

November 14, 2023

To Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis of the nine-months period ended on 30th September 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 September 30, 2023 comparing to the same period in 2022.

1. Operating results

The quarter ended on 30th September 2023

(In Thousand)	September 30, 2023	September 30, 2022	Increase(decrease)
Revenue from medical treatment	1,352,179	1,284,488	67,691
Other income	45,785	36,784	9,001
Total Revenue	1,397,964	1,321,272	76,692
Share of profit of associates	5,520	13,862	(8,342)

1. Total revenue with the amount of 1,397.96 million baht is increased 76.69 million baht comparing to the same quarter in 2022 with the amount of 1,321.27 million baht. Due to the increase revenue to medical treatment of the Company and its subsidiaries 67.69 million baht or 5.27%.

2. The Other income increased by 9.00 million baht.

3. The Share of profit associated sharing decrease 8.34 million baht. Belonging to Khelang Nakorn Ram Hospital Co., Ltd. decrease of 0.80 million baht, and by Pawo Hospital Co., Ltd. decrease of 7.86 million baht. Watcharasirivej Co., Ltd. increased by 0.32 million baht.

(In Thousand)	September 30, 2023	September 30, 2022	Increase(decrease)
Cost of medical treatment	1,010,192	960,792	49,400
Administrative expenses	190,995	154,145	36,850
Financial cost	40,259	29,982	10,277
Total expenses	1,241,446	1,144,919	96,527

The total expenses increased by 96.53 million baht or 8.43% due to the increasing of medical treatment costs as 49.40 million baht or 5.14%, administrative expenses increased by 36.85 million baht or 23.90% and financial cost increased by 10.28 million baht or 34.28%.

The Company and its subsidiaries had 130.76 million Baht of net income that decreases 22.60 million baht, comparing to the same period in 2022 with the net profit of 153.36 million baht, which is equivalent to 14.74%.

For the nine-month period ended 30th September 2023

(In Thousand)	September 30, 2023	September 30, 2022	Increase(decrease)
Revenue from medical treatment	3,752,562	4,056,012	(303,450)
Other income	140,577	104,655	35,922
Total Revenue	3,893,139	4,160,667	(267,528)
Share of profit of associates	10,497	17,152	(6,655)

1. Total Revenue in the amount of 3,893.14 million baht decreased 267.53 million baht comparing to the same quarter in 2022 with the amount of 4,160.67 million baht. Due to the decrease revenue to medical treatment of the Company and its subsidiaries 303.45 million baht or 7.48%.

2. The Other income increased by 35.92 million baht.

3. The Share of profit of associates decrease 6.66 million belonging to Pawo Hospital Co., Ltd. an decrease of 9.45 million baht, and by Watcharasirivej Co., Ltd. decreased by 3.32 million baht. Khelang Nakorn Ram Hospital Co., Ltd. increased by 6.11 million baht.

(In Thousand)	September 30, 2023	September 30, 2022	Increase(decrease)
Cost of medical treatment	2,917,396	2,841,568	75,828
Administrative expenses	538,640	483,348	55,292
Financial cost	108,915	88,106	20,809
Total expenses	3,564,951	3,413,022	151,929

The total expenses increased by 151.93 million baht or 4.45%, due to the increasing of medical treatment costs as 75.83 million baht or 2.67%, administrative expenses increased by 55.29 million baht or 11.44% and financial cost increased by 20.81 million baht or 23.62%, comparing to the same quarter in 2022. The reason for the increase in operating expenses is due to the expansion of services to more social security patients. Resulting in increased medical costs in-terms of medical personnel, medical equipment and devices, drugs and medical supplies, compensation for employees in the support department to support the increasing number of social security patients.

The Company and its subsidiaries had net income of 263.60 million baht which decreases 356.42 million baht, comparing to the same period in 2022 with net profit of 620.01 million baht or equivalent to 57.49%.

2. Financial status as of 30th September 2023

(In Thousand)	September 30, 2023	December 31, 2022	Increase(decrease)
Total assets	12,836,133	14,113,358	(1,277,225)
Total liabilities	5,823,331	6,252,830	(429,499)
Total shareholder's equity	7,012,802	7,860,528	(847,726)

The Company and its subsidiaries had total assets of 12,836.13 million baht decrease from the amount at the end of 2021 of 1,277.22 million baht. The mainly due to the decrease of Accrued revenues from hospital operations the amount of 172.63 million baht. Other non-current financial assets decreased by 1,082.35 million baht, Property, plant and equipment decreased by 166.75 million baht, Cash and cash equivalents increased by 96.92 million baht.

The Company and its subsidiaries had total liabilities of 5,823.33 million baht, an decrease of 429.50 million baht, due to Long-term loan from financial institutions decreased by 379.77 million baht, Deferred tax liabilities decreased by 229 million baht, Bank overdrafts and short-term loans from financial institutions increased by 186.87 million baht.

Please contact me know if you need further information.

Sincerely yours,

(Dr. Dusit Srisakul)

Managing Director

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