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Subject: Management Discussion and Analysis

For Operating Results of 3Q23 and 9M23 ended September 30, 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 3Q23 and 9M23 ended September 30, 2023. The key points can be summarized as follows:

3Q23 Performance

Operating Income

The Company and its subsidiaries reported total revenue at the amount of THB 492.44 million, a decrease of THB 131.30 million (-21.05% YoY) from 3Q22, resulting from a decrease in sales revenue of THB 134.45 million (-22.06% YoY) related to the customer contract agreements as economic conditions and financial liquidity are the primary variables influencing asset purchase decisions. Thai household debt is high at approximately 90%, causing restricted purchasing power. With the implementation of the LTV measure and the rise in interest rates, banks are making it more difficult to offer credit, with the overall market rejection rate presently averaging 46%-50%. Due to these different triggers, the real estate market is anticipated to decelerate dramatically. Decisions to acquire real estate and engage into contracts are becoming more intricate, impacting sales in the 3Q23. Meanwhile, rental income and service from the NC Regen Sport & Wellness Center and the health rehabilitation and elderly care increased by THB 3.41 million (+28.53% YoY) from the 3Q22, with macro factors in terms of healthcare trend and the expansion of an aging society. This is in line with the business plan to support the growth of demand in the wellness industry.

Operating Expenses

Cost of sales In 3Q23, the Company and its subsidiaries reported cost of sales at the amount of THB 306.94 million, a decrease of THB 79.73 million (-20.62% YoY) from THB 386.66 million in 3Q22 as sales revenue decreased. However, the increasing cost of construction materials in both design and system work is also an important factor that puts pressure on the administration and control of cost of sales. The ratio of cost of sales to sales revenue increased slightly from 63.45% in the 3Q22 to 64.62%.

Cost of rental and service The Company and its subsidiaries had cost of rental and service in 3Q23 in the amount of THB 18.66 million, an increase of THB 4.18 million (+28.84% YoY) compared to 3Q22, according to the increased rental and service income from the health rehabilitation and elderly care services business as well as NC Regen Sport & Wellness Center. The ratio of rental and service costs to

rental and service income has experienced a significant increase owing to the continuous growth and development of our subsidiaries, namely NC Regen, Siri Arun Wellness, and QLM. As a result, personnel salary expenses have risen, along with costs associated with building renovations, cleaning services, and depreciation of service properties.

Distribution costs The Company and its subsidiaries had distribution costs in 3Q23 in the amount of THB 58.09 million, an increase of THB 5.54 million (+10.54% YoY) compared to 3Q22, due to new two projects launched during the period of time, namely NC Tiwa Pinklao - Sai 5 and Baan Fah Grand Townee Westgate, resulting in higher promotional and advertising expenses. In this regard, marketing costs are under control to be efficient and maximize positive results in sales.

Administrative expenses The Company and its subsidiaries had administrative expenses in 3Q23 in the amount of THB 65.71 million, a decrease of THB 0.62 million (-0.94% YoY) compared to 3Q22. The internal expenses were effectively managed to prevent from exceeding a reasonable threshold, while simultaneously supporting and fostering the growth and development of personnel. Notably, the expansion of the organization and the establishment of a streamlined work structure have reached almost 100% completion during the previous quarter. Furthermore, there has been a notable decrease in both utility expenses and general administrative costs.

Financial costs The Company and its subsidiaries had financial costs in 3Q23 increased from THB 4.58 million 3Q22 to THB 9.22 million as a result of financing through borrowing from financial institutions and issuing corporate bonds. Consequently, the burden of interest payments to financial institutions and bond interest has amplified. Additionally, it is worth noting that interest rates continue to follow an upward trajectory. These factors collectively exert a substantial impact on the entire business sector, resulting in higher financial costs. Furthermore, they adversely affect the purchasing power of individuals.

Income tax expenses The Company, along with its subsidiaries, has reported a decrease in income tax expenses, which went from THB 24.76 million in 3Q22 to THB 24.55 million in 3Q23. This reduction in expenses can be attributed to the decline in the company's net profit.

Net Profit

The Company and its subsidiaries recorded a net profit of THB 9.27 million in the 3Q23, representing a decline of THB 65.11 million or a decrease of 87.54% compared to the 3Q22. The decline in profitability can be linked to a drop in sales revenue. Furthermore, there was a comparatively smaller decrease in cost of sales, coupled with elevated distribution and administration expenses, as well as increased financial costs.

9M23 Performance ended September 30, 2023

Operating Income

For the 9M23 ended September 30, 2023, the Company and its subsidiaries had a total revenue of THB 1,833.43 million, a decrease of THB 108.25 million (-5.57% YoY) from 9M22. During 1Q23 and 2Q23, the total revenue exceeded that of the corresponding period in the previous year. However, the performance during the 3Q23 was adversely impacted by the accumulation of various negative factors, including the prevailing economic conditions, the high levels of Thai household debt, the increase in interest rates, and the LTV measures, all of which significantly reduced the financial liquidity of potential buyers. The decision to purchase real estate and the confidence in concluding contracts are consequently diminished. The country's purchasing power is fragile, compounded by strict lending regulations imposed by financial institutions resulting in high rejection rates. These factors have led to an overall decrease in income for the 9M23. Revenue from sales decreased by THB 117.79 million, representing a decline of 6.20%, to THB 1,783.33 million. Conversely, income from rental and services increased by THB 9.85 million, indicating a growth of 30.13%. The Sport & Wellness Center business is showing promising trends and the healthcare industry is expected to continue its growth. Similarly, businesses catering to the elderly are projected to thrive, considering the demands of Thailand's aging society. However, the real estate market sector still faces numerous challenges stemming from macro factors this year.

Operating Expenses

Cost of sales For the 9M23 ended September 30, 2023, the Company and its subsidiaries reported cost of sales in the amount of THB 1,172.28 million, a decrease of THB 18.88 million (-1.59% YoY) as sales revenue in 3Q23 decreased. The slight reduction in costs can be attributed to the persistent high construction material costs in the real estate sector since the start of year 2023. The surge in land prices and wages has resulted in a significant increase in the total cost of sales. Consequently, the ratio of cost of sales to sales income has risen from 62.66% during the 9M22 to 65.74% during the 9M23.

Cost of rental and service The Company and its subsidiaries had cost of rental and service for the 9M23 ended September 30, 2023 in the amount of THB 55.73 million, an increase of THB 13.06 million (+30.59% YoY) as rental and services income increased. The proportion of rental and service costs in relation to the total rental and service income remains significantly high, considering the cost expenses incurred by subsidiaries. Starting from the beginning of 2023, our subsidiaries, namely NC Regen, Siri Arun Wellness, and QLM, have undergone business expansions.

Distribution costs The Company and its subsidiaries had distribution costs for 9M23 ended September 30, 2023 in the amount of THB 178.97 million, an increase of THB 26.93 million (+17.71% YoY) compared to 9M22, due to the intense competition in the real estate market, which is in stark contrast to the consumers' purchasing power. New projects launched during 1Q23-3Q23 and the existing projects that still have unsold units had to be considered employing a wider array of advertising channels to effectively reach potential customers by expanding the avenues of awareness, the aim is to enhance

customer outreach, which are ultimately leading to amplified sales. However, it is important to bear in mind that such efforts incurred higher advertising costs.

Administrative expenses The Company and its subsidiaries had administrative expenses for 9M23 ended September 30, 2023 in the amount of THB 211.64 million, an increase of THB 17.42 million (+8.97% YoY) compared to 9M22. During 1Q23 and 2Q23, the organization experienced a significant increase primarily attributed to its expansion initiatives. Consequently, there was a rise in personnel-related expenses, including personnel development. Additionally, expenses for utilities and general administration witnessed an increase. However, in the 3Q23, the organization managed to exercise control over administrative expenses, ensuring they did not exceed reasonable limits.

Financial costs The Company and its subsidiaries had financial costs for 9M23 ended September 30, 2023 in the amount of THB 27.46 million increased from THB 9.87 million for the period of 9M22. The rise in financial costs can be attributed to the heightened interest burden placed on the Company due to increased borrowing from financial institutions, starting from 1Q23, and the payment of interest on previously issued bonds. Furthermore, the continuous upward trend in interest rates has also exerted additional pressure on financial costs.

Income tax expenses The Company and its subsidiaries reported the income tax expenses for 9M23 ended September 30, 2023 in the amount of THB 63.26 million, decreased from THB 82.02 million for 9M22, following the decline in the company's net profit.

Net Profit

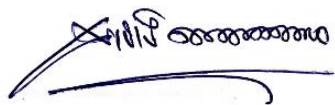
The Company and its subsidiaries recorded a net profit of THB 124.09 million for 9M23 ended September 30, 2023 decreased from THB 269.69 million in 9M22. The decline can be attributed to a decrease in sales revenue, as well as an increase in various costs such as cost of sales, cost of rental and service, distribution costs, administrative expenses, and financial costs.

Financial Position

As of September 30, 2023, the Company and its subsidiaries had total assets of THB 5,713.01 million, increased by THB 603.83 million or +11.82% from total assets as of December 31, 2022, as current assets increased from account receivables, property development costs, and land held for development. Total liabilities of the Company and its subsidiaries were reported in the amount of THB 2,603.08 million, increased by THB 614.31 million or +30.89% from total liabilities as of December 31, 2022. The rise in figures can be attributed to the escalation of current liabilities, resulting from an increase in current portion of long-term loan from the financial institutions and current portion of debenture. On the other hand, non-current liabilities experienced a surge due to an upswing in long-term loans acquired from financial institutions and debentures. The purpose of procuring funds through borrowing was to generate capital for investment in new real estate ventures and to facilitate the expansion of the subsidiary's operations. Shareholder s' equity was THB 3,109.93 million, which decreased by THB 10.48 million or -0.34%.

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

Sincerely yours,



(Mr.Somchao Tanthathoedtham)

Director and Chief Executive Officer

Authorized to sign on behalf of the Company

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