

No. L011/2023

14th November 2023

Subject : The explanation of operating results for the 3rd quarter 2023
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month period ended 30th September 2023, Thailand's hospitality businesses are recovering continuously. Eventhough 3rd quarter is the low 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:"), hotel business is better than the same period last year. The Company could make a net profit of 18 million in the third quarter of this year, compared to a net loss of Baht 63 million in the same period previous year.

Total revenue for the three-month increased by Baht 142 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 191 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 54 million. The variance is largely attributed to the lower revenue recognition of property sales projects namely Skypark project. At the time of this report, there was a total of Baht 9,140 million in the property sales backlog which will be recognised in the future.

Total expenses increased by Baht 31 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 94 million due to an increase in line with the hotel revenue.
- The cost of property development operations decreased by Baht 65 million as a result of lower revenue recognition of property sales during this period.



- Selling expenses increased by Baht 43 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 organised more property exhibitions in Russia for new property projects during this period.
- Administrative expenses decreased by Baht 45 million mainly due to an decrease in loss on write-off fixed assets, compensation expenses to the villa owners, recruitment expenses, IT expenses, and repair and maintenance expenses, when compared to the same period last year.

Share of profit from investment in associates decreased by Baht 5 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 increased by Baht 5 million, which the key reason was because the Bank of Thailand announced continuing interest rate rises. Even if the Group's loan amount declined, its interest cost calculated using the effective interest rate method has increased

Income tax expenses rose by Baht 20 million mainly because the interim corporate income tax charge increased from the revenue recognition of the Skypark project, for which the developer of this project has fully utilized tax loss carry forward in the current quarter.

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

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Assistant Vice President – Head of Finance and Corporate Affairs

