

No. WPH – SET 13/2018

8 August 2018

Subject : Management Discussion and Analysis for Quarter 2 of 2018 ending on 30 June 2018.

To : Directors and Manager

The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.4/2018 of WattanaPAT Hospital Trang Public Company Limited (“the Company”) held on 7 August 2018, approving the audited consolidated financial statements for Quarter 2 of 2018 ending on 30 June 2018. The Company would like to report factors that affect the financial performance of The Company and its subsidiary for Quarter 2 of 2018 ending on 30 June 2018 as follows;

Statements of Comprehensive Income

Revenue from Hospital Operations

The Company generated the revenue from hospital operations for the 2nd quarter of Year 2017 and 2018 were in amounts of Baht 126.83 million and Baht 135.14 million, respectively, which increased by 6.5% compared to the total revenue. The revenue from In-patients and Out-patients department inclined by 6.6% and 6.5% respectively. Causing from Gastrointestinal diseases and Dengue Fever including non-communicable diseases such cardiovascular disease, neurologic diseases, emergency care etc.

Cost of Hospital Operations

The cost of hospital operations for the 2nd quarter of Year 2017 and 2018 were in amounts of Baht 90.69 millions and Baht 99.04 million, respectively, which increased by 9.2%. Costs of hospital operations incurred with total revenue from hospital operations for the 2nd quarter of Year 2018, equaled to 73.3% comparing to the 2nd quarter of Year 2017, equaled to 71.5%. Causing from the increasing of overtime pay and doctor fee.

Selling Expenses

The selling expenses for the 2nd quarter of Year 2017 and 2018 were in amounts of Baht 3.16 million and Baht 2.96 million, declining by 6.3%. The proportion of selling expenses incurred compared to total revenues for the 2nd quarter of Year 2017 and 2018 were 2.5% and 2.2% , respectively.

Administrative Expenses

The selling expenses for the 2nd quarter of Year 2017 and 2018 were in amounts of Baht 28.14 million and 30.87 million, increasing by 9.7%. The proportion of administrative expenses incurred compared to total revenues for the 2nd quarter of Year 2017 and 2018 were 22.8% and 22.2%, respectively, which was slightly increased. The incremental of administrative expenses derived mainly from expenses related to employees and also hiring outsourcing company to provide household tasks.

Financing Costs

The financing costs of financial institutions for the 2nd quarter of Year 2017 and 2018 were in amounts of Baht 1.19 million and 0.04 million respectively, declined by 96.8%. This decrease stemmed from receiving the lump sum amount of capital increase from the Initial Public Offering (IPO) in September, 2017. Also, repay loans from financial institutions and no incurring interest expense in Q4/2017.

Net Profits

For the 2nd quarter of Year 2017 and 2018, the net profits were in amounts of Baht 4.37 million and Baht 5.10 million, increasing by Baht 0.73 million or accounted for 16.80%. The proportion of net profit incurred compared to the total revenue for the 2nd quarter of Year 2017 and 2018 accounted for 3.4% and 3.8%, respectively which resulted from total revenue increased. This is stemmed from the being increased in the revenue from hospital operations and deferred income tax, on the contrary, the proportion of selling expense, and financing cost were decreased .

Please be informed accordingly.

Yours Sincerely,

(Mr.Chane Laosonthorn)

Director