

No. WPH – SET 17/2018

8 November 2018

Subject : Management Discussion and Analysis for Quarter 3 of 2018 ending on 30 September 2018.

To : Directors and Managers

The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.5/2018 of WattanaPAT Hospital Trang Public Company Limited (“the Company”) held on 7 November 2018, approving the audited consolidated financial statements for Quarter 3 of 2018 ending on 30 September 2018. The Company would like to report factors that affect the financial performance of the Company and its subsidiary for Quarter 3 of 2018 ending on 30 September 2018 as follows;

#### **Statements of Comprehensive Income**

##### **Revenue from Hospital Operations**

The Company generated the revenue from hospital operations for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were in amounts of Baht 127.59 million and Baht 154.39 million, respectively, which increased by 21.0% compared to the total revenue. The revenue from In-patients and Out-patients department inclined by 31.5 % and 5.9 % respectively. Causing from Gastrointestinal diseases and Dengue Fever including non-communicable diseases such as cardiovascular disease, neurologic diseases, emergency care etc.

##### **Cost of Hospital Operations**

The cost of hospital operations for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were in amounts of Baht 95.14 millions and Baht 108.25 million, respectively, which increased by 13.8%. Costs of hospital operations incurred with total revenue from hospital operations for the 3<sup>rd</sup> quarter of Year 2018, equaled to 70.1% comparing to the 3<sup>rd</sup> quarter of Year 2017, equaled to 74.6%. Causing from the increasing of overtime pay and doctor fee.

##### **Selling Expenses**

The selling expenses for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were in amounts of Baht 2.88 million and Baht 2.53 million, declining by 12.2%. The proportion of selling expenses incurred compared to total revenues for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were 2.3% and 1.6% , respectively.

**Administrative Expenses**

The selling expenses for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were in amounts of Baht 27.21 million and 30.73 million, increasing by 12.9%. The proportion of administrative expenses incurred compared to total revenues for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were 19.9% and 21.3%, 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. On the contrary, in 2018, the Company was no one-time expense regarding listed on the Stock Exchange of Thailand .

**Financing Costs**

The financing costs of financial institutions for the 3<sup>rd</sup> quarter of Year 2017 and 2018 were in amounts of Baht 2.46 million and 1.12 million respectively, declined by 54.4%. 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 3<sup>rd</sup> quarter of Year 2017, the net loss was in amounts of Baht 2.54 million and for the 3<sup>rd</sup> quarter of year 2018, the net profit was in amounts of Baht 10.94 million, increasing by Baht 13.48 million or accounted for 530.1%. The proportion of net (loss)/profit incurred compared to the total revenue for the 3<sup>rd</sup> quarter of Year 2017 and 2018 accounted for (2.0)% and 7.1%, respectively which resulted from total revenue increased. This is stemmed from the being increased in the revenue from hospital operations, on the contrary, the proportion of cost of hospital operations, selling and administrative expenses, and financing cost were decreased .

Please be informed accordingly.

Yours Sincerely,

( Mr.Chane Laosonthorn)

Director