

Ref. No. Chor Por.(2) 3371/2022

August 15, 2022

To Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis of the six-months period ended on 30th June 2022.

On behalf of Chiang Mai Ram Medical Business Public Company Limited (the Company), I would like to clarify the operation of the Company and its subsidiaries for the quarter ended on June 30, 2022 comparing to the same period in 2021.

1. Operating results

The quarter ended on 30th June 2022

The detail is as following;

(In Thousand)	June 30, 2022	June 30, 2021	Increase(decrease)
Revenue from medical treatment	1,513,881	883,349	630,532
Other income	17,009	15,280	1,729
Total Revenue	1,530,890	898,629	632,261
Share of profit of associates	(1,340)	(519)	(821)

1. Total revenue with the amount of 1,530.89 million baht is increased 632.26 million baht comparing to the same quarter in 2021 with the amount of 898.63 million baht or 70.36%.

2. The other income increased by 1.73 million baht.

3. The increased of profit associated sharing decrease 0.82 million baht which was a decrease of baht 1.94 million baht from Pawo Hospital Co., Ltd. and Watcharasirivej Co., Ltd., a decrease of 0.42 million baht. The increase of 1.53 million baht was contributed by Khelang Nakorn Hospital Co., Ltd..

(In Thousand)	June 30, 2022	June 30, 2021	Increase(decrease)
Cost of medical treatment	962,611	704,942	257,669
Administrative expenses	170,172	138,891	31,281
Financial cost	29,559	16,861	12,698
Total expenses	1,162,342	860,694	301,648

The total expenses increased by 301.65 million baht or 35.05% due to the increasing of medical treatment costs as 257.67 million baht or 36.55%, administrative expenses increased by 31.28 million baht or 22.52%. This was due to the revenue from medical treatment of the Company and its subsidiaries increased and financial cost increased by 12.70 million baht or 75.31%.

The Company and its subsidiaries had 299.30 million Baht of net income that increases 271.21 million baht comparing to the same period in 2021, which had a net loss of 28.09 million baht or 965.52%. Because during the second quarter of 2022, the Company and its subsidiaries increased income from caring for corona virus patients compared the same period in 2021.

For the six-month period ended 30th June 2022

The detail is as following;

(In Thousand)	June 30, 2022	June 30, 2021	Increase(decrease)
Revenue from medical treatment	2,771,525	1,814,508	957,017
Other income	67,871	57,328	10,543
Total Revenue	2,839,396	1,871,836	967,560
Share of profit of associates	3,290	6,694	(3,404)

1. Total revenue with the amount of 2,839.40 million baht is increased 967.56 million baht comparing to the same quarter in 2021 with the amount of 1,871.84 million baht. Due to the increase revenue to medical treatment of the Company and its subsidiaries amount 957.02 million baht or 52.74%.

2. The Other income increased by 10.54 million baht.

3. The increased of profit associated sharing decrease 3.40 million baht. Which was a decrease of 3.08 million baht from Pawo Hospital Co., Ltd. and Watcharasirivej Co., Ltd., a decrease of 0.42 million baht. The increase of 0.09 million baht was contributed by Khelang Nakorn Hospital Co., Ltd..

(In Thousand)	June 30, 2022	June 30, 2021	Increase(decrease)
Cost of medical treatment	1,885,816	1,415,145	470,671
Administrative expenses	324,162	263,157	61,005
Financial cost	58,125	35,238	22,887
Total expenses	2,268,103	1,713,540	554,563

The total expenses increased by 554.56 million baht or 32.36% due to the increasing of medical treatment costs as 470.67 million baht or 33.26%.

The Company and its subsidiaries had net income of 466.66 million baht which increases 332.55 million baht, comparing to the same period in 2021 with net profit of 134.11 million baht or 247.97%.

2. Financial status as of 30th June 2021

(In Thousand)	June 30, 2022	December 31, 2021	Increase(decrease)
Total assets	14,104,873	12,832,481	1,272,392
Total liabilities	6,755,657	6,375,482	380,175
Total shareholder's equity	7,349,216	6,456,999	892,217

The Company and its subsidiaries had total assets of 14,104.87 million baht an increase of 1,272.39 million baht from the end of 2021. The mainly due to the increase of Accrued revenues from hospital operations the amount of 358.42 million baht, Other non-current financial assets increased by 937.32 million baht, Investment in associates increased by 186.63 million baht, Cash and cash equivalents decreased by 136.80 million baht.

The Company and its subsidiaries had total liabilities of 6,755.66 million baht, an increase of 380.18 million baht, due to Bank overdrafts and short-term loans from financial institutions increased by 204.61 million baht, Short-term loan from related parties increased by 135 million baht, Long-term loan from financial institutions decreased by 254.53 million baht.

Please contact me know if you need further information.

Sincerely yours,

(Dr. Dusit Srisakul)
Managing Director