

(Translation)

No.FN-NWR 112/63

11 August 2020

Subject : Submission of Financial Statements for the Second quarter ended June 30,2020

To : President  
The Stock Exchange of Thailand

Enclosure : 1. Financial Statements for the Second quarter ended June 30,2020  
2. Management Discussion and Analysis

Nawarat Patanakarn Public Company Limited would like to submit Reviewed Financial Statements for the Second quarter ended June 30,2020. 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 JUNE 30, 2020**

**1. Analysis of operation results for the second quarter of 2020 in comparison with those for the same quarter of 2019**  
**(from the consolidated financial statements)**

Items	Second quarter of 2020	Second quarter of 2019	Increased (Decreased)	
			Amount	%
1.1 Revenues from construction	1,771.93 MB	1,353.08 MB	418.85 MB	30.96
1.2 Cost of construction compared with revenue from construction	91.36 %	102.44 %	-	(10.82)
1.3 Sales and service income				
- Property development	95.10 MB	88.29 MB	6.81 MB	7.71
- Concrete products and others	498.53 MB	177.68 MB	320.85 MB	180.58
1.4 Cost of sales and service compared with revenue from sales and services				
- Property development	71.07 %	52.51 %	-	35.35
- Concrete products and others	82.65 %	98.44 %	-	(16.04)
1.5 Sales and distribution expenses	25.84 MB	24.67 MB	1.17 MB	4.74
1.6 Administrative expenses	122.79 MB	179.59 MB	(56.80) MB	(31.63)
1.7 Financial expenses	67.20 MB	54.06 MB	13.14 MB	24.31

**2. The operation results for the three months ended June 30, 2020**

Item	Second quarter of 2020	Second quarter of 2019
Profit (Loss) for three months attributable to equity holders of the Company (from the consolidated financial statements)	Baht 37.21 million	(175.78) MB
Profit (loss) for three months (from the separate financial statements)	Baht 7.33 million	(131.85) MB

**3. Management Discussion and Analysis**

3.1 Revenue from construction in the second quarter of 2020, has increased 418.85 Million Baht or 30.96 percent when compared to the same quarter of 2019. Previously, there are delayed in handling over the construction site, project owner's overlapping work and revision of construction design which resulted in project ceased and delayed. However, the problems have been solved during

the second quarter of 2020. Many projects are able to start their construct process. While the Company has started to recognize revenue from many new projects as well.

3.2 In the second quarter of the year 2020, the cost of construction has decreased 10.82 percent in comparison with the same quarter of 2019. As the Company was gradually recognized the expense for severance pay which the compensation rate has adjusted from 300 days to 400 days for workers serving over 20 years. Another reason is the increase in project's cost when the project delayed.

3.3 In the second quarter of the year 2020, the revenue from concrete and other products was increased in the amount of 320.85 Million Baht or 180.58 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 cost of property development business in the second quarter of the year 2020, has decreased from the year 2019 in equivalent to 35.35 percent because of the transferring asset of Aspen Condo (phase A) was higher than the number of transferring asset of phase B, where the cost of phase B is lower than the cost of phase A.

3.5 Administrative expenses for the second quarter of 2020, has decreased when compared to the same quarter of 2019, by 56.80 Million Baht or approximately 31.63 percent. The details are as follow:

Name	Second quarter of 2020	Second quarter of 2019
Nawarat Patanakarn Public Company Limited	72.00 MB	120.33 MB
Advance Prefab Company Limited	19.47 MB	24.38 MB
Mana Patanakarn Company Limited	12.92 MB	16.51 MB
Utility Business Alliance Company Limited	7.76 MB	6.94 MB
Tastemaker Company Limited	7.33 MB	7.04 MB
Subsidiaries / Others	3.31 MB	4.39 MB
Total	122.79 MB	179.59 MB

In the second quarter of 2019, the Company has a higher lawsuit expense for outstanding debtors. Moreover, the Company was gradually recognized the expense for severance pay which the compensation rate has adjusted from 300 days to 400 days and recognize loss from exchange rate which in the same quarter of 2018 was recognized as foreign exchange gain.

3.6 In the second quarter of 2019, the law, officially called the Labour Protection Act., has increased the severance pay from 300 days to 400 days for workers serving over 20 years. Such changes have impacted the Company's costs and expenses. The details are as follows:

Detail	Second quarter of 2019
Cost of construction	28 MB
Cost of sales and service	4 MB
Administrative expenses	20 MB
<b>Total</b>	<b>52 MB</b>

3.7 Financial expense for the second quarter of 2020, has increased 13.14 Million Baht or approximately 24.31 percent compared with the same quarter of 2019. The details are as follows:

Name	Second quarter of 2020	Second quarter of 2019
Nawarat Patanakarn Public Company Limited	58.26 MB	44.54 MB
Advance Prefab Company Limited	4.69 MB	4.00 MB
Mana Patanakarn Company Limited	1.62 MB	2.55 MB
Utility Business Alliance Company Limited	1.51 MB	1.43 MB
Tastemaker Company Limited	0.68 MB	0.15 MB
Subsidiaries Others	0.44 MB	1.39 MB
<b>Total</b>	<b>67.20 MB</b>	<b>54.06 MB</b>

In 2020, the Company recognized delay payment from project owners due to the economic situation during COVID-19 outbreak. Another reason is the Company has paid a fee for the bondholders.

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 Q2-2020	Share of profit (loss) for Q2-2019
C.I.N. Estate Company Limited	40 %	(1.80) MB	(4.20) MB
<b>Total</b>		<b>(1.80) MB</b>	<b>(4.20) MB</b>

3.9 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. The debentures will be mature on August 28, 2020. The coupon rate is 4.5 percent 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 1,720.1 Million Baht. Interest expenses of debentures for the second 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.

The Company has paid a fee to all listed bondholders as of March 2, 2020 at the rate of 0.70% of the bond value on April 3, 2020.

3.10 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. Trade accounts receivable - related, long past due**

**Unit : Million Baht**

Transactions Company	Balance as at 30-06-2020	Balance as at 31-03-2020	Allowance of doubtful accounts	source of Transaction	Action to be taken
<p><b><u>New Decade Co.,Ltd.</u></b> Mrs.Sutasanee Karnasuta is the authorized director of New Decade Co., Ltd. Mrs.Sutheera Phuththreee 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>	92.72	92.56	(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.
<p><b><u>Ruean Rapee Co., Ltd.</u></b> Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phuththreee 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, 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><b><u>East Bangkok Assets Co.,Ltd.</u></b> Mrs.Sutasanee Karnasuta and Mrs.Sutheera Phuththreee 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 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.