

RT/SET/HO/6411-001

10 November, 2021

Subject: Management Discussion and Analysis Quarter 3 Ending 30 September, 2021

To: The President
 The Stock Exchange of Thailand

Right Tunnelling Public Company Limited and its Subsidiaries (“the Company and its Subsidiaries”) would like to report the consolidated operating results and financial position as of 30 September 2021, was reviewed by the auditor. The details are as follows:

Financial Highlight

Statement of Comprehensive Income Unit: million baht or as otherwise stated	9M/63	9M/64	Change YoY%	3Q/63	2Q/64	3Q/64	Change	
							QoQ %	YoY %
Revenues from construction services	2,083.74	1,910.10	-8.33%	656.74	590.97	591.72	0.13%	-9.90%
Sales of construction materials	18.26	6.49	-64.45%	3.76	3.11	0.84	-72.97%	-77.64%
Exchange gain	0.87	4.28	390.71%	10.03	1.51	1.29	-14.83%	-87.18%
Other income	8.70	13.73	57.72%	1.69	3.87	5.77	49.16%	241.89%
Total revenues	2,111.58	1,934.60	-8.38%	672.22	599.46	599.62	0.03%	-10.80%
Cost of construction services	1,615.14	1,652.69	2.32%	513.20	508.55	529.60	4.14%	3.20%
Cost of sales of construction materials	16.88	5.82	-65.52%	2.80	2.96	0.80	-72.95%	-71.45%
Administrative expenses	171.69	189.00	10.09%	55.42	66.41	60.95	-8.22%	9.98%
Reversal allowance for expected credit loss	(0.01)	(17.81)	148,283.33%	-	-	(17.81)	-	-
Total expenses	1,803.69	1,829.71	1.44%	571.42	577.92	573.54	-0.76%	0.37%
Net Operating profit	307.89	104.90	-65.93%	101.80	21.54	26.08	21.05%	-74.13%
Finance revenues	3.14	1.39	-55.71%	1.19	0.55	0.35	-36.93%	-70.89%
Finance cost	(53.93)	(39.17)	-27.38%	(15.26)	(12.51)	(13.64)	9.01%	-10.63%
Profit before income tax expenses	257.10	67.12	-73.89%	87.73	9.58	12.78	33.45%	-85.43%
Income tax expenses	(52.52)	(11.13)	-78.80%	(19.46)	(2.31)	(1.31)	-43.24%	-93.27%
Profit for the year	204.57	55.99	-72.63%	68.26	7.27	11.47	57.80%	-83.19%
Gross Profit Margin (%)	22.49%	13.48%	-	21.86%	13.95%	10.50%	-	-
Net Profit Margin (%)	9.69%	2.89%	-	10.00%	1.21%	1.91%	-	-

Performance 3Q/21

1. **Revenues:** For 3Q/21, the total revenue of the Company and its Subsidiaries was Baht 599.62 million, decreased by Baht 72.60 million or equivalent to 10.80 percent decrease compared to the same period last year. Due to the effect of COVID-19 pandemic and the measures to close the worker's camp, the workers cannot work as usual. The major revenue was from the construction revenue in the number of Baht 591.72 million, decreased by Baht 65.02 million or equivalent to 9.90 percent decrease compared to the same period last year. For 9M/21, the Company and its Subsidiaries has the total revenue of Baht 1,934.60 million, decreased by Baht 176.97 million or equivalent to 8.38 percent decrease compared to the same period last year. The major revenue was from the construction revenue in the number of Baht 1,910.10 million, decreased by Baht 173.63 million or equivalent to 8.33 percent decrease.

2. **Expenses:** For 3Q/21, the total expense of the Company and its Subsidiaries was Baht 573.54 million, increased by Baht 2.12 million or equivalent to 0.37 percent increase compared to the same period last year. The major expenses were from the cost of construction services in the number of Baht 529.60 million, increased by Baht 16.40 million or equivalent to 3.20 percent increase, administrative expense in the number of Baht 60.95 million, increased by Baht 5.53 million or equivalent to 9.98 percent increase compared to the same period last year. For 9M/21, the Company and its Subsidiaries has the total expense of Baht 1,652.69 million, increased by Baht 37.55 million or equivalent to 2.32 percent compare to the same period last year. The administrative expense was Baht 189 million, increased by Baht 17.32 million or equivalent to 10.09 percent increase compared to the same period last year. The change of cost of construction services compared to the same period last year because of the difference of quantity of work and the type of work. The increase in administrative expenses are worker expense, project support expense, and international project expense. The company also recorded reversal allowance for expected credit loss at the amount of Baht 17.81 million as the company received payment from non-performing debtor.

3. **Profitability:** The consolidated financial statements for 3Q/21, showed that the Company and its Subsidiaries had the gross profit of Baht 62.12 million, decreased by Baht 81.42 million or equivalent to 56.72 percent decrease compared to the same period last year. The gross profit margin is 10.50 percent. The net profit is at the amount of Baht 11.47 million, decreased by Baht 55.78 million or equivalent to 82.94 percent decrease. For 9M/21, the Company and its Subsidiaries had the gross profit of Baht 257.41 million, decreased by Baht 211.19 million or 45.07 percent decrease. The Company and its Subsidiaries had the net profit of Baht 55.99 million, decreased by Baht 148.59 million or equivalent to 72.63 percent decrease. The decrease in gross profit and net profit was caused by the COVID-19 pandemic; therefore, the workers cannot work as usual and the difference of the profit structure.

Financial Position

Statement of Financial Position Unit: million baht	As of 30 Sep 2564	As of 31 Dec 2563	Change	
			Amount	%
Total Assets	3,951.69	4,050.02	(98.33)	-2.43%
Total Liabilities	2,600.54	2,661.36	(60.82)	-2.29%
Total Equity	1,351.15	1,388.66	(37.51)	-2.70%

1. **Total Assets:** As of 30 September 2021, the total Assets of the Company and Subsidiaries were Baht 3,951.69 million, decreased by Baht 98.33 million from the previous year or 2.43 percent. The major changes in assets are cash and cash equivalents which decreased by Baht 282.06 million due to an increase in the repayment of trade and other payables, trade and other receivable decreased by Baht 265.93 million, contract assets - unbilled receivables increased by Baht 462.91 million which revenue recognized in proportion of work completed and not yet billed to customer.
2. **Total Liabilities:** As of 30 September 2021, the total Liabilities of the Company and its Subsidiaries were Baht 2,600.54 million, decreased by Baht 60.82 million from the previous year or 2.29 percent. The major changes in liabilities are bank overdrafts and short-term loans from financial institution which increased by Baht 151.26 million due to the usage of cash to increase overall company's liquidity, trade and other payables which decreased by Baht 134.39 million due to an increase in the repayment of trade and other payables, advance receivable from hirers decreased by Baht 63.67 million which decreased accordingly to the billing of completed construction work to the customer and there is a deduction of the advance receivable.
3. **Shareholders' equity:** As of 30 September 2021, total Shareholders' equity of the Company and its Subsidiaries were Baht 1,351.15 million decreased by Baht 37.51 million from the previous year or 2.70 percent due to the increase in comprehensive income for 9-months period by Baht 55.99 million and also decreased by paying the dividend at the amount of Baht 93.50 million.

Yours sincerely,

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Deputy Managing Director for Management and Finance/ Chief Financial Officer (CFO)



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