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Ref : LPH/SET 2024/007

May 15, 2024

Subject : Clarification on the Operating Results for the 3-month period ended March 31, 2024 (Q1/2024)

To : President The Stock Exchange of Thailand

The Board of Directors' Meeting of Ladprao General Hospital Public Company Limited (the "Company"), No.2/2024, held on May 15, 2024, has approved the financial statements of the Company and its subsidiaries for the 3-month period ended March 31, 2024, and would like to clarify the operating results as follows:

Summary for Q1/2024 operating results

The Company and its subsidiaries recorded total consolidated revenues for Q1/2024 at Baht 563.10 million, a growth of 12.80% YoY which resulted in a consolidated profit from operation activities growing by 18.56%. However, the Company and its subsidiaries incurred a rise in interest expenses and amortization (non-cash) on liabilities arising from right-of-use assets due to investment in expanding the potential of the business. As a result, earnings before income tax declined to a growth of 9.26%.

The Company and its subsidiaries recognized deferred tax expenses, in accordance with accounting standards related to the deferred tax, the increase of 148% and 157% YoY for consolidated and separated financial statements, respectively, as a result of the commencement for the right-of-use assets being the expanding location (under construction) for new hospitals and medical centers and the enlargement of the social security medical center/health promotion center as well as operating lease agreements of the subsidiary (laboratory). Thus, the Company and its subsidiaries posted consolidated comprehensive income for the period of Baht 12.78 million, declined by 26.33% YoY. However, the Company's separate financial statements showed its comprehensive profit for the period by a growth of 27.84% YoY.

The structure of revenues, costs, and expenses comprised the followings:

Revenue

- The Company and its subsidiaries recorded total consolidated revenues from hospital operations for Q1/2024 at Baht 481.93 million, an increase of Baht 51.37 million at a growth of 11.93% mainly driven by:
 - Revenues from self-paid clients : increased YoY of 25.51 MB or a growth of 9.05%
 - Revenues under the social security program : increased YoY of 25.86 MB or a growth of 17.40%, resulting from an increase in the payment of medical services to contracted hospitals by the Social Security Office effectively announced in May 2023.



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- Revenues from Subsidiary's services (AMARC) : increased YoY of 10.71 MB or a growth of 16.62%
The growth has been achieved in all service segments and expected to continue to improve as customers begin to recover from COVID-19 situation and their ability to accept private projects have also been increased.
- Rental and other health-related income : increased YoY of 1.82 MB or a growth of 43.26%
Mainly resulting from the policy to expand growth in health-related businesses.

Management of Costs and Expenses

The Company and its subsidiaries recorded total consolidated costs and expenses for 3-month period ended March 31,2024 at Baht 536.16 million, an increase of Baht 59.68 million or 12.53% YoY primarily caused by:

- Cost of medical treatment increased 14.49% YoY of Baht 49.73 million or, 2.56% above the income growth rate, mainly due to the intensification of depreciation and amortization (non-cash) arising from expanding property, plant, and equipment as well as investment property as seen by a rise of 1.25% YoY in depreciation to income ratio. However, the cost of medical personnel and related services including the average cost of medicines and medical supplies grew higher than the growth of healthcare revenue at a rate of 1.17%.
- The cost of its subsidiary's services (AMARC) increased by 17.37% YoY primarily impacted by increased personnel costs and depreciation in relation to expansion when compared to the same period of the previous year.
- Consolidated services and administrative expenses increased 3.19% YoY of Baht 2.97 million largely driven by the increase in administrative and marketing expenses for international clients.

Please be informed accordingly.

Yours sincerely,

(Dr. Ungoon Chantanavich)

Chief Executive Officer