



14th Aug 2024

Subj. Operating results for financial statements for the 2nd quarter as at June 30, 2024
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 2nd quarter ended June 30, 2024 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 2024			(Million Baht)	
Consolidated Financial Statements	2024	2023	Increase / (Decrease)	
			Amount	%
Total Revenue	686.5	583.6	102.9	17.6
Total Cost and Expenses	804.2	711.0	93.2	13.1
Net Profit / (Loss) – Equity holders of the company	(131.2)	(97.0)	34.2	35.3

For the 2nd quarter ended June 30, 2024, the Company has a net loss attributable to shareholders in the amount of 131.2 million baht, which was an increase of 34.2 million baht or 35.3 percent from the same period last year.

Key Issue:

Revenue: The Company had total revenue of 686.5 million baht, an increase of 102.9 million baht or 17.6 percent from the previous year. The main change was from revenue from real estate sales, which increased by 84.4 million baht or 27.2 percent due to the transfer of ownership of condominium units in The Issara Sathorn and Sasara Hua Hin projects, which were completed in late 2023 and have begun to transfer ownership to customers continuously. In addition, the Company had a profit from changing the payment period of the outstanding rental in the past of the lease agreement of Sri Panwa Hotel.2 in the amount of 24.7 million baht from receiving approval to postpone the payment of the rental fee of 108.4 million baht by paying in installments of 57 installments, ending on 31 December 2028.

Cost: The Company had total cost of sales of 493.6 million baht, an increase of 66.3 million baht or 15.5 percent, which changed in the same direction as the change in revenue from the Company's real estate sales, which increased.

Sales and administrative expenses: The Company had selling and administrative expenses of 175.0 million baht, a decrease of 5.1 million baht or 2.8 percent from the Company's efforts to control expenses.

Loss from financial derivatives During 2024, the Company entered into contracts that were in the nature of financial derivatives and had to be measured at fair value. In this quarter, the contract value was higher than fair value, so a loss of 37.1 million baht had to be recognized in the financial statements.

Financial Position as of June 30, 2024		(Million Baht)		
Consolidated Financial Statements	June 2024	December 2023	Increase / (Decrease)	
			Amount	%
Total Assets	11,407.4	12,820.1	(1,412.7)	(11.0)
Total Liabilities	8,988.3	10,204.4	(1,216.1)	(11.9)
Total Shareholder's Equality	2,419.1	2,615.7	(196.6)	(7.5)

The significant changes in the financial statements for the six-month period ended June 30, 2024 are as follows:

- Cash and cash equivalents increased by 63.0 million baht, mainly due to the withdrawal of loans from financial institutions and related persons and businesses to increase liquidity and serve as a source of working capital for the business.
- Restricted bank deposits decreased by 994.5 million baht due to the repayment of debentures due in the amount of 950.0 million baht on 2 January 2024.
- Cost of real estate development projects for sale decreased by 494.6 million baht from the transfer of ownership of real estate, mainly The Issara Sathorn condominium project, Sasara Hua Hin condominium project, to customers during the period and the transfer of land classification in The Issara Chiang Mai Phase 2 project and some land in Phang Nga province to land awaiting development, net of the development cost of the Issara Bangna housing project and new projects under development.
- Investments in associates increased by 59.8 million baht from investments in Good Neighbors Biotechnology Co., Ltd. and Issara Naporn Co., Ltd.
- Land held for development increased by 106.6 million baht from the transfer of land classification of The Issara Chiang Mai Phase 2 project and some land in Phang Nga province from the cost of real estate development for sale because the company has delayed the construction of the project.
- Property, plant and equipment decreased by 217.0 million baht from the calculation of depreciation of buildings and equipment, net of building renovations and increased purchases of materials and equipment during the period, together with the transfer of land as real estate development costs during the period of 33.2 million baht and the reversal of the land valuation of 116.0 million baht from the account.
- Right-of-use assets increased by 129.8 million baht from the recognition of assets under the lease agreement in SPM 2, net of the calculation of amortization of assets under the right of use during the period.
- Land deposit decreased by 48.6 million baht from the refund of the land deposit that the company paid on behalf of an associate company.
- Trade and other current payables decreased by 628.2 million baht from the payment for construction work and pay the rent according to the SPM2 lease agreement that has been approved to postpone the payment of the rent in the past during the year.
- Loans from financial institutions increased by 208.0 million baht from the disbursement of loans to increase liquidity and as working capital in the business.

- Debentures decreased by THB 955.5 million from the repayment of debentures during the period of THB 950.0 million, net of debenture issuance amortization expenses.
- Loans from related persons or businesses increased by THB 244.8 million from the withdrawal of loans to increase liquidity for project development and as working capital in the business.
- Loans from other companies decreased by THB 217.8 million from the repayment of loans under the contract when the company transferred ownership of real estate to customers.
- Lease liabilities increased by THB 107.7 million from the recognition of lease liabilities in SPM 2, net of rental payments under the contract, especially the lease of real estate in Sri Panwa hotel.

Cash Flow Analysis		(Million Baht)
Consolidated Financial Statements	2024	2023
Net cash generated (used in) from operating activities	208.5	(337.7)
Net cash generated (used in) from investment activities	(37.8)	(8.6)
Net cash generated (used in) from Financing activities	(107.7)	220.4
Net increase (decrease) in cash and cash equivalents	63.0	(125.9)
Cash and cash equivalents – ending balance	360.5	271.1

Cash flow from operation

The Company had net cash flow from operating activities for the second quarter of 2024 of 208.5 million baht from the transfer of ownership of condominium units in The Issara Sathorn and Sasara Hua Hin condominium projects, from the operations of the hotel business (Sri Panwa Phuket, Baba Beach Club Na Tai and Baba Beach Hua Hin) and for rent and services (Chan Issara 1 and Chan Issara 2 office buildings) during the period.

Cash flow from investments

The Company had net cash flow used in investing activities for the second quarter of 2024 of 37.8 million baht from investment in two associated companies of 61.7 million baht, net of dividends from other non-current financial assets of 21.3 million baht and from the sale of investment property in Issara Tower 2 condominium.

Cash flow from financing activities

The Company had net cash flow used in financing activities for the second quarter of 2024 of 107.7 million baht, resulting from repayment of gym loans from financial institutions and other companies from the release of condominium mortgages.

Report filed herewith for your information

Yours sincerely,

(Mrs. Teeraporn Sricharoenwong)

Managing Director