

29 February 2024

Subj. Operating results for financial statements at the end of December 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 at the end of December 31, 2023 that have been audit from the auditor. The company would like to clarify the change of operating results as follows.

Financial Performance for the year of 2023			(Million Baht)	
Consolidated Financial Statements	2023	2022	Increase / (Decrease)	
			Amount	%
Total Revenue	2,250.8	2,175.5	75.3	3.5
Total Cost and Expenses	2,453.0	2,465.9	(12.9)	(0.5)
Net Profit / (Loss) – Equity holders of the company	(221.6)	(199.8)	21.8	10.9

For the end of 2023, the Company has a net loss attributable to shareholders in the amount of 221.6 million baht, which was an increase of 21.8 million baht or 10.9 percent compared to the last year.

Key issues:

Revenue: The company's total revenue was 2,250.8 million baht, an increase from last year of 75.3 million baht, or 3.5 percent. The main change came from revenue from hotel operations increasing by 275.1 million baht, or 40.9 percent. Due to the number of foreign tourists traveling to visit the country which was higher compared to previous years. In addition, during the year, Sri Panwa Management Company Limited (the Company's subsidiary) (SPM) was exempted from rental fees of the Sri Panwa Hotel Real Estate Fund 1 and 3 from the Sri Panwa Hotel Real Estate Investment Trust (Trust Fund) 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.

Although income from real estate sales decreased by 356.2 million baht, or 31.0 percent. Due to the trend of higher interest rates causing a delay in deciding to purchase real estate. But overall, the company's total revenue increased from the previous year.

Cost: The Company had a total cost of sales of 1,406.7 million baht, a decrease of 118.6 million baht, or 7.8 percent, which changed in the same direction as the change in the revenue from real estate sales of the company, which decreased significantly compared to the proportion of increasing in revenue from hotel business.

Sales and administrative Expenses: The company had sales and administrative expenses of 648.8 million baht, an increase of 19.2 million baht, or 3.1 percent. The main increase came from 2023. The hotel business improved as a result, employees are hired utilities expenses and expenses for sales representatives was increased. In addition, at the end of the year the condominium project, The Issara Sathorn, was completed and can be transferred to customers. Therefore, accelerating to stimulate increased sales.

Financial Position as of December 31, 2023			(Million Baht)	
Consolidated Financial Statements	December	December	Increase / (Decrease)	
	2023	2022	Amount	%
Total Assets	12,820.1	11,153.4	1,666.7	14.9
Total Liabilities	10,204.4	8,132.8	2,071.6	25.5
Total Shareholder's Equality	2,615.7	3,020.6	(404.9)	(13.4)

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

- Cash and cash equivalents decreased by 99.5 million baht. Mainly due to use in real estate development of the company, pay for purchase and pay a deposit for land for use in real estate development, and normal operations of the real estate business and hotel business. In addition, the bond payment during the period was 289.8 million baht.
- Restricted bank deposits increased by 994.5 million baht because the company is scheduled to repay 950.0 million baht of bonds on January 2, 2024, the first Monday after New Year's Eve. The said amount was then deducted from the company's account to wait for payment of the debentures.
- Cost of real estate development projects for sale increased by 1,667.6 million baht. Due to during the year, the Company has main projects under development such as The Issara Sathorn Condominium Project, Sasara Hua Hin Condominium Project, both projects completed in late 2023, Baan Issara Bangna Project and new projects that are currently under development, etc.
- Deposits for land increased by 23.8 million baht for the cost of land that the company will purchase to develop future projects in the amount of 48.6 million baht. For deposits for land as of December 31, 2022, the company transferred land ownership and recognized the item as part of real estate development project costs
- Non-current financial assets decreased by 167.7 million baht from a reduction in the value of investment units in the market of Investment units in Sri Panwa Hotel Real Estate Investment Trust. Due to the economic situation within the country that has not yet recovered, including investor confidence in the capital market.
- Land, buildings, and equipment decreased by 101.7 million baht from depreciation of buildings and equipment, net of building improvements, and increased purchases of materials and equipment during the year.

- Rights-of-use assets decreased by 474.5 million baht due to amortization of assets under rights of use and reversing the assets under the right of use of the SPM2 real estate lease agreement that expired during the year.
- Deferred tax assets decreased by 97.4 million baht, mainly due to the cancellation of the SPM2 lease agreement during the year.
- Loans from financial institutions increased by 449.4 million baht from construction loan disbursements to develop real estate for sale during the year, such as The Issara Sathorn Condominium Project, Issara Bangna House Project, Sasara Hua Hin Condominium Project, and new projects in during development etc.
- Bonds increased by 1,361.0 million baht from the issuance of bonds during the period in the amount of 1,650.0 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 153.3 million baht from loan withdrawals for real estate development costs for sale during the year of the Sasara Hua Hin Condominium Project.
- Lease liabilities decreased by 922.0 million baht. Due to the company has been paid the rent 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 year SPM received an exemption from rent in the amount of 42.3 million baht and the transaction was reversed the liabilities under the SPM2 real estate lease contract from cancellation of the lease contract during the year.

Cash Flow Analysis		(Million Baht)
Consolidated Financial Statements	2023	2022
Net cash generated (used in) from operating activities	(1,390.3)	344.8
Net cash generated (used in) from investment activities	(23.6)	30.8
Net cash generated (used in) from Financing activities	1,314.4	(314.3)
Net increase (decrease) in cash and cash equivalents	(99.5)	61.3
Cash and cash equivalents – ending balance	297.5	397.0

Cash flow from operation

The Company has net cash flow used in operating activities for 2023 equal to 1,390.3 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, Baan Issara Rama 9 Wongwaen Project, and new projects that are under development, etc.

Cash flow from investment

The Company has net cash flow used in investing activities for 2023 equal to 23.6 million baht from building maintenance and purchasing materials and equipment for Sri Panwa Phuket Hotel and Baba Beach Hotel Natai Phuket

Cash flow from financing activities

The Company has net cash flow from financing activities in 2023 equal to 1,314.4 million baht, resulting from during the year the company issued bonds in the amount of 1,650.0 million baht, repaid bonds in the amount of 289.8 million baht, and drew down long-term loans and repay debts according to the lease agreement during the year.

Please be informed accordingly.

Yours sincerely,

(Mrs. Teeraporn Srijaroenwong)

Managing Director