

No. L010/2020

12th May 2020

Subject : The explanation of operating results for the 1st quarter 2020
Attention : The President
The Stock Exchange of Thailand

Dear Sir,

For the first quarter ended 31st March 2020, Laguna Resorts & Hotels Public Company Limited achieved a net profit of Baht 1 million which was Baht 82 million lower when compared to the same period last year.

Total revenue for the three-month period decreased by Baht 280 million as compared to the same period last year due largely to the following:

- The overall revenue from hotel operations which comprise of hotel, golf and retail operations decreased by Baht 247 million over the prior year as a result of ceasing hotel operation as to comply with government measures to deal with COVID-19.
- Revenue from property development operations which comprise of property sales and the sale of holiday club memberships decreased by Baht 25 million. The difference is largely attributed to the lower revenue recognition of property sales projects namely Cassia which were lower when compared to Laguna Park project in the same period last year. At the time of this report, there is a total of Baht 3,478 million in property sales revenue which will be recognized in the future barring any cancellations.
- Revenue from office rental operations which includes retail leasing decreased by Baht 11 million due largely to the decrease in occupancy of Thai Wah Tower office and lower property tax income in current period.

Total expenses decreased by Baht 179 million as compared to the same period last year which is generally caused by the following:

- Cost of hotel operations decreased by Baht 75 million which is in line with the lower hotel revenue.
- Cost of property development operations decreased by Baht 39 million as lower holiday club memberships and property sales were recognized during the period.

- Cost of office rental operations decreased by Baht 4 million. This is largely attributed to lower property tax in current period.
- Selling expenses decreased by Baht 11 million as a result of lower hotel and property development operations selling expenses.
- Administrative expenses decreased by Baht 49 million due mainly to a decrease in property tax, legal and professional fee, hotel management fee and rental expense.

Share of profit from investment in associates decreased by Baht 3 million mainly relates to the lower profit from Thai Wah Plc.

Finance cost increased by Baht 24 million as compared to the same period last year as the loan balances were higher in the current period.

Income tax expense decreased by Baht 46 million due mainly to a decrease of taxable profit from hotels and office rental operations compared to the same period last year.

Profit attributable to non-controlling interests of the subsidiaries slightly increased as compared to the same period last year.

For the reasons stated above, the company made a lower of profit as compared to the same period last year.

Sincerely Yours,

(Mr. Kuan Chiet)

Vice President