

(Translation)

No.FN-NWR 030/2563

28 February 2020

Subject : Submission of Financial Statements for the Years ended 31 December 2019

To : President

The Stock Exchange of Thailand

- Enclosure :
1. Financial Statements for the Years ended 31 December 2019
 2. Management Discussion and Analysis

Nawarat Patanakarn Public Company Limited would like to submit Audited Financial Statements for the Years ended 31 December 2019. 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

(Translation)

NAWARAT PATANAKARN PUBLIC COMPANY LIMITED
SUMMARY OF FINANCIAL POSITION AND PERFORMANCE
FOR THE PERIOD OF ONE YEAR ENDED DECEMBER 31, 2019

1. Analysis of operation results for year 2019 in comparison with those for year 2018 (from the consolidated financial statements)

Items	2019	2018	Increased (Decreased)	
			Amount	%
1.1 Revenues from construction	Baht 6,318.23 million	Baht 8,676.42 million	Baht (2,358.19) million	(27.18)
1.2 Cost of construction	98.15 %	93.61 %	-	4.85
1.3 Sales and service income				
- Property development	Baht 424.61 million	Baht 828.43 million	Baht (403.82) million	(48.75)
- Concrete products and others	Baht 997.25 million	Baht 430.67 million	Baht 566.58 million	131.56
1.4 Cost of sales and service				
- Property development	62.12 %	71.12 %	-	(12.65)
- Concrete products and others	95.12 %	94.68 %	-	0.46
1.5 Selling expenses	Baht 139.63 million	Baht 121.03 million	Baht 18.60 million	15.37
1.6 Administrative expenses	Baht 588.19 million	Baht 528.61 million	Baht 59.58 million	11.27
1.7 Finance cost	Baht 218.41 million	Baht 215.23 million	Baht 3.18 million	1.48

2. The operation results (from the consolidated finance statements)

Item	2019	2018
Profit (Loss) for the year attributable to equity holders of the Company (<u>from the consolidated financial statements</u>)	Baht (515.22) million	Baht 418.04 million
Profit (loss) for the year (<u>from the separate financial statements</u>)	Baht (380.99) million	Baht 470.09 million

3. Management Discussion and Analysis

3.1 Revenue from construction in 2019, has decreased by Baht 2,358.19 million or 27.18% when compared to 2018. The Company increased the project cost estimation because of the problem of delay in handover of work area by the employer, overlapping tasks of the employer and changes and adjustment of the construction design, work suspension or delay due to change in construction design. Many projects are gradually completed. Concurrently, many new projects have been signed into contract or about to be signed which will allow the Company to begin to recognize revenue.

3.2 Revenue from real estate development business has decreased when compared to 2019, by Baht 403.82 million or 48.75%. Income from ownership transfer of housing and condominium units to customers from Mana Patanakarn Co., Ltd., a subsidiary company that operates real estate development business, decreased from the year 2018, partly due to the Bank of Thailand's measures which increased the conditions in loan provision for real estate purchases and foreign customers are greatly reduced

3.3 Sales and service income from concrete products manufacturing and others of 2019, has increased by Baht 566.58 million or 131.56% when compare to 2018 because the Company and Advance Prefab Co., Ltd., a subsidiary company in precast concrete production, have increased income from selling of concrete product when compared to 2018.

3.4 In the year 2019, the company has lower real estate development business costs when compared to the year 2018 by 12.65% due to the transfer of ownership of condominiums Aspen Condo Phase B more than Aspen Condo Phase A, in which the Aspen Condo Phase B is lower in cost than the Aspen Phase A Project,

3.5 Selling expenses in 2019, has increased when compared to 2018 , by Baht 18.60 million or approximately 15.37%. The details are as follows:

Name	2019	2018
Mana Patanakarn Company Limited	Baht 98.96 million	Baht 105.26 million
Advance Prefab Company Limited	Baht 37.00 million	Baht 13.44 million
Tastemaker Company Limited	Baht 3.67 million	Baht 2.33 million
Total	Baht 139.63 million	Baht 121.03 million

In 2019, Advance Prefab Co., Ltd., which is in concrete product manufacturing business, has increased transportation expenses due to increased sales when compared to 2018.

3.6 Administrative expenses in 2019, has increased when compared to 2018, by Baht 59.58 million or approximately 11.27%. The details are as follow:

Name	2019	2018
Nawarat Patanakarn Public Company Limited	Baht 382.84 million	Baht 326.26 million
Advance Prefab Company Limited	Baht 72.99 million	Baht 75.37 million
Mana Patanakarn Company Limited	Baht 59.48 million	Baht 56.14 million
Utility Business Alliance Company Limited	Baht 36.17 million	Baht 31.29 million
Tastemaker Company Limited	Baht 26.88 million	Baht 22.74 million
Subsidiaries Others	Baht 9.83 million	Baht 16.81 million
Total	Baht 588.19 million	Baht 528.61 million

In 2019, the Company has increased expenses for filing lawsuits against long overdue debtors. Including the Company and its subsidiaries recognized the expenses from the compensation adjustment for the post- employment benefits program from the 300 days to 400 days and recognize loss from exchange rate which in 2018 was recognized as foreign exchange gain.

3.7 In 2019, the labor Protection Act stipulates additional compensation rates in the case of an employment termination for employees who have worked for 20 years or more to be entitled to receive additional compensation from 300 days to 400 days. Such changes are costs and expenses .The details are as follows:

Detail	2019
Cost of construction	Baht 30.04 million
Cost of sales and service	Baht 3.31 million
Administrative expenses	Baht 28.29 million
Total	Baht 61.64 million

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

Name	Shareholding percentage	Share of profit (loss) For 2019	Share of profit (loss) for 2018
VSPN Property Company Limited	25 %	-	Baht 1.02 million
C.I.N. Estate Company Limited	40 %	Baht (12.90) million	Baht (9.18) million
NWR-SBCC Joint Venture	50 %	-	Baht 94.80 million
Total		Baht (12.90) million	Baht 86.64 million

3.9 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 2019 were Baht 77.40 million

3.10 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. And is in the process of submitting the matter to the receivership officers for approval of the dissolution of the joint venture and appointment a liquidator.

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.