

No. L009/2019

9th May 2019

Subject : The explanation of operating results for the 1st quarter 2019
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the first quarter ended 31st March 2019, Laguna Resorts & Hotels Public Company Limited achieved a net profit of Baht 83 million which was Baht 46 million lower when compared to the same period last year.

Total revenue for the three-month period decreased by Baht 205 million as compared to the same period last year due largely to the following:

- The overall revenue from hotel operations which comprise of hotel, golf and retail operations decreased by Baht 112 million over the prior year as a result of the reduction in occupancy of Laguna Phuket hotels and Banyan Tree Bangkok.
- Revenue from property development operations which comprise of property sales and the sale of holiday club memberships decreased by Baht 97 million. The difference is largely attributed to the lower revenue recognition of holiday club memberships and two property sales projects namely Cassia Phuket and Laguna Park which were lower when compared to the same period last year. At the time of this report, there is a total of Baht 4,103 million in property sales revenue which will be recognized in the future barring any cancellations.
- Revenue from office rental operations which includes retail leasing increased by Baht 2 million due largely to the property tax income of Thai Wah Tower.

Total expenses decreased by Baht 193 million as compared to the same period last year which is generally caused by the following:

- Cost of hotel operations decreased by Baht 25 million which is in line with the lower hotel revenue.
- Cost of property development operations decreased by Baht 56 million as lower holiday club memberships and property sales were recognized during the period.

- Cost of office rental operations increased by Baht 2 million. This is largely attributed to higher property tax in current period.
- Selling expenses decreased by Baht 7 million as a result of lower property development operations selling expenses.
- Administrative expenses decreased by Baht 107 million due mainly to a decrease in loss on exchange rate, rental expenses and provision for impairment of deposit for purchase of land.

Share of profit from investment in associates decreased by Baht 31 million mainly relates to the lower profit from Banyan Tree China Pte. Ltd. but partially offset by the higher gain from Thai Wah Plc.

Finance cost decreased by Baht 5 million as compared to the same period last year as interest rate and the loan balances were lower in the current period.

Income tax expense increased by Baht 5 million due mainly to an increase of taxable profit in the current period as compared to the same period last year.

Profit attributable to non-controlling interests of the subsidiaries increased by Baht 3 million which is primarily caused by the higher profit of Gallery sales operations and Laguna Lakes Limited.

For the reasons stated above, the company made a lower of profit as compared to the same period last year.

Sincerely Yours,

(Mr. Kuan Chiet)

Vice President – Finance & Administration