

28 February 2023

Subj. Operating results for financial statements at the end of December 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 at the end of December 31, 2022 that have been audited from the auditor, the company would like to clarify the change of operating results as follows.

<b>Financial Performance</b>		(Million Baht)		
<b>Consolidated Financial Statements</b>	<b>Increase / (Decrease)</b>			
	<b>2022</b>	<b>2021</b>	<b>Amount</b>	<b>%</b>
Total Revenues	2,175.5	2,299.1	(123.6)	(5.4)
Total Cost and Expenses	2,465.9	2,420.9	45.0	1.9
Net Profit / (Loss) - Equity holders of the company	(199.8)	(44.6)	155.2	347.8

For the year as at December 31, 2022, the Company has a net loss attributable to shareholders in the amount of 199.8 million baht, which was an increase of 155.2 million baht or 347.8 percent compared to the last year.

**Key issues:**

**Revenue:** The Company's total revenue was 2,175.5 million baht, a decrease of 123.6 million baht or 5.4% from the previous year. The main change came from a decrease in real estate sales of 301.2 million baht or 20.7% due to the economic regression situation. As a result, the confidence in the decision to buy houses and condominiums for living and investment slowed down.

While the revenue from hotel operations increased by 335.5 million baht or 99.6 % due to the increasing number of positive factors affecting the situation among tourists. Whether the death rate is reduced, the severity of the symptoms that occur, and the continual decrease in infection from domestic and international epidemics. Also, the opening of the country to accept national tourists since the third quarter onwards, together with the government has measures to help the tourism business sector through the project "We travel together" to stimulate domestic tourism.

This year, there was a decrease of 172.0 million baht in other income due to the profit from the exemption of rent according to the asset lease agreement between Sri Panwa Management Co., Ltd. (subsidiary) and Hotel Real Estate Investment Trust, Sri Panwa (Trust). In 2022, the Trust has considered helping from the impact of the epidemic of the corona virus (COVID-19), it has affected the decrease in tourists and reduced income, by waiving the rental for the first investment assets from August 2021 to February 2022. The total amount is 94.7 million baht. While in 2021 the Trust provided assistance by waiving the rental for the first and third investment assets from February 2020 to June 2021. The amount is 266.7 million baht.

**Cost:** The Company's total cost of sales was 1,525.2 million baht, a decrease of 19.9 million baht or 1.3%, which changed in the same direction as the change in the decrease in main revenue of the company.

**Sales and administrative Expenses:** The Company had selling and administrative expenses in the amount of 645.4 million baht, an increase of 93.1 million baht or 16.9%. The company has controlled and reduced expenses to enhance liquidity in the operations of the company. In addition, during the year 2022, the hotel business improved resulting in more staff hires.

<b>Financial Position</b>	<b>(Million Baht)</b>			
<b>Consolidated Financial Statements</b>	<b>December 2022</b>	<b>December 2021</b>	<b>Increase / (Decrease)</b>	
			<b>Amount</b>	<b>%</b>
Total Assets	11,153.4	10,199.5	954.0	9.4
Total Liabilities	8,132.8	7,797.3	335.5	4.3
Total Shareholders' Equity	3,020.6	2,402.1	618.5	25.7

Significant changes in the statement of financial position for the period ending December 31, 2022 are as follows:

- Trade and other current receivables increased by 82.1 million baht. Mainly reason is an advance expense for construction work, commission paid in advance by the Company from the sale of immovable properties that the Company has not yet transferred ownership to customers, and accounts receivable from the normal operation of the hotel business with tourists entering the service at the end of the year higher than the previous year.
- Cost of property development projects for sale decreased by 705.5 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 profit and loss statement of 799.5 million baht. The cost of real estate development projects for sale to property buildings and equipment in the amount of 704.7 million baht and during the year, the Company has developed more projects such as the Issara Sathorn Project, Issara Residence Rama 9 Project, Baan Issara Bangna Project, Sara Hua Hin Project, Sri Panwa Hotel Extension Project, Phuket, etc.
- Land held for development decreased by 187.9 million baht from the transfer of land held for development to property, plant and equipment of the Company.
- Property, plant and equipment increased by 1,885.5 million baht due to the transfer from the cost of real estate development projects for sale and land held for development in the amount of 892.6 million

baht and from the change from the recognition of land value from cost price to a revalued price. So that the land shows value close to the market price in the amount of 1,056.5 million baht, together with the development of the Baba Beach Hotel Project Club Hua Hin (Habita Seaview) during the year of the Company.

- Loans from financial institutions increased by 258.5 million baht from real estate development for sale during the year such as the Issara Sathorn condominium project and Baba Beach Club Hua Hin hotel project.
- Debentures decreased by 298.7 million baht from the repayment of debentures of 800 million baht. Netted by the issuance of debentures during the period in the amount of 500.0 million baht and amortization of debenture issuance fees.
- Liabilities under lease agreements increased by 46.8 million baht due to the Company receiving an extension of the rental payment period under the contract and the exemption of rent for the lease of assets used for hotel business operations of Sri Panwa Management Company Co., Ltd. (subsidiary) in the amount of 94.7 million baht.
- Non-current liabilities decreased by 16.0 million baht due to repayment of deposits for the construction of Baba Beach Club Hua Hin Hotel (Habita Seaview) and Issara Bangna Project which construction and delivery of work completed during the year.

<b>Cash flow analysis</b>		<b>(Million Baht)</b>
<b>Consolidated Financial Statements</b>	<b>2022</b>	<b>2021</b>
Net cash generated (used in) from operating activities	367.6	909.0
Net cash generated (used in) from investment activities	6.0	(281.1)
Net cash generated (used in) from financing activities	(312.3)	(861.0)
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>61.3</b>	<b>(233.0)</b>
<b>Cash and cash equivalents - ending balance</b>	<b>397.0</b>	<b>335.7</b>

#### Cash flow from operation

The Company's net cash flow from operating activities for the year 2022 was 367.6 million baht, mainly from sales and transfers of low-rise projects and from higher booking, and hotel occupancy rates towards the end of the year.

#### Cash flow from investment

The Company's net cash flow from investing activities for the year 2022 was 6.0 million baht from receiving short-term investments from financial institutions during the period. Even during the year there was an increased investment in Sri Panwa Hotel Real Estate Investment Trust and the development of the Baba Beach Club Hua Hin Hotel (Habita Seaview).

**Cash flow from financing activities**

The Company's net cash flow used in financing activities for the year 2022 was 312.3 million baht. It happened from repaying the debentures during the period in an amount greater than the amount issued by the Company during the period and withdrawing loans from financial institutions for use in the Company's operations.

Please be informed accordingly.

Yours sincerely,

(Mr. Songkran Issara)  
Chief Executive Officer