

14 August 2018

Subject :Management discussion and analysis of financial statement for three-month and six- month period ended 30 June 2018

Attention :Director and Manager
The Stock Exchange of Thailand

The operating performance for three-month period end 30 June 2018 of Mahachai Hospital Public Company Limited compared to the prior year was decreasing in net profit amounting to Baht 38.83 million or 89.31 % because of the follow main reasons.

1.Revenue from hospital operations decreased by Baht 5.72 million or 1.04 % due to in Q2/2018 Socail Security revenue of subsidiaries decreased because the Social Security Office have reduced the payment of medical expenses of high-cost deseases from 12,800.- to 10,200.-Baht,so the company has to adjust the revenue that was recognized to match the actual revenue. In addition,the company has terminated its contractual partnership with the National Health Security Office .Meanwhile the revenue from general patient increased.

2. Cost of hospital operations & Administrative expenses increased by Baht 29.44 million or 10.92 % due to the Medical personal expenses also increased because of the expanding capacity of subsidiaries.

3. Finance costs increased by Baht 14.71 million or 241.74 % due to the Investments in subsidiaries "TPP Healthcare International Co., Ltd" and the building expansion of the subsidiaries.

Sincerely yours,

(Mr.Pongpat Patanavanich)

Managing Director

