

No. L001/2024

21st February 2024

Subject : The explanation of operating results for the year 2023
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the year ended 31st December 2023, Thailand's hospitality sector experienced a post-pandemic tourism thrive which driven the overall hotel performance to surpass pre-pandemic level, together with a continued demand for property sales in Phuket. As a result, the performance of Laguna Resorts & Hotels Public Company Limited ("the Company:") is better than last year. The Company reported a net profit of 368 million this year, compared to a net profit of Baht 7 million last year.

Total revenue for the year increased by Baht 1,320 million as compared to last year due to the followings:

- The overall revenue from hotel operations which comprises hotel, golf, and retail operations increased by Baht 1,303 million. Since Thailand's hospitality businesses are continuously rebounding, both from local and foreign travelers, and the government also encourages and promotes tourism, as a result, the revenue in the current period has already exceeded the revenue in pre-COVID19. As a result, the occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR) of hotels were significantly improved.
- Revenue from property development operations which comprises property sales and the sale of holiday club memberships decreased by Baht 51 million. The variance is largely attributed to the revenue recognition of property sales projects from last year, namely Skypark, Angsana Beachfront Residence, Banyan Tree Grand Residence projects, which has been reduced this year. The main property project was recognised for the property sales in this year, namely Angsana Oceanview project. At the time of this report, there was a total of Baht 9,944 million in the property sales backlog which will be recognised in the future.
- Other income increased by Baht 69 million mainly due to gain on revaluation of investment properties, and gain on sales of assets.

Total expenses increased by Baht 726 million as compared to last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 738 million due to an increase in line with the hotel revenue.



Laguna Resorts & Hotels Public Company Limited

21/9, 21/31 and 21/33, Thai Wah Tower 1, 5th and 12th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand

T: +66 (0) 2677 4455 F: +66 (0) 2285 0733

www.lagunaresorts.com

- The cost of property development operations decreased by Baht 162 million as a result of lower revenue recognition of property sales during this year.
- Selling expenses increased by Baht 215 million as a result of significantly higher commission expenses from travel agents from hotel operations, which ascended in line with the hotel revenue. Moreover, the Group held more property exhibitions in Russia this year to promote new property projects. In addition, Specific Business Tax rose in line with revenue recognition for property units during the year.
- Administrative expenses dropped by Baht 72 million mostly due to reversal of impairment on land and buildings this year. The primary reason for the reversal is the high demand from investors seeking to purchase land in Phuket and Bangkok. The substantial investments in various real estate development projects within these locations, leading to a surge in overall land prices during 2023.

Share of profit from investment in associates decreased by Baht 19 million due to decrease in profits from Thai Wah Plc during this period, mainly from Starch and food business as the increase in raw material cost was higher than the increase in selling price.

Finance costs increased by Baht 8 million, the key reason was because the Bank of Thailand announced continuing interest rate rises during the year. Even if the Group's loan amount declined, its interest cost calculated using the effective interest rate method has increased.

Income tax expenses rose by Baht 202 million mainly due to an increase in deferred tax liabilities, which the Group set up deferred tax liabilities related to revenue recognition of property projects namely Skypark and Angsana Oceanview projects this year. Furthermore, the current corporate income tax charge increased from the revenue recognition of the Skypark project, for which the developer of this project has fully utilized tax loss carry forward this year.

Profit attributable to the non-controlling interest of the subsidiaries increased by Baht 10 million, mostly due to good performance from the gallery business during this year.

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

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Assistant Vice President – Head of Finance and Corporate Affairs



Laguna Resorts & Hotels Public Company Limited

21/9, 21/31 and 21/33, Thai Wah Tower 1, 5th and 12th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand

T: +66 (0) 2677 4455 F: +66 (0) 2285 0733

www.lagunaresorts.com