



- Translation -

Ref : LPH/SET 2020/012

August 14, 2020

Subject : Clarification on the Operating Results for the 3-month and 6-month period ended June 30, 2020
(Q2/2020)

To : President
The Stock Exchange of Thailand

The Board of Directors' Meeting of Ladprao General Hospital Public Company Limited (the "Company"), No.4/2020, held on August 14, 2020, has approved the financial statements of the Company and its subsidiaries for the three-month and six-month period ended June 30, 2020 and would like to clarify the operating results as follows:

Revenues

1. Revenue from Hospital Operation for 3-month and 6-month period ended June 30, 2020 recorded at Baht 392.39 and Baht 817.30 million with 1.56% and 5.66% growth respectively over same period of last year as a result of the following:-

1.1 The revenues from hospital operation for 2nd-quarter amounted to Baht 332.93 million, decreased by 1.15% YoY, whereas the 6-month period amounting to Baht 702.16 million recorded a 4.44% YoY growth mainly due to:

- The impact from COVID-19 outbreak which caused a drop in number of general clients, especially a significant decrease in outbound patients due to the inability of travelling for their medical purposes. Therefore, it resulted in a 10.09% decrease in Q2/2020 hospital revenues from general clients. However, when combining with the previous quarter, the 6-month performance has slightly declined by 2.04%.
- The YoY growth at the rate of 12.85% and 15.01% for hospital revenues from Social Security Fund for 3-month and 6-month period ended June 30, 2020, respectively, mainly due to the increase in medical service rate granted from Social Security Office to the contracted social security service providers in 2020.

1.2 In regard to the subsidiary, Asia Medical & Agricultural Laboratory and Research Center ("AMARC"), its service revenues for 3-month and 6-month period ended June 30, 2020 recorded at Baht 56.39 and Baht 109.36 million which expressively grew YoY by 21.44% and 16.99%. Such the service revenue has continuously grown mainly due to its greater expansion of laboratory scopes of testing and analyzing for agricultural, food, and pharmaceutical associated with continual growing number of customers recognizing AMARC's services even amid the affect from COVID-19 pandemic.



- Translation -

Costs and Expenses

1. Q2 and half-year consolidated costs ended June 30, 2020 has increased YoY at the rate of 2.33% and 5.69% for the hospital operation and 34.90% and 17.80% for the service sector respectively which have been in lines with the revenue growth but still been impacted somehow by the COVID-19 outbreak.
2. Q2 and half-year consolidated services and administrative expenses increased 19.41% and 17.52%, YoY respectively, mainly caused by related expenses for the registration of the sale and transfer of land and buildings to the subsidiary (The item only occurred in the event).
3. In regard to Q2 and half-year operation ended June 30, 2020, the consolidated financing costs amounted to Baht 2.75 and Baht 5.49 million, rose in accordance with the use of working capital for the period along with the increase in corporate income taxes of Baht 5.26 million which has driven by gain from the sale of its investment property and only occurred in the event.

Profits

The highly disruptive impact of COVID-19 pandemic, resulted in a decrease in revenue from general clients and a significant drop in the growth of medical outbound sector, along with the only occurred event of incremental expenses and taxes related to the sale of investment property has caused the consolidated net profit (attributable to owners of the Company) for 3-month and 6-month period ended June 30, 2020 dropped to Baht (5.11) and Baht 37.73 million or of 128.87% and 29.06% YoY respectively. However, the consolidated gross profit for 6-month period of operation has still recorded at the rate of 23.5%.

Please be informed accordingly.

Yours sincerely,

(Dr. Ungoon Chantanavich)

Chief Executive Officer

