

Ref. NCH 035/2020

August 10, 2020

Subject : Management's Discussion and Analysis 2Q/2020

Attention : President

The Stock Exchange of Thailand

N.C. Housing Plc. ("the Company") would like to summarize its Q2/2020 operating performance for the period ending 30 June 2020 as follows:

For the three-month, the Company and its subsidiaries' posted a net profit of Baht 59.30 million for the Q2/2020 as compared to a net profit of Baht 9.58 million posted in the Q2/2019, which was increased of Baht 68.89 million or 718.85 percent.

➤ **Revenues**

**Total Revenues**

The Company and its subsidiaries' total revenue earned for Q2/2020 totaled Baht 525.32 million, increased from the Q2/2019 totaled Baht 219.93 million, which was increased of Baht 305.39 million or 138.85 percent.

**Sales Revenue**

The Company and its subsidiaries' sales revenue earned for Q2/2020 totaled Baht 520.14 million, increased from the Q2/2019 totaled Baht 213.14 million, which was increased of Baht 307.00 million or 144.03 percent. Because the ability to transfer ownership increases.

**Rental Income and Service Revenue**

The Company and its subsidiaries' rental income and service revenue earned decrease of Baht 2.41 million or 45.55 percent.

## ➤ Expenses

### Cost of Sales

The Company and its subsidiaries' cost of sales ratio was decreased from 72.48 percent in Q.2/2019 to 64.09 percent in Q.2/2020.

### Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service was decreased from 2.42 percent in Q.2/2019 to 1.23 percent in Q.2/2020.

### Distribution costs and Administrative Expenses

The Company and its subsidiaries' distribution costs and administrative expenses amounting to Baht 50.70 million, increased of Baht 29.80 million, or 142.54 percent from Q2/2019, This was due to the increase in promotional expenses, advertising media, and specific business tax and transfer fees.

The Company and its subsidiaries' administrative expenses amounting to Baht 54.41 million increased of Baht 11.52 million, or 26.85 percent.

### Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 1.75 million or 17.84 percent, because loans from financial institutions and loans from other companies decreased. And the reduction of the interest rate.

### Tax expenses (income)

The Company and its subsidiaries' tax expenses was increased Baht 16.81 million or 453.39 percent from the Q2/2019. Because of the Company' posted a net profit increased.

For the six-month period ended 30 June 2020, the Company and its subsidiaries' posted a net profit of THB 66.67 million as compared to THB 23.24 million net posted the previous year, which was THB 43.43 million or 186.86 percent increase from the previous year.

## ➤ Revenues

### Total Revenues

The Company and its subsidiaries' total revenue earned for Q2/2020 totaled Baht 858.61 million, increased from the Q2/2019 totaled Baht 628.40 million, which was increased of Baht 230.21 million or 36.63 percent.

### Sales Revenue

The Company and its subsidiaries' sales revenue earned for Q2/2020 totaled Baht 849.12 million, increased from the Q2/2019 totaled Baht 614.70 million, which was increased of Baht 234.42 million or 38.14 percent. Because of the ability to transfer ownership increase.

### Rental Income and Service Revenue

The Company and its subsidiaries' rental income and service revenue earned decrease of Baht 5.46 million or 50.77 percent.

### ➤ **Expenses**

#### Cost of Sales

The Company and its subsidiaries' cost of sales ratio was decreased from 66.73 percent in Q.2/2019 to 65.25 percent in Q.2/2020.

#### Cost for Rent and Service

The Company and its subsidiaries' cost for rent and service Baht 12.36 million increased from Baht 10.22 million in Q.2/2019 or increased 20.95 percent or Baht 2.14 million.

#### Distribution costs and Administrative Expenses

The Company and its subsidiaries' distribution costs and administrative expenses amounting to Baht 92.87 million, increased of Baht 22.72 million, or 32.38 percent from Q2/2019, This was due to the increase in promotional expenses, advertising media, specific business tax and transfer fees.

The Company and its subsidiaries' administrative expenses amounting to Baht 100.63 million increased of Baht 10.64 million, or 11.83 percent.

#### Financial Costs

The Company and its subsidiaries' financial costs was decreased Baht 3.49 million or 16.57 percent, because loans from financial institutions and loans from other companies decreased. And the reduction of the interest rate.

### Tax expenses (income)

The Company and its subsidiaries' tax expenses was decreased Baht 10.97 million or 311.53 percent from the Q2/2019. Because of in the Company' posted a net profit increased.

### ➤ Financial Status

#### Total Assets

As of June 30, 2020 the company and its subsidiaries' total assets stood Baht 3,932.31 million, which was a Baht 170.39 million or 4.15 percent decreased from as of December 31, 2019. The major reason is inventories decreased and decrease in land development costs because transferred to cost of sales. And land awaiting for development transfer to land development costs.

#### Total Liabilities

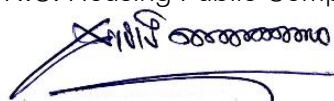
As of June 30, 2020, the company and its subsidiaries' has total liabilities of Baht 1,291.19 million, decreased from the amount as of December 31, 2019 by Baht 239.56 million, or an decrease of 15.65 percent, resulting from the effective debt management of the Company and its subsidiaries.

#### Shareholder's Equity

As of June 30, 2020, shareholder's equity of the Company and its subsidiaries totaled Baht 2,641.12 million which is a 2.69 percent decreased from as of December 31, 2019 totaled Baht 2,571.95 million because the Company' posted a unappropriated retained earnings was decreased.

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

Tel: 0-2531-6633, 0-2993-5080-7 ext. 403, 401