

No. L015/2021

11th August 2021

Subject: The explanation of operating results for the 2nd quarter 2021

Attention: The President
The Stock Exchange of Thailand

Dear Sir,

Overview

- 2Q21 financial performance and cash management show improvement in liquidity and being financially prudent.
- Hotel revenue gradually improved compared with 2Q20.

Background

Due to the prolonged Covid-19 pandemic, the tourism industry has faced the challenging situation since 2020, especially with the emergency decree continuously implemented, and the restrictive measures to control the travelling across the provinces and curfew measure have led to a sharp decline in the number of international and domestic tourists. As a result, the tourism industry was significantly affected, especially the hotels, restaurants, and transportation businesses. The second wave outbreak in late 2020, which was deemed as the high tourism season period, has severely impacted the hospitality business and disrupted the recovery in tourism sector, resulting in the operational performance of Laguna Resorts & Hotels Public Company Limited (the "Company") having tremendously influenced.

Despite the year 2021 has started off with extended spreading of the second wave Covid-19, the Company has taken part as one of the key persons to the Phuket re-opening plan by offering our convention hall to be vaccination center, and in cooperation with BDMS to establish PCR test center of Phuket with an aim in creating the herd immunity of Phuket population.

Later in second quarter, the Company has been one of the spearheads, together with government authorities, our peers in the tourism sector and all our staffs, in collaborating and leading the "Phuket Sandbox" initiatives, with an utmost attempt to bring back tourism momentum to Phuket and Thailand. Consequently, the Phuket Sandbox has been commenced on 1st July 2021.

Financial performance

The Company suffered a net loss of Baht 288 million compared to a Baht 550 million loss for the same period last year.

Total revenue for three-month period increased by Baht 5 million compared to the same period last year mainly due to the followings:

- The overall revenue from hotel operations which comprise hotel, golf, and retail operations increased by Baht 52 million. This was due to the improved performances of Laguna Phuket hotels when compared to the same period last year. Like almost all businesses in the hospitality industry

บริษัท ลากูน่า รีสอร์ท แอนด์ โฮเทล จำกัด (มหาชน)

Laguna Resorts & Hotels Public Company Limited

21/17B, 21/17C, 21/65, 21/66 and 21/68, Thai Wah Tower I, 7th, 22nd and 24th Floor,

South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel: +66 (0) 2677 4455, Fax: +66 (0) 2285 0980

Corporate Website : www.lagunaresorts.com Marketing Website : www.lagunaphuket.com

Corporate Registration No. : 0107535000371

in Thailand, the Covid-19 pandemic has significantly impacted the Group's businesses, especially the hotel business.

- Revenue from property development operations which comprise property sales and the sale of holiday club memberships decreased by Baht 60 million. The difference is largely attributed to the lower revenue recognition of property sales projects. At the time of this report, there is a total of Baht 2,674 million in property sales revenue which will be recognized in the future barring any cancellations.
- Other income increased by Baht 14 million mainly due to gain on sales of warehouse in Singapore during the period.

Total expenses reduced by Baht 165 million compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations decreased by Baht 29 million due to the lower hotel revenue and cost-saving measures put in place after the start of Covid-19.
- The cost of property development operations decreased by Baht 29 million as lower property sales were recognized during the period.
- The cost of office rental operations decreased by Baht 3 million. This is largely attributed to lower land and building tax and received a discount for CJP's fee of Thai Wah Tower during the current period.
- Selling expenses were Baht 6 million lower due to the reduction of sale and marketing expenses of the hotels, gallery operations and office rental of Thai Wah Tower office.
- Administrative expenses declined by Baht 99 million because the Group wrote-off the property under construction of suspended projects during Q2'2020.

Share of profit from investment in associates increased by Baht 8 million mainly relating to increase in profit from Thai Wah Plc.

Finance cost decreased by Baht 3 million compared to the same period last year the loan balances were lower in the current period.

Income tax expenses decreased Baht 96 million because the Group reduced deferred tax assets during Q2'2020.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 14 million which is primarily caused by profit of Laguna Service and gallery operation.

For the reasons stated above, the company's loss is lower compared to the same period last year.

Sincerely Yours,

(Mr. Tan Min Hai Edmund)
Senior Assistant Vice President – Head of Finance & Accounting