

No. L006/2023

9th May 2023

Subject : The explanation of operating results for the 1st quarter 2023
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-period ended 31st March 2023, Thailand's hospitality businesses are recovering continuously and almost resumed to the same level as pre-COVID19, which the hotel performance is better in the first quarter. Laguna Resorts & Hotels Public Company Limited could made a net profit of 64 million in the first quarter of this year, compared to a net profit of Baht 40 million the same period previous year.

Total revenue for the three-month increased by Baht 308 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 587 million. Due to the government's fully relaxation of the coronavirus disease 2019, more convenient entry into Thailand and high season in the first quarter. As a result, the occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR) of hotels have all significantly improved.
- Revenue from property development operations which comprises property sales and the sale of holiday club memberships decreased by Baht 276 million. Mainly is due to revenue recognition from Skypark, Laguna Village Residence 8, Cassia and Laguna Park 2 projects that unit prices are lower than Angsana Beachfront Residence project, which was the main revenue recognized in the same period last year, despite the fact that there were more recognized units in this period. At the time of this report, there was a total of Baht 8,621 million in property sales revenue which will be recognised in the future barring any cancellations.
- Other income decreased by Baht 4 million mainly due to a decrease in office rental income. The leasing area to rent for related companies at Banyan Tree Management Academy building in Phuket was reduced in 2023.



Total expenses increased by Baht 301 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 176 million due to an increase in line with the hotel revenue.
- The cost of property development operations decreased by Baht 164 million as a result of lower revenue recognition of property sales during this period.
- Selling expenses increased by Baht 53 million as a result of significantly higher commission expenses from travel agents from hotel operations, which ascended in line with the hotel revenue.
- Administrative expenses increased by Baht 235 million mainly due to an increase in management, royalty fees, and utility expenses in line with hotel revenue. In addition, in order to support the recovery of business operations, salaries, wages and relating expenses also increased in line with the growth in employment.

Share of profit from investment in associates decreased by Baht 8 million due to decrease in profits from Thai Wah Plc during this period, mainly from Startch and food business as the increase in raw material cost was higher than the increase in selling price.

Finance cost increased by Baht 6 million, mainly because the borrowing costs were capitalized as part of the property development cost this year, which were capitalized to assets lower than last year. Despite the fact that the loans of the Group have been decreasing continuously.

Income tax expenses decreased by Baht 32 million mainly due to a decrease in deferred tax liabilities when compared to the same period last year which the Group set up several deferred tax liabilities related to revenue recognition of property projects namely Angsana Beachfront Residence project.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 2 million, mostly due to the expansion of laundry business from Laguna Service.



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

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Assistant Vice President – Head of Finance and Corporate Affairs

