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Ref : LPH/SET 2021/013

August 9, 2021

Subject : Clarification on the Operating Results for the 3-month and 6-month period ended June 30, 2021 (Q2/2021)

To : President

The Stock Exchange of Thailand

The Board of Directors' Meeting of Ladprao General Hospital Public Company Limited (the "Company"), No.4/2021, held on August 9, 2021, has approved the financial statements of the Company and its subsidiaries for the 3-month and 6-month period ended June 30, 2021 and would like to clarify the operating results as follows:

**Summary of the Company's operating results**

As a result of the new wave of intensified coronavirus (COVID-19) outbreak since this second quarter, the cumulative and new cases of infection have continued to increase and spread rapidly. The number of medical services both normal patients and ones related to COVID-19 have increased significantly, especially screening, confirmation of infection, isolation, as well as treatment services.

Since this Q2/2021, the Company has been collaborating with the government to continuously provide services in accordance with the prescribed covid-19 pandemic control measures including vaccination, screening, confirmation of infection, patient isolation both in hospitals, critical-care ward, and intensive care units. But with the number of covid cases still increasing rapidly and continuously, as a result, the Company be required to accelerate the expansion and operation of hospitals and jointly manage the community center continuously and promptly to cope with such situation. The number of beds accommodated by COVID-19 both IPD and the hospitals had then increased from about 200 beds by the end of Q2/2021 to a capacity of covid-beds in early Q3/2021 of more than 850 beds currently and may need to be well-prepared to later expand in case the pandemic situation is more intensify and increasingly its severe.

**Summary for Q2/2021 and 6-month operating results of the Company**

The Company's gross profit margin (%GP) in Q2/2021 has significantly increased to 32.22%, resulted in the acceleration of consolidated net profit (attributable to owners of the Company) for 3-month and 6-month period ended June 30, 2021 to the amount of Baht 84.74 million and Baht 125.13 million or substantial growth of 1,758.72% and 231.64% YoY respectively. **The essence of the performance included followings:**

**Revenue**

1. Revenue from Hospital Operation for 3-month and 6-month period ended June 30, 2021 recorded at Baht 531.51 million and Baht 1,011.50 million with 35.45% and 23.76% growth respectively over same period of last year.

The driving factors are as follows:

- 1.1 Increasing revenues from hospital operation for 3-month and 6-month period ended June 30, 2021 recorded at Baht 473.52 million and Baht 883.70 million or rising over same period of last year at the growth rate of 39.68% and 24.77% respectively mainly due to:





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- The YoY growth for 3-month and 6-month period ended June 30, 2021 of the hospital revenues from general clients at the rate of 31.70% and 14.93%, respectively.
- The YoY growth for 3-month and 6-month period ended June 30, 2021 of the hospital revenues from Social Security Scheme at the rate of 40.84% and 25.47% respectively.
- The revenues in both general patient and social security segments have grown rapidly mainly driven by the significant increase in both OPD cases, mainly comprising patients in-general and ones with concerning of COVID-19 and having needs of screening and confirming of such infection, and IPD of Covid-19 patients in various symptom stages including in intensive care units (Covid-ICUs), critical care rooms (Covid-Wards) and isolation of patients for treatment in isolated rooms (Hospitels) including the growing in medical treatment rates and increasing disbursements in case of treatment for patients with COVID-19 from the Social Security Office to the Hospital as a service provider in the social security system.
- In addition, the Company has earned more hospital revenue of the new segment of medical mobile checkup and on-site medical and nursing services in factories and agencies at the growth rate of 254.11% and 652.79% for 3 months and 6 months ended June 30, 2021 respectively compared with the same period of last year.

1.2 In regard to the subsidiary, Asia Medical & Agricultural Laboratory and Research Center (“AMARC”), its service revenues for 3-month and 6-month period ended June 30, 2021 recorded at Baht 55.22 million and Baht 120.97 million which expressively grew YoY by 9.75% and 17.12%. Such the service revenue has continuously grown mainly due to its greater expansion of laboratory scopes of testing and analyzing for agricultural, food, and pharmaceutical associated with continual growing number of customers recognizing AMARC’s services even amid the affect from COVID-19 pandemic.

**Costs and Expenses**

1. Q2 and half-year consolidated costs ended June 30, 2021 increased YoY at the rate of 13.15% and 13.31% for the hospital operation and 14.58% and 18.76% for the service sector respectively which have been in lines with the revenue growth but still been impacted somehow by the COVID-19 outbreak.
2. For the 2nd-quarter/2021 consolidated services and administrative expenses decreased by 12.49% mainly due to the item of related expenses for the registration of the sale and transfer of land and buildings to the subsidiary only occurred in Year 2020 (The item occurred only in the event), meanwhile the six-month period expenses have incurred in closely compared to last year or rising just only 0.70%.



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3. In regard to the 3-month and 6-month operation ended June 30, 2021, the consolidated financing costs amounted to Baht 3.62 million and Baht 7.02 million, rose in accordance with the use of working capital for the period along with the increase in corporate income taxes at the rate of 169.25% and 128.74% respectively over same period of last year driving from the increase in the overall profit of the Company.

Please be informed accordingly.

Yours sincerely,

(Dr. Ungoon Chantanavich)

Chief Executive Officer