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Ref : LPH/SET 2024/003

February 19, 2024

Subject : Clarification on the Operating Results for the Year 2023 ended December 31, 2023

To : President

The Stock Exchange of Thailand

The Board of Directors' Meeting of Ladprao General Hospital Public Company Limited (the "Company"), No.1/2024, held on February 19, 2024, has approved the financial statements of the Company and its subsidiaries for Year 2023 period ended December 31, 2023, and would like to clarify the operating results as follows:

Revenues for the Year 2023

The Company and its subsidiaries recorded Y2023 consolidated revenues at Baht 2,261.64 million dropped 7.20% compared with Baht 2,437.03 million recorded in the previous year mainly affected by the followings:

Unit : million Baht	Year2023	Year2022	Increase(Decrease)	
			%	Amount
Revenues from hospital operation	1,944.36	2,152.99	(9.69%)	(208.63)
Income from medical treatment as usual	1,944.36	1,828.42	6.34%	115.94
Income from medical treatment for patients@COVID-19	-	324.57	(100.00%)	(324.57)
Service Revenues	288.87	263.79	9.51%	25.08
Other Revenues	28.41	20.25	40.33%	8.17
Total Revenues	2,261.64	2,437.03	(7.20%)	(175.39)

○ **Revenue structure from normal business operations for Year 2023**

- Revenues from hospital business as usual : increased YoY of 115.94 MB or a growth of 6.34%

This has been a growth in both medical revenues from self-paid clients and those under the social security program.

- Revenues from Subsidiary's services (AMARC) : increased YoY of 25.08 MB or a growth of 9.51%

The growth came from the testing, inspection & certification services, which have been a positive trend due to the overall economy recovering from the impact of the COVID-19 pandemic and the spending from the government sector since last year.

- Rental and other health-related income : increased YoY of 8.17 MB or a growth of 40.33%

Mainly resulting from the policy to expand growth in health-related businesses.





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o **Changes in revenue that are not normal for business**

Ending of COVID-19 pandemic had caused no revenues generated from treating COVID-19 patients in 2023. As a result, the financial data showed a decrease in such revenue of Baht 324.57 million, or representing a 100% decrease YoY and being the main reason why the total revenue from hospital operation was 9.69% less than the previous year.

Management of Costs and Expenses

o Consolidated costs and expenses for the year 2023 increased YoY 4.98% primarily due to the followings:-

Unit : million Baht			Increase(Decrease)	
	Year2023	Year2022	%	Amount
Expenses				
Cost of hospital operation	1,578.15	1,560.63	1.12%	17.53
Cost of services	181.38	156.58	15.84%	24.80
Administrative expenses	399.18	339.18	17.69%	59.99
Total expenses	2,158.71	2,056.39	4.98%	102.31

- Cost of medical treatment showed its net increase 1.12% YoY of Baht17.53 million. This is mainly due to a rise in medical treatment cost as usual including medicines and essential medical supplies in line with overall economic conditions, and a loss from written-off and discontinue use incurred only in this operating year caused by the relocation of many service areas of the hospital, such as the relocation of general social security section and health center to the new building and the renovation of the service area due to the impact of BTS station that located in front of the hospital building. However, the end of medical care under Covid situation put an end to such ad hoc costs as well.
- The cost of subsidiary's services (AMARC) increased 15.84% YoY of Baht 24.80 million. This was mainly due to higher service costs from continued investment in service capacity expansion following the investment regarding the offering plan, increasing the number of scientists and equipment to support future workload and growth. In addition, external factors such as electricity and utility bills, chemicals, medical supplies, consumables, and maintenance costs for scientific instruments have been increasing in line with the overall economic conditions.





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- The administrative expenses increased Baht 59.99 million or rose at 17.69%. The main factors include:
 - The increase in expenses in the proportion of 21.89% was related to the conduct of important business operations of the subsidiary (AMARC) including administrative personnel for the capacity expansion, utilities, selling and marketing expenses.
 - The other expenses' growth was mainly driven by the increase in personnel to support the expansion of the service capacity of the hospital business, health promotion center, mobile checkup, as well as sales promotion activities in various regions and increased marketing for international customers. In addition, such increase involved administrative expenses, promotional activities, and utility expenditures of expansion projects that recently launched their services in 2023, such as the new Social Security Service and Health Promotion Building (New Building 120), Ladprao 120 Complex Building with a fitness center and commercial spaces rented to PTT-OR (Amazon, Texas Chicken and Top Charoen) that opened for sales and services in 2023.
- The recognition for the sharing of Baht 0.33 million loss from investment in proportionated at 32.99% in associated company (indirect) mainly due to its pre-opening expenses. The associated company will be ready to launch its services of providing greenhouse gases monitoring and verification involving environmental data assessment in the coming operating year 2024.
- Despite the expansion of various projects mentioned above, the financial costs in the consolidated financial statements for the year increased only by Baht 0.41 million while income tax expenses decreased 57.22% YoY mainly resulting from the revenue difference in Covid services that ended.

Profit from Business Operation

Based on the operating results for the year ended 31 December 2023, the Company and its subsidiaries achieved gross profit margin from the consolidated financial statements for the hospital and service businesses 21.21% as opposed to a gross margin of 28.95% for the previous year. This was mainly due to an increase in costs and expenses for operating the business and investments to expand service capacity, as well as changes in revenues that were not normal for the business due to the end of COVID-19 and the cost impacted from written-off and discontinue use that occurred only in this operating year as former explained. As a result, the net profit (attributable to the parent company) in the separate financial statements and in the consolidated financial statements reported the amount of Baht 110.87 million and Baht 63.55 million, respectively.

Please be informed accordingly.

Yours sincerely,

(Dr. Ungoon Chantanavich)

Chief Executive Officer