

Ref. NCH 042/2018

August 10, 2018

Subject : Management's Discussion and Analysis 2Q/2018

Attention : President

The Stock Exchange of Thailand

N.C. Housing Plc. ("the Company") would like to summarize its Q2/2018 operating performance for the period ending 30 June 2018 as follows:

The Company and its subsidiaries' posted a net profit of Baht 19.63 million for the Q2/2018 as compared to a net profit of Baht 1.27 million posted in the Q2/2017, which was increased of Baht 18.36 million or 1,448.19 percent.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for Q2/2018 totaled Baht 405.76 million, increased from the Q2/2017 totaled Baht 358.39 million, which was increased of Baht 47.37 million or 13.22 percent. Because of sales revenue earned, which was increased of Baht 47.69 million or 13.63 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q2/2018 totaled Baht 397.63 million, increased from the Q2/2017 totaled Baht 349.94 million, which was increased of Baht 47.69 million or 13.63 percent. As a result of effective ownership transferring was increased. These include Baan Pha Piyarom Lake Grande, Baan Pha Piyarom Tendo, Baan Pha Piyarom Townee Don Wai and Baan Pha Greenery Pinklao-Sai5.

### Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned increase of Baht 0.12 million or 2.24 percent.

### ➤ **Expenses**

#### Cost of Sales

The Company and its subsidiaries' cost of sales ratio was decreased from 68.33 percent in Q.2/2017 to 64.24 percent in Q.2/2018.

#### Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was decrease of Baht 0.47 million or 8.33 percent.

#### Sales and Administrative Expenses

The Company and its subsidiaries' selling expenses amounting to Baht 50.14 million, increased of Baht 5.96 million, or 13.50 percent from Q2/2017, the major reasons are specific business tax, transfer fee and promotion expenses.

The Company and its subsidiaries' administrative expenses amounting to Baht 38.72 million decreased of Baht 3.48 million, or 8.25 percent.

#### Financial Costs

The Company and its subsidiaries' financial costs was increased Baht 6.73 million or 44.19 percent, Because of Land awaiting development and the completed project as follow ; Chatuchot and Don Wai 2.

#### Tax expenses

The Company and its subsidiaries' tax expenses was increased Baht 3.35 million or 117.27 percent from the Q2/2017. Because of in the Q2/2018 the Company' posted a net profit increased.

For the six-month period ended 30 June 2018, the Company and its subsidiaries' posted a net profit of THB 26.36 million as compared to THB 6.58 million net posted the previous year, which was THB 19.78 million or 300.41 percent decreased from the previous year.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for Q2/2018 totaled Baht 808.53 million, increased from the Q2/2017 totaled Baht 719.45 million, which was increased of Baht 89.09 million or 12.38 percent. Because of sales revenue earned, which was increased of Baht 89.12 million or 12.65 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q2/2018 totaled Baht 793.57 million, increased from the Q2/2017 totaled Baht 704.45 million, which was increased of Baht 89.12 million or 12.65 percent. As a result of effective ownership transferring was increased. These include Natureza Phase 2, Baan Pha Piyarom Lake Grande, Baan Pha Piyarom Tendo, Baan Pha Piyarom Townee Don Wai and Baan Pha Greenery Pinklao-Sai5.

Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned increase of Baht 0.82 million or 8.04 percent.

➤ **Expenses**

Cost of Sales

The Company and its subsidiaries' cost of sales ratio was decreased from 67.28 percent in Q.2/2017 to 65.12 percent in Q.2/2018.

Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was increase of Baht 0.36 million or 3.29 percent.

### Sales and Administrative Expenses

The Company and its subsidiaries' selling expenses amounting to Baht 108.95 million, increased of Baht 20.75 million, or 23.53 percent from Q2/2017, the major reasons are specific business tax, transfer fee and promotion expenses.

The Company and its subsidiaries' administrative expenses amounting to Baht 78.22 million decreased of Baht 9.34 million, or 10.66 percent.

### Financial Costs

The Company and its subsidiaries' financial costs was increased Baht 10.08 million or 31.69 percent, Because of Land awaiting development and the completed project as follow ; Chatuchot and Don wai 2.

### Tax expenses

The Company and its subsidiaries' tax expenses was increased Baht 4.19 million or 91.69 percent from the Q2/2017. Because of in the Q2/2018 the Company' posted a net profit increased.

## ➤ **Financial Status**

### Total Assets

As of June 30, 2018 the company and its subsidiaries' total assets stood Baht 4,565.25 million, which was a Baht 199.97 million or 4.20 percent decreased from as of December 31, 2017. The major reason is inventories decreased because effective ownership transferring was increased.

### Total Liabilities

As of June 30, 2018, the company and its subsidiaries' has total liabilities of Baht 2,049.56 million, decreased from the amount as of December 31, 2017 by Baht 226.33 million, or an decrease of 9.94 percent, resulting from the effective debt management of the Company and its subsidiaries.

### Shareholder's Equity

As of June 30, 2018, shareholder's equity of the Company and its subsidiaries totaled Baht 2,515.70 million which is a 1.06 percent increased from as of December 31, 2017 totaled Baht 2,489.34 million because the Company' posted a unappropriated retained earnings was increased.

Sincerely Yours,



(Mr.Wichian Silapacharanan)

Deputy Managing Director

Authorized to sign on behalf of the company

Investor Relations Department

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