

No. L009/2023

8th August 2023

outcome

Subject : The explanation of operating results for the 2nd quarter 2023
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month period ended 30th June 2023, Thailand's hospitality businesses are recovering continuously. Eventhough 2nd quarter is the tail end of the high season, the occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR) of hotels still had a good result. Furthermore, there is still a continuous demand for property sales in Phuket. As a result, the performance of Laguna Resorts & Hotels Public Company Limited ("the Company:"), both hotel and property sales business, is better than the same period last year. The Company could make a net profit of 4 million in the second quarter of this year, compared to a net loss of Baht 144 million in the same period previous year.

Total revenue for the three-month increased by Baht 244 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 345 million. Since Thailand's hospitality businesses are continuously rebounding, both from local and foreign travelers, 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 decreased by Baht 97 million. The difference is primarily due to revenue recognition of Skypark and Cassia projects during the period, which are the lower average unit price, compared to the average unit price of Angsana Beachfront Residence and Banyan Tree Expansion projects, which were the main revenue recognised in the same period last year, despite the fact that there were more recognised units in this period. At the time of this report, there was a total of Baht 9,222 million in the property sales backlog which will be recognised in the future.

Total expenses increased by Baht 183 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 120 million due to an increase in line with the hotel revenue.



- The cost of property development operations decreased by Baht 107 million as a result of lower revenue recognition of property sales during this period.
- Selling expenses increased by Baht 50 million as a result of significantly higher commission expenses from travel agents from hotel operations, which ascended in line with the hotel revenue. Moreover, the Group also held both domestic and foreign property exhibitions during this period.
- Administrative expenses increased by Baht 117 million mainly due to an increase in management, royalty fees, and utility expenses in line with hotel revenue. In addition, in order to support the recovery of business operations, salaries, wages and relating expenses also increased back to full operation manning.

Share of profit from investment in associates decreased by Baht 9 million due to decrease in profits from Thai Wah Plc during this period, mainly from Starch and food business as the increase in raw material cost was higher than the increase in selling price.

Finance cost decreased by Baht 2 million, mainly because the borrowing costs were capitalized as part of the property development cost this year, which were capitalized to assets higher than last year. Moreover, the loans of the Group have been decreasing continuously.

Income tax expenses decreased by Baht 92 million mainly because the Group set up additional deferred tax assets for tax losses as the Group believes the taxable profits will be sufficient to utilise tax losses in the future.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 5 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 compare to same time last year.

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Assistant Vice President – Head of Finance and Corporate Affairs

