

- Translation -

Ref : LPH/SET 2020/004

February 25, 2020

Subject : Clarification on the Operating Results for Year 2019 period ended December 31, 2019

To : President

The Stock Exchange of Thailand

The Board of Directors Meeting of Ladprao General Hospital Public Company Limited (the "Company"), No.1/2020, held on February 25, 2020, has approved the financial statements of the Company and its subsidiaries for Year 2019 period ended December 31, 2019. The Company would like to clarify on the operating results as follows:

Revenue

- The Company recorded 2019 consolidated revenues of Baht 1,596.83 million, a slightly increase of 0.51% over same period of year 2018 even the hospital revenues from general clients showed a 11.55% growth. This was mainly due to a 13.28% decrease of the revenues from Social Security Scheme caused by the deviation of the past-record AdjRW advised by the Social Security Office resulting in the medical-service-fee adjustment of Baht 14.92, and 18.81 million for diagnosis related group (DRG) received in year 2013 and 2015 respectively, and the amount of Baht 8.46 million booked in year 2018 for chronic diseases were then subtracted accordingly. In addition, the drop of other income totaling Baht 47.79 million was mainly affected by the discontinue of profits from sale of investment assets which had occurred only in the year 2018. Nevertheless, Asia Medical & Agricultural Laboratory and Research Center ("AMARC"), a subsidiary, recorded a 21.02% growth of service revenues totaling Baht 197.75 million over same period of 2018.

Costs and Expenses

- The Company reported 2019 consolidated costs of Baht 1,224.26 million, a 6.78% growth over same period of year 2018 whereas the cost of hospital operations, representing 91.82% of the total, increased by 6.03%. This was mainly caused by the collective costs of doctors, nurses, and medical specialists aiming to intensify medical services and excellent specialty centers with on-going expansion striving for the Company's growth and its commitment to engage in high level of international medical service standard. However, services and administrative expenses including management remuneration totaling Baht 240.37 million showed a 3.62% decrease from the same period of year 2018.



- Translation -

Profits

- Total consolidated net profit (attributable to owners of the Company) for the year 2019 of Baht 110.49 million, decreased by the amount of Baht 46.46 million or 29.6% from the same period of last year mainly caused by the impact from the adjustment of medical-service income caused by the deviation of past-record AdjRW notified by Social Security Office as earlier described. However, if considering only normal operation excluding the afore-mentioned adjustment, the Company and its subsidiaries have performed a consolidated gross profit of 24.6% for the year ending December 31, 2019.

Please be informed accordingly.

Yours sincerely,

(Dr. Ungoon Chantanavich)

Chief Executive Officer

