

11 August, 2021

Subject: Management Discussion and Analysis Quarter 2 Ending 30 June, 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 June 2021, was reviewed by the auditor.

The details are as follows:

Financial Highlight

Statement of Comprehensive Income Unit: million baht or as otherwise	1H/63	1H/64	Change YoY%	2Q/63	1Q/64	2Q/64	Change	
							QoQ %	YoY %
Revenues from construction services	1,427.00	1,318.39	-7.61%	702.27	727.42	590.97	-18.76%	-15.85%
Sales of construction materials	14.51	5.65	-61.04%	3.52	2.54	3.11	22.17%	-11.78%
Exchange gain	-	2.99	-	-	1.48	1.51	1.82%	-
Other income	7.03	7.95	13.18%	0.75	4.08	3.87	-5.17%	418.90%
Total revenues	1,448.53	1,334.98	-7.84%	706.54	735.52	599.46	-18.50%	-15.16%
Cost of construction services	1,101.94	1,123.10	1.92%	524.80	614.55	508.55	-17.25%	-3.10%
Cost of sales of construction materials	14.08	5.02	-64.33%	3.45	2.06	2.96	43.33%	-14.19%
Administrative expenses	116.27	128.05	10.14%	57.06	61.64	66.41	7.74%	16.39%
Exchange Loss	9.16	-	-	4.06	-	-	-	-
Total expenses	1,241.44	1,256.17	1.19%	589.36	678.25	577.92	-14.79%	-1.94%
Net Operating profit	207.09	78.82	-61.94%	117.18	57.27	21.54	-62.38%	-81.61%
Finance revenues	1.96	1.05	-46.53%	1.09	0.50	0.55	9.40%	-49.95%
Finance cost	(38.67)	(25.53)	-33.99%	(18.77)	(13.01)	(12.51)	-3.84%	-33.33%
Profit before income tax expenses	170.38	54.34	-68.11%	99.50	44.76	9.58	-78.60%	-90.37%
Income tax expenses	(33.06)	(9.82)	-70.29%	(19.05)	(7.52)	(2.31)	-69.29%	-87.88%
Profit for the year	137.32	44.52	-67.58%	80.45	37.25	7.27	-80.48%	-90.96%
Gross Profit Margin (%)	22.78%	14.80%	-	25.27%	15.52%	13.95%	-	-
Net Profit Margin (%)	9.48%	3.33%	-	11.39%	5.06%	1.21%	-	-

Performance 2Q/21

1. **Revenues:** For 2Q/21, the total revenue of the Company and its Subsidiaries was Baht 599.46 million, decreased by Baht 107.08 million or equivalent to 15.16 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 590.97 million, decreased by Baht 111.30 million or equivalent to 15.85 percent decrease compared to the same period last year. For 1H/21, the Company and its Subsidiaries has the total revenue of Baht 1,334.98 million, decreased by Baht 113.55 million or equivalent to 7.84 percent decrease compared to the same period last year. The major revenue was from the construction revenue in the number of Baht 1,318.39 million, decreased by Baht 108.61 million or equivalent to 7.61 percent decrease.

2. **Expenses:** For 2Q/21, the total expense of the Company and its Subsidiaries was Baht 577.92 million, decreased by Baht 11.45 million or equivalent to 1.94 percent decrease compared to the same period last year. The major expenses were from the cost of construction services in the number of Baht 508.55 million, decreased by Baht 16.25 million or equivalent to 3.10 percent decrease, administrative expense in the number of Baht 66.41 million, increased by Baht 9.35 million or equivalent to 16.39 percent increase compared to the same period last year. For 1H/21, the Company and its Subsidiaries has the total expense of Baht 1123.10 million, increased by Baht 21.15 million. The administrative expense was Baht 128.05 million, increased by Baht 11.78 million or equivalent to 10.14 percent increase compared to the same period last year. The change of cost of construction services compared to the same period last year because the different of quantity of work and the type of work. The increase of administrative expenses are worker expense, project support expense, and international project expense.

3. **Profitability:** The consolidated financial statements for 2Q/21, showed that the Company and its Subsidiaries had the gross profit of Baht 82.42 million, decreased by Baht 95.05 million or equivalent to 53.56 percent decrease compared to the same period last year. The gross profit margin is 13.95 percent. The net profit is at the amount of Baht 7.27 million, decreased by Baht 73.18 million or equivalent to 90.96 percent decrease. For 1H/21, the Company and its Subsidiaries had the gross profit of Baht 195.29 million, decreased by Baht 129.77 million or 39.92 percent decrease. The Company and its Subsidiaries had the net profit of Baht 44.52 million, decreased by Baht 92.8 million or equivalent to 67.58 percent decrease. The decrease of gross profit and net profit was caused by the COVID-19 pandemic; as a result, the workers cannot work as usual and the difference of the profit structure from the previous year.

Statement of Financial Position Unit: million baht	As of 30 Jun 2564	As of 31 Dec 2563	Change	
			Amount	%
Total Assets	3,743.26	4,050.02	-306.76	-7.57%
Total Liabilities	2,403.56	2,661.36	-257.80	-9.69%
Total Equity	1,339.70	1,388.66	-48.96	-3.53%

Financial Position

1. **Total Assets:** As of 30 June 2021, the total assets of the Company and Subsidiaries were Baht 3,743.26 million, decreased by Baht -306.76 million from the previous year or -7.57 percent. The major changes in assets are cash and cash equivalents which decreased by Baht 247.91 million due to an increase in the repayment of trade and other payables, trade and other receivable decreased by Baht 237.85 million, contract assets - unbilled receivables increased by Baht 187.87 million which revenue recognized in proportion of work completed and not yet billed to customer.
2. **Total Liabilities:** As of 30 June 2021, the total Liabilities of the Company and its Subsidiaries were Baht 2403.5 million, decreased by Baht 257.80 million from the previous year or -9.69 percent. The major changes in liabilities are trade and other payables which decreased by Baht 168.39 million due to an increase in the repayment of trade and other payables, advance receivable from hirers decreased by Baht 40.90 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 June 2021, total shareholders' equity of the Company and its Subsidiaries were Baht 1,339.70 million decreased by Baht 48.95 million from the previous year or -3.53 percent due to an increase in comprehensive income by Baht 44.52 million as shown in the statement of comprehensive income for 6 months period and also decreased by paying dividend during quarter 2 of 2021 at the amount of Baht 93.50 million.

Yours sincerely,

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