

Ref. NCH 023/2022

August 11, 2022

Subject : Management's Discussion and Analysis 2Q/2022

Attention : President

The Stock Exchange of Thailand

N.C. Housing Plc. ("the Company") would like to summarize its Q2/2022 operating performance for the period ending 30 June 2022 as follows:

1. For the three-month, the Company and its subsidiaries posted a net profit of Baht 83.87 million for the Q2/2022 as compared to a net profit of Baht 51.99 million posted in the Q2/2021, which was increased of Baht 31.88 million or 61.33 percent.

➤ **Revenues**

**Total Revenues**

The Company and its subsidiaries' total revenue earned for Q2/2022 totaled Baht 655.88 million, increased from the Q2/2021 totaled Baht 522.29 million, which was increased of Baht 133.60 million or 25.58 percent.

**Sales Revenue**

The Company and its subsidiaries' sales revenue earned for Q2/2022 totaled Baht 643.52 million, increased from the Q2/2021 totaled Baht 510.79 million, which was increased of Baht 132.73 million or 25.98 percent. Due to the increased ability to transfer ownership from Charm Classic, Palm Park 2, Loft Pattaya, Neola and Baan Fah Greenery Theo Pinklao Petchkasem

**Rental Income and Service Revenue**

The Company and its subsidiaries' rental income and service revenue earned increase of Baht 3.81 million or 55.56 percent, this was due to an increase in income from Wellness and Elderly Care Center and service business is "NC REGEN".

➤ **Expenses**

**Cost of Sales**

The Company and its subsidiaries' cost of sales increased of Baht 45.49 million baht, but the cost of sales rate decreased from 67.03 percent in Q.2/2021 to 60.27 percent in Q.2/2022.

**Cost for Rent and Service**

The Company and its subsidiaries' cost for rent and service was increased of Baht 4.62 million or an increase of 44.16% from NC REGEN service business

**Distribution costs and Administrative Expenses**

The Company and its subsidiaries' distribution costs and administrative expenses amounting to Baht 48.10 million, increased of Baht 1.56 million, or 3.36 percent from Q2/2021, This is because specific business tax and transfer fees increase according to the amount of income.

The Company and its subsidiaries' administrative expenses amounting to Baht 67.93 million increased of Baht 14.72 million, or 27.67 percent. due to higher personnel expenses, utility expenses and general administrative expenses.

**Financial Costs**

The Company and its subsidiaries' financial costs was decreased Baht 1.26 million or 29.91 percent, this was because loans from financial institutions and loans from other companies decreased.

**Tax expenses (income)**

The Company and its subsidiaries' tax expenses was increased Baht 9.66 million or 58.54 percent from the Q2/2021. Because of the Company' posted a net profit increased.

2. For the six-month period ended 30 June 2022, the Company and its subsidiaries posted a net profit of THB 199.56 million as compared to THB 132.39 million net posted the previous year, which was THB 67.17 million or 50.74 percent increase from the previous year.

➤ **Revenues**

Total Revenues

The Company and its subsidiaries' total revenue earned for 1H/2022 totaled Baht 1,317.94 million, decreased from the 1H/2021 totaled Baht 1,424.66 million, which was decreased of Baht 106.73 million or 7.49 percent.

Sales Revenue

The Company and its subsidiaries' sales revenue earned for 1H/2022 totaled Baht 1,291.71 million, decreased from the 1H/2021 totaled Baht 1,401.69 million, which was decreased of Baht 109.99 million or 7.85 percent.

Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned increase of Baht 6.06 million or 41.24 percent, this was due to an increase in income from Wellness and Elderly Care Center and service business is "NC REGEN".

➤ **Expenses**

Cost of Sales

The Company and its subsidiaries' cost of sales decreased of Baht 172.57 million from the 1H/2021. The cost rate decreased by 69.71 percent to 62.28 percent, respectively, due to the decrease in sales revenue.

Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service Baht 28.19 million increased from Baht 21.46 million in 1H/2021 or increased of Baht 21.46 million or 6.73 percent, this was due to an increase in income from Wellness and Elderly Care Center and service business is "NC REGEN".

Distribution costs and Administrative Expenses

The Company and its subsidiaries' distribution costs and administrative expenses amounting to Baht 99.49 million, decreased of Baht 14.76 million, or 12.92 percent from 1H/2021, This was due to promotional expenses, advertising media fees, specific business taxes and transfer fees.

The Company and its subsidiaries' administrative expenses amounting to Baht 127.89 million decreased of Baht 2.31 million, or 1.77 percent, due to personnel expenses and donations drop.

#### Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 3.44 million or 39.35 percent, because loans from financial institutions and loans from other companies decreased.

#### Tax expenses (income)

The Company and its subsidiaries' tax expenses was increased Baht 11.38 million or 24.79 percent from the 1H/2021. Because of in the Company' posted a net profit increased Baht 41.86 million.

### 3. Financial Status

#### ➤ Total Assets

As of June 30, 2022, the company and its subsidiaries' total assets stood Baht 4,843.21 million, which was a Baht 510.93 million or 11.79 percent increase from as of December 31, 2021. due to higher cash and bank deposits Including inventories and development costs for the purchase of new land bank increased. And the land awaiting development is transferred to the cost of land development

#### ➤ Total Liabilities

As of June 30, 2022, the company and its subsidiaries have total liabilities of Baht 1,864.85 million, increased from the amount as of December 31, 2021, by Baht 409.36 million, or an increase of 28.13 percent, The Company and its subsidiaries borrowing money from financial institutions, Account payable and corporate income tax accrued increased.

➤ Shareholder's Equity

As of June 30, 2022, shareholder's equity of the Company and its subsidiaries totaled Baht 2,978.36 million which is a 3.53 percent increase from as of December 31, 2021, totaled Baht 2,876.80 million because the Company' posted unappropriated retained earnings was increased.

Sincerely Yours,

N.C. Housing Public Company Limited



(Mr.Somchao Tanthathoedtham)

Director and Chief Executive Officer

Authorized to sign on behalf of the company

Investor Relations Department

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