

No. L001/2025

18th February 2025

Subject : The explanation of operating results for the year 2024
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the year ended 31st December 2024, Thailand's hospitality sector, particularly Phuket's tourism industry, continues to perform strongly. During the peak season, hotels showed excellent results across key metrics, including occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR), reflecting the high demand of this period. In terms of property sales operations, demand for real estate in Phuket remains strong, continuing into the high season (Q4), in line with the unit handover plan and construction schedule, with new projects being completed during the period. As a result, the performance of Laguna Resorts & Hotels Public Company Limited and its subsidiaries ("the Group") is better than the same period last year. The Group reported a net profit of Baht 1,263 million in this year, compared to a net profit of Baht 368 million in the last year.

Summary of operating performance

Total revenue for the year increased by Baht 1,477 million or 24% as compared to the last year due to the followings:

- The overall revenue from hotel operations which comprises hotel, golf, and retail operations increased by Baht 452 million or 12%. As Thailand's hospitality industry continues to perform better, both the number of foreign visitors and average room rates (ARR) have significantly increased hotel operational efficiency.
- Revenue from property development operations which comprises property sales and the sale of holiday club memberships increased by Baht 424 million or 19%. The variance is mostly attributable to higher revenue recognition for property sales projects, which were mainly from, Laguna Beachside, Laguna Lakeside, Laguna Park 2, Banyan Tree Grand Residence, Angana Oceanview, Laguna Village Residence 8, and Angsana Beachfront this year compared to last year projects: Skypark Aurora, Angsana Oceanview, Laguna Park 2, Laguna Village Residence 8, and Banyan Tree Grand Residence during the last year. At the time of this report, there was a total of Baht 15,513 million in the property sales backlog which will be recognized in the future.
- Other income increased by Baht 598 million or 507% mainly due to insurance claim income of Baht 517 million and an increase in gain on revaluation of investment properties from prior year of Baht 65 million.



Total expenses increased by Baht 617 million or 11% as compared to the last year which is generally attributed to the following:

- The cost of hotel operations increased by Baht 200 million or 9% due to an increase in line with the hotel revenue.
- The cost of property development operations increased by Baht 118 million or 10% as a result of higher revenue recognition of property sales during this period.
- Selling expenses increased by Baht 130 million or 19% mainly due to a higher in commission expenses, in line with the revenue recognition of property sales. Moreover, there were still increases in advertising media expenses being used for newly launched property sales projects.
- Administration expenses increased by Baht 178 million or 15% primarily due to the reversal of impairment on land and buildings last year. Additionally, there was an increase in salaries, wages, and related expenses, and land and buildings tax.

Share of profits from investment in associates decreased by Baht 9 million or 89% due to an increase in losses of Thai Wah Public Company Limited.

Finance income increased by Baht 19 million or 42% due to additional installments receivable from property sales, the rise is primarily attributed to Laguna Lakeside and Angsana Oceanview projects, which experienced a higher revenue recognition this year.

Finance cost increased by Baht 32 million or 15% since interest rates on most loans obtained relief from a bank increased starting in January 2024, from a fixed interest rate to a floating rate based on MLR, resulting in a substantial increase in interest expenses during the year.

Income tax expenses decreased by Baht 76 million or 40% mainly due to a reduction in the interim corporate income tax charge. This decrease was a result of revenue recognition from the Skypark project, where the developer fully utilized tax loss carryforwards in the previous year.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 20 million or 245%, mostly due to higher from the gallery business during the year.



Summary of Financial Position

Assets

As at 31 December 2024, the Group had total assets of Baht 32,204 million, an increase of Baht 2,153 million or 7% from 31 December 2023 primarily because this increase is attributed to a rise in property development costs by Baht 1,069 million, driven by the ongoing construction of property sales projects, as well as higher costs to obtain contracts of Baht 291 million in line with an increase in sales in the property projects.

Liabilities

As at 31 December 2024, the Group had total liabilities of Baht 15,914 million, an increase of Baht 1,092 million or 7% from 31 December 2023 mainly due to a rise in advance received from customers of Baht 1,523 million from new property sales and solid backlog. This was offset with a decrease in short-term and long-term loans from financial institutions by Baht 380 million, as well as other non-current liabilities by Baht 285 million, both related to repayment to financial institutions and settlement all suspended interest payments.

Shareholders' equity

As at 31 December 2024, the Group had total shareholders' equity of Baht 16,290 million, an increase of Baht 1,061 million or 7% from 31 December 2023. Most of the variance was from profit for the year of Baht 1,263 million and dividend payment of Baht 225 million.

Liquidity

As at 31 December 2024, approximately 25% of the Group's debt will mature in less than one year based on the carrying value of debts (excluding advance received from customers). Moreover, the Group had current assets of Baht 8,344 million and current liabilities of Baht 7,076 million, which's a current ratio equal to 1.18 times. The Group believes that it can maintain liquidity and that the risks connected to its debt are low.

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Senior Assistant Vice President – Head of Finance and Corporate Affairs

