

Ref. No. Chor Por.(2) 3462/2023

August 15, 2023

To Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis of the six-months period ended on 30th June 2023.

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, 2023 comparing to the same period in 2022.

1. Operating results

The quarter ended on 30th June 2023

The detail is as following;

(In Thousand)	June 30, 2023	June 30, 2022	Increase(decrease)
Revenue from medical treatment	1,174,757	1,513,881	(339,124)
Other income	22,823	17,009	5,814
Total Revenue	1,197,580	1,530,890	(333,310)
Share of profit of associates	1,251	(1,340)	2,591

1. Total revenue with the amount of 1,197.58 million baht is decreased 333.31 million baht comparing to the same quarter in 2022 with the amount of 1,530.89 million baht or 21.77%.

2. The other income increased by 5.81 million baht.

3. Share of profit of associates increased by 2.59 million Baht which belongs to Khelang Nakorn Ram Hospital Co., Ltd. an increase of 1.94 million baht, and by Pawo Hospital Co., Ltd. an increase of 1.97 million baht. Watcharasirivej Co., Ltd. decreased by 1.32 million baht.

(In Thousand)	June 30, 2023	June 30, 2022	Increase(decrease)
Cost of medical treatment	950,379	962,611	(12,232)
Administrative expenses	188,486	170,172	18,314
Financial cost	36,161	29,559	6,602
Total expenses	1,175,026	1,162,342	12,684

The total expenses increased by 12.68 million baht or 1.09% due which was an increase in administrative expenses increased by 18.31 million baht or 10.76% and financial cost increased by 6.60 million baht or 22.33% but the cost of medical treatment of the Company and its subsidiaries decreased in the amount of 12.23 million baht or 1.27% due to decreased revenues from medical treatment.

For the 3-month period ended June 30, 2023, The Company and its subsidiaries had a net profit of 10.52 million Baht a decrease of 288.78 million baht, comparing to the same period in 2022 with a net profit of 299.30 million baht or 96.49%.

For the six-month period ended 30th June 2023

The detail is as following;

(In Thousand)	June 30, 2023	June 30, 2022	Increase(decrease)
Revenue from medical treatment	2,400,383	2,771,525	(371,142)
Other income	94,792	67,871	26,921
Total Revenue	2,495,175	2,839,396	(344,221)
Share of profit of associates	4,977	3,290	1,687

1. Total revenue with the amount of 2,495.18 million baht is decreased 344.22 million baht comparing to the same quarter in 2022 with the amount of 2,839.40 million baht. Due to the decrease revenue to medical treatment of the Company and its subsidiaries amount 371.14 million baht or 13.39%.

2. The Other income increased by 26.92 million baht.

3. Share of profit of associates increased by 1.69 million Baht which belongs to Khelang Nakorn Ram Hospital Co., Ltd. an increase of 6.91 million baht, and by Pawo Hospital Co., Ltd. an decrease of 1.58 million baht. Watcharasirivej Co., Ltd. decreased by 3.94 million baht.

(In Thousand)	June 30, 2023	June 30, 2022	Increase(decrease)
Cost of medical treatment	1,907,205	1,885,816	21,389
Administrative expenses	347,645	324,162	23,483
Financial cost	68,656	58,125	10,531
Total expenses	2,323,506	2,268,103	55,403

The total expenses increased by 55.40 million baht or 2.44% due to the increasing of medical treatment costs as 21.39 million baht or 1.13%, administrative expenses increased by 23.48 million baht or 7.24% and financial cost increased by 10.53 million baht or 18.12%. The reason for the increase in operating expenses is due to the expansion of services to social security patients. As a result, there is an increase in the cost of medical care. In terms of medical personnel, medical equipment and equipment, medicines and medical supplies, remuneration of support staff to support the increase in services provided to social security patients.

The Company and its subsidiaries had a net profit of 132.84 million baht which decreases 333.82 million baht. Comparing to the same period of 2022 with net profit of 466.66 million baht or 71.53%.

2. Financial status as of 30th June 2023

(In Thousand)	June 30, 2023	December 31, 2022	Increase(decrease)
Total assets	13,104,783	14,113,358	(1,008,575)
Total liabilities	6,296,249	6,252,830	43,419
Total shareholder's equity	6,808,534	7,860,528	(1,051,994)

The Company and its subsidiaries had total assets of 13,104.78 million baht a decrease of baht 1,008.58 million baht from the end of 2022, a decrease in. The mainly due to the decrease of Accrued revenues from hospital operations the amount of 125.47 million baht, Other non-current financial assets decreased by 1,026.11 million baht, Cash and cash equivalents increased by 237.25 million baht.

The Company and its subsidiaries had total liabilities of Baht 6,296.25 million. Increase of Baht 43.42 million due to an increase in bank overdrafts and short-term loans from financial institutions Baht 307.88 million, increase in advance receipt of shares of Baht 143.37 million, decrease in long-term loans from financial institutions of Baht 204.13 million, decrease in deferred tax liabilities Baht 211.05 million.

Please contact me know if you need further information.

Sincerely yours,

(Dr. Dusit Srisakul)
Managing Director

Administrative Office
Tel. 052-134701
Fax. 052-134799