

No. L013/2025

7th August 2025

Subject : The explanation of operating results for the 2nd quarter 2025
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the three-month period ended 30th June 2025, hotel operations were moderately impacted by the seasonal slowdown following the tail end of the high season, as well as external factors such as the Bangkok earthquake and ongoing geopolitical tensions. These factors led to softer travel demand and lower occupancy levels. However, all hotels were still able to maintain higher average room rates, showing that pricing remained strong despite the challenging situation. Meanwhile, revenue from property sales operations declined compared to the same period last year, in line with the unit handover plan. As a result, the performance of Laguna Resorts & Hotels Public Company Limited ("the Company") was lower than the same period last year. The company reported a net loss of 124 million in the second quarter of this year, compared to a net profit of Baht 15 million in the same period previous year.

Total revenues for the three-month period decreased by Baht 438 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 decreased by Baht 93 million mainly due to seasonal effects, geopolitical concerns, and the Bangkok earthquake in March 2025. These external factors led to lower customer traffic and bookings during the period. However, retail operations got a large shipment from customers which directly contributed to higher revenue during the period last year when compared to normal operation this year.
- Revenue from property development operations, which comprises property sales and the sale of holiday club memberships decreased by Baht 348 million, primarily due to the timing of project handovers. In the same period last year, a substantial portion of Laguna Lakeside project was recognised, contributing significantly to revenue. In contrast, only a limited portion of Laguna Beachside project was recognised this year, in line with the project's construction and handover schedule. The recognised units from Laguna Beachside represent the final batch of the project, which has now been completed and officially closed. At the time of this report, there was a total of Baht 17,127 million in the property sales backlog which will be recognised in the future.



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Total expenses for the three-month period decreased by Baht 292 million as compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 37 million, mainly because of higher fixed costs in the laundry business. Even though the main hotels had lower revenue and were able to reduce their costs, the laundry business still had to pay the same fixed costs, like staff wages. This shows the company's focus on staying ready to operate and keeping services running, so it can quickly respond when demand increases again.
- The cost of property development operations decreased by Baht 227 million as a result of lower revenue recognition of property sales during this period.
- Selling expenses decreased by Baht 43 million, primarily due to a reduction in advertising, specific business tax and commission expenses related to property sales when compared to the same period of the previous year.
- Administrative expenses decreased by Baht 69 million in line with the decline in revenue from hotel and property sales operations, as the Group implemented cost-saving measures during the tail end of the high season.

Finance income increased by Baht 10 million in line with an increase in long-term trade accounts receivable.

Income tax revenue decreased by Baht 16 million, primarily due to an increase in corporate income tax of Baht 36 million, offset by a decrease in deferred tax expenses of Baht 20 million. The increase in corporate income tax was mainly attributable to intra-group land sales and revenue recognition from property development projects, particularly Laguna Beachside project. The decrease in deferred income tax expense is attributable to the absence of recognition of deferred tax assets arising from tax loss carryforwards during the current period, whereas such assets were recognised in the prior year.

Loss attributable to the non-controlling interests of the subsidiaries increased by Baht 11 million, primarily due to an increase in interim corporate income tax arising from intra-group land sales.

Summary of Financial Position

Assets

As at 30 June 2025, the Group reported total assets of Baht 33,544 million, an increase of Baht 1,341 million or 4% from 31 December 2024. The primary causes are attributable to the following items:



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- Investment in associates and other non-current financial assets had a net increase of Baht 254 million, mainly due to an reclassification investment of Bibace Investments Ltd. from other non-current financial assets to investment in associates.
- Cash and cash equivalents and fixed deposit had a net decrease of Baht 67 million, resulting from net cash flows from operating activities of Baht 803 million, partially offset by net cash flows used in investing activities of Baht 675 million and financial activities of Baht 189 million.
- Property development cost increased by Baht 432 million mainly due to the ongoing construction of property development projects.
- Cost to obtain contracts with customers increased by Baht 223 million, primarily due to an increase in property sales during the period.
- Investment properties rose by Baht 236 million, largely from was mainly from transfer of Laguna Lakeside units from property development cost to investment properties, amounting to Baht 63 million and gain from revaluation of Baht 69 million. In addition, a subsidiary acquired one unit at Thai Wah Tower for approximately Baht 101 million.
- Property, plant and equipment rose by Baht 218 million, reflecting higher capital expenditures (CAPEX) of Baht 457 million, partially offset by depreciation of Baht 241 million for the period.

Liabilities

As at 30 June 2025, the Group reported total liabilities of Baht 16,920 million, representing an increase of Baht 1,006 million or 6% from 31 December 2024. The main reasons are due to the following items:

- Short-term loans from financial institutions decreased by Baht 230 million due to the repayment of such loans during the period.
- Advance received from customers rose by Baht 856 million, driven by new property sales and solid backlog of customer agreements.
- Income tax payable rose by Baht 108 million, resulting from corporate income tax based on taxable profit generated from revenue recognition for property sales projects, including Laguna Lakeside, Laguna Beachside and Banyan Tree Grand Residence projects.
- Long-term loans and its current portion from financial institutions increased by Baht 286 million due to loan drawdowns of Baht 364 million and repayments of Baht 79 million during the period.



Shareholders' equity

As at 30 June 2025, the Group had total shareholders' equity of Baht 16,624 million, an increase of Baht 334 million or 2% from 31 December 2024. Most of the variance was from profit for the six-month period of Baht 546 million, other comprehensive income (loss) for the six-month period of Baht (107) million, dividend paid of Baht 233 million, and equity attributable to non-controlling interests of Baht 130 million from the acquisition of subsidiaries.

Liquidity

As at 30 June 2025, approximately 22% of the Group's debt will mature in less than one year based on the carrying value of debts (excluding advance received from customers). Moreover, the Group had current assets of Baht 8,897 million and current liabilities of Baht 7,607 million, which's a current ratio equal to 1.2 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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