

Ref. NCH 056/2018

November 12, 2018

Subject : Management's Discussion and Analysis 3Q/2018

Attention : President

The Stock Exchange of Thailand

N.C. Housing Plc. ("the Company") would like to summarize its Q3/2018 operating performance for the period ending 30 September 2018 as follows:

The Company and its subsidiaries' posted a net profit of Baht 10.68 million for the Q3/2018 as compared to a net profit of Baht 11.19 million posted in the Q3/2017, which was decreased of Baht 0.51 million or 4.51 percent.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for Q3/2018 totaled Baht 313.56 million, decreased from the Q3/2017 totaled Baht 377.87 million, which was decreased of Baht 64.31 million or 17.02 percent. Because of sales revenue earned, which was decreased of Baht 65.29 million or 17.65 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q3/2018 totaled Baht 304.66 million, increased from the Q3/2017 totaled Baht 369.95 million, which was decreased of Baht 65.29 million or 17.65 percent. As a result of effective ownership transferring was decreased.

Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned increase of Baht 0.33 million or 6.09 percent.

➤ **Expenses**

Cost of Sales

The Company and its subsidiaries' cost of sales ratio was from 63.63 percent in Q3/2017 to 63.79 percent in Q3/2018.

Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was decrease of Baht 0.29 million or 0.55 percent.

Sales and Administrative Expenses

The Company and its subsidiaries' selling expenses amounting to Baht 41.19 million, decreased of Baht 7.93 million, or 16.14 percent from Q3/2017, the major reasons are specific business tax, transfer fee and decrease in advertising costs.

The Company and its subsidiaries' administrative expenses amounting to Baht 35.77 million decreased of Baht 5.28 million, or 12.85 percent.

Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 15.85 million or 51.07 percent, because the decrease in loans from financial institutions and loans from other companies.

Tax expenses

The Company and its subsidiaries' tax expenses was increased Baht 6.01 million or 186.14 percent from the Q3/2017. Because of in the Q3/2017 income tax expense was higher than income tax expense.

For the six-month period ended 30 September 2018, the Company and its subsidiaries' posted a net profit of THB 37.04 million as compared to THB 17.77 million net posted the previous year, which was THB 19.27 million or 108.44 percent decreased from the previous year.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for Q3/2018 totaled Baht 1,122.09 million, increased from the Q3/2017 totaled Baht 1,097.31 million, which was increased of Baht 24.78 million or 2.27 percent. Because of sales revenue earned, which was increased of Baht 23.83 million or 2.22 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q3/2018 totaled Baht 1,098.23 million, increased from the Q3/2017 totaled Baht 1,074.40 million, which was increased of Baht 23.83 million or 2.22 percent. As a result of effective ownership transferring was increased. These include Diamant Condominium, 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 1.14 million or 7.37 percent.

➤ **Expenses**

Cost of Sales

The Company and its subsidiaries' cost of sales ratio was crease from 66.02 percent in 2017 to 64.75 percent in 2018.

Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was decrease of Baht 0.39 million or 2.39 percent.

Sales and Administrative Expenses

The Company and its subsidiaries' selling expenses amounting to Baht 150.13 million, increased of Baht 12.83 million, or 9.34 percent from Q3/2017, the major reasons are specific business tax, transfer fee and promotion expenses.

The Company and its subsidiaries' administrative expenses amounting to Baht 113.99 million decreased of Baht 14.61 million, or 11.36 percent.

Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 5.77 million or 9.18 percent, because the decrease in loans from financial institutions and loans from other companies.

Tax expenses

The Company and its subsidiaries' tax expenses was increased Baht 10.20 million or 757.09 percent from the Q3/2017. Because of in the Q3/2018 the Company' posted a net profit increased.

➤ Financial Status

Total Assets

As of September 30, 2018 the company and its subsidiaries' total assets stood Baht 4,479.17 million, which was a Baht 286.05 million or 6.00 percent decreased from as of December 31, 2017. During the period, the costs of land development were transferred to the cost of goods sold and inventories decreased as the transfer of ownership increased.

Total Liabilities

As of September 30, 2018, the company and its subsidiaries' has total liabilities of Baht 1952.79 million, decreased from the amount as of December 31, 2017 by Baht 323.09 million, or an decrease of 14.20 percent, Loan from financial institution decreased

Shareholder's Equity

As of September 30, 2018, shareholder's equity of the Company and its subsidiaries totaled Baht 2,526.38 million which is a 1.49 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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