

14 November 2017

Subject : Management discussion and analysis of financial statements for three-month and nine-month period ended 30 September 2017

Attention : Director and Manager
The Stock Exchange of Thailand

The operating performance for three-month period ended 30 September 2017 of Mahachai Hospital Public Company Limited was highlighted as follow:

1. Company performance for three-month period ended 30 September 2017 compared to the prior year was decreasing in net profit amounting to Baht 28.17 million or 38.62% because of the following main reasons.
 - 1.1 Revenue from hospital operations decreased by Baht 2.31 million or 0.39% due to in q3/2016 subsidiaries received the revenue from Social security scheme while in q3/2017 the revenue from general patient increased .
 - 1.2 Cost of hospital operations increased by Baht 33.70 million or 7.89% mainly due to the Medical personal expenses also increased because of the expanding capacity of subsidiaries.
 - 1.3 Selling and administrative expenses increased by Baht 2.12 million or 2.59% the main reasons are the expenses incurred from the expansion of subsidiaries, staff cost and expenses of hospital quality improvement. /-2-

2. Company performance for nine-month period ended 30 September 2017 compared to the prior year was decreasing in net profit amounting to Baht 52.06 million or 33.59% because of the following main reasons.
 - 2.1 Revenue from hospital operations increased by Baht 83.70 million or 5.35 % because the the increasing revenue from general patient .
 - 2.2 Cost of hospital operations increased by Baht 112.80 million or 9.49% mainly due to the Medical personal expenses also increased because of the expanding capacity of subsidiaries.
 - 2.3 Selling and administrative expenses increased by Baht 27.48 million or 11.77% the main reasons are the expenses incurred from the expansion of subsidiaries, staff cost and expenses of hospital quality improvement.

Please be informed accordingly.

Sincerely yours,
(Mr Pongpat Patanavanich)

Managing Director