

No. BCH.064/2018

14 May 2018

Subject : Explanation of the change in operating results of Q1/2018 which exceed 20%

To : The President
The Stock Exchange of Thailand

Bangkok Chain Hospital Public Company Limited ("the Company") would like to report the operating results of the Company and its subsidiaries for the first quarter ended 31 March 2018 which has been reviewed by the independent auditor as follows:

Consolidated financial statements

The Group reported profit attributable to owners of the Company for Q1/2018 in the amount of Baht 214.6 million (Q1/2017: Baht 164.8 million) which increased in the amount of Baht 49.8 million or 30.2% and reported profit before finance costs, share of profit of investment in associate and income tax in the amount of Baht 285.6 million (Q1/2017: Baht 285.6 million) which increased in the amount of Baht 55.5 million or 19.4%. The main reasons were:

- Total revenues for Q1/2018 in the amount of Baht 1,843.9 million which increased from Q1/2017 in the amount of Baht 196.2 million or 11.9%. The details of revenue structure are as below:

Unit: Million Baht

Revenue Structure	Q1/2018	Q1/2017	Change	
Cash-Base Revenue (Walk-In)	1,170.5	994.6	175.9	17.7%
Social Security Scheme Revenue	651.9	609.0	42.9	7.0%
Universal Coverage Revenue	-	18.3	(18.3)	(100%)
Other Income	21.5	25.8	(4.2)	(16.3%)
Total Revenues	1,843.9	1,647.7	196.2	11.9%

- Total expenses for Q1/2018 in the amount of Baht 1,537.4 million which increased from Q1/2017 in the amount of Baht 134.9 million or 9.6% due to cost of hospital operations which increased in the amount of Baht 95.3 million or 8.3% complied with an increase of the revenue. The distribution costs and administrative expenses increased in the amount of Baht 45.6 million or 21.8% because the Company has been promoting the sales on the cash patients which was consistent with the upgrading of hospitals and added new brand "Kasemrad International Hospital" to the Group. The finance costs decreased in the amount of Baht 5.9 million or 15.3% which in line with the management of interest rate of long-term debts.

- Income tax for Q1/2018 in the amount of Baht 53.2 million increased from Q1/2017 in the amount of Baht 12.9 million which was consistent with the increase in profit before income tax.

Separate financial statements

The Company reported profit for Q1/2018 in the amount of Baht 87.6 million (Q1/2017: Baht 41.2 million) which increased in the amount of Baht 46.3 million or 112.3% and reported profit before finance costs and income tax in the amount of Baht 134.9 million (Q1/2017: Baht 86.9 million) which increased in the amount of Baht 48.0 million or 55.2%. The main reasons were:

- Total revenues for Q1/2018 in the amount of Baht 1,005.1 million which increased from the same period of 2017 in the amount of Baht 190.9 million or 23.5%. The details of revenue structure are as below:

Unit: Million Baht

Revenue Structure	Q1/2018	Q1/2017	Change	
Cash-Base Revenue (Walk-In)	564.2	472.5	91.7	19.4%
Social Security Scheme Revenue	410.8	294.1	116.7	39.7%
Universal Coverage Revenue	-	18.3	(18.3)	100%
Other Income	30.1	29.3	0.8	2.7%
Total Revenues	1,005.1	814.2	190.9	23.4%

- Total expenses for Q1/2018 in the amount of Baht 902.7 million which increased from Q1/2017 in the amount of Baht 137.3 million or 17.9% due to cost of hospital operations which increased in the amount of Baht 116.5 million or 19.4% complied with an increase of the revenue. The distribution costs and administrative expenses increased in the amount of Baht 26.5 million or 21.0% because the Company has been promoting the sales on the cash patients which was consistent with the upgrading of hospitals. The finance costs decreased in the amount of Baht 5.6 million or 14.8% which in line with the management of interest rate of long-term debts.

- Income tax for Q1/2018 in the amount of Baht 14.9 million increased from the same period of Q1/2017 in the amount of Baht 7.3 million which was consistent with the increase in profit before income tax.

Please be informed accordingly

Yours sincerely,

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Chief Executive Officer