

May 11th, 2022

Subj. Clarification of operating results for the three-month period ended March 31, 2022

Attn. Managing Director

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 three-month period ended March 31, 2022 that have been reviewed from the auditor, the company would like to clarify the change of operating results as follows

Financial Performance	(Million Baht)			
	Q1 2022	Q1 2021	Increase / (Decrease)	
Consolidated Financial Statements			Amount	%
Total Revenues	425.7	539.8	(114.1)	(21.1)
Total Cost and Expenses	568.1	625.1	(57.1)	(9.1)
Net Profit / (Loss) - Equity holders of the company	(92.5)	(40.4)	(52.2)	(129.3)

Financial statements for the three-month period ended March 31, 2022, the Company had a net loss as for the equity of the Company's shareholders, amounting to 92.5 million baht. A loss increased by 52.2 million baht or 129.3% compared to the same period of the year 2021.

Key issues:

Revenue: The company's total revenue was 425.7 million baht, a decrease of 114.1 million baht or 21.1 percent. The main change came from the income from real estate sales 246.6 million, a decrease of 145.3 million baht from the previous year or 37.1%. Rental and service income was 14.1 million baht, a decrease of 4.1 million baht from the previous year or 22.7%. Due to the deteriorating economic situation due to the impact of the coronavirus disease (COVID-19) epidemic, buyers of houses and condominiums have delayed transferring ownership.

Meanwhile, revenue from hotel operations amounted to 123.0 million baht, an increase of 34.2 million baht from the previous year or 38.5% million baht due to the spread of the coronavirus disease (COVID-19) that occurred throughout the period. Over the past two years (early 2020 to early 2022). The group of tourists has started to have more positive factors in the situation whether the mortality rate is reduced. The severity of symptoms that occur if infection with the plague is reduced or the rate of vaccination of the population in the country that is increasing. In addition, the government has measures to help the tourism business sector through the project. "We travel together" to stimulate domestic tourism.

Cost: The Company had total cost of sales of 331.8 million baht, a decrease of 80.0 million baht or 19.4%, which changed in the same direction as the change in the decrease of the company's main revenue.

Selling and Administrative Expenses: The Company had selling and administrative expenses of 162.3 million baht, an increase of 33.6 million baht or 26.1%. The main increase came from employee compensation due to the same period last year. The Company has controlled and reduced expenses to enhance the liquidity of the Company's operations.

Financial Position		(Million Baht)		
Consolidated Financial Statements	March	December	Increase / (Decrease)	
	2022	2021	Amount	%
Total Assets	10,721.2	10,199.5	521.7	5.1
Total Liabilities	8,445.2	7,797.3	647.9	8.3
Total Shareholders' Equity	2,276.0	2,402.1	(126.1)	(5.3)

Items that have changed in the statement of financial position for the period ending March 31, 2022, the significant are as follows:

- Trade accounts receivable and other current receivables increased by 11.7 million baht. Mainly due to the commission paid by the Company in advance from the sale of real estate that the Company has not transferred ownership to customers and the advance expenses incurred during the period, such as common expenses of the condominium units that the Company still owns.
- Cost of real estate development projects for sale decreased by 6.5 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 173.6 million baht. The Company has developed more projects such as Issara Residence Rama 9 Project, Baan Issara Bangna Project, Sasara Hua Hin Project, etc.
- Current financial assets increased by 13.0 million baht due to money management to find short-term returns for the company.
- Loans from financial institutions increased by 63.2 million baht due to real estate developments for sale during the year such as the Issara Sathorn Condominium Project and Baba Beach Club Hua Hin Project.
- Debentures increased by 495.1 million baht due to the issuance of debentures during the period of 500.0-million-baht, net of amortization fee.
- Liabilities under lease agreements increased by 43.9 million baht due to the Company being extended for a long contractual lease payment period resulting in increased liabilities.
- Liabilities arising from contracts increased by 47.8 million baht, mainly from advance receipts from real estate sales during the year.

Cash flow analysis

(Million Baht)

Consolidated Financial Statements	Q1 2022	Q1 2021
Net cash generated (used in) from operating activities	72.6	193.6
Net cash generated (used in) from investment activities	(20.3)	(70.3)
Net cash generated (used in) from financing activities	498.1	(229.3)
Net increase (decrease) in cash and cash equivalents	550.4	(106.0)
Cash and cash equivalents - ending balance	886.1	462.7

Cash flow from operation

The Company's net cash flow from operating activities for the three-month period of 2022 equal to 72.6 million baht from sales and transfers of real estate during the period.

Cash flow from investments

The Company had net cash flows used in investing activities for the three-month period of 2022 equal to 20.3 million baht. Caused by the Company invest in short-term promissory notes from financial institutions, invest in investment units in Sri Panwa Hotel Real Estate Investment Trust and the development of Baba Beach Club Hotel Hua Hin (Habita Seaview).

Cash flow from financing activities

The Company had net cash flows from financing activities for the three-month period of 2022 equal to 498.1 million baht. Caused by the Company issue debentures during the period and withdrawing loans from financial institutions for the Company's operations.

Report filed herewith for your information.

Yours sincerely,

(Mr. Songkran Issara)

Chief Executive Officer and Managing Director