

August 9, 2023

Subj. Operating results for financial statements for the 2nd quarter as at June 30, 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 2nd quarter ended June 30, 20223 that have been reviewed from the auditor, the company would like to clarify the change of operating results as follows.

Operating results for the 2 nd quarter of 2023			(Million Baht)	
Consolidated Financial Statements	2023	2022	Increase / (Decrease)	
			Amount	%
Total Revenue	583.6	460.4	123.3	26.8
Total Cost and Expenses	711.0	578.3	132.7	23.0
Net Profit / (Loss) – Equity holders of the company	(97.0)	(73.5)	23.5	31.9

For the 2nd quarter of 2023, the Company has a net loss attributable to shareholders in the amount of 97.0 million baht, which was an increase of 23.5 million baht or 31.9 percent from the same period last year.

Key issues:

Revenue: The Company had a total income of 583.6 million baht, an increase of 123.3 million baht or 26.8 percent from the previous year due to the better economic conditions. As a result, Revenue from real estate increased by 71.3 million baht or 29.9 percent from the confidence in the decision to buy houses and condominiums for residence and investment has increased. Revenue from hotel operations increased by 45.3 million baht or 27.9 percent due to the number of foreign tourists traveling to the country compared to previous years. 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 427.3 million baht, an increase of 84.8 million baht or 24.8 percent, which changed in the same direction as the change in the main revenue of the company.

Sales and administrative expenses: The company had selling and administrative expenses of 177.6 million baht, an increase of 18.0 million baht or 11.3 percent. The main increase came from in 2023. The hotel business improved resulting in more staff hires, utility expenses, and expenses for sales representatives increase. In addition, at the end of the year, the Issara Sathorn condominium project was completed and could be transferred to customers therefore accelerating to increase sales.

Financial Position as of June 30, 2023

(Million Baht)

Consolidated Financial Statements	March	December	Increase / (Decrease)	
	2023	2022	Amount	%
Total Assets	11,228.8	11,153.4	75.4	0.7
Total Liabilities	8,464.0	8,132.8	331.1	4.1
Total Shareholder's Equality	2,764.9	3,020.6	(255.7)	(8.5)

Significant changes in the statement of financial position for the period ending June 30, 2023 are as follows:

- Cash and cash equivalents decreased by 125.9 million baht. Mainly from the payment of debentures during the period in the amount of 289.8 million baht and the use of real estate development of the company and the normal operation of the real estate business and hotel business.
- Cost of real estate development projects for sale increased by 412.1 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 308.1 million baht. The company has developed more projects such as The Issara Sathorn condominium project, Baan Issara Bangna project and Sara Hua Hin condominium project.
- Land deposit increased by 62.5 million baht for the cost of land that the Company will purchase for future project development.
- Non-current financial assets decreased by 83.3 million baht due to the decrease in the value of investment units in Sri Panwa Hotel Real Estate Investment Trust due to economic conditions and measures related to interest rates in Thailand.
- Property, plant and equipment decreased by 59.3 million baht due to depreciation of buildings and equipment netted by building improvements, and the purchases of equipment increased during the period.
- Right-of-use assets decreased by 103.1 million baht due to the amortization of assets under right of use during the period.
- Loans from financial institutions increased by 102.8 million baht from real estate development for sale during the year such as The Issara Sathorn condominium project, Baan Issara Bangna project and Sara Hua Hin condominium project.
- Debentures increased by 406.0 million baht from the issuance of debentures during the period in the amount of 700.0 million baht net of amortization fee together with the payment of shares during the period of 289.8 million baht.
- Loans from other companies increased by 88.8 million baht from real estate development for sale during the year such as Sara Hua Hin condominium project.
- Lease liabilities decreased by 149.7 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	(250.4)	335.0
Net cash generated (used in) from investment activities	(95.9)	(26.2)
Net cash generated (used in) from Financing activities	220.4	(178.9)
Net increase (decrease) in cash and cash equivalents	(125.9)	129.9
Cash and cash equivalents – ending balance	271.1	465.6

Cash flow from operation

The Company's net cash flow used in operating activities for the year 2023 was 250.4 million baht from the development of properties for sale and transfer of the Company for example, The Issara Sathorn condominium project, Baan Issara Bangna project, Sara Hua Hin condominium project, The Issara Chiang Mai condominium project and Baan Issara Rama 9 project, etc. and from the higher average booking and occupancy rates from the previous year.

Cash flow from investments

The Company's net cash flow used in investing activities for the year 2023 was 95.9 million baht from building maintenance and purchase equipment for Sri Panwa Phuket Hotel and Baba Beach Natai Phuket Hotel and pay a deposit for the purchase of land for future project development.

Cash flow from financing activities

The company has net cash flow from financing activities in 2023, equal to 220.4 million baht, resulting from during the year the company issued debentures in the amount of 700.0 million baht, repaid debentures in the amount of 289.8 million baht, and repaid lease liabilities.

Report filed herewith for your information.

Yours sincerely,

(Mrs. Teeraporn Srijaroenwong)

Managing Director