

No. L032/2017

9<sup>th</sup> November 2017

Subject : The explanation of operating results for the 3<sup>rd</sup> quarter 2017  
Attention : The President  
The Stock Exchange of Thailand

Dear Sir,

For the third quarter ended 30<sup>th</sup> September 2017, Laguna Resorts & Hotels Public Company Limited suffered a net loss of Baht 24 million as compared to a Baht 104 million loss for the same period last year. The Company's business in Quarter 3 is traditionally softer compared to Quarter 1 and 4 due to low tourist arrivals in Phuket during this time of the year.

Total revenue for the three-month period increased by Baht 118 million as compared to the same period last year due largely to the following:

- Revenue from hotel operations which comprise of hotel, golf and retail operations increased by Baht 11 million. This was due to the higher performance of Banyan Tree Bangkok offset by the lower performances of Laguna Phuket hotels.
- Revenue from property development operations which comprise of property sales and the sale of holiday club memberships is slightly higher. This is from the higher property sales offset by the lower of the sale of holiday club memberships. The higher property sales are from sales of Laguna Village and Laguna Park projects. At the time of this report, there is a total of Baht 2,270 million in property sales revenue which will be recognized in the future barring any cancellations.
- Other income increased by Baht 108 million from gain on sale of investments in the current period.

Total expenses increased by Baht 17 million as compared to the same period last year which is generally the result of the following:

- Cost of hotel operations increased by Baht 14 million which is in line with the higher hotel revenue and higher depreciation.
- Cost of property development operations increased by Baht 4 million as higher property sales were recognized during the period offset by the lower of cost of sales of holiday club memberships.

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, 7<sup>th</sup>, 22<sup>nd</sup> and 24<sup>th</sup> Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand

Tel : 66 (0) 2677 4455 Fax : 66 (0) 2285 0980 Corporate Website : [www.lagunaresorts.com](http://www.lagunaresorts.com) Marketing Website : [www.lagunaphuket.com](http://www.lagunaphuket.com)

Corporate Registration No. : 0107535000371

- Cost of office rental operations decreased by Baht 3 million due to decrease in common area charges for building renovations.
- Selling expenses increased by Baht 20 million mainly due to property sales commission.
- Administrative expenses decreased by Baht 18 million mainly due to lower allowance for doubtful debts.

Share of profit from investments in associates amounted to Baht 7 million in the current period as compared to a loss of Baht 4 million in the prior period. The profit in the current period is from Thai Wah PLC. (the Company started to take equity from January 2017) together with a lower loss from Lijiang Banyan Tree Hotel Co. Ltd..

Finance cost decreased by Baht 2 million as compared to the same period last year due to lower loan balances but partially offset by higher interest rate in the current period.

Income tax was Baht 14 million higher as compared to the same period last year mainly due to tax from sales of investments in the current period.

Profit attributable to non-controlling interests of the subsidiaries amounted to Baht 10 million in the current period as compared to a loss of Baht 10 million in the same period last year. The profit in the current period is mainly from sales of investment in subsidiary together with a lower loss of Gallery sales operations.

For the reasons stated above, the company had a lower loss as compared to the same period last year.

In addition, the “Earnings Before Interest, Tax, Depreciation and Amortization” (EBITDA) for the current period amounted to Baht 108 million which is an improvement over the Baht 1 million profit in the same period last year.

Sincerely Yours,

(Mr. Kuan Chiet)

Vice President – Finance & Administration