

No. L009/2022

8th August 2022

Subject : The explanation of operating results for the 2nd quarter of 2022
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-period ended 30th June 2022, the government has continually eased measures related to the coronavirus disease 2019, which greatly affects tourism businesses. However, Laguna Resorts & Hotels Public Company Limited Company Limited still suffered a net loss of Baht 141 million due to low season in the second quarter of this year. Nevertheless, it had lower net loss when compared to a net loss of Baht 288 million the same period previous year.

Total revenue for three-month period ended 30th June 2022 increased by Baht 610 million as compared to the same period last year due largely to the followings:

- The overall revenue from hotel operations which comprise hotel, golf, and retail operations increased by Baht 317 million. Due to the government's relaxation of the coronavirus disease 2019 and more convenient entry into Thailand, the occupancy rate, average daily rate (ADR), and revenue per available room (RevPAR) of hotels have all improved.
- Revenue from property development operations which comprise property sales and the sale of holiday club memberships increased by Baht 304 million. The variance is largely attributed to the higher revenue recognition of property sales projects namely Skypark, Banyan Tree Expansion, Angsana Beachfront Residences, Laguna Park 2 and Cassia projects. At the time of this report, there was a total of Baht 4,402 million in property sales revenue which will be recognised in the future barring any cancellations.
- Other income decreased by Baht 15 million mainly due to gain on sales of warehouse in Singapore in quarter 2 of 2021.

Total expenses period ended 30th June 2022 increased by Baht 468 million as compared to the same period last year which was generally attributed to the followings:

- The cost of hotel operations increased by Baht 144 million due to increase in line with the hotel revenue.
- The cost of property development operations increased by Baht 184 million as a result of higher revenue recognition of property sales during the period.
- Selling expenses increased by Baht 60 million due to higher in sales and marketing expenses from hotel operations and commission expenses from higher in property sales during the period.

- Administrative expenses increased by Baht 76 million mainly due to an increase in land and building tax as a result of the cancellation of the relief measure this year, and also an increase in management and loyalty fees in line with hotel revenue.

Share of profit from investment in associates decreased by Baht 3 million mainly relates to decrease in profit from Thai Wah Plc. from higher in cost of sale during the period.

Finance cost dropped by Baht 12 million, mainly due to lower interest rates as a result of loan restructuring at the end of last year. They were reduced from 3.75%-4.25% per annum in the quarter 2 of 2021 to 2% per annum since the quarter 1 of 2022.

Income tax expenses increased Baht 11 million mainly due to an increase in deferred tax liabilities relating to revenue recognition of Skypark, Banyan Tree Expansion, Angsana Beachfront Residences, Laguna Park 2 and Cassia projects in the current period.

Loss attributable to the non-controlling interests of the subsidiaries increased by Baht 8 million, mostly as a result of decreased gallery operations profits in Singapore, which were company profit from warehouse sales the previous year.

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

Sincerely Yours,

(Mr. Tan Min Hai Edmund)

Senior Assistant Vice President – Head of Finance & Accounting