

(Translation)

No.FN-NWR 030/2562

28 February 2019

Subject : Submission of Financial Statements for the Years ended 31 December 2018

To : President

The Stock Exchange of Thailand

- Enclosure :
1. Financial Statements for the Years ended 31 December 2018
 2. Management Discussion and Analysis

Nawarat Patanakarn Public Company Limited would like to submit Audited Financial Statements for the Years ended 31 December 2018. Please find enclosed the Management Discussion and Analysis

Please be informed accordingly.

Yours sincerely

- Signed -

(Miss.Pakatip Lopandhsri)

Director & Senior Vice President

Nawarat Patanakarn Public Company Limited

NAWARAT PATANAKARN PUBLIC COMPANY LIMITED
SUMMARY OF FINANCIAL POSITION AND PERFORMANCE
FOR THE PERIOD OF ONE YEAR ENDED DECEMBER 31, 2018

1. Analysis of operation results for year 2018 in comparison with those for year 2017 (from the consolidated financial statements)

Items	2018	2017	Increased (Decreased)	
			Amount	%
1.1 Revenues from construction	Baht 8,676.42 million	Baht 8,356.43 million	Baht 319.99 million	3.83
1.2 Cost of construction	93.61 %	94.30 %	-	(0.73)
1.3 Sales and service income				
- Property development	Baht 828.43 million	Baht 573.45 million	Baht 254.98 million	44.46
- Concrete products and others	Baht 430.67 million	Baht 345.62 million	Baht 85.05 million	24.61
1.4 Cost of sales and service				
- Property development	71.12 %	76.10 %	-	(6.54)
- Concrete products and others	94.68 %	99.78 %	-	(5.11)
1.5 Selling expenses	Baht 121.03 million	Baht 103.61 million	Baht 17.42 million	16.81
1.6 Administrative expenses	Baht 528.61 million	Baht 497.34 million	Baht 31.26 million	6.29
1.7 Finance cost	Baht 215.23 million	Baht 224.38 million	Baht (9.15) million	(4.08)

2. Operation performance for the year ended December 31

Item	2018	2017
Profit (Loss) for the year attributable to equity holders of the Company In the <u>consolidated financial statements</u>	Baht 418.04 million	Baht (202.81) million
Profit (loss) for the year in the <u>separate financial statements</u>	Baht 470.09 million	Baht (22.01) million

3. Management Discussion and Analysis

3.1 Sales and service income from property development in 2018 has increased by Baht 254.98 million or 44.46% when compared to 2017. Mana Patanakarn Co., Ltd., the Company's subsidiary company which does real estate development business, has transferred the ownership of houses and condominium "Aspen Condo" phase B which was completed in year 2018.

3.2 Sales and service income from concrete products and others of 2018 has increased by Baht 85.05 million or 24.61% when compared to 2017. The increase is from concrete product business, food business and oil business.

3.3 In 2018, the Company received the payment from trade receivables at the total amount of Baht 329.50 million, which the Company had already recognized doubtful debt for this amount in full.

3.4 Details of share of profit (loss) from investments in associates and joint ventures are as follows:

Name	Shareholding percentage	Share of profit (loss) for 2018	Share of profit (loss) for 2017
VSPN Property Company Limited	25 %	Baht 1.02 million	Baht (3.00) million
C.I.N. Estate Company Limited	40 %	Baht (9.19) million	Baht 2.61 million
NWR-SBCC Joint Venture	50 %	Baht 94.80 million	Baht 2.20 million
Total		Baht 86.63 million	Baht 1.81 million

3.5 On August 21, 2015, the Company issued and offered 1,500,000 units of 3-year debentures with a par value of Baht 1,000 each, totaling Baht 1,500 million. The debentures will be mature on August 21, 2018. The coupon rate is 4.5% per annum. The objectives of issuing the debentures are a) investment in the new projects, b) repayment of debts, and c) working capital. Interest expense of debentures for the year 2018 was Baht 42.90 million. The Company repaid such debentures in August 2018

On August 28, 2017, the Company issued and offered 2,000,000 units of 3-year debentures with a par value of Baht 1,000 each, totaling Baht 2,000 million. The debentures will be mature on August 28, 2020. The coupon rate is 4.5% per annum. The objectives of issuing the debentures are a) investment in the new projects, b) repayment of debts, and c) working capital. The Company can sell debentures of Baht 1,720.1 million. Interest expenses of debentures for the year 2018 were Baht 77.40 million.

3.6 On March 28, 2017 the Central Bankruptcy Court ordered Saraburi Coal Company Limited (“Saraburi”) into final receivership. The Company and Saraburi are the parties to a joint venture agreement, NWR-SBCC Joint Venture, to carry out a soil and coal extraction and transportation work project at Mae Moh mine, Lam Pang of the Electricity Generating Authority of Thailand (“EGAT”), with both venture partners having a 50% interest. As a result of the final receivership order issued by the Court, Saraburi is considered to be in breached of the joint venture agreement and the Company has therefore exercised its right under the agreement to notify the termination of Saraburi’s responsibilities in the NWR-SBCC Joint Venture. Consequently, on January 2018, the Court has ordered Saraburi to go bankrupt.

On May 8, 2017, the Company issued a letter notifying the termination of Saraburi’s responsibilities in the joint venture. As a result, the contractual roles, rights and responsibilities of Saraburi under the NWR-SBCC Joint Venture agreement are terminated, with the Company assuming the rights and responsibilities of control and operation in accordance with the contract until the service is completed, for which the scheduled date is April 23, 2018. The outcome of the lawsuit involving Saraburi and the exercise of this right have impact neither on the Company’s proportionate interest in NWR-SBCC Joint Venture nor the operation of this project with EGAT.

At present, the Project has already been completed and all equipment and machinery have been sold out.

4. Trade accounts receivable – related parties, long past due

Unit : million Baht

Transactions Company	Balance as of 30-09-2018	Balance as of 31-12-2018	Allowance of doubtful accounts	source of Transaction	Action to be taken
<p><u>New Decade Co.,Ltd.</u></p> <p>Mrs.Sutasanee Karnasuta is the authorized director of New Decade Co.,Ltd..</p> <p>Mrs.Sutheera Phutharee is the authorized director and shareholder of New Decade Co.,Ltd..</p> <p>Both are the younger sisters of Mr.Polpat Karnasuta who holds the position of Chief Executive Officer of the Company.</p>	91.57	91.70	(90.20)	The transactions between New Decade Co., Ltd. and the Company are machine and equipment rental, purchase of construction material and construction work for Highway No.7 Chonburi – Pattaya, and also survey of route at Kanchanaburi.	The Company orders this company to repay the debts by installments according to its business's net cash flow.
<p><u>Ruean Rapee Co.,Ltd.</u></p> <p>Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phutharee are the authorized directors and shareholders of Ruean Rapee Co.,Ltd..</p> <p>Both are the younger sisters of Mr.Polpat Karnasuta who holds the position of Chief Executive Officer of the Company.</p>	40.99	40.99	(40.99)	Construction of Baan Baranee, this company's real estate project.	The Company orders this company to repay the debts by installments according to its business's net cash flow.
<p><u>East Bangkok Assets Co.,Ltd.</u></p> <p>Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phutharee are the authorized directors and shareholders of East Bangkok Assets Co.,Ltd..</p> <p>Both are the younger sisters of Mr.Polpat Karnasuta who holds the position of Chief Executive Officer of the Company.</p>	25.77	25.77	(25.77)	Construction of houses and public utilities system for this company's real estate project.	The Company orders this company to repay the debts by installments according to its business's net cash flow.