

No. L006/2022

10th May 2022

Subject : The explanation of operating results for the 1st quarter 2022
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-period ended 31st March 2022, the government has continually eased measures related to the coronavirus disease 2019, which greatly affects tourism businesses. As a result, Laguna Resorts & Hotels Public Company Limited could made a net profit of Baht 40 million in the first quarter of this year, compared to a net loss of Baht 205 million the same period previous year.

Total revenue for three-month period increased by Baht 633 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 437 million. The main reasons for improving hotels' performance were due to the government's relaxation of the coronavirus disease 2019 and "Test & Go" scheme.
- Revenue from property development operations which comprise property sales and the sale of holiday club memberships increased by Baht 195 million. The variance is largely attributed to the higher revenue recognition of property sales projects namely Angsana Beachfront Residences project. At the time of this report, there was a total of Baht 4,054 million in property sales revenue which will be recognised in the future barring any cancellations.

Total expenses increased by Baht 381 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 142 million due to increase in line with the hotel revenue.
- The cost of property development operations increased by Baht 125 million as a result of higher revenue recognition of property sales during the period.
- Selling expenses increased by Baht 59 million due to higher in sales and marketing expenses from hotel operations and commission expenses from higher in revenue recognition of property sales operations during the period.
- Administrative expenses increased by Baht 53 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 increased by Baht 4 million mainly relates to increase in profit from Thai Wah Plc.

Finance cost dropped by Baht 18 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 1 of 2021 to 2% per annum in the quarter 1 of 2022.

Income tax expenses increased Baht 28 million due mainly to an increase in deferred tax liabilities relating to revenue recognition of Angsana Beachfront Residences project in the current period.

Loss attributable to the non-controlling interests of the subsidiaries decreased by Baht 5 million, owing to higher profits from Laguna Service and gallery operations.

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

Sincerely Yours,

(Mr. Tan Min Hai Edmund)

Senior Assistant Vice President – Head of Finance & Accounting