



No. RPH-SET 2/2018

24 February 2018

Subject : Management Discussion and Analysis for Year 2017 Ending 31 December 2017

To : The President  
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 1/2018 dated 24 February 2018 approved the Company's Financial Statements ending 31 December 2017. The Company would like to clarify the year ended 31 December 2017 earnings results, as follows.

#### **Statement of comprehensive income**

##### **Revenue from hospital operations**

The Company booked revenue from hospital operations amounting to Baht 409.80 million and Baht 413.02 million for the year ended 31 December 2016 and the year ended 31 December 2017, respectively. The figures represent a year-on-year increase of 0.79%.

##### **Cost of hospital operations**

The cost of hospital operations amounted to Baht 273.54 million and Baht 282.81 million in the year ended 31 December 2016 and the year ended 31 December 2017, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 65.69% and 66.64%, respectively. The higher ratio on a year-on-year basis was attributable to the Company has some costs in personnel and system that prepared to new hospital building.

##### **Selling expenses**

The Company booked selling expenses amounting to Baht 1.87 million and Baht 3.85 million for the year ended 31 December 2016 and the year ended 31 December 2017, respectively. The selling expenses to revenue ratios for those years stood at 0.45% and 0.91%, respectively. The selling expenses to revenue ratio was on the back of the expenses related to preparation for the planned listing to the Stock Exchange of Thailand in the first quarter of 2016 and make a perception for new hospital building.

##### **Administrative expenses**

In the year ended 31 December 2016 and the year ended 31 December 2017, the Company's administrative expenses amounted to Baht 53.44 million and Baht 57.23 million, respectively. The administrative expenses to revenue ratios for those years stood at 12.83% and 13.49%, respectively. The administrative expenses to revenue ratio was on the back of the expenses related to preparation for the planned listing to the Stock Exchange of Thailand in the first quarter of 2016, increasing of computer system depreciation and some expenses that related to new hospital building.

**บริษัท โรงพยาบาลราชพฤกษ์ จำกัด (มหาชน) Ratchaphruek Hospital Public Company Limited**

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# โรงพยาบาลราชพฤกษ์ Ratchaphruek Hospital

## Finance costs

The Company booked finance costs amounting to Baht 2.92 million in the year ended 31 December 2016 and Baht 2.77 million in the year ended 31 December 2017. The year-on-year drop in finance costs in the year ended 31 December 2017 was because in early 2016 bank cut interest rates.

## Net profits

The Company booked net profits of Baht 67.90 million and Baht 63.04 million in the year ended 31 December 2016 and the year ended 31 December 2017, respectively. The result suggests that the Company's year ended 31 December 2016 net profits decreased by 7.16% on a year-on-year basis, the net profit to revenue ratios stood at 16.31% and 14.85%, respectively. This decrease was related to a decrease in revenues in the first quarter and an increase in administrative expenses that related to preparation for the planned listing to the Stock Exchange of Thailand and new hospital building.

## Statement of financial position

As of 31 December 2016 and 31 December 2017; the Company's total assets amounted to Baht 721.30 million and Baht 1,689.34 million, respectively. Major assets were cash and cash equivalents, short-term investments at financial institutions, and property, plant and equipment. As of 31 December 2016 and 31 December 2017, the Company saw cash and cash equivalents to Baht 57.67 million and Baht 168.54 million, respectively. The Company's short-term investments at financial institutions amounting to Baht 110.00 million and Baht 350.00 million, respectively, these increase proceeded from the initial public offering. Meanwhile, as of 31 December 2016 and 31 December 2017, the Company's property, plant and equipment were valued at Baht 499.88 million and Baht 1,108.67 million. The increase in this value was because the Company realized the progress of the construction in progress for its new hospital project.

The Company saw total liabilities of Baht 206.63 million and Baht 400.15 million, as of 31 December 2016 and 31 December 2017, respectively. The major liability was trade and other accounts payable (included contractor for building construction) and long-term loans from financial institutions. As of 31 December 2016 and 31 December 2017, the trade and other accounts payable stood at Baht 118.32 million and Baht 310.53 million, respectively. Meanwhile, as of 31 December 2016 and 31 December 2017, the long-term loans from the financial institutions stood at Baht 63.81 million and Baht 63.94 million, respectively.

As of 31 December 2016 and 31 December 2017, the shareholders' equity was valued at Baht 514.67 million and Baht 1,289.19 million, respectively. The increase in shareholders' equity was thanks to the booking of operating profit and the capital increase program to fund the construction of the new hospital project.

Yours sincerely

(Mr. Teerawat Srinakaran)  
Chief Executive Officer

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