

Ref. NCH 028/2019

August 9, 2019

Subject : Management's Discussion and Analysis 2Q/2019

Attention : President

The Stock Exchange of Thailand

N.C. Housing Plc. ("the Company") would like to summarize its Q2/2019 operating performance for the period ending 30 June 2019 as follows:

For the three-month, the Company and its subsidiaries' posted a net loss of Baht 9.58 million for the Q2/2019 as compared to a net profit of Baht 19.63 million posted in the Q2/2018, which was decreased of Baht 29.21 million or 148.82 percent.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for Q2/2019 totaled Baht 219.93 million, decreased from the Q2/2018 totaled Baht 405.76 million, which was decreased of Baht 185.82 million or 45.80 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q2/2019 totaled Baht 213.14 million, decreased from the Q2/2018 totaled Baht 397.63 million, which was decreased of Baht 184.49 million or 46.40 percent. Because the ability to transfer ownership decreases.

Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned decrease of Baht 0.27 million or 4.89 percent.

➤ **Expenses**

Cost of Sales

The Company and its subsidiaries' cost of sales ratio was increased from 64.24 percent in Q.2/2018 to 65.75 percent in Q.2/2019.

Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was increased from 92.69 percent in Q.2/2018 to 97.26 percent in Q.2/2019.

Sales and Administrative Expenses

The Company and its subsidiaries' selling expenses amounting to Baht 35.26 million, decreased of Baht 14.88 million, or 29.68 percent from Q2/2018, Due to decrease Cost of sales and advertising expenses.

The Company and its subsidiaries' administrative expenses amounting to Baht 34.18 million decreased of Baht 4.54 million, or 11.74 percent.

Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 12.17 million or 55.44 percent, because loans from financial institutions and loans from other companies decreased.

Tax expenses

The Company and its subsidiaries' tax expenses was decreased Baht 9.92 million or 159.65 percent from the Q2/2018. Because of the Company' posted a net profit decreased.

For the six-month period ended 30 June 2019, the Company and its subsidiaries' posted a net profit of THB 23.24 million as compared to THB 26.36 million net posted the previous year, which was THB 3.12 million or 11.83 percent decreased from the previous year.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for Q2/2019 totaled Baht 628.40 million, decreased from the Q2/2018 totaled Baht 808.53 million, which was decreased of Baht 180.13 million or 22.28 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q2/2019 totaled Baht 614.70 million, decreased from the Q2/2018 totaled Baht 793.57 million, which was decreased of Baht 178.87 million or 22.54 percent. Because of the ability to transfer ownership decrease.

Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned decrease of Baht 0.20 million or 1.87 percent.

➤ Expenses

Cost of Sales

The Company and its subsidiaries' cost of sales ratio was decreased from 65.12 percent in Q.2/2018 to 64.40 percent in Q.2/2019.

Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was decrease of Baht 0.31 million or 2.92 percent.

Sales and Administrative Expenses

The Company and its subsidiaries' selling expenses amounting to Baht 84.51 million, decreased of Baht 24.44 million, or 22.43 percent from Q2/2018, Due to decrease Cost of sales and advertising expenses.

The Company and its subsidiaries' administrative expenses amounting to Baht 72.57 million decreased of Baht 5.65 million, or 7.22 percent.

Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 20.84 million or 49.74 percent, because loans from financial institutions and loans from other companies decreased.

Tax expenses

The Company and its subsidiaries' tax expenses was decreased Baht 5.25 million or 59.83 percent from the Q2/2018. Because of in the Company' posted a net profit decreased.

➤ **Financial Status**

Total Assets

As of June 30, 2019 the company and its subsidiaries' total assets stood Baht 4,097.07 million, which was a Baht 152.56 million or 3.59 percent decreased from as of December 31, 2017. The major reason is inventories decreased and decrease in land development costs because transferred to cost of sales

Total Liabilities

As of June 30, 2019, the company and its subsidiaries' has total liabilities of Baht 2,525.54 million, decreased from the amount as of December 31, 2018 by Baht 138.44 million, or an decrease of 8.32 percent, resulting from the effective debt management of the Company and its subsidiaries.

Shareholder's Equity

As of June 30, 2019, shareholder's equity of the Company and its subsidiaries totaled Baht 2,571.52 million which is a 0.55 percent decreased from as of December 31, 2018 totaled Baht 2,585.64 million because the Company' posted a unappropriated retained earnings was decreased.

Sincerely Yours,



(Mr.Wichian Silapacharanan)

Deputy Managing Director

Authorized to sign on behalf of the company

Investor Relations Department

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