

No. L006/2024

10th May 2024

Subject : The explanation of operating results for the 1st quarter 2024
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-period ended 31st March 2024, Thailand's tourism industry is continuing to recover, which has driven the overall hotel performance to improve significantly, together with continued demand in the property sales market in Phuket. As a result, the performance of Laguna Resorts & Hotels Public Company Limited ("the Company") is better than the same period last year. The company reported a net profit of 275 million in the first quarter of this year, compared to a net profit of Baht 64 million in the same period previous year.

Total revenue for the three-month increased by Baht 530 million as compared to the same period last year due to the followings:

- The overall revenue from hotel operations which comprises hotel, golf, and retail operations increased by Baht 257 million. Since Thailand's hospitality businesses are continuously rebounding, this was attributable to Thailand's tourist arrivals more than doubling year-on-year, and the government also encourages and promotes tourism, as a result, the revenue in the current period has already exceeded the revenue in pre-COVID19. As a result, the occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR) of hotels were significantly improved.
- Revenue from property development operations which comprises property sales and the sale of holiday club memberships increased by Baht 272 million. The variance is mostly attributable to greater revenue recognition for property sales projects, including Laguna Lakeside, Laguna Park 2, and Angsana Oceanview, compared to Skypark and Laguna Village Residence 8 during the same period previous year. At the time of this report, there was a total of Baht 12,942 million in the property sales backlog which will be recognised in the future.

Total expenses increased by Baht 249 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 121 million due to an increase in line with the hotel revenue.
- The cost of property development operations increased by Baht 130 million as a result of higher revenue recognition of property sales during this period.



- Selling expenses increased by Baht 56 million since advertising media expenses were being used for newly launched property sales projects. Commission expenses and Specific Business Tax also grew in accordance with revenue recognition for property units during this period. Moreover, travel agents' commission payments from hotel operations in line with the hotel revenue.
- Administrative expenses decreased by Baht 59 million mainly due to a reversal of allowance for expected credit losses and a decrease in legal expenses during the current period.

Share of profit from investment in associates increased by Baht 6 million due to an increase in profits of Banyan Tree China Pte. amounting to Baht 9 million, offset by a drop in profits of Thai Wah Public Company Limited amounting to Baht 3 million.

Finance costs increased by Baht 8 million since interest rates on most loans obtained relief from a bank increased starting in January 2024. From a fixed interest rate of 2 percent to a floating interest rate based on MLR, resulting in a substantial increase in interest expenses during the period.

Income tax expenses rose by Baht 57 million mainly due to a decrease in deferred tax assets from utilization of tax losses carry forwards of Baht 31 million during the period. Moreover, an increase in deferred tax liabilities relating to unearned income from revenue recognition of property projects namely Laguna Lakeside, Laguna Park 2, and Angsana Oceanview projects was approximately Baht 30 million during this period.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 13 million, mostly due to good performance from the gallery business during this period.

For the reasons stated above, the Group's profit is higher as compared to last year.

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Senior Assistant Vice President – Head of Finance and Corporate Affairs

