

(Translation)

No.FN-NWR 166/19

13 November 2019

Subject : Submission of Financial Statements for the Third quarter ended September 30,2019

To : President
The Stock Exchange of Thailand

Enclosure : 1. Financial Statements for the Third quarter ended September 30,2019
2. Management Discussion and Analysis

Nawarat Patanakarn Public Company Limited would like to submit Reviewed Financial Statements for the Third quarter ended September 30,2019. 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 THREE MONTHS ENDED SEPTEMBER 30, 2019

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

Items	Third quarter of 2019	Third quarter of 2018	Increased (Decreased)	
			Amount	%
1.1 Revenues from construction	Baht 1,668.23 million	Baht 2,400.67 million	Baht (732.44) million	(30.51)
1.2 Cost of construction	93.19 %	94.50 %	-	(1.39)
1.3 Sales and service income				
- Property development	Baht 111.08 million	Baht 105.31 million	Baht 5.77 million	5.48
- Concrete products and others	Baht 290.11 million	Baht 121.40 million	Baht 168.71 million	138.97
1.4 Cost of sales and service				
- Property development	60.31 %	77.03 %	-	(21.71)
- Concrete products and others	88.71 %	97.79 %	-	(9.29)
1.5 Selling expenses	Baht 43.72 million	Baht 29.83 million	Baht 13.89 million	46.56
1.6 Administrative expenses	Baht 136.79 million	Baht 133.79 million	Baht 3 million	2.24
1.7 Finance cost	Baht 57.25 million	Baht 51.46 million	Baht 5.79 million	11.25

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

Item	Third quarter of 2019	Third quarter of 2018
Profit (Loss) for three months attributable to equity holders of the Company (from the consolidated financial statements)	Baht (39.08) million	Baht 313.38 million
Profit (loss) for three months (from the separate financial statements)	Baht (25.26) million	Baht 342.26 million

3. Management Discussion and Analysis

3.1 Revenue from construction for the third quarter of 2019, has decreased when compared to the same quarter of 2018, by Baht 732.44 million or 30.51%. 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. Many projects are gradually completed. Concurrently, many new projects that have been signed into contract or about to be signed which will allow the Company to begin to recognize revenue.

3.2 Sales and service income from concrete products manufacturing and others in the third quarter of 2019, has increased when compared to the same quarter of 2018, by Baht 168.71 million or 138.97% 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 the same quarter in 2018.

3.3 In the third quarter of 2019, the company's real estate development costs decreased from the same quarter of 2018 equal to 21.71% since the 3rd quarter of 2019 Aspen Condo Phase B cost is lower than Aspen Condo Phase A and transfer right of the ownership of condominium Phase B is higher than Phase A.

3.4 Selling expenses for the third quarter of 2019, has increased when compared to the same quarter of 2018 , by Baht 13.89 million or approximately 46.56%. The details are as follows:

Name	Third quarter of 2019	Third quarter of 2018
Mana Patanakarn Company Limited	Baht 32.86 million	Baht 24.96 million
Advance Prefab Company Limited	Baht 9.59 million	Baht 4.13 million
Tastemaker Company Limited	Baht 1.27 million	Baht 0.74 million
Total	Baht 43.72 million	Baht 29.83 million

On the third quarter of 2019, Mana Patanakarn Co., Ltd., which operates real estate business, There is a cost to sell the project. A Space Phase B and Phase C to boost sales from the same quarter of 2018. Also, Advance Prefab Co., Ltd., which is in concrete product manufacturing business, has increased transportation expenses due to increased sales when compared to the same quarter of 2018.

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

Name	Shareholding percentage	Share of profit (loss) for Q3-2019	Share of profit (loss) for Q3-2018
VSPN Property Company Limited	25 %	-	Baht 1.02 million
C.I.N. Estate Company Limited	40 %	Baht (2.84) million	Baht (4.19) million
NWR-SBCC Joint Venture	50 %	-	Baht 57.60 million
Total		Baht (2.84) million	Baht 54.43 million

3.6 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 third quarter of 2019 were Baht 19.51 million.

3.7 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 31-06-2019	Balance as of 30-09-2019	Allowance of doubtful accounts	source of Transaction	Action to be taken
<u>New Decade Co.,Ltd.</u> Mrs.Sutasanee Karnasuta is the authorized director of New Decade Co., Ltd.. Mrs.Sutheera Phuttharee is the authorized director and shareholder of New Decade Co.,Ltd.. Both are the younger sisters of Mr.Polpat Karnasuta who holds the position of Chief Executive Officer of the Company.	91.71	92.36	(90.31)	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.
<u>Ruean Rapee Co.,Ltd.</u> Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phuttharee are the authorized directors and shareholders of Ruean Rapee Co.,Ltd.. Both are the younger sisters of Mr.Polpat Karnasuta who holds the position of Chief Executive Officer of the Company.	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.
<u>East Bangkok Assets Co.,Ltd.</u> Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phuttharee are the authorized directors and shareholders of East Bangkok Assets Co.,Ltd.. Both are the younger sisters of Mr.Polpat Karnasuta who holds the position of Chief Executive Officer of the Company.	25.77	25.59	(25.59)	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.