

Vichaivej International Hospital Group

Srivichai Vejvivat Public Company Limited Registration No.0107554000062

VIH 053/2019

August 14, 2019

Subject: MD&A for Financial Statement for Q2/2019 ended June 30, 2019 of the Company and its subsidiaries

To: Director and Manager

The Stock Exchange of Thailand

Srivichai Vejvivat Public Company Limited ("Company") would like to clarify on the operating results according to the consolidated financial for the 2nd quarter ending June 30, 2019 as follows. The Company has a profit attributable to equity holders of the Company totaling 22.98 million baht, a decrease of 14.52 million baht or 38.72% from the same period of the previous year.

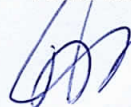
The Company and its subsidiaries had revenues from hospital operations of 576.69 million baht, an increase of 44.40 million baht or 8.34% from the same period of last year. While the cost of hospital operations, selling expenses and administrative expenses increased by 66.45 million baht or 13.71 %, with the following reasons

1. The company received a notice from the Social Security Office regarding the adjustment of inpatient medical service fees with the disease that has a high cost (AdjRW \geq 2), which was previously paid at 12,800 baht per AdjRW reduced to pay 8,100 baht per AdjRW for the 4th quarter of 2018. As a result, the company and its subsidiaries had to decrease Social Security Income (AdjRW \geq 2) to 8.39 million baht.
2. Caused by the amendment of the Labor Protection Act No. 7 on the post-employment benefits, Which has set an additional compensation rate in case the employer terminates a the employment contract, a new severance pay rate will be introduced for employees with 20 or more years of service at the rate of 400 days' wage from original 300 days' of baht 9 million baht.

Resulting in a gross profit was 115.98 million baht, a decrease from the same period of the previous year of 6.02 million baht or 4.93% and net profit attributable to equity holders of the company compared to total revenue is equivalent 3.94 percent, decreased from 7% in the same period of last year and for the 6 months ended June 30, 2019, the profit attributable to equity holders of the Company in 2019 amounted to 60.01 million baht, decrease 26.21% in the same period of the previous year for the same reasons as mentioned above.

Please be informed accordingly.

Yours faithfully,



(Sakda Tangchitwatanakorn,PhD.)

Chief Financial Officer

Vichaivej International Hospital Group

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