

No. L010/2024

13th August 2024

Subject : The explanation of operating results for the 2nd quarter 2024
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month period ended 30th June 2024, Thailand's tourism industry is continuing to recover, even though 2nd quarter is the tail end of the high season, the overall hotel performance still gradually improved, 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 Baht 15 million in the second quarter of this year, compared to a net profit of Baht 3 million in the same period previous year.

Total revenue for the three-month increased by Baht 360 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 55 million. Since Thailand's hospitality businesses are continuously rebounding, this was attributable to Thailand's tourist arrivals, 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 gradually improved.
- Revenue from property development operations which comprises property sales and the sale of holiday club memberships increased by Baht 305 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 13,682 million in the property sales backlog which will be recognised in the future.

Total expenses increased by Baht 288 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 50 million due to an increase in line with the hotel revenue.
- The cost of property development operations increased by Baht 174 million as a result of higher revenue recognition of property sales during this period.



- Selling expenses increased by Baht 63 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.

Share of loss from investment in associates increased by Baht 2 million due to a drop in profits of Thai Wah Public Company Limited.

Finance costs increased by Baht 9 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 revenue decreased by Baht 59 million mainly due to a decrease in deferred tax assets from utilization of tax losses carry forwards during the period. Moreover, an increase in deferred tax liabilities relating to revenue recognition of property projects namely Laguna Lakeside, Laguna Park 2, and Angsana Oceanview projects during this period.

Profit attributable to the non-controlling interests of the subsidiaries decreased by Baht 5 million, mostly due to drop 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

