

9 November 2023

Subj. Operating results for financial statements for the 3rd quarter as at September 30, 2023
 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 3rd quarter ended September 30, 2023 that have been reviewed from the auditor, the company would like to clarify the change of operating results as follows.

Operating results for the 3rd quarter of 2023 (Million Baht)

Consolidated Financial Statements	2023	2022	Increase / (Decrease)	
			Amount	%
Total Revenue	524.3	414.5	109.7	26.5
Total Cost and Expenses	479.5	472.1	7.3	1.6
Net Profit / (Loss) – Equity holders of the company	(30.7)	(52.2)	(21.5)	(41.3)

For the 3rd quarter ended September 30, 2023, the Company has a net loss attributable to shareholders in the amount of 30.7 million baht, which was an increase of 21.5 million baht or 41.3 percent from the same period last year.

Key Issue:

Revenue: The company had total income of 524.3 million baht, an increase of 109.7 million baht from the previous year, or 26.5 percent. The main change came from revenue from hotel operations increasing by 30.6 million baht, or 19.0 percent. Due to the number of foreign tourists traveling to visit the country. The number is higher compared to previous years. In addition, in the 3rd quarter of 2023, Sri Panwa Management Company Limited (the Company's subsidiary) (SPM) received an exemption from rental fees of the Sri Panwa 1 and 3 Hotel Real Estate Fund from Sri Panwa Hospitality Real Estate Investment Trust ("Trust") in the amount of 42.3 million baht from being able to comply with the conditions set by the trust. There was a profit from changing the lease agreement in the amount of 116.0 million baht from canceling the lease of Sri Panwa Hotel 2 real estate from the trust because the lease contract had expired and SPM did not wish to renew the lease contract with the original conditions.

Incidentally, although income from real estate sales decreased by 49.0 million baht, or 48.3 percent, due to the trend of higher interest rates causing a delay in deciding to purchase real estate. But overall, the company's total income increased from the previous year.

Costs: The Company had a total cost of sales of 237.4 million baht, a decrease of 16.8 million baht or 6.6 percent, which changed in the same direction as the change in the company's real estate sales revenue, which decreased significantly compared to the increasing of revenue from hotel business operations.

Sales and administrative expenses: The company had sales and administrative expenses of 149.0 million baht, an increase of 4.5 million baht or 3.1 percent. The main increase came from the year 2023, the hotel business improved. As a result, employees are hired, utilities expenses and expenses for sales representatives increase. In addition, at the end of the year, the condominium project, The Issara Sathorn was completed and can be transferred to customers. Therefore, it was accelerating to stimulate increased sales.

Financial Position as of September 30, 2023

(Million Baht)

Consolidated Financial Statements	September	December	Increase / (Decrease)	
	2023	2022	Amount	%
Total Assets	10,982.8	11,153.4	(170.6)	(1.5)
Total Liabilities	8,295.5	8,132.8	162.7	2.0
Total Shareholder's Equality	2,687.3	3,020.6	(333.3)	(11.0)

Significant changes in the statement of financial position for the period ending September 31, 2023 are as follows:

- Cash and cash equivalents decreased by 130.0 million baht, mainly due to the repayment of bonds during the period of 289.8 million baht. Together with the use in developing the company's real estate, pay a deposit for land for use in real estate development, and normal operations of the real estate and hotel business.
- Cost of real estate development project for sale increased by 686.8 million baht due to transfer of real estate development project cost for sale to cost of real estate sales in the Company's income statement in the amount of 347.6 million baht. Together with during the year, the Company has developed more projects such as The Issara Sathorn Condominium Project, Baan Issara Bangna Project and Sasara Hua Hin Condominium Project, etc.
- Deposit for land increased by 62.5 million baht for land that the Company will purchase for future project development.
- Non-current financial assets decreased by 126.0 million baht from a reduction in the value of investment units in Sri Panwa Hotel Real Estate Investment Trust. Due to the economic situation, the country has not yet recovered, including the increase of interest rates, thus affecting investor confidence.
- Land, buildings and equipment decreased by 79.8 million baht from depreciation of buildings and equipment, net of building improvements and purchasing additional materials and equipment during the period.

- Rights-of-use assets decreased by 446.9 million baht due to amortization of assets under use rights and reversing the assets under the right of use of the SPM2 real estate lease agreement during the period.
- Loans from financial institutions increased by 360.8 million baht from the development of real estate for sale during the year, such as The Issara Sathorn Condominium Project, Issara Bangna House Project, and Sasara Hua Hin Condominium Project, etc.
- Bonds increased by 408.5 million baht from the issuance of bonds during the period in the amount of 700.0 million baht, net of amortized bond issuance expenses. In addition, shares were paid during the period of 289.8 million baht.
- Loans from other companies increased by 132.6 million baht from the withdrawal of loans for real estate development costs for sale during the year of the Sasara Hua Hin Condominium Project.
- Liabilities under lease agreements decreased by 907.5 million baht due to the has paid rental fees according to the contract. In particular, the payment of rent for assets used for hotel business operations of Sri Panwa Management Company Limited (subsidiary) (SPM). In addition, during the period, SPM received an exemption from rent in the amount of 42.3 million baht and reversing the liabilities under the SPM2 real estate lease contract from the cancellation of the lease contract during the period.

Cash Flow Analysis		(Million Baht)
Consolidated Financial Statements	2023	2022
Net cash generated (used in) from operating activities	(421.3)	310.7
Net cash generated (used in) from investment activities	(108.6)	(19.8)
Net cash generated (used in) from Financing activities	399.9	(249.8)
Net increase (decrease) in cash and cash equivalents	(130.0)	41.1
Cash and cash equivalents – ending balance	267.1	376.8

Cash flow from operation

The Company has net cash flow used in operating activities for 2023 equal to 421.3 million baht from the development of real estate awaiting sale and transfer of the Company such as The Issara Sathorn Condominium Project, Baan Issara Bangna Project, Sasara Hua Hin Condominium Project and Baan Issara Rama 9 Project, etc.

Cash flow from investments

The company has net cash flow used in investing activities for 2023 equal to 108.6 million baht from building maintenance, purchase materials and equipment for Sri Panwa Phuket Hotel and Baba Beach Natai Phuket Hotel, and pay a deposit for purchasing land for future project development.

Cash flow from financing activities

The Company has net cash flow from financing activities in 2023 equal to 399.9 million baht. Resulting from the company issued bonds in the amount of 700.0 million baht, repaid bonds in the amount of 289.8 million baht, drew down long-term loans, and repay debts according to the lease agreement during the year.

Report filed herewith for your information.

Yours sincerely,

(Mrs. Teeraporn Sricharoenwong)

Managing Director