

November 13, 2021

Subj. Operating results for financial statements for the 3rd quarter as at September 30, 2021

Attn. Director and Manager
Stock Exchange of Thailand

According to Charn Issara Development Public Company Limited ("the Company"), submitted the consolidated financial statements and the financial statements of the Company for the 3rd quarter ended September 30, 2021 that have been reviewed from the auditor, the company would like to clarify the change of operating results as follows.

Financial Performance		(Million Baht)		
Consolidated Financial Statements	Q3	Q3	Increase / (Decrease)	
	2021	2020	Amount	%
Total Revenues	543.5	445.7	97.7	21.9
Total Cost and Expenses	439.7	537.2	(97.4)	(18.1)
Net Profit / (Loss) - Equity holders of the company	72.5	(80.5)	153.0	190.1

For the 3rd quarter of 2021 ended September 30, 2021, the Company has a net profit attributable to shareholders in the amount of 72.5 million baht, which was an increase of 153.0 million baht or 190.1 percent from the same period last year.

Key Issue:

Revenue: The company's total revenue was 543.5 million baht, an increase of 97.7 million baht or 21.9 percent. The main change came from the Company has profit from the exemption from rent under the lease agreement of the property between Sri Panwa Management Company Limited (subsidiary) and Sri Panwa Hotel Real Estate Investment Trust (REIT) amounting to 266.7 million baht. Due to the impact of of coronavirus disease (COVID-19) crisis in the second wave and the third wave, the REIT therefore considers helping by waiving the rent for assets invested No. 1 and No. 3 in Sri Panwa Hotel Real Estate Investment Trust for the month of February 2020 to June 2021.

Meanwhile, the Company's main operating income, such as real estate sales, decreased by 67.2 million baht or 27.8% due to a slowdown in real estate purchases from economic conditions. Revenue from hotel business decreased by 87.2 million baht or 62.5 percent due to the situation of the COVID-19 pandemic in 2021 that is more severe than the previous year, thus affecting the tourism industry and hotel and directly affect the revenue from the company's hotel business.

Cost: The Company had total cost of sales of 235.5 million baht, a decrease of 59.9 million baht or 20.3%, which changed in the same direction as the change in the decreasing of the main income of the company.

Sales and administrative expenses: The Company had sales and administrative expenses of 125.3 million baht, an increase of 8.2 million baht or 7.0% because during the same period in the year 2020, the company reduced expenses especially the cost of employee benefits at a higher rate than in 2021.

Financial Position		(Million Baht)		
Consolidated Financial Statements	September	December	Increase / (Decrease)	
	2021	2020	Amount	%
Total Assets	10,326.1	10,805.1	(479.0)	(4.4)
Total Liabilities	7,931.6	8,367.2	(435.6)	(5.2)
Total Shareholders' Equity	2,394.5	2,437.9	(43.4)	(1.8)

Significant changes in the statement of financial position for the period ending September 30, 2021 are as follows:

- Cost of property development projects for sale decreased by 240.4 million baht due to the transfer of cost of real estate development projects for sale to cost of real estate sales in the Company's income statement of 634.8 million baht. The Company has developed more projects such as Issara Residence Rama 9 Project, Baan Issara Bangna Project, Sasara Hua Hin, etc.
- Current financial assets increased by 50.0 million baht due to money management. to find short-term returns for the company.
- Property, plant and equipment increased by 174.4 million baht due to an increase in the extension of Sri Panwa Phuket Hotel and Baba Beach Club Hua Hin with the depreciation incurred during the year.
- Right-of-use assets decreased by 152.2 million baht from amortization of right-of-use assets incurred during the year.
- Loan from financial institutions decreased by 235.4 million baht due to the company repaying loan from sale and transfer of ownership.
- Trade accounts payable and other current payables decreased by 77.0 million baht, mainly due to payment for construction of real estate projects and the extension of Sri Panwa Phuket Hotel and Baba Beach Club Hua Hin.
- Advance received from customers according to agreement to buy and to sell real estate, decreased by 73.6 million baht from the transfer of real estate during the year.
- Long-term loans from other companies increased by 253.5 million baht for project development and enhance the liquidity of the company.
- Debentures decreased by 254.1 million baht due to the issuance of debentures during the period of 950 million baht and repayment of debentures due in the amount of 1,200 million baht.
- Lease liabilities decreased by 163.8 million baht due to the exemption from rental contracts and pay rent during the period net of interest amortization incurred during the year.
- Retention payables, a decrease of 17.4 million baht, due to the reimbursement of the deposit for work completed during the year.

Cash flow analysis		(Million Baht)
Consolidated Financial Statements	Q3 2021	Q3 2020
Net cash generated (used in) from operating activities	421.0	(607.8)
Net cash generated (used in) from investment activities	(241.6)	14.2
Net cash generated (used in) from financing activities	(465.4)	679.6
Net increase (decrease) in cash and cash equivalents	(286.0)	86.0
Cash and cash equivalents - ending balance	282.7	682.6

Cash flow from operation

The company had net cash flows receive from operating for the year of 2021 equal to 421.0 million baht from having sales and reducing operating expenses of the company especially the cost of employee benefits, Director's Remuneration, and marketing expenses.

Cash flow from investments

The company had net cash used in flows from investing for the year of 2021 equal to 241.6 million baht, caused by the company use the money to develop the under-construction project of 2 hotels, the extension of Sri Panwa Phuket Hotel and Baba Beach Club Hua Hin.

Cash flow from financing activities

The Company's net cash flow used in financing activities for the year 2021 was 465.4 million baht, resulting from the company repaying loans from financial institutions. Payment of lease liabilities for assets invested no. 2 in Sri Panwa Hotel Real Estate Investment Trust and redemption of debentures due. During the period, the company issued debentures at a lower value than the redemption value during the period.

Report filed herewith for your information.

Yours sincerely,

(Mr. Songkran Issara)

Chief Executive Officer and Managing Director