

EKH/CS/2020/019

May 13, 2020

Subject : Management Discussion and Analysis for the First Quarter 2020 Results

To : Directors and Manager
The Stock Exchange of Thailand

Ekachai Medical Care Public Company Limited and its subsidiaries (the “Company”) would like to clarify on the operating results for the first quarter 2020 at the end of 31 March 2020 as follows.

Summary

The Company reported Total Revenues in 1Q20 of THB 187.03 million, a 8.60% decrease from 1Q19 Total Revenues of THB 204.62 million. Net profit for 1Q20 decreased by 74.83% to THB 11.25 million from THB 44.70 million in 1Q19, with Net profit margin at 6.02% in 1Q20 declined from 21.85% in 1Q19.

Details of the management discussion and analysis follow:

Income Statements

First quarter 2020 Operational Performance

The Company reported Revenues from Hospital Operations of THB 183.19 million, a 8.41% decrease year-over-year from THB 200.01 million in 1Q19. This was mostly due to a decrease in revenues from the epidemic of the coronary artery disease 2019 or Covid 19, affecting access to both inpatient and outpatient services. As well as attending Chinese fertility centers which is the main user group of the subsidiary company. The Company reported Cost of Hospital Operations (including Depreciation and Amortization) of THB 127.58 million or 16.42% increase year-over-year from THB 109.59 million in 1Q19. This represents an increase in the cost of doctors, nurses, drugs, medical supplies and new building depreciation. Selling, General & Administrative expenses (including Depreciation and amortization) were THB 46.80 million or 14.06% increase year-over-year from THB 41.03 million in 1Q19. The variance was mostly due to an increase in employee expenses. Profit to equity holders of the company in 1Q20 decreased by 74.83% year-over-year to THB 11.25 million from THB 44.70 million in 1Q19.

| (Unit : Million THB) | 31 March 2020 (3 months period) | 31 March 2019 (3 months period) | Change |
|---|------------------------------------|------------------------------------|---------|
| Revenues from Hospital Operations | 183.19 | 200.01 | -8.41% |
| Gross Profit | 55.62 | 90.43 | -38.49% |
| Profit to Equity Holders of the Company | 11.25 | 44.70 | -74.83% |

Statements of financial position

As of 31 March 2020, the Company reported Total Assets of THB 1,134.84 million, increase from THB 1,093.46 million as of 31 December 2019. Total Current Assets were THB 423.52 million, a increase from THB 402.09 million as of 31 December 2019. The variance is mostly due to an increase in trade and other receivables

Total Non-Current assets increased to THB 711.32 million from THB 691.37 million as of 31 December 2019. Property, Plant and Equipment decreased from THB 593.62 million as of 31 December 2019 to THB 590.03 million

Total Current Liabilities were THB 122.42 million a decrease from THB 127.97 million as of 31 December 2019, mostly due to a decrease in account payables. Non-Current Liabilities were THB 47.83 million, increase from THB 11.54 million as of 31 December 2019, mostly due to changes in accounting standards. Therefore, there was a recording of transactions relating to leases relating to the operations of the business.

Total Shareholders' Equity increased from THB 953.94 million as of 31 December 2019 to THB 964.58 million as a resulted of increased profit during the year. Return on Equity (ROE) for 3 months period was 1.10% and net Debt to Equity Ratio was 0.18

| (Unit : THB million) | 31 March 2020 (3 months period) | 31 December 2019 | Change |
|----------------------------|------------------------------------|------------------|--------|
| Total assets | 1,134.84 | 1,093.46 | 3.78% |
| Total liabilities | 170.26 | 139.52 | 22.03% |
| Total shareholder's equity | 964.58 | 953.94 | 1.12% |
| Net debt to equity | 0.18 | 0.15 | - |
| Return on equity (%) | 1.10% | 17.42 | - |

Please be informed accordingly.

Yours faithfully,
 Ekachai Medical Care PCL.

(Dr. Amnaj Eur-Areemitr)
 Director