

10 May 2023

Subj. Clarification of operating results for the three-month period ended March 31, 2023
 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, 2023 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	Increase / (Decrease)			
	2023	2022	Amount	%
Total Revenues	513.3	425.7	87.6	20.6
Total Cost and Expenses	604.0	568.1	35.9	6.3
Net Profit / (Loss) - Equity holders of the company	(74.9)	(92.5)	(17.7)	(19.1)

Financial statements for the three-month period ended March 31, 2023, the Company had a net loss as for the equity of the Company's shareholders, amounting to 74.9 million baht. A loss decreased by 17.7 million baht or 19.1% compared to the same period of the year 2022.

Key issues:

Revenue: The Company had a total revenue of 513.3 million baht, an increase of 87.6 million baht or 20.6% from the previous year. The main change came from the revenue from hotel operations which increased 196.1 million baht or 159.4% due the tourist group began to have more positive factors to the situation. Whether the death rate is reduced, the severity of the symptoms and the continual decrease in infection from domestic and international epidemics, and the opening of the country to receive foreign tourists. In addition, the government has measures to help the tourism business sector through "We travel together" project, to stimulate domestic tourism. While the income from the sale of real estate decreased in the amount of 115.3 million baht or 46.8 percent due to the economic downturn. As a result, the confidence in the decision to buy houses and condominiums for living and investment slowed down.

Cost: The Company's total cost of sales was 330.5 million baht, a decrease of 1.3 million baht or 0.4 percent, which changed in the same direction as the change in the main income of the company.

Selling and Administrative Expenses: The company had selling and administrative expenses of 166.2 million baht, an increase of 3.8 million baht or 2.4%. The main increase came from the year 2023 the hotel business improved, resulted in the hiring of employees and the increased of utility costs.

Financial Position

(Million Baht)

Consolidated Financial Statements	March	December	Increase / (Decrease)	
	2023	2022	Amount	%
Total Assets	11,699.4	11,153.4	545.9	4.9
Total Liabilities	8,851.2	8,132.8	718.4	8.8
Total Shareholders' Equity	2,848.1	3,020.6	(172.5)	(5.7)

Items that have changed in the statement of financial position for the period ending March 31, 2023, the significant are as follows:

- Cash and cash equivalents increased by 598.3 million baht, mainly due to the issuance of debentures during the period of 700.0 million baht, netted by the Company's cash used in real estate development and the normal operation of the real estate business and hotel business.
- Cost of real estate development projects for sale increased by 142.5 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 89.4 million baht. The company has developed more projects such as The Issara Sathorn condominium project, Baan Issara Bangna project and Sasara Hua Hin condominium project, etc.
- Non-current financial assets decreased by 88.8 million baht due to the decrease in the value of investment units in the market of Investment units in Sri Panwa Hotel Real Estate Investment Trust due to economic conditions and measures which related to interest rates in Thailand.
- Property, building and equipment decreased by 30.1 million baht due to depreciation of buildings and equipment netted by building improvements and purchases of equipment increased during the period.
- Right to use assets decreased by 51.6 million baht due to amortization of assets under right of use during the period.
- Loans from financial institutions increased by 157.7 million baht from real estate development for sale during the year such as The Issara Sathorn condominium project, Baan Issara Bangna project and Sasara Hua Hin condominium project.
- Debentures increased by 693.2 million baht from the issuance of debentures during the period in the amount of 700.0 million baht netted by amortization fee.
- Lease liabilities decreased by 90.8 million baht because the company has paid the rent according to the contract especially the payment of rental of assets used for hotel business operations of Sri Panwa Management Co., Ltd. (Subsidiary).

Cash flow analysis		(Million Baht)
Consolidated Financial Statements		
	2023	2022
Net cash generated (used in) from operating activities	(67.2)	72.6
Net cash generated (used in) from investment activities	(3.8)	(20.3)
Net cash generated (used in) from financing activities	669.4	498.1
Net increase (decrease) in cash and cash equivalent	598.3	550.4
Cash and cash equivalents - ending balance	995.4	886.1

Cash flow from operation

The Company's net cash flow used in operating activities for the year 2023 was 67.2 million baht from property development, assets for sale and transfer of the Company for example, The Issara Sathorn condominium project, Baan Issara Bangna project and Sasara Hua Hin condominium project, etc., and from the rate of booking and hotel occupancy which was higher from the previous year.

Cash flow from investments

The Company's net cash flow used in investing activities for the year 2023 was 3.8 million baht from building maintenance and purchase equipment for Sri Panwa Phuket Hotel and Baba Beach Natai Phuket Hotel.

Cash flow from financing activities

The Company's net cash flow from financing activities in 2023 was 669.3 million baht, caused by the company issuing debentures during the period in the amount of 700.0 million baht and withdrawing loans from financial institutions.

Report filed herewith for your information.

Yours sincerely,

(Mr. Songkran Issara)
Chief Executive Officer