

RT/SET/HO-6402-003

February 24, 2021

Subject: Management Discussion and Analysis for the year ended 31 December 2020

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 31 December 2020, audited by the auditor. The details are as follows:

### **Operating Performance**

- 1. Revenues:** For the year ended 31 December 2020; the total revenue of the Company and its Subsidiaries was Baht 2,860.80 million, increased by Baht 497.67 million or equivalent to 21.06 percent increase compared to the same period last year. This was primarily attributable to the increase in construction projects. The major revenue was from the construction revenue in the amount of Baht 2,823.34 million, increased by Baht 518.42 million or equivalent to 22.49 percent increase compared to the same period last year. Other income was Baht 37.46 million.
- 2. Expenses:** For the year ended 31 December 2020; the total expense of the Company and its Subsidiaries was Baht 2,500.59 million, increased by Baht 362.23 million or equivalent to 16.94 percent increase compared to the same period last year, resulting from the increase in cost of construction (according to the revenue recognition). This was primarily attributable to the increasing numbers of construction projects. The main expenses were: cost of construction amount of Baht 2,234.67 million, increased by Baht 338.87 million or equivalent to 17.87 percent increase compared to the same period last year: administrative expenses were Baht 245.94 million: and cost of construction materials was Baht 19.99 million.
- 3. Profitability:** The consolidated financial statements for the year ended 31 December 2020 showed that the Company and its Subsidiaries had gross profit in the amount of Baht 588.68 million, increased by Baht 179.56 million, compared to the same period last year, and equivalent to the gross profit margin of 20.85 percent, and had net profit at the amount of Baht 238.12 million, or equivalent to the net profit margin of 8.32 percent. Such increases were a consequence of the construction revenue of the large-scale construction projects.

## Financial Position

4. **Total Assets:** On 31 December 2020, the total assets of the Company and Subsidiaries were Baht 4,050.02 million, increased by Baht 319.48 million from the previous year or 8.56 percent. The major change in assets as cash and cash equivalents increased by Baht 301.23 million, which increased from cash receive from IPO, trade and other receivable increased by Baht 97.22 million, contract assets- unbilled receivables increased by Baht 90.80 million which revenue recognised in proportion of work completed and not yet billed to customer, property plant and equipment decreased by Baht 120.58 million. Such decrease is mainly from the depreciation during the year.
5. **Total Liabilities:** On 31 December, 2020, the total Liabilities of the Company and its Subsidiaries were Baht 2,661.35 million, decreased by Baht 481.84 million from the previous year or 15.33 percent. The major change in liabilities as bank overdrafts and short-term loans from financial institutions decreased by Baht 235.30 million which was decreased by repayment loan as the company received working capital from IPO, advance receivable from hirers decreased by Baht 227.43 million, which decreased from billing of the completed construction work to the customer and there is a deduction of the advance receivable.
6. **Shareholders' equity:** On of 31 December 2020, total shareholders' equity of the Company and its Subsidiaries were Baht 1,388.66 million increased by Baht 801.32 million from the previous year or 136.43 percent. The increase was obtained by capital increase through IPO, by which the company earned after deduction of expenses, the amount of Baht 561.22 million, and total comprehensive income for the year 2020 amount of Baht 240.09 million.

Statement of Comprehensive Income	For the year ended		Changes	
	2020	2019	Amount	%
Unit: million baht				
Revenues from construction contracts	2,823.34	2,304.92	518.42	22.49
Sales of construction materials	20.72	31.77	(11.05)	(34.78)
Exchange gain	1.04	11.75	(10.71)	(91.15)
Other income	15.70	17.83	(2.13)	(11.96)
Total revenues	2,860.80	2,366.26	494.54	20.90
Cost of construction services	2,234.67	1,895.80	338.87	17.87
Cost of sales of construction materials	19.99	27.19	(7.21)	(26.50)
Administrative expenses	245.94	215.37	30.57	14.20
Total expenses	2,500.59	2,138.36	362.23	16.94
Net Operating profit	360.20	224.77	135.43	60.25
Finance revenues	3.23	3.14	0.09	2.87
Finance cost	67.58	72.65	(5.07)	(6.98)
Profit (loss) before income tax expenses	295.85	155.25	140.60	90.56
Income tax benefit (expense)	(57.73)	(24.59)	(33.14)	134.77
Net profit (loss) for the year	238.12	130.66	107.46	82.24
% Net profit (loss) for the year	8.32%	5.53%		

Statement of Financial Position Unit: million baht	As of		Changes	
	2020	2019	Amount	%
Total assets	4,050.02	3,730.54	319.48	8.56
Total liabilities	2,661.36	3,143.20	(481.84)	(15.33)
Total shareholders' equity	1,388.66	587.34	801.32	136.43

It is therefore informed for your acknowledgement and dissemination to the investors and the public.

Yours sincerely,

(Mr. Chaiya Wonglappanich)

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