

RTCS 014/2566  
 August 14, 2023

Subject: Management Discussion and Analysis Quarter 2 Ending 30 June 2023

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 2023, was reviewed by the auditor. The details are as follows:

**Financial Highlight**

Statement of Comprehensive Income Unit: million baht or as otherwise stated	6M/22	6M/23	Change		2Q/22	1Q/23	2Q/23	Change	
			YoY%					QoQ%	YoY%
Revenues from construction services	1,082.17	1,437.71	32.85%		580.08	619.19	818.52	32.19%	41.10%
Sales of construction materials	2.18	14.93	584.86%		1.91	5.45	9.49	74.13%	396.86%
Exchange gain	2.66	1.93	-27.44%		3.57	0.80	1.13	41.25%	-68.35%
Other income	4.17	4.69	12.47%		2.84	1.91	2.79	46.07%	-1.76%
<b>Total revenues</b>	<b>1,091.18</b>	<b>1,459.26</b>	<b>33.73%</b>		<b>588.39</b>	<b>627.34</b>	<b>831.92</b>	32.61%	<b>41.39%</b>
Cost of construction services	980.29	1,265.23	29.07%		517.25	560.61	704.63	25.69%	36.23%
Cost of sales of construction materials	2.39	14.56	509.21%		2.13	5.43	9.13	68.14%	328.64%
Administrative expenses	112.52	129.96	15.50%		54.54	74.02	55.95	-24.41%	2.59%
<b>Total expenses</b>	<b>1,095.20</b>	<b>1,409.76</b>	<b>28.72%</b>		<b>573.92</b>	<b>640.05</b>	<b>769.71</b>	20.26%	<b>34.11%</b>
<b>Net Operating profit</b>	<b>(4.02)</b>	<b>49.51</b>	<b>1,331.59%</b>		<b>14.47</b>	<b>(12.71)</b>	<b>62.21</b>	589.46%	<b>329.92%</b>
Finance revenues	0.47	0.83	76.60%		0.29	0.21	0.62	195.24%	113.79%
Finance cost	(32.28)	(69.89)	-116.51%		(16.55)	(31.68)	(38.21)	-20.61%	-130.88%
<b>Profit before income tax expenses</b>	<b>(35.83)</b>	<b>(19.55)</b>	<b>45.44%</b>		<b>(1.78)</b>	<b>(44.18)</b>	<b>24.63</b>	155.75%	<b>1,483.71%</b>
Income tax expenses	10.73	2.35	-78.10%		2.00	6.00	(3.65)	-160.83%	-282.50%
<b>Profit for the period</b>	<b>(25.10)</b>	<b>(17.21)</b>	<b>31.43%</b>		<b>0.21</b>	<b>(38.19)</b>	<b>20.98</b>	<b>154.94%</b>	<b>9,890.48%</b>
Gross Profit Margin (%)	9.41%	12.00%			10.83%	9.46%	13.91%		
Net Profit Margin (%)	-2.30%	-1.18%			0.04%	-6.09%	2.52%		

## **Performance**

**1. Revenues:** For 2Q/23, the total revenue of the Company and its Subsidiaries was Baht 831.92 million, increased by Baht 243.53 million or equivalent to 41.39 percent increase compared to last year. The major revenue was from the construction revenue in the number of Baht 818.52 million, increased by Baht 238.44 million or equivalent to 41.10 percent increase compared to last year. For 6M/23, the total revenue of the Company and its Subsidiaries was Baht 1,459.26 million, increased by Baht 368.08 million or equivalent to 33.73 percent increase compared to last year. The increase in revenue was caused by the recognition of revenue has been increased in accordance with the estimated plan.

**2. Expenses:** For 2Q/23, the total expense of the Company and its Subsidiaries was Baht 769.71 million, increased by Baht 195.78 million or equivalent to 34.11 percent compared to last year. The major expenses were the cost of construction services in the number of Baht 704.63 million, increased by Baht 187.37 million or equivalent to 36.22 percent increase compared to last year. For 6M/23, the total expense of the Company and its Subsidiaries was Baht 1,409.76 million, increased by Baht 314.56 or equivalent to 28.72 percent increase compared to last year, according with the estimated plan.

**3. Profitability:** For 2Q/23, showed that the Company and its Subsidiaries had the gross profit of Baht 113.89 million, increased by Baht 51.06 million or equivalent to 81.27 percent compared to last year. The gross profit margin is 13.91 percent. The net profit is at the amount of Baht 20.98 million, increased by Baht 20.77 million or equivalent to 9,890.48 percent. The net profit margin is 2.52 percent. For 6M/23, it showed that the Company and its Subsidiaries had the gross profit of Baht 172.48 million, increased by Baht 70.60 million or equivalent to 69.30 percent. The net loss is at the amount of Baht 17.21 million, decreased by Baht 7.89 million or equivalent to 31.43 percent. The increases in gross profit and net profit were caused by the recognition of revenue has been increased in accordance with the estimated plan.

## Financial Position

Statement of Financial Position Unit: million baht	As of 31 Dec 2022	As of 30 Jun 2023	Change	
			Amount	%
<b>Total Assets</b>	4,515.40	5,507.96	992.56	21.98
<b>Total Liabilities</b>	3,485.18	4,494.98	1,009.80	28.97
<b>Total Equity</b>	1,030.22	1,012.98	-17.24	-1.67

- Total Assets:** As of 30 June 2023, the total Assets of the Company and Subsidiaries were Baht 5,507.96 million, increased by Baht 992.56 million from the end of last year or 21.98 percent. The major changes in assets are contract assets - unbilled receivables increased by Baht 434.24 million which revenue recognized in proportion of work completed and not yet billed to customer, and trade and other receivable increased by Baht 189.77 million.
- Total Liabilities:** As of 30 June 2023, the total Liabilities of the Company and its Subsidiaries were Baht 4,494.98 million, increased by Baht 1,009.80 million from the end of previous year or 28.97 percent. The major changes in liabilities are bank overdrafts and short-term loans from financial institutions which decreased by Baht 120.86 million, contract liabilities - advances received from hirers which increased by Baht 279.03 million and debentures which increased by Baht 694.22 million according to the issuance and offering of debentures named “Debentures of Right Tunnelling Public Company Limited no. 1/2023 due 2025 which the issuer has the right to redeem the debentures before the maturity date” on February 24,2023.
- Shareholders’ equity:** As of 30 June 2023, total Shareholders’ equity of the Company and its Subsidiaries were Baht 1,012.98 million decreased by Baht 17.24 million from the previous year or 1.67 percent due to the comprehensive loss for the 6M/23 by Baht 17.21 million.

Yours sincerely,

(Mr. Pattanapong Suwannachat)

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