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Ref : LPH/SET 2018/016

August 10, 2018

Subject : Clarification on the Operating Results for the 3-month and 6-month period ended June 30, 2018 (Q2/2018)

To : President
The Stock Exchange of Thailand

The Board of Directors' Meeting of Ladprao General Hospital Public Company Limited (the "Company"), No.6/2018, held on August 10, 2018, has approved the financial statements of the Company and its subsidiaries for the three-month and six-month period ended June 30, 2018. The Company would like to clarify on the operating results as follows:

Revenues

- Total 3-month and 6-month consolidated revenues have increased to Baht 360.4 and Baht 797.3 million, a 0.8% and 11.8% growth over same period of last year with details as the followings:

Unit : Million Baht

Revenues Structure	Six month period 2018	Six month period 2017	Difference		Q2/2018	Q2/2017	Difference	
HOSPITAL REVENUES	672.5	621.0	51.5	8.3%	332.1	312.0	20.1	6.4%
<i>Hospital Revenues from general clients</i>	393.4	318.8	74.6	23.4%	187.6	159.9	27.8	17.4%
<i>Revenues from Social Security Scheme</i>	279.0	302.2	(23.2)	(7.7%)	144.5	152.2	(7.7)	(5.0%)
SERVICE REVENUES	74.1	68.2	6.0	8.7%	36.7	35.8	0.9	2.5%
Total Revenues from Hospital Operation	746.6	689.2	57.4	8.3%	368.8	347.8	21.0	6.0%
OTHER REVENUES								
Investments income, net of private fund	(11.7)	7.56	(19.3)	(254.7%)	(10.1)	5.0	(15.1)	(301.5%)
Others	62.37	16.35	46.0	281.4%	1.7	4.8	(3.1)	(64.6%)
Total Revenues	797.3	713.1	84.2	11.8%	360.4	357.6	2.8	0.8%

- The revenues for 2nd-quarter and 6-month-hospital operation have risen to Baht 332.1 and Baht 672.5 million, a 6.4% and 8.3% growth over same period of last year having details as follows:

- Hospital revenues from general clients for 2nd-quarter and 6-month period have advanced to Baht 187.6 and Baht 393.4 million, a 17.4% and 23.4% growth over same period of last year mainly caused by an increasing number of general patients at average of 15% along with 3-5% rising income per head resulting from the launch of new buildings and the enablement of medical excellence centers as planned.



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- Hospital Revenues from Social Security Fund for 2nd quarter and 6-month period amounted to Baht 144.5 and Baht 279.0 million, a decrease of 5.0% and 7.7% compared with same period of last year as a result of service price adjustment for the hospitals under Social Security Scheme for severe diseases had decreased from 12,800/AdjRw to 10,200/AdjRW
- Service Revenues of a subsidiary (AMARC) for 2nd quarter and 6-month period totaling of Baht 36.7 and Baht 74.1 million have raised at 2.5% and 8.7% growth over same period of last year mainly due to greater scope expansion along with continual growing customer base.
- Other Income other than revenues from hospital operation and scientific testing and laboratory service for 2nd quarter had decreased mainly caused by unrealized loss of marketable securities totaling Baht 10 million following the volatility during its downturn in stock and debt instrument market while the 6-month period income had great upside of 281.4% gained from selling of Company investment assets in the 1st quarter.

Costs and Expenses

Unit : Million Baht

Cost and Expense Structure	Six month period 2018	Six month period 2017	Difference		Q2/2018	Q2/2017	Difference	
Cost of Hospital Operations(excl. depreciation)	479.7	446.8	32.9	7.4%	241.8	228.0	13.8	6.1%
Depreciation Cost	35.4	25.7	9.7	37.6%	17.9	12.9	5.0	38.5%
Cost of Services	45.4	37.7	7.7	20.5%	21.3	18.9	2.3	12.4%
Total Cost from Hospital Operation	560.5	510.2	50.4	9.9%	281.0	259.9	21.1	8.1%
Administrative Expenses(excl. depreciation)	84.8	71.3	13.5	18.9%	39.8	38.6	1.2	3.2%
Services and Administrative Expenses	33.4	31.3	2.1	6.8%	17.3	16.5	0.8	4.8%
Depreciation Expense	6.3	5.9	0.4	6.5%	3.2	3.0	0.2	7.8%
Financing Costs	3.6	2.6	1.0	37.8%	1.7	1.7	0.1	3.7%
Total Cost and Expense	688.7	621.4	67.4	10.8%	343.1	319.7	23.5	7.3%

- Cost of Hospital Operations excluding depreciation for 3-month and 6-month period ended June 30, 2018 amounted to Baht 241.8 and Baht 479.7 million, raised by 6.1% and 7.4% over same period of last year, which have been in lines with the revenue growth.
- For the subsidiary-AMARC performance in 2nd quarter and 6-month period, its cost of services amounted to Baht 21.3 million and Baht 45.4 million, a rise of 12.4% and 20.5% whereas its selling & administrative expenses enlarged at slightly of 4.8% and 6.8% respectively in resulting from upward revenues along with the expansion of branches and scopes of services serving for its growing number of customer bases.





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- For the 2nd quarter administrative expenses for hospital business had slightly increased at a rate of 3.2% over same period of last year which, in accordance with the policy, demonstrated the efficiency of Company cost control management.
- Nevertheless, Company had incurred somewhat high progress rate of 37-38% depreciation change over same period of last year mainly due to the investment and launching of the new Excellence Center Building this year (2018).

Profits

According to the former declaration and explanation on the performance of Company and its subsidiaries, the 2nd-quarter net profits had been somewhat dropped mainly due to the uncontrollable factors that affected the investment fund. However, the 6-month consolidated net profit attributable to owners of the Company has still been in a positive position totaling of Baht 90.7 million, or equivalent to a 12% growth over the same period of last year.

Please be informed accordingly.

Yours sincerely,

(Dr. Ungoon Chantanavich)

Chief Executive Officer