(36.50)	(22.24)	(14.26)	(64.12%)
- Non-controlling Interest	(1.37)	(0.10)	(1.27)	(1270%)	(2.41)	0.53	(2.94)	(554.72%)

Total Revenues (Revenues from sales and services and other income) was decreased from 3 months in the same period of previous year in an amounting of Baht (119.70) million or (46.37) percent and decreased from 6 months in the same period of previous year in an amounting of Baht (145.50) million or (32.98) 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,			
	2020		2019		2020		2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
1. Industrial and OEM (B1) ¹	31.25	22.57%	102.82	39.83%	61.42	20.80%	140.10	31.80%
2. Commercial and residential (B2) ¹	50.27	36.31%	79.60	30.83%	116.48	39.45%	145.70	33.07%
3. Medical services (B3) ²	56.94	41.12%	75.74	29.34%	117.40	39.75%	154.80	35.13%
Total Revenues	138.46	100%	258.16	100.00%	295.30	100%	440.60	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 2020, Revenue from sales of goods and services for the group was increased from the same period of previous year in an amounting of Baht (119.70) million or (46.37) 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 last year in an amounting of Baht (71.57) million or (69.61) percent mainly came from the Company start recognize revenue from large project in second Quarter of 2019 while the same period of current year the Company hasn't get any large project.

Commercial and residential (B2)

The revenue of business segment has decreased from the same period of previous year in an amounting of baht (29.33) million or (36.85) percent. Mainly came from revenue of water system installation and water filter equipment in food and beverage business which was temporary closed from COVID - 19.

Medical services (B3)

Revenue from this segment was decreased from the same period of previous year in an amounting of Baht (18.80) million or (24.82) 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 (29.63) million mainly came from Wuttisak Clinic was temporary closed from COVID - 19.

3.2 Gross Profit

The Group's gross profit was decreased from the same period of previous year in an amounting of Baht (14.69) million or (31.00) percent. Mainly came from the Company start recognize revenue from large project in second Quarter of 2019 while the same period of current year the Company hasn't get any large project.

3.3 Selling expenses and Distribution expense

Selling expense and Distribution expense was decreased from the same period of previous year in an amounting of Baht (4.74) million or (50.37) percent. Mainly came from commission expense from Hi Healthcare center Co., Ltd. was decreased from Wuttisak Clinic was temporary closed from COVID - 19.

3.4 Administration expenses

The Group's administrative expense was decreased from the same period of previous year in an amounting of Baht (2.75) million or (4.36) percent. Mainly came from Hi Healthcare center Co., Ltd. has recognize allowance for doubtful debt in an amounting of baht 31.98 million in second quarter 2019.

3.5 Operating results

The Group's net loss was increased from the same period of previous year in an amounting of Baht 9.62 million or 44.50 percent. Mainly came from COVID – 19 which made every business unit has less revenue than previous year.

4. Financial position

Statement of Financial Position – Consolidated (Million Baht)	As at		Increase (Decrease)	%
	June 30, 2020	December 31, 2019		
Asset	807.75	772.52	35.23	4.56%
Liabilities	441.98	361.95	80.03	22.11%
Shareholders' equity	365.77	410.57	(44.80)	(10.91%)
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, 2020 was increased in an amounting of Baht 35.23 million or 4.56 percent from the end of 2019. Significant changes was included

Cash and cash equivalents was increased in an amounting of Baht 74.68 million, which was increased from incoming from account receivable and increased from loan of financial institutions in an amounting of baht 20 million.

Trade and other receivable was decreased in an amounting Baht (51.85) million due to trade accounts receivable, industrial and OEM business unit (B1) decreased in an amounting Baht (37.36) million, and trade accounts receivable, Pneumatic Tube Carrier Systems decreased in an amounting Baht (9.13) million.

Property, Plant and Equipment was decreased in an amounting of Baht (10.16) million. Mainly came from reclassify asset from financial lease to Right of use Asset followed to TFRS 16 Leases.

Other non-current asset was decreased by Baht (10.49) million due to the Company got retention back from the customer.

4.2 Liabilities

The total liability in the first half of 2020 was decreased from the end of 2019 by Baht 80.03 million or 22.11 percent. Significant changes included

Bank overdrafts and short-term loans from financial institution was increased in an amounting of Baht 28.17 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 21.63 million due to expanding credit term of payment and moreover subsidiary company has purchase more inventories for support business growth.

Lease Liability was increased in an amounting of Baht 31.20 million. Mainly came from the company has recognize all of leasing agreements on Financial Statement followed to TFRS 16 Leases.

4.3 Shareholders' equity

The overall shareholders' equity in the first half of 2020 was decrease from the end of 2019 in an amounting of Baht 44.80 million mainly came from operation loss.

5. Company's direction in second half year 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 second half year 2020 we have plans to start operation new 3 Hemodialysis centers with totally 24 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 3 projects in an amounting of Baht 3.44 million and expected to be completed in fourth quarter of 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 9.22 million, which under installation and expected to be completed in fourth quarter of 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 closed the departments which have accumulate loss in second

quarter of 2020 including negotiation for reduce rental fee with department store for manage cost to be fit with revenue.

5.5 Filters Vision Public Company Limited continuously focused on expanding the big project. The Company received purchase order from customer by 8 projects in an amounting of Baht 16.49 million which is expected to be completed in Quarter 2' 2020 and Quarter 3' 2020.

Sincerely Yours,

Wijit Techakasem

(Dr.Wijit Techakasem)

Managing Director