

(Translation)

No.FN-NWR 063/2563

15 May 2020

Subject : Submission of Financial Statements for the first quarter ended March 31,2020

To : President
The Stock Exchange of Thailand

Enclosure : 1. Financial Statements for the first quarter ended March 31,2020
2. Management Discussion and Analysis

Nawarat Patanakarn Public Company Limited would like to submit Reviewed Financial Statements for the first quarter ended March 31,2020. 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 THREE MONTHS ENDED MARCH 31, 2020

1. Analysis of operation results for the first quarter ended March 31, 2020 in comparing to the same quarter of 2019 (according to the consolidated financial statement)

(MB: Million Baht)

Description	First quarter of 2020	First quarter of 2019	Increased (Decreased)	
			Amount	Percentage
1.1 Revenues from construction	1,709.22 MB	1,851.66 MB	(142.44) MB	(7.69)
1.2 Cost of construction compared with revenue from construction	92.62 %	92.87 %	-	(0.27)
1.3 Revenue from sales and services				
- Real Estate Development	71.13 MB	164.15 MB	(93.02) MB	(56.67)
- Concrete products and others	629.77 MB	179.21 MB	450.56 MB	251.41
1.4 Cost of sales and services compared with revenue from sales and services				
- Real Estate development	69.35 %	67.86 %	-	2.20
- Concrete products and others	88.89 %	91.37 %	-	(2.71)
1.5 Selling and distribution expenses	42.49 MB	30.73 MB	11.76 MB	38.27
1.6 Administrative expenses	134.94 MB	146.06 MB	(11.12) MB	(7.61)
1.7 Finance cost	61.97 MB	50.94 MB	11.03 MB	21.65

2. Operating results of the three months ended March 31st

Description	First quarter of 2020	First quarter of 2019
Profit (Loss) for three months attributable to equity holders of the Company (<u>from the consolidated financial statements</u>)	10.31 MB	(27.69) MB
Profit (loss) for three months (<u>from the separate financial statements</u>)	20.82 MB	(27.06) MB

3. Management Discussion and Analysis

3.1 In the first quarter of the year 2020, revenue from construction has decreased 142.44 Million Baht or equal to 7.69 percent in comparison with the same quarter of 2019. Many construction projects started to be completed. On the other hand, there are many projects which has been signed and some projects are pending for contract signing which revenue will be recognized in the second quarter of 2020. The cause of delay is also attributed to the COVID-19 outbreak.

3.2 In the first quarter of the year 2020, the revenue from real estate development business has decreased 93.02 Million Baht or 56.67 percent in comparison with the same quarter of 2019. Mana Patanakarn Company Limited, subsidiary company which conducting real estate development business recognized the lower number of ownership transfer for both houses and condominiums in comparison with the same quarter of 2019, due to the strict control from Bank of Thailand regarding additional conditions of loan provision for the purchase of real estate and the COVID-19 outbreak.

3.3 In the first quarter of the year 2020, the revenue from concrete and other products was increased in the amount of 450.56 Million Baht or 251.41 percent in comparison with the same quarter of 2019. The higher revenue was attributed from subsidiary company called Advance Prefab Company Limited. The main business of the subsidiary is manufacture of concrete products where the sale revenue is higher than it was in 2019, in relation to selling of products to the sky train construction project.

3.4 The selling and distribution expenses of the first quarter of 2020 increased 11.76 Million Baht or approximately 38.27 percent compared with the same quarter of 2019. Details of sales and distribution expenses were as follows:

Name	First quarter of 2020	First quarter of 2019
Mana Patanakarn Company Limited	17.43 MB	24.07 MB
Advance Prefab Company Limited	24.05 MB	6.47 MB
Tastemaker Company Limited	1.01 MB	0.19 MB
Total	42.49 MB	30.73 MB

In the first quarter of 2020, Advance Prefab Company Limited, conducts concrete product business, has increased its distribution expenses due to the high sale volume compared with the year 2019.

3.5 Finance Cost for the first quarter of 2020 increased 11.03 Million Baht or approximately 21.65 percent compared with the same quarter of the 2019. The details are as follows:

Name	First quarter of 2020	First quarter of 2019
Nawarat Patanakarn Public Company Limited	51.96 MB	41.77 MB
Advance Prefab Company Limited	5.71 MB	4.22 MB
Mana Patanakarn Company Limited	2.03 MB	2.19 MB
Utility Business Alliance Company Limited	1.17 MB	1.63 MB
Tastemaker Company Limited	0.71 MB	0.09 MB
Subsidiaries Others	0.39 MB	1.04 MB
Total	61.97 MB	50.94 MB

In the first quarter of 2020, the Company recognized delay payment from project owners due to the economic situation and the COVID-19 outbreak.

3.6 Details of share of profit (loss) from investment in associated companies and joint ventures is as follows:

Name	Shareholding percentage	Share of profit (loss) for the first quarter of 2020	Share of profit (loss) for the first quarter of 2019
C.I.N. Estate Company Limited	40 %	(3.70) MB	(2.88) MB
Total		(3.70) MB	(2.88) MB

3.7 On August 28, 2017, the Company issued and offered 2,000,000 units of 3-year debentures with a par value of 1,000 Baht each, totaling 2,000 Million Baht with the maturity date of full redemption on August 28, 2020. The debentures bear coupon rate of 4.50 percent per annum. The purpose of debentures issuance was for investment in the new projects, repayment of debts, and working capital. The debentures were sold at the amount of 1,720.1 Million Baht. Interest expenses of debentures for the first quarter of 2020 were 19.30 Million Baht.

In accordance with the terms and conditions of the Regulation of Rights and Duty of Debenture Issuer and Debenture Holder, the Company is required to maintain the Net Debt to Equity ratio at the rate of not more than 2.5: 1 at the end of the quarter and year end period. In which the Company held the meeting of debenture holders on March 16, 2020 in order to seek for approval on the following agendas;

1. Revision of the definition of "Net Debt" from "the total amount of debt as shown in the consolidated financial statement of debenture issuer, deducted by cash and cash equivalents" to "the total liabilities only with the interest-bearing debt as shown in the consolidated financial statement of the debenture issuer, deducted by cash and cash equivalents "

2. Revision of the Net Debt to Equity ratio from 2.5: 1 to 2.25: 1.

The meeting of debenture holders has resolved to revise the terms and conditions as proposed by the Company.

3.8 On March 28, 2017 the Central Bankruptcy Court issued an absolute receivership order to Saraburi Coal Co., Ltd. ("Saraburi"). The Company and Saraburi are the parties to a joint venture agreement with 50 percent shareholding proportion each, NWR-SBCC Joint Venture, to carry out a soil and coal extraction and transportation at Mae Moh mine of the Electricity Generating Authority of Thailand ("EGAT") in Lampang province. As a result of the absolute receivership order issued by the Court, Saraburi is considered to be in breach of the joint venture agreement. The Company exercised its right under the joint venture agreement to termination the duty of Saraburi in the NWR-SBCC Joint Venture. Consequently, on January 15, 2018, the Court ordered the bankruptcy of Saraburi.

On May 8, 2017, the Company submitted a letter to the official receiver of Saraburi and notified that the duty of Saraburi in the joint venture has been ceased. 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 joint venture agreement until the work is completed as scheduled in April 23, 2018. The result of the lawsuit and the exercise of the Company's right did not change neither on the Company's shareholding ratio in NWR-SBCC Joint Venture nor the operation of the project with EGAT.

Currently, the project has already been completed, all equipment and machinery have been sold out.

On March 18, 2020, the meeting of creditors of the Saraburi Coal Co., Ltd. has resolved to dissolve the joint venture and appointed a liquidator.

4. Related trade receivables with long overdue

Unit: Million Baht

Transactions/Company	Balance as at 31-03-2020	Balance as at 31-12-2019	Allowance for doubtful accounts	Source of transaction	Action to be taken
<p><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.</p>	92.56	92.56	(90.31)	The transactions between New Decade Co., Ltd. and the Company are machine and equipment rental, purchase of construction materials, undertake construction project for Highway No.7 Chonburi – Pattaya and also route survey at Kanchanaburi.	This company will repay the debts by installment repayment, according to its business's net cash flow.
<p><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.</p>	40.99	40.99	(40.99)	Construction of Baan Baranee, which is a real estate project.	This company will repay the debts by installment repayment, according to its business's net cash flow.
<p><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.</p>	25.53	25.53	(25.53)	Construction of houses and public utilities system for real estate projects.	This company will repay the debts by installment repayment, according to its business's net cash flow.