



August 10, 2022

Subj. Operating results for financial statements for the 2nd quarter as at June 30, 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 months period ended June 30, 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)		
Consolidated Financial Statements	Q2	Q2	Increase / (Decrease)	
	2022	2021	Amount	%
Total Revenues	460.4	425.6	34.8	8.2
Total Cost and Expenses	578.3	580.9	(2.6)	(0.5)
Net Profit / (Loss) - Equity holders of the company	(73.5)	(115.7)	42.2	36.5

For the three months period ended June 30, 2022, the Company has a net loss attributable to shareholders in the amount of 73.5 million baht, which was a decrease of 42.2 million baht or 36.5 percent from the same period last year.

Key issues:

Revenue: The company has total revenue of 460.4 million baht, an increase of 34.8 million baht or 8.2 percent from the previous year. Revenue from hotel operations increased by 115.8 million baht or 249.6 percent due to the spread of the Coronavirus Disease (COVID-19) that occurred over the past 2 years (early 2020 to early 2022). The group of tourists began to have more positive factors for the situation. The mortality rate is reduced. The severity of symptoms that occur if infected is reduced. The rate of vaccination of the population in the country has increased. In addition, the government has measures to help the tourism business sector through the project named "We travel together" to stimulate domestic tourism.

Meanwhile, income from real estate sales decreased by 84.1 million baht or 26.0 percent as a result of the economic deterioration caused by the impact of the coronavirus disease (COVID-19) pandemic, causing home and condominiums buyer delayed the transfer of ownership.

Cost: The Company had total cost of sales of 342.5 million baht, a decrease of 19.7 million baht or 5.4 percent, which changed in the same direction as the change in the main revenue of the company.

Sales and administrative expenses: The Company had sales and administrative expenses of 162.9 million baht, an increase of 29.7 million baht or 22.2 percent. The increase was mainly due to employee compensation 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	June	December	Increase / (Decrease)	
	2022	2021	Amount	%
Total Assets	10,309.2	10,199.5	109.7	1.1
Total Liabilities	8,092.1	7,797.3	294.8	3.8
Total Shareholders' Equity	2,217.1	2,402.1	(185.1)	(7.7)

Significant changes in the statement of financial position for the period ending June 30, 2022 are as follows:

- Trade accounts receivable and other current receivables increased by 44.4 million baht, mainly due to the advance construction costs, commission paid by the company in advance from the sale of real estate that the company has not yet transferred ownership to the customer, and other prepaid expenses.
- Cost of real estate development projects for sale decreased by 24.7 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 343.3 million baht. The Company has developed more projects such as The Issara Sathorn Project, Issara Residence Rama 9 Project, Baan Issara Bangna Project, Sasara Hua Hin Project, Sri Panwa Phuket Hotel Extension Project, etc.
- Current financial assets increased by 13.0 million baht due to financial management to find short-term returns for the company.
- Loans from financial institutions increased by 253.6 million baht from property development for sale during the year such as The Issara Sathorn Condominium Project and Baba Beach Club Hua Hin Project.
- Debentures decreased by 302.7 million baht due to the repayment of debentures of 800 million baht, net of 500.0 million baht in bonds issuance during the period and amortization fee for issuing debentures.
- Liabilities under lease agreements increased by 84.1 million baht due to the Company's contractual lease payment extensions, resulting in increased liabilities.
- Liabilities arising from contracts increased by 253.0 million baht, mainly from advances received from real estate sales during the year.

Cash flow analysis

(Million Baht)

Consolidated Financial Statements	Q2 2022	Q2 2021
Net cash generated (used in) from operating activities	333.0	364.0
Net cash generated (used in) from investment activities	(26.2)	(183.7)
Net cash generated (used in) from financing activities	(176.9)	(283.7)
Net increase (decrease) in cash and cash equivalents	129.9	(103.5)
Cash and cash equivalents - ending balance	465.6	465.3

Cash flow from operation

The Company had net cash flow from operating activities for the six-month period of 2022 equal to 333.0 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 six-month period of 2022 equal to 26.2 million baht. Caused by the company invest in short-term promissory notes from financial institutions and invest in investment units in Sri Panwa Hotel Real Estate Investment Trust and project development of Baba Beach Club Hua Hin (Habita Seaview).

Cash flow from financing activities

The Company had net cash flows used in financing activities for the six-month period of 2022 equal to 176.9 million baht. Caused by the company repayment of debentures during the period in an amount greater than the amount issued by the Company during the period and withdrawal of 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