

No. BCH.186/2019

11 November 2019

Subject : Management Discussion and Analysis Quarter 3 Ending 30 September 2019

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 (collectively as the “**Group**”) for the third quarter ended 30 September 2019 which had been reviewed by the independent auditor as follows:

Consolidated financial statements

The Group reported profit attributable to owners of the Company for Q3/2019 in the amount of Baht 402.1 million (Q3/2018: Baht 356.5 million) which increased by Baht 45.6 million or increased by 12.8 percent. The profit before finance costs and income tax were Baht 593.2 million (Q3/2018: Baht 521.8 million) which increased by Baht 71.4 million or increased by 13.7 percent. Management discussion and analysis are detailed as follows:

In Q3/2019, the Group reported its total revenues increased in the amount of Baht 246.2 million from Baht 2,254.3 million to Baht 2,500.5 million or increased 10.9 percent. The Group’s revenue structure is as follows:

Unit: Million Baht

Revenue Structure	Q3/2019	Q3/2018	Change	
General Patient Revenue	1,683.8	1,518.9	164.9	10.9%
Social Security Scheme Revenue	785.4	709.1	76.3	10.8%
Other Revenue	31.3	26.3	5.0	19.0%
Total	2,500.5	2,254.3	246.2	10.9%

The revenue from General Patient for Q3/2019 were reported in the amount of Baht 1,683.8 million which increased from Q3/2018 by Baht 164.9 million or increased 10.9 percent due to the seasonal epidemic which resulted to the increase in number of both Out-patients and In-patients, the rapid growth of the operating performance of Kasemrad Hospital Ramkamhaeng, higher intensity medical treatments from the new specialized centers in the existing hospital branches and the service provision of mobile checkup program for the Government agencies.

The Social Security Scheme revenue for Q3/2019 were reported in the amount of Baht 785.4 million growing from Q3/2018 by Baht 76.3 million or increased 10.8 percent due to an increase in number of insured person under Social Security Scheme that registered with our hospital branches. And, the Company received additional revenue from Risk-adjusted payment from the SSO’s budget disbursement of 2018.

Total expenses for Q3/2019 were reported in the amount of Baht 1,942.0 million which increased from the Q3/2018 by Baht 178.7 million or increased 10.1 percent which consisted of an increase in cost of hospital operations in the amount of Baht 157.6 million or increased 11.0 percent, and distribution costs and administrative expenses increased in the

amount of Baht 17.1 million or increased 5.7 percent which mainly resulted from the increase in staff expense and doctor fee incurred from the opening of the new specialized centers, higher repair and maintenance expenditure of medical equipment, and higher depreciation and amortization expenses resulted from the expansions of a new hospital and new specialized centers in the existing hospital branches. The finance costs increased in the amount of Baht 4.0 million or increased 12.9 percent due to an increase in loan outstanding used to finance the projects under construction.

Separate financial statements

The Company reported profit for Q3/2019 in the amount of Baht 344.8 million (Q3/2018: Baht 435.6 million) which decreased by Baht 90.8 million or decreased 20.8 percent. The profit before finance costs and income tax were Baht 428.1 million (Q3/2018) : Baht 511.8 million) which decreased by Baht 83.7 million or decreased 16.4 percent as the result of a decrease in dividend income due to the reduction in dividend payout of the Company's subsidiaries that were under expansions and renovations.

In Q3/2019, total revenues increased from Q3/2018 by Baht 49.0 million from Baht 1,558.6 million to Baht 1,607.6 million or increase 3.1 percent. The Company's revenue structure is as follows:

Unit: Million Baht

Revenue Structure	Q3/2019	Q3/2018	Change	
General Patient Revenue	894.3	820.9	73.4	8.9%
Social Security Scheme Revenue	536.2	475.6	60.6	12.7%
Other Revenue	177.1	262.1	(85.0)	(32.4%)
Total	1,607.6	1,558.6	49.0	3.1%

Total expenses for Q3/2019 were Baht 1,214.2 million which increased from Q3/2018 by Baht 137.4 million or increased 12.8 percent as the result of an increase in cost of hospital operations in the amount of Baht 95.0 million or increased 10.9 percent, and distribution costs and administrative expenses increased in the amount of Baht 37.7 million or increased 21.2 percent which mainly resulted from the increase in staff expense, doctor fee, and other fixed costs including depreciation and amortization for the expansions of a new hospital and new specialized centers in the existing hospital branches. The finance costs increased in the amount of Baht 4.6 million or increased 15.5 percent due to an increase in loan outstanding used to finance the projects under construction.

Please be informed accordingly.

Yours sincerely,

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Chief Executive Officer