

No. L017/2021

12th November 2021

Subject: The explanation of operating results for the 3rd quarter 2021

Attention: The President
The Stock Exchange of Thailand

Dear Sir,

Overview

- 3Q21 financial performance and cash management show improvement in liquidity and being financially prudent.
- Hotel revenue gradually improved compared with 3Q20.

Financial performance

The Company suffered a net loss of Baht 279 million compared to a Baht 275 million loss for the same period last year.

Total revenue for three-month period increased by Baht 63 million compared to the same period last year mainly due to the followings:

- The overall revenue from hotel operations which comprise hotel, golf, and retail operations increased by Baht 29 million. This was due to the improved performances of Laguna Phuket hotels when compared to the same period last year. Like almost all businesses in the hospitality industry in Thailand, the Covid-19 pandemic has significantly impacted the Group's businesses, especially the hotel business.
- Revenue from property development operations which comprise property sales and the sale of holiday club memberships increased by Baht 34 million. The difference is largely attributed to the higher revenue recognition of property sales projects namely Cassia and Angsana Beach Front projects. At the time of this report, there is a total of Baht 2,706 million in property sales revenue which will be recognized in the future barring any cancellations.

Total expenses increased by Baht 48 million compared to the same period last year which is generally attributed to the followings:

- The cost of hotel operations increased by Baht 36 million due to the higher hotel revenue and Phuket Sandbox has been commenced.
- The overall costs of property developments which comprise property and timesharing operations, were no significant changes, because the cost of property sales increased by Baht 22 million in line with property sales revenue this period. However, the cost of timesharing operation decreased by Baht 22 million due to reduced cost of property for sale under holiday club memberships to reflect the net realisable value in the same period last year.
- Selling expenses increased by Baht 11 million because the Group supported the Phuket Sandbox through a series of promotional campaigns. Moreover, commission expenses also increased in line with property development revenue.

- Administrative expenses were no significant changes when compared to the same period last year.

Share of profit from investment in associates increased by Baht 7 million mainly relating to increase in profit from Thai Wah Plc.

Finance cost increased by Baht 1 million compared to the same period last year the loan balances were higher in the current period.

Income tax expenses increased Baht 22 million mainly because the Group reduced deferred tax asset during this quarter. Moreover, it also increased from taxable profits from the sales of property units this period.

Profit attributable to the non-controlling interests of the subsidiaries increased by Baht 2 million which is primarily caused by lower loss from gallery operation.

For the reasons stated above, the Group's loss is slightly higher compared to the same period last year.

Sincerely Yours,

(Mr. Edmund Tan Min Hai)
Senior Assistant Vice President – Head of Finance & Accounting