

No. L012/2024

13th November 2024

Subject : The explanation of operating results for the 3rd quarter 2024
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month period ended 30th September 2024, Thailand's hospitality businesses, especially Phuket's tourism industry, still performing strong. Even though 3rd quarter is the monsoon season, the occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR) of hotels still had a good result. In terms of property sales operations, there is still a continued demand in the property sales market in Phuket, however; their revenue recognition was lower than same time last year which in line with unit handover plan. As a result, the performance of Laguna Resorts & Hotels Public Company Limited and its subsidiaries ("the Group") is better than the same period last year. The Group reported a net profit of Baht 342 million in the third quarter of this year, compared to a net profit of Baht 18 million in the same period previous year.

Summary of operating Performance

Total revenue for the three-month increased by Baht 294 million or 21% 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 47 million or 7%. As Thailand's hospitality industry continues to perform better, both the number of foreign visitors and average room rates (ARR) have significantly increased hotel operational efficiency.
- Revenue from property development operations which comprises property sales and the sale of holiday club memberships decreased by Baht 265 million or 42%. The variance is mostly attributable to lower revenue recognition for property sales projects, which were only two projects, Laguna Lakeside and Angsana Beachfront in this current period compared to four projects: Skypark, Laguna Village Residence 8, Banyan Tree Grande Residence and Cassia 1 during the same period previous year. At the time of this report, there was a total of Baht 14,428 million in the property sales backlog which will be recognized in the future.
- Other income increased by Baht 511 million or 6,060% mainly due to insurance claim income during this period.



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Total expenses decreased by Baht 17 million or 19% as compared to the same period last year which is generally attributed to the following:

- The cost of hotel operations increased by Baht 46 million or 8% due to an increase in line with the hotel revenue.
- The cost of property development operations decreased by Baht 89 million or 30% as a result of lower revenue recognition of property sales during this period.
- Selling expenses decreased by Baht 18 million or 10% mainly due to a drop in commission expenses, in line with the revenue recognition of property sales. However, there were still increases in advertising media expenses being used for newly launched property sales projects.
- Administration expenses increased by Baht 45 million or 19% mainly because there were increases in salaries, wages, relating expenses, and land and buildings tax.

Share of loss from investment in associates increased by Baht 6 million or 888% due to an increase in losses of Thai Wah Public Company Limited.

Finance income increased by Baht 4 million or 39% due to additional installments receivable from property sales, which's mainly from Laguna Lakeside and Angsana Oceanview projects.

Income tax expenses decreased by Baht 29 million or 78% mainly because the interim corporate income tax charge decreased from the revenue recognition of the Skypark project, for which the developer of this project has fully utilized tax loss carry forward in the same period last year.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 7 million or 515%, mostly due to higher from the gallery business during this period.

Summary of Financial Position

Assets

As at 30 September 2024, the Group had total assets of Baht 31,250 million, an increase of Baht 1,200 million or 4% from 31 December 2023 mainly due to an increase in property development costs of Baht 1,017 million due to the ongoing construction of the property sales projects.



Liabilities

As at 30 September 2024, the Group had total liabilities of Baht 15,604 million, an increase of Baht 782 million or 5% from 31 December 2023 mainly due to an increase in advance received from customers of Baht 1,358 million from new property sales and solid backlog offset with decrease in long-term loans from financial institutions of Bath 257 million and other non-current liabilities of Baht 322 million which both related to repayment to financial institutions and settlement all suspended interest payments.

Shareholders' equity

As at 30 September 2024, the Group had total shareholders' equity of Baht 15,646 million, an increase of Baht 418 million or 3% from 31 December 2023. Most of the variance was from profit for the period of Baht 633 million and dividend payment of Baht 225 million.

Liquidity

As at 30 September 2024, approximately 43% of the Group's debt will mature in less than one year based on the carrying value of debts. Moreover, the Group had current assets of Baht 7,862 million and current liabilities of Baht 6,775 million, which's a current ratio equal to 1.16 times. The Group believes that it can maintain liquidity and that the risks connected to its debt are low.

Sincerely Yours,

(Mr. Chatchai Chordokrak)

Senior Assistant Vice President – Head of Finance and Corporate Affairs



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