

No. BCH.172/2018

30 November 2018

Subject : Explanation of the change in operating results of Q3/2018 which exceed 20% (Revised)

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 third quarter ended 30 September 2018 which had been reviewed by the independent auditor as follows:

**Consolidated financial statements**

The Group reported profit attributable to owners of the Company for Q3/2018 in the amount of Baht 356.5 million (Q3/2017: Baht 302.6 million) which increased by Baht 54.0 million or 17.8%. The profit before finance costs and income tax were Baht 521.8 million (Q3/2017: Baht 494.0 million) which increased by Baht 27.8 million or 5.6%. The main reasons were:

- Total revenues for Q3/2018 were Baht 2,254.3 million which increased from Q3/2017 by Baht 235.0 million or 11.6% due to the following reasons:

Unit: Million Baht

Revenue Structure	Q3/2018	Q3/2017	Difference	
Cash-Base (Walk-In) Revenue	1,518.9	1,273.6	245.3	19.3%
Social Security Scheme Revenue	709.1	714.1	(5.0)	(0.7%)
Universal Coverage Revenue	-	15.8	(15.8)	(100%)
Other Revenue	26.3	15.8	10.5	66.5%
<b>Total</b>	<b>2,254.3</b>	<b>2,019.3</b>	<b>235.0</b>	<b>11.6%</b>

- The cash-base patients’ revenue for Q3/2018 were Baht 1,518.9 million which increased from Q3/2017 by Baht 245.3 million or 19.3% as a result of the renovation of the existing hospitals and adding more specialized centers led to the expansion of both local and international patient base to the group.

- The Social Security Scheme revenue for Q3/2018 were reported in the amount of Baht 709.1 million declined from Q3/2017 by Baht 5.0 million or 0.7% as a result of a decrease in number of insured person under Social Security Scheme led to lower Social Security patients accordingly.

- Total expenses for Q3/2018 were reported in the amount of Baht 1,763.2 million which increased from the Q3/2017 by Baht 203.9 million or 13.1% due to the increase in cost of hospital operations in the amount of Baht 133.0 million or 10.2% which was in line with the increased revenue. Distribution cost and selling & administrative expenses increased in the amount of Baht 74.2 million or 32.8% from the use of marketing to promote products and

services of the hospital to both local and international patients. And, the financial costs decreased in the amount of Baht 3.4 million or 10.0% which was in line with the improved financial cost management of the Company.

- Income tax for Q3/2018 was in the amount of Baht 88.1 million which decreased from Q3/2017 by Baht 6.6 million as a result of the tax incentive received from domestic investment promotion.

**Separate financial statements**

The Company reported profit for the period in the amount of Baht 435.6 million (Q3/2017: Baht 304.7 million) which increased by Baht 130.9 million or 43.0%. The profit before finance costs and income tax were Baht 511.8 million (Q3/2017: Baht 372.4 million) which increased by Baht 139.4 million or 37.4%. The main reasons were:

- Total revenues for Q3/2018 were Baht 1,558.6 million which increased from Q3/2017 by Baht 370.1 million or 31.1% due the following reasons:

Unit: Million Baht

Revenue Structure	Q3/2018	Q3/2017	Difference	
Cash-Base Revenue (Walk-In)	820.9	578.1	242.3	41.9%
Social Security Scheme Revenue	475.6	359.9	115.7	32.1%
Universal Coverage Revenue	-	15.5	(15.5)	(100%)
Other Revenue	262.1	234.4	27.7	11.8%
<b>Total</b>	<b>1,558.6</b>	<b>1,188.4</b>	<b>370.2</b>	<b>31.2%</b>

- Total expenses for Q3/2018 were Baht 1,076.8 million which increased by Baht 226.1 million or 26.6% as a result of the increase in cost of hospital operations in the amount of Baht 188.2 million or 27.6% which was in line with the increased revenue. Distribution costs and selling & administrative expenses increased in the amount of Baht 42.5 million or 31.4%. On the other hand, finance costs decreased in the amount of Baht 4.6 million or 13.2% which in line with the improved financial cost management of the Company.

- Income tax for Q3/2018 was Baht 46.2 million which increased from Q3/2017 by Baht 13.1 million in line with the increase in profit before income tax.

Please be informed accordingly.

Yours sincerely,

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Chief Executive Officer