

No. NCH 017/2023

Date: May 10, 2023

Subject: Management Discussion and Analysis for operating results of Q1/2023

To: The President

The Stock Exchange of Thailand

N.C. Housing Public Company Limited (the “Company”) would like to clarify the operating results of Q1/2023 ended March 31, 2023, whereby the Company and its subsidiaries reported a net profit of THB 63.35 million, a decrease of THB 25.96 million (-29.07% YoY) from THB 89.30 million in Q1/2022. Net profit margin decreased from 13.49% in Q1/2022 to 9.54% in Q1/2023. The key points can be summarized as follows:

Revenues

In Q1/2023, the Company and its subsidiaries reported total revenue at the amount of THB 664.21 million, an increase of THB 2.15 million (+0.33% YoY) from Q1/2022. The primary source of income was sales revenue of THB 646.63 million, a decrease of THB 1.56 million (-0.24% YoY) from Q1/2022. On the other hand, revenue from rental and service, which is income from the sport & wellness business and, also, health rehabilitation and elderly care business, increased by THB 4.12 million (+40.85% YoY) from Q1/2022.

Expenses

Cost of sales

In Q1/2023, the Company and its subsidiaries reported cost of sales in the amount of THB 424.79 million, an increase of THB 8.16 million (+1.96% YoY) from Q1/2022 due to the increase in construction material costs. The ratio of the cost of sales compared to revenue from sales in Q1/2023 was 65.69%, increased from 64.28% in Q1/2022.

Cost of rental and service

The Company and its subsidiaries had cost of rental and service in Q1/2023 in the amount of THB 18.39 million, an increase of THB 5.26 million (+40.09% YoY) compared to Q1/2022 according to the increase in revenue from Sport & Wellness business, included health rehabilitation service and elderly care business.

Distribution costs

The Company and its subsidiaries had distribution costs in Q1/2023 in the amount of THB 58.44 million, an increase of THB 7.05 million (+13.72%) compared to Q1/2022 due to the initial release of a new project, the promotional and advertising costs are considerable. The distribution cost rate compared to revenue from sales in Q1/2023 was 9.04%, up from 7.93% in Q1/2022.

Administrative expenses

The Company and its subsidiaries had administrative expenses in Q1/2023 in the amount of THB 70.43 million, an increase of THB 10.47 million (+17.46% YoY) compared to Q1/2022. The increase in personnel expenses was due to the expansion of the workforce to support the Company's growth, as well as the increase in utility expenses and general administrative expenses. The administrative expenses rate in Q1/2023 increased from 9.25% in Q1/2022 to 10.89% in Q1/2023.

Financial costs

The Company and its subsidiaries had financial costs in Q1/2023 increased by THB 4.86 million (+207.51% YoY) compared to Q1/2022. This was because the Company has financing through borrowing from financial institutions and issuing debentures, resulting in interest expenses to financial institutions and debenture interest payments increased.

Income tax expenses

The Company and its subsidiaries reported that the income tax expenses decreased by THB 6.71 million (-21.57% YoY) compared to Q1/2022 due to lower net profit in this period.

Financial Position

As of March 31, 2022, the Company and its subsidiaries had total assets of THB 5,536.79 million, increased by THB 427.61 million or +8.37% from total assets as of December 31, 2022, as a result of increasing project development costs. Total liabilities of the Company and its subsidiaries were reported in the amount of THB 2,355.81 million, increased by THB 367.05 million or +18.46% from total liabilities as of December 31, 2021, with an increase of loans from financial institutions and issuing debentures. Meanwhile, shareholder s' equity was THB 3,180.98 million, which increased by THB 60.57 million or +1.94% from as at the end of the previous year proportionate to the growing business earnings.

Dividend Payment for the 2022 Performance

According to the Annual General Meeting of Shareholders for the year 2023, the meeting resolved to approve the dividend payment for the business performance of the year 2022 to the shareholders at the rate of THB 0.110 per share. Shareholders entitled to receive dividend were determined to be recorded on Mar 10, 2023 (Record Date), and the dividend payment was determined to be paid on May 18, 2023.

Please be informed accordingly and disseminate to the public/shareholders.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Somchao Tanthathodtham', with a long horizontal flourish underneath.

(Mr.Somchao Tanthathodtham)

Director and Chief Executive Officer

Authorized to sign on behalf of the Company

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