

November 10th, 2022

Subj. Operating results for financial statements for the three months ended September 30, 2022

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 three months ended September 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	Q3	Q3	Increase / (Decrease)	
	2022	2021	Amount	%
Total Revenues	414.5	543.5	(129.0)	(23.7)
Total Cost and Expenses	472.1	439.7	32.4	7.4
Net Profit / (Loss) - Equity holders of the company	(52.2)	72.5	124.7	172.0

For the three months ended September 30, 2022, the Company has a net loss attributable to shareholders in the amount of 52.2 million baht, which was an increase of 124.7 million baht or 172.0 percent from the same period last year.

Key Issue:

Revenue: The company has total revenue of 414.5 million baht, a decrease of 129.0 million baht from the previous year or 23.7 percent. Revenue from hotel business increased by 108.2 million baht or 206.6 percent. As tourists began to have more positive factors on the aforementioned situation. Whether the mortality rate is reduced, the severity of symptoms, and infections from epidemic diseases in the country and abroad continue to decline. 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 73.4 million baht or 42.0 percent as a result of the economic recession causing buyers of houses and condominiums to delay the transfer of ownership. This quarter, the Company has profit from the rental exemption under the asset lease agreement between Sri Panwa Management Company Limited (subsidiary) and Sri Panwa Hotel Real Estate Investment Trust (REIT). The REIT has considered providing assistance from the impact of the COVID-19 epidemic. It is the result of a decrease in tourists and income by waiving the rental fee for the investment assets No. 1 for the period from August 2021 to February 2022 totaling 94.7 million baht. While in 2021, the REIT provides assistance by waiving the rent for the assets invested No. 1 and No. 3 installments from February 2020 to June 2021 totaling 266.7 million baht.

Cost: The Company had total cost of sales of 254.2 million baht, an increase of 18.7 million baht or 8.0 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 147.0 million baht, an increase of 21.6 million baht or 17.3 percent. 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	September	December	Increase / (Decrease)	
	2022	2021	Amount	%
Total Assets	10,306.4	10,199.5	107.0	1.0
Total Liabilities	8,177.9	7,797.3	380.6	4.9
Total Shareholders' Equity	2,128.5	2,402.1	(273.6)	(11.4)

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

- Trade accounts receivable and other current receivables increased by 57.0 million baht, mainly due to construction costs in advance and commission paid by the Company in advance from the sale of real estate that the Company has not yet transferred ownership to the customer.
- Cost of real estate development projects for sale decreased by 341.8 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 421.7 million baht and transfer of cost of real estate development projects for sale as land, plant and equipment in the amount of 492.4 million baht. During the year, 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.
- Land held for development, a decrease of 109.2 million baht from the transfer of land held for development as land, plant and equipment of the Company.
- Land, plant and equipment increased by 548.5 million baht from the transfer from the cost of real estate development projects for sale and land held for development in the amount of 530.9 million baht. As well as the development of the Baba Beach Club Hotel Hua Hin project (Habita Seaview) during the year of the Company.
- Loans from financial institutions increased by 270.4 million baht due to the development of real estate for sale during the year such as The Issara Sathorn Condominium Project and the Baba Beach Club Hua Hin Project.
- Debentures decreased by 300.7 million baht due to the repayment of debentures of 800 million baht, The net of 500.0 million baht in bonds issuance during the period and amortization fees for issuing debentures.

- Leased liabilities increased by 13.6 million baht due to the Company's extension of the rental payment period under the contract together with the exemption of rent for the lease of assets used for hotel business operations of Sri Panwa Management Co., Ltd. (subsidiary company) totaling 94.7 million baht.
- Contract liabilities increased by 262.5 million baht, mainly from advance receipts from real estate sales during the year.

Cash flow analysis		(Million Baht)
Consolidated Financial Statements	Q3 2022	Q3 2021
Net cash generated (used in) from operating activities	308.7	421.0
Net cash generated (used in) from investment activities	(19.8)	(241.6)
Net cash generated (used in) from financing activities	(247.8)	(465.4)
Net increase (decrease) in cash and cash equivalents	41.1	(286.0)
Cash and cash equivalents - ending balance	376.8	282.7

Cash flow from operation

The Company's net cash flow from operating activities for the nine-month period of 2022 was 308.7 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 nine-month period of 2022 equal to 19.8 million baht. Caused by the company invest in short-term promissory notes from financial institutions, 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's net cash flow used in financing activities for the nine-month period of 2022 was 247.8 million baht. Caused by the Company repayment of debentures during the period in an amount that greater than the amount issued by the Company 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