

Our Ref. RTCS 005/2565

February 28, 2022

Subject: Management Discussion and Analysis for the Year Ended 31 December, 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 December 2021, reviewed by the auditor. The details are as follows:

**Financial Highlight**

Statement of Comprehensive Income Unit: million baht or as otherwise	For the year ended		Change YoY%
	Dec 31, 2020	Dec 31, 2021	
Revenues from construction services	2,823.34	2,466.34	-12.64%
Sales of construction materials	20.72	6.67	-67.79%
Exchange gain	1.04	4.09	292.63%
Other income	15.70	14.89	-5.14%
<b>Total revenues</b>	<b>2,860.80</b>	<b>2,491.99</b>	<b>-12.89%</b>
Cost of construction services	2,234.67	2,150.74	-3.76%
Cost of sales of construction materials	19.99	5.99	-70.02%
Administrative expenses	245.94	256.49	4.29%
Reversal allowance for expected credit loss	-	(18.55)	-
<b>Total expenses</b>	<b>2,500.59</b>	<b>2,394.68</b>	<b>-4.24%</b>
<b>Net Operating profit</b>	<b>360.20</b>	<b>97.32</b>	<b>-72.98%</b>
Finance revenues	3.23	2.04	-36.86%
Finance cost	(67.58)	(53.52)	-20.81%
<b>Profit before income tax expenses</b>	<b>295.85</b>	<b>45.84</b>	<b>-84.51%</b>
Income tax expenses	(57.73)	(4.30)	-92.55%
<b>Profit for the year</b>	<b>238.12</b>	<b>41.54</b>	<b>-82.56%</b>
Gross Profit Margin (%)	20.85%	12.80%	-
Net Profit Margin (%)	8.32%	1.67%	-

## **Performance**

**1. Revenues:** For the year 2021, the total revenue of the Company and its Subsidiaries was Baht 2,491.99 million, decreased by Baht 368.81 million or equivalent to 12.89 percent decrease compared to last year. Due to the effect of COVID-19 pandemic since the beginning of the year 2021 and the measures to close the worker's camp, the workers were not permitted to work as usual. The major revenue was from the construction revenue in the number of Baht 2,466.34 million, decreased by Baht 357.00 million or equivalent to 12.64 percent decrease compared to last year.

**2. Expenses:** For the year 2021, the total expense of the Company and its Subsidiaries was Baht 2,394.68 million, decreased by Baht 105.92 million or equivalent to 4.24 percent compared to last year. The major expenses were the cost of construction services in the number of Baht 2,150.74 million, decreased by Baht 83.93 million or equivalent to 3.76 percent, administrative expense in the number of Baht 256.49 million, increased by Baht 10.55 million or equivalent to 4.29 percent increase compared to last year. The change of cost of construction services compared to last year because of the difference of quantity of work and the different 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 18.55 million as the company received payment from non-performing debtor.

**3. Profitability:** The consolidated financial statements for the year 2021, showed that the Company and its Subsidiaries had the gross profit of Baht 315.61 million, decreased by Baht 273.07 million or equivalent to 46.39 percent decrease compared to last year. The gross profit margin is 12.80 percent. The net profit is at the amount of Baht 41.54 million, decreased by Baht 196.58 million or equivalent to 82.56 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 Dec 31, 2020	As of Dec 31, 2021	Change	
			Amount	%
<b>Total Assets</b>	4,050.02	3,915.16	(134.86)	-3.33%
<b>Total Liabilities</b>	2,661.36	2,578.59	(82.77)	-3.11%
<b>Total Equity</b>	1,388.66	1,336.56	(52.09)	-3.75%

- Total Assets:** As of 31 December 2021, the total Assets of the Company and Subsidiaries were Baht 3,915.16 million, decreased by Baht 134.86 million from the previous year or 3.33 percent. The major changes in assets are cash and cash equivalents which decreased by Baht 281.83 million due to an increase in the repayment of trade and other payables, trade and other receivable decreased by Baht 250.29 million, contract assets - unbilled receivables increased by Baht 463.59 million which revenue recognized in proportion of work completed and not yet billed to customer.
- Total Liabilities:** As of 31 December 2021, the total Liabilities of the Company and its Subsidiaries were Baht 2,578.59 million, decreased by Baht 82.77 million from the previous year or 3.11 percent. The major changes in liabilities are trade and other payables which decreased by Baht 134.05 million due to an increase in the repayment of trade and other payables and advance receivable from hirers decreased by Baht 44.52 million which decreased accordingly to the billing of completed construction work to the customer and there is a deduction of the advance receivable. Lease liabilities increased by Baht 83.07 million which increase in accordance with the increase in asset that are leased and plan to be used in new projects.
- Shareholders' equity:** As of 31 December 2021, total Shareholders' equity of the Company and its Subsidiaries were Baht 1,336.56 million decreased by Baht 52.09 million from the previous year or 3.75 percent due to the dividend paid at the amount of Baht 93.50 million and comprehensive income for the year 2021 by Baht 41.41 million.

Yours sincerely,

(Mr. Chaiya Wonglappanich)

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



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