

# Annual Registration Statement

## Annual Report 2020 (Form 56-1 One Report)

Right Tunnelling Public Company Limited

2020



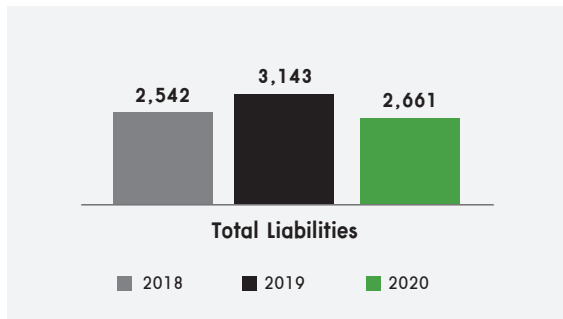
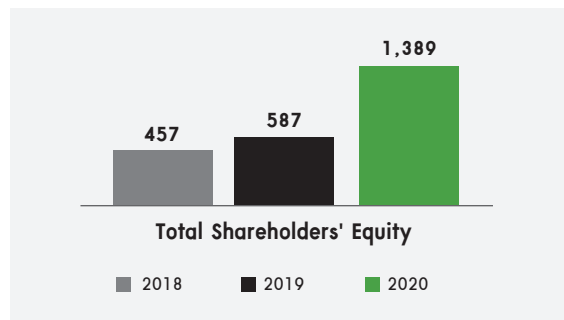
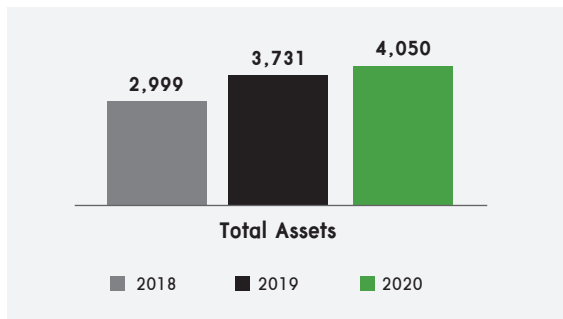




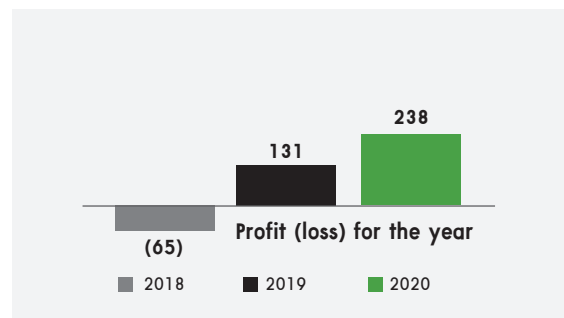
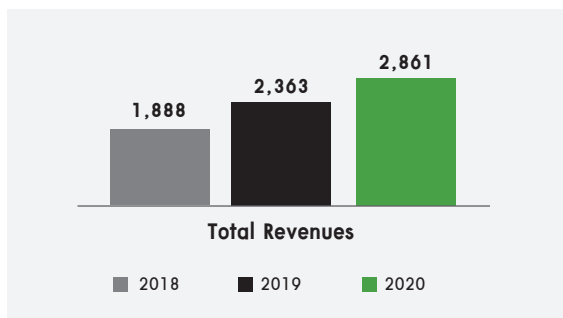
Right Tunnelling Public Company Limited

## Financial Highlights

	2018	2019	2020
<b>Total Assets</b>	2,999	3,731	4,050
<b>Total Liabilities</b>	2,542	3,143	2,661
<b>Total Shareholders' Equity</b>	457	587	1,389



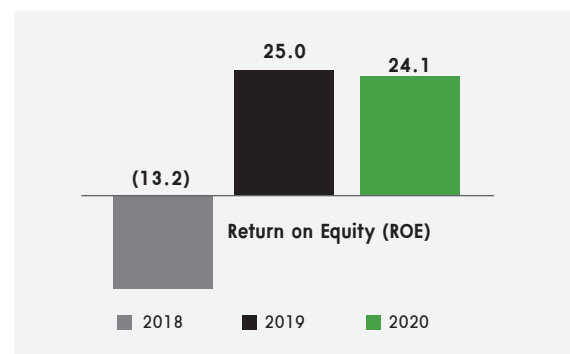
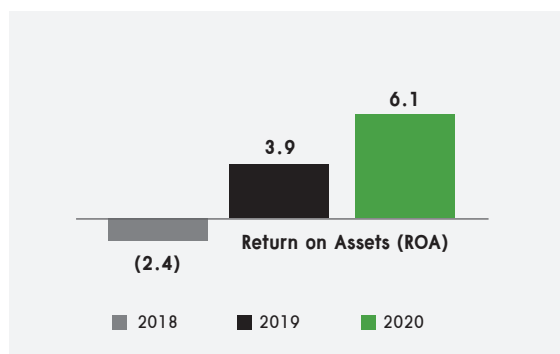
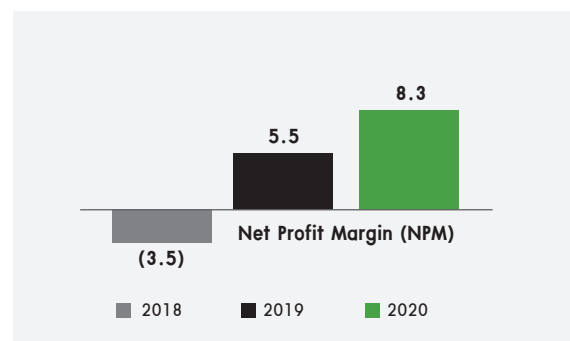
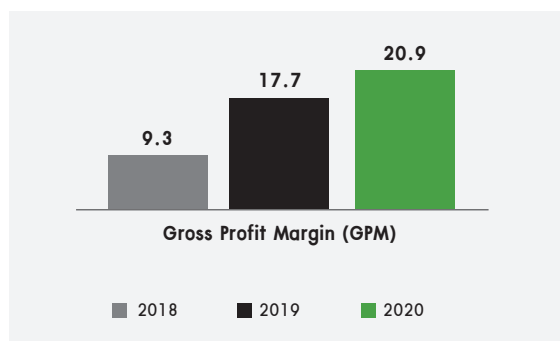
	2018	2019	2020
<b>Total Revenues</b>	1,888	2,363	2,861
<b>Profit (loss) for the year</b>	(65)	131	238







	2018	2019	2020
Gross Profit Margin (GPM)	9.3	17.7	20.9
Net Profit Margin (NPM)	(3.5)	5.5	8.3
Return on Assets (ROA)	(2.4)	3.9	6.1
Return on Equity (ROE)	(13.2)	25.0	24.1





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## Message from Chairman of the Board of Directors

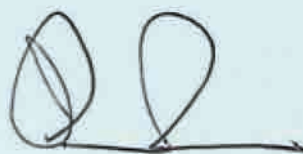


In 2020, the situation of the COVID-19 epidemic is still on going. The Board of Directors has assigned the Corporate Governance and Risk Management Committee to prepare Risk Management Plan, Business Continuity Plan, and Crisis Management Plan. Since the start of the COVID 19 outbreak in the late February, the Company has fully conducted safety and human resource sanitation plans and measures in order to protect and reduce the impacts on operations in the head office and both domestic and overseas construction sites. With the collaboration of the Company's employees and professional universal standard management, the Company can continue to operate in accordance with plans and goals.

Right Tunnelling Public Company Limited or “RT” has been operating for 20 years, with the initial authorized capital of 5 Million Baht, and to 550 Million Baht at the present. In the midst of COVID-19 crisis, the Company has made a major change which is conversion to Public Company and becoming a listed company at the Stock Exchange of Thailand (SET) successfully. The Initial Public Offering is on November 3-5, 2020 and the First Trading Day at the Stock Exchange of Thailand is on November 12, 2020 onward. This conversion is to enhance the Company’s potential, expand the business competitiveness, create a good reputation and image, build loyalty and good reward to employees and shareholders, which will lead the Company to a long-term stability and sustainability.

The Company, under the operation of the Board of Directors, Executives, and employees who have had an intention to develop the organization together for 20 years, will continue adhering to the resolution of good Corporate Governance, honesty, transparency, consciousness, and business ethics, in order to enhance the organization’s potential, efficiency, and sustainable growth. In addition, the Board of Directors, Executives, and employees, have declaration of intent against corruption and driving force the development of work quality to be best, as the slogan says, “Only the best we do”.

On behalf of the Board of Directors, Executives, and employees, we would like to extend our grateful thanks to you all who have always supported and trusted in the Company. I wish you all to believe that the Company will continue to strive to perform their duties with fullest potential, operate the business with good Corporate Governance, be aware of all stakeholders, and have environmental and social responsibility in order to step forward into stable growth and create sustainable returns.

A handwritten signature in black ink, consisting of two large, stylized loops followed by a horizontal line.

**Songpope Polachan, Ph.D.**  
**Chairman of the Board of Directors**

## Message from the Chief Executive Officer



Right Tunnelling Public Company Limited (the Company” or “RT”) has been operating the construction business professionally and with the vision of “Keeping ahead in civil engineering and geotechnical construction.” The Company focuses on the quality construction work and the highest goals are excellent standard of construction work, on-time delivery in the fair price, safety at work, contribution to society, along with the support of environmental preservation.

The Company’s major change in 2020 is to bring the Company to be listed on the Stock Exchange of Thailand with the funding amount of 576 Million Baht, for enhancing the Company’s standard and increasing



opportunities for market expansion both domestic and Southeast Asia. For this fundraising, the Company has a year 2020-2022 plan to invest it in the computer system, equipment, and software and use it as capitals in machinery procurement, vehicle, tools, work shop and warehouse, and as working capital in business operations in 2021.

For the Company's performance in 2020, as of December 31, 2020, the Company can exceed the goal according to the consolidated financial statements or has the highest record growth (New High), grew up by 20% compared to that of the previous year. Moreover, the Company has a larger workload, big projects, and is able to deliver works faster than plans due to the expertise in civil engineering and geotechnology, Hence, The Company Backlog at the end of 2020 is 3,552 Million Baht.

On behalf of the Chief Executive Officer, I would like to extend my grateful thanks to all shareholders, traders, invertors, business partners, customers, and employees that have always supported and trusted in the Company. We are ready to move forward firmly and confidently into our 21st year and will give a worthwhile reward to all stakeholders on transparent business fundamentals with the guidelines of good Corporate Governance and will continue serving the nation as a good organization.

A handwritten signature in black ink, appearing to be 'Chawalit Tanomtin'.

**Mr. Chawalit Tanomtin**  
**Chief Executive Officer**

# The Board of Directors



## 1. Songpope Polachan, Ph.D.

- Chairman of the Board of Directors

## 2. Mr. Chawalit Tanomtin

- Deputy Chairman of the Board of Directors
- Chairman of Executive Committee of Directors
- Corporate Governance and Risk Management Director
- Nomination and Remuneration Director
- Director

## 3. Boonthep Nanegrungsunk, Ph.D.

- Chairman of the Audit Committee
- Independent Director
- Director

## 4. Mr. Suraphong Iamchula

- Chairman of the Corporate Governance and Risk Management Director
- Director

## 5. Mr. Jumptot Kanjanapanyakorn

- Chairman of the Nomination and Remuneration Committee
- Independent Director
- Director

## 6. Mr. Thanapat Pupat

- Auditing Director
- Nomination and Remuneration Director
- Independent Director
- Director

## 7. Mr. Chaiwut Jumnongsutathien

- Auditing Director
- Director
- Independent Director

## 8. Krayim Santrakul, Ph.D.

- Director

## 9. Mr. Natthapong Poome

- Director

## 10. Mr. Surasak Seekhiew

- Corporate Governance and Risk Management Director
- Managing Director
- Director
- Executive Director

## 11. Mr. Chaiya Wonglappanich

- Corporate Governance and Risk Management Director
- Director
- Executive Director

## 12. Mr. Teerayut Chusilp

- Nomination and Remuneration Director
- Director
- Executive Director

## Executive Committee



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**1. Mr. Chawalit Tanomtin**

- Chairman of the Executive Committee
- Chief Executive Officer

**2. Mr. Surasak Seekhiew**

- Managing Director
- Executive Director

**3. Mr. Chaiya Wonglappanich**

- Deputy Managing Director for Management and Finance
- Executive Director

**4. Mr. Teerayut Chusilp**

- Deputy Managing Director for Organization & Legal
- Executive Director

**5. Mr. Wiwat Nualnok**

- Deputy Managing Director for Engineering
- Executive Director

**6. Mr. Koson Kongdaeng**

- Deputy Managing Director for Operation
- Executive Director



## Management Team



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1. **Mr. Chawalit Tanomtin**  
- Chief Executive Officer
2. **Mr. Surasak Seekhiew**  
- Managing Director  
- Deputy Managing Director for Business Development (Acting)
3. **Mr. Teerayut Chusilp**  
- Deputy Managing Director for Organization & Legal
4. **Mr. Chaiya Wonglappanich**  
- Deputy Managing Director for Management and Finance
5. **Mr. Wiwat Nualnok**  
- Deputy Managing Director for Engineering
6. **Mr. Koson Kongdaeng**  
- Deputy Managing Director for Operation
7. **Mr. Charlie Pungpanichkul**  
- Assistant to Managing Director for Operation 2
8. **Mr. Nawin Pongkaew**  
- Assistant to Managing Director for Operation 1
9. **Mr. Panat Kungsuwan**  
- Assistant to Managing Director for Engineering
10. **Mrs. Mechaya Kaewduangdee**  
- Assistant to Managing Director for Business Development





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Keeping ahead in civil engineering and geotechnical  
construction with customer's satisfaction always.

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## Part 1

# Business Operations and Operating Results

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## 1. Company Structure and Operations

### 1.1 Business Policy and Overview

Right Tunnelling Public Company Limited (“the Company” or “RT”) was established on October 6, 2000 by Mr. Chawalit Tanomtin and fellow geologists and engineers. At the inception, the Company engaged in geotechnical works focusing on tunnel construction and rock excavation. RT has expanded its business and clientele; such clients are local government agencies and state enterprises such as Royal Irrigation Department (RID), Electricity Generating Authority of Thailand (EGAT), State Railway of Thailand (SRT), Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA), Department of Highways (DOH), Department of Alternative Energy Development and Efficiency (De De), and also those in the private sector. The Company works include tunnel and underground structure construction, dam construction, hydro power plant construction, pipe jacking and horizontal directional drilling, and other types of construction works, such as slope stabilization and slope failure prevention, soil excavation, rock excavation, geological exploratory drilling, drilling and grouting with cement or chemical materials, mining development, rail tracks installation, road, bridge and drainage.

#### 1.1.1 Operational Goals

The Company has determined Missions, Vision, Goals, and Business Plan as follows:

**Mission:**

- To carry out construction business with quality and sustainable growth
- To perpetuate organizational administration and development on work safety and work ethics among employees with the concept of good governance towards substantiable growth
- To attach importance to potential development of human resources work in line with organizational growth
- To provide appropriate and fair benefits to shareholders and stakeholders
- To be responsible to community, society and environment

**Vision:**

Keeping ahead in engineering and geotechnical construction with customer’s satisfaction always

**Goals:**

- To become a listed company on the Stock Exchange of Thailand
- To be the main contractor in basic infrastructure developer in Thailand

**Slogan:**

“Only the best we do”

**Quality Policy:**

Deliver the highest quality construction. Timely completion with long lasting customer satisfaction.

### 1.1.2 Significant Changes and Development

Year	Significant Situations
2000	<ul style="list-style-type: none"> <li>On October 6, 2000, The Company was established by Mr. Chawalit Tanomtin and fellow geologists and engineers with the initial authorized capital of 5 Million Baht, including a total of 50,000 ordinary shares, at the par value of 100 Baht. At the inception, the Company engaged in geotechnical works focusing on tunnel construction and rock excavation. The Company first project was the Khundan Prakanchon RCC Dam project in Nakornnayok Province of Thailand and the main scope of works was tunnel excavation in hard rock, with a dimension of 3.5 meters and total length of 1,910 meters.</li> </ul>
2005	<ul style="list-style-type: none"> <li>On December 29, 2005, The Company increased the authorized capital from 5 Million Baht to 20 Million Baht to accommodate the business expansion and working capital.</li> </ul>
2008	<ul style="list-style-type: none"> <li>On November 24, 2008, The Company increased the authorized capital from 20 Million Baht to 40 Million Baht.</li> </ul>
2009	<ul style="list-style-type: none"> <li>On September 28, 2009, The Company increased the authorized capital from 40 Million Baht to 60 Million Baht.</li> </ul>
2010	<ul style="list-style-type: none"> <li>On November 15, 2010, The Company increased the authorized capital from 60 Million Baht to 100 Million Baht.</li> </ul>
2011	<ul style="list-style-type: none"> <li>On December 28, 2011, The Company increased the authorized capital from 100 Million Baht to 200 Million Baht.</li> </ul>
2013	<ul style="list-style-type: none"> <li>On August 23, 2013, The Company received a Quality Compliance Certification (ISO 9001: 2008) ,the standard for a quality system and management in every area of business, from Bureau Veritas Thailand Ltd.</li> </ul>
2014	<ul style="list-style-type: none"> <li>Received the Housekeeping and Best Contractor Award For the year 2014 from CH.Karnchang (LAO) CO.,LTD.</li> <li>On January 22, 2014, The Company entered into a joint venture with Vichitbhan Group Construction Co., Ltd. (Right Tunnelling - Vichitbhan Group Construction Co., Ltd.) for the construction of Mae Saluom Dam Royal Project.</li> <li>On November 27, 2014, The Company entered into a Right Tunnelling- Saha Burana Technology Joint Venture for the construction project of pipe jacking work in Rattanakosin 200 Years Project, Bang Bor, Bang Bor, Samut Prakan.</li> </ul>
2015	<ul style="list-style-type: none"> <li>On November 13, 2015, The Company entered into a Right Tunnelling- Saha Burana Technology Joint Venture for the construction project of pipe jacking work for the drainage system in Srinakarin-Romklao Road Phase 6 Project, Samut Prakan.</li> </ul>
2016	<ul style="list-style-type: none"> <li>On August 17, 2016, The Company increased the authorized capital from 200 Million Baht to 400 Million Baht, to enhance its competitiveness as working capitals for business expansion, machine, tools and software purchase and projects investment.</li> <li>On June 2, 2016, the Company established Right Tunnelling Myanmar Company Limited, for serving construction services, and engineering consulting,</li> <li>On August 26, 2016, The Company received a Quality Compliance Certification (ISO 9001: 2015 2008), the standard for the quality system and management in every area of business and a modified version from ISO 9001:2008 received in 2013 from Bureau Veritas Thailand Ltd.</li> <li>On September 27, 2016, The Company established a Rudee Prayong - Right Tunnelling Consortium.</li> </ul>



Year	Significant Situations
2017	<ul style="list-style-type: none"> <li>On August 1, 2017, The Company established a Mvm Rail (Thailand) - Sakdaporn - Right Tunnelling Consortium.</li> <li>On August 11, 2017, The Company established an ITD - RT Joint Venture, for bidding the Track Doubling for The East Coast Line Project. (Map Kabao Section – Thanon Chira Junction Contract 3: Railway Tunnel) Project.</li> <li>On August 29, 2017, The Company established a Right Tunnelling - Sia Construction &amp; Management Joint Venture.</li> </ul>
2019	<ul style="list-style-type: none"> <li>February 20, 2019, The Company established a Right Tunnelling - Bangkok Civil Line Joint Venture.</li> </ul>
2020	<ul style="list-style-type: none"> <li>On June 11, 2020, the Company converted into a public company limited and changed the name to Right Tunnelling Public Company Limited. and registered to increase the capital with the Ministry of Commerce. The Company then has the registered capital of 550.00 Million Baht and paid-up capital of 400.00 Million Baht.</li> <li>On November 12, 2020, the Company entered the First Trading Day at the Stock Exchange of Thailand.</li> </ul>

### 1.1.3 Use of proceeds

Right Tunnelling Public Company Limited (“the Company” or “RT”) has offered the Initial Public Offering (IPO) of newly issued ordinary shares (IPO) totaling 300,000,000 shares, par value at 0.50 Baht and IPO price at 1.92 Baht. The amount after deduction of the expense incurred from this offering will be approximately 557.52 Million Baht. The use of proceeds are as follows:

Use of Proceeds	Amount (Million Baht)	Expected to be used in	Details
1. To invest in computer systems, devices and software	10.00	2020 - 2022	Assets used in Company’s core business
2. To invest in machinery, vehicles and equipment	54.00	2020 - 2022	
3. To be used to finance the construction of new workshop and warehouse	10.00	2020 - 2021	Construction at RT’s headquarter to support core business.
4. To be used as working capital in business operation	483.52	2021	

The Company has offered the Initial Public Offering (IPO) of newly issued ordinary shares (IPO) totaling 300,000,000 shares, par value at 0.50 Baht and IPO price at 1.92 Baht. After deduction of the expense incurred from this offering, the remaining proceeds are at the amount of 557.52 Million Baht.

The Company would like to report the use of the proceeds received from the offering of the newly issued ordinary shares as of December 31, 2020 as follows:

Unit: Million Baht

Objectives	IPO Proceeds from fund raising	Accumulated Utilization of proceeds as of December 31, 2020	Outstanding balance as of December 31, 2020
1. To be used to finance computer systems, equipment, and software	10.00	0.89	9.11
2. To be used as funds for machinery, vehicles, tools, and equipment	54.00	9.74	44.26
3. To be used to finance the construction of new workshop and warehouse	10.00	-	10.00
4. To be used as working capital in business operation	483.52	295.13	188.39
<b>Total</b>	<b>557.52</b>	<b>305.76</b>	<b>251.76</b>

If the funds raised from the IPO are insufficient for the aforementioned objectives, The Company will seek additional funding from financial institutions.

#### 1.1.4 Company Highlight

Company Name	: Right Tunnelling Public Company Limited
Company Registration No.	: 0107563000142
Type of Business	: Providing civil engineering and geotechnical works that require expertise and high technology such as underground and open excavation general civil works, geotechnical works, mining development, geological exploration and ore reserve evaluation.
Address (Head Office)	: No. 292 Moo 4, Bangna - Trad (KM 26) Rd., Bang Bor, Bang Bor, Samut Prakarn 10560
Telephone	: 02-313-4848
Fax	: 02-313-4849, 4787
Website	: <a href="http://rtco.co.th/">http://rtco.co.th/</a>
Authorized Capital	: 550,000,000 Baht (Five hundred and fifty Million Baht)
Paid-Up Capital (Before IPO)	: 400,000,000 Baht (Four hundred Million Baht)
Paid-Up Capital (After IPO)	: 550,000,000 Baht (Five hundred and fifty Million Baht)
Par Value	: 0.50 Baht (Fifty satang)



## 1.2 Nature of Business Operations

### 1.2.1 Revenue Structure

#### Revenue structure by scope of work

Revenue Structure	2017		2018		2019		2020	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion
<b>Service revenue</b>								
1. Tunnel & Shaft Construction	798.00	31.88	1,201.76	63.60	1,401.46	59.23	1,668.43	58.25
2. Dam Construction	161.57	6.45	15.73	0.83	4.30	0.18	0	0
3. Hydro Power Plant Construction	996.63	39.81	296.06	15.67	121.86	5.15	21.45	0.75
4. Pipe Jacking (PJ) & Horizontal Directional Drilling (HDD)	328.92	13.14	208.74	11.05	264.73	11.19	327.77	11.44
5. Others Works	156.80	6.26	138.83	7.35	512.57	21.66	805.69	28.13
<b>Revenue from construction services</b>	<b>2,441.92</b>	<b>97.54</b>	<b>1,861.12</b>	<b>98.49</b>	<b>2,304.92</b>	<b>97.41</b>	<b>2,823.34</b>	<b>98.58</b>
Sales of construction materials <sup>/1</sup>	6.18	0.25	3.35	0.18	31.77	1.34	20.72	0.72
Other incomes <sup>/2</sup>	55.33	2.21	25.22	1.33	29.58	1.25	19.97	0.70
<b>Total revenues</b>	<b>2,503.43</b>	<b>100.00</b>	<b>1,889.68</b>	<b>100.00</b>	<b>2,366.26</b>	<b>100.00</b>	<b>2,864.03</b>	<b>100.00</b>

**Remarks:** <sup>/1</sup> Sales of construction materials are sales of construction materials to contractors of projects that RT operates. These are general construction materials such as oil, steel, and concrete. Pricing policy is cost-plus pricing.

<sup>/2</sup> Other Incomes are such as rental income, other service incomes, and interest incomes.

#### Revenue structure by type of operation

โครงสร้างรายได้	2017		2018		2019		2020	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion
<b>Service revenue</b>								
1. Main contractor	1,129.22	45.11	1,523.27	80.61	1,645.47	69.54	2,061.75	71.99
2. Subcontractor	1,312.70	52.44	337.85	17.88	659.45	27.87	761.59	26.59
<b>Revenue from Construction Services</b>	<b>2,441.92</b>	<b>97.54</b>	<b>1,861.12</b>	<b>98.49</b>	<b>2,304.92</b>	<b>97.41</b>	<b>2,823.34</b>	<b>98.58</b>
Sales of Construction Materials <sup>/1</sup>	6.18	0.25	3.35	0.18	31.77	1.34	20.72	0.72
Other incomes <sup>/2</sup>	55.33	2.21	25.22	1.33	29.58	1.25	19.97	0.70
<b>Total revenues</b>	<b>2,503.43</b>	<b>100.00</b>	<b>1,889.68</b>	<b>100.00</b>	<b>2,366.26</b>	<b>100.00</b>	<b>2,864.03</b>	<b>100.00</b>

**Remarks:** <sup>/1</sup> Sales of construction materials are sales of construction materials to contractors of projects that RT operates. These are general construction materials such as oil, steel, and concrete. Pricing policy is cost-plus pricing.

<sup>/2</sup> Other Incomes are such as rental incomes, other service incomes, and interest incomes.

## Revenue structure by location

Revenue Structure	2017		2018		2019		2020	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion	Million Baht	Proportion
<b>Service revenue</b>								
1. Domestic Service	1,125.48	45.01	1,616.50	85.54	2,229.80	94.36	2,702.44	94.46
2. Oversea Service	1,316.44	52.64	244.63	12.96	75.12	3.18	120.91	4.23
<b>Revenue from construction services</b>	<b>2,441.92</b>	<b>97.65</b>	<b>1,861.13</b>	<b>98.60</b>	<b>2,304.92</b>	<b>97.54</b>	<b>2,823.34</b>	<b>98.69</b>
Sales of construction materials <sup>/1</sup>	6.18	0.25	3.35	0.18	31.37	1.33	20.72	0.72
Other incomes <sup>/2</sup>	52.51	2.10	23.06	1.22	26.84	1.14	16.74	0.59
<b>Total revenues</b>	<b>2,500.61</b>	<b>100.00</b>	<b>1,887.54</b>	<b>100.00</b>	<b>2,313.13</b>	<b>100.00</b>	<b>2,860.80</b>	<b>100.00</b>

**Remarks:** <sup>/1</sup> Sales of construction materials are sales of construction materials to contractors of projects that RT operates. These are general construction materials such as oil, steel, and concrete. Pricing policy is cost-plus pricing.

<sup>/2</sup> Other Incomes are such as rental incomes, other service incomes, and interest incomes.

## 1.2.2 Product Information

### Nature of Product and Service

The Company provides civil engineering and geotechnical works that require expertise and high technology. The staff of engineers, geologists and technical personnel are those acquainted with and expertise in underground and open excavation general civil works, geotechnical works, mining development, geological exploration and ore reserve evaluation.

Currently, the Company provides construction services categorized as follows:

1. Tunnel & Shaft Construction
2. Dam Construction
3. Hydro Power Plant Construction
4. Pipe Jacking (PJ) & Horizontal Directional Drilling (HDD)
5. Others

For each service, the Company's construction is in line with project consultants and designers. The details are as follows:

### 1. Tunnel & Shaft Construction

Tunnel construction needs complex techniques, including construction methods, steps, engineers' high expertise and experiences, efficient construction tools and measuring instruments as it is an underground construction



in a confined space with limited fresh air to breathe and work obstruction of ingress water as well as varying soil or rock strata which is unforeseen by its nature. Because unconformity of rock strata is quite a common thing during the construction, design change of the structure is necessary to suit the conditions of soil and rock.

The Company's tunnel construction can be divided into 3 types as follows:

1) Tunnel in the Dam / Water Tunnel as part of irrigation work, tunnel as part of Hydro Power Plant work such as Diversion Tunnel for water diversion in dam construction, Water Tunnel, and Downstream Tunnel

2) Railway Tunnel

3) Road Tunnel

These 3 types of tunnel construction are different in terms of tunnel construction techniques and methods, geological conditions, supporting, tunnel lining construction, tunnel alignment, conveyor system of materials and equipment, construction site surroundings together with tunnelling facilities and utilities such as air ventilation system and signaling system etc.

#### Examples of the Company's Tunnel and Shaft Construction Works

Project	Project Owner	Project Value (Million Baht)	Year	Scope of Work	Type
1) The Increase of Reservoir Volume of Mae Kuang Udom Thara Dam Project (Mae Taeng - Mae Ngud Water Tunnel), Chiang Mai Province, Thailand.	Royal Irrigation Department	2,882.99	2016-2022	Work on the whole project	Main contractor
2) Track Doubling Project for Northeastern Line Map Kabao - Thanon Chira Junction, Saraburi - Nakhonratchasima Province, Thailand.	State Railway of Thailand	2,344.21	2018-2021	- Tunnelling Work - Track Works - Road and Station Yards - Pipe and Drainage	Main contractor
3) Construction of Low - Pressure Tunnel & High - Pressure Tunnel Xe Pian - Xe Namnoy Hydropower Project, Lao PDR.	Xe-Pian Xe - Namnoy Hydroelectric Power Co., Ltd.	1,108.99	2013-2018	- Platform/Portal - Access Adit - Power Intake - Underground Works; Tunnel Excavation - Concrete Lining, - Temporary Supports, Grouting	Subcontractor
4) Track Doubling for East Coast Line Project (Chacheongsao - Khlong Sipkao - Kaengkhohi), Saraburi Province, Thailand. Contract 2: Phra Buddha Chai Tunnel Section	State Railway of Thailand	368.55	2016-2018	Work on the whole project	Main contractor
5) Construction of Diversion Tunnel Works and Grouting Works of Dauntri Dam Development Project. Battambang, Cambodia.	Ministry of water resources and meteorology, Cambodia	187.99	2019-2021	Diversion Tunnel and Intake Tower Grouting Works for Main Dam and Spillway	Subcontractor
6) Headrace Tunnel, Thaukyegat (2) Hydropower Project	Asia World Co., Ltd.	175.04	2010-2013	Work on the whole project	Main contractor

**Remark:** \*\* The Company operating under joint venture

## Examples of the Company's Tunnel and Shaft Construction Works



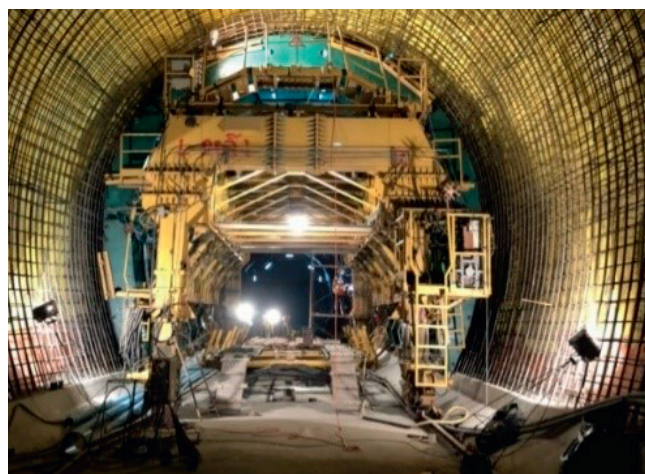
Nam Ngum 2 Hydroelectric Power Project



Headrace Tunnel, Thaukyegat (2) Hydropower Project



Tunnel Breakthrough: The Increase of Reservoir Volume of Mae Kuang Udom Thara Dam Project (Mae Taeng – Mae Ngud Water Tunnel), Chiang Mai



Track Doubling Project for Northeastern Line Map Kabao - Thanon Chira Junction, Saraburi - Nakhonratchasima

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## **2. Dam Construction**

Dam is the infrastructure used for water resources development by retaining excess water for beneficial use. The construction of dam needs interdisciplinary engineering technology like Water and Hydraulic Engineering, Civil Engineering and Geology, Electrical Engineering, Mechanical Engineering, and Environmental Engineering. Dam utilizations include Domestic Uses, Irrigation, Power generation, Flood protection, Communication, Fishery, and Tourism and Recreation.

### Examples of the Company's Dam Construction Works

Project	Project Owner	Project Value (MillionBaht)	Year	Scope of Work	Type
1) Mae Saluom Dam Project, Chiang Mai, Thailand /**	Royal Irrigation Department	567.36	2014-2017	Work on the whole project	Main contractor
2) Improvement of Namkong 2 Hydropower Project	Chaleun Sekong Group Co.,Ltd.	155.20	2016-2017	Dam Improvement	Main contractor
3) Nam Louk Dam Construction : Hongsa Mine Mouth Power Project	Hongsa Power Co.,Ltd.	446.16	2010-2013	Dam Construction, Quarry, Slope Stabilization	Subcontractor

**Remark:** \*\* The Company operating under joint venture

### Examples of the Company's Dam Construction Works



Kwae Noi Dam Project, Chiang Mai



Nam Louk Dam Construction: Hongsa Mine Mouth Power Project



Mae Saluom Dam Project, Chiang Mai



Nam Ngum 2 Hydroelectric Power Project, Lao PDR



### 3. Hydro Power Plant

The Company is the operator of both mini and large sizes of Hydro Power Plant Construction, Power Plant Downstream, as well as all structures such as Mini Hydroelectric Development Project and Civil Work. Moreover, the Company is a contractor of Reinforce Concrete Structure for Power house and Irrigation Work such as Intake and Spillway Structure, Concrete Chimney, and Navigation Lock.

#### Examples of the Company's Hydro Power Plant Works

Project	Project Owner	Project Value (MillionBaht)	Year	Scope of Work	Type
1) Major Civil Works of Power House, Xayaburi Hydro Power Project, Lap PDR.	Xayaburi Hydroelectric Power Co., Ltd.	2,529.76	2014-2017	Do the whole Civil Works of Power House No. 2,3,4, and 5	Subcontractor
2) Klong Tron Hydropower Project Uttaradit, Thailand	Electricity Generating Authority of Thailand	198.12	2017-2020	Work on the whole project	Main contractor

#### Examples of the Company's Hydro Power Plant Works



Major Civil Works Of Power House,  
Xayaburi Hydro Power Project, Lap PDR.



Klong Tron Hydropower Project Uttaradit

#### 4. Pipe Jacking & Horizontal Directional Drilling

Microtunnelling has been developed and technologically transferred from Tunnelling. Nowadays, this kind of microtunnelling technology has widely been adopted for construction works such as pipelines undercrossing road intersections, pedestrian underpass, pipelaying in waste water drainage and treatment, gas pipeline, raw water supply or treated water supply pipes, electrical conduits or duct banks, telephone lines, communication signal lines as well as other communication systems by using the same drilling control system and similar stabilizing system, which are called in different technical names i.e., Microtunnelling, Pipe Jacking (PJ), Pipe Bursting, Horizontal Directional Drilling (HDD), etc.

##### Examples of the Company's Pipe Jacking & Horizontal Directional Drilling Works

Project	Project Owner	Project Value (MillionBaht)	Year	Scope of Work	Type
1) Pipe Jacking & Manhole, Yellow Line MRTA Project, Bangkok, Thailand	Metropolitan Electricity Authority	1,257.50	2017-2021	Pipe Jacking, HDD, and Repairing of Road Surface	Subcontractor
2) Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, Thailand /**	Metropolitan Electricity Authority	254.20	2016-2018	Work on the whole project	Main contractor
3) Pipe Jacking & Manhole, Sri-Nakarin Rom Klao Part 6 Project, Bangkok, Thailand	Metropolitan Electricity Authority	203.88	2015-2018	Work on the whole project	Subcontractor by Main contractor hired RT work on the whole contract
4) Pipe Jacking & Manhole, Sri-Nakarin Rom Klao Part 4 Project, Bangkok, Thailand	Metropolitan Electricity Authority	84.82	2015-2017	Work on the whole project	Subcontractor by Main contractor hired RT work on the whole contract

**Remark:** /\*\* The Company operating under joint venture

Examples of the Company's Pipe Jacking & Horizontal Directional Drilling Works



Pipe Jacking & Manhole, Prag - Gasa Station Project, Samut Prakan



Pipe Jacking & Manhole, Yellow Line MRTA Project, Bangkok (Horizontal Directional Drilling Method)



## 5. Others

The Company is the operator of Slope Stabilization, Earth and Rock Excavation in Blasting and Drilling modes, Geological Exploratory Drilling, Grouting work, Mining work, Rail work, and others.

### Examples of the Company's construction Works

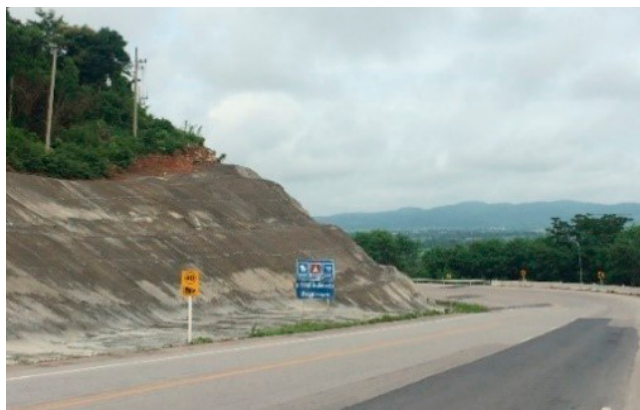
Project	Project Owner	Project Value (MillionBaht)	Year	Scope of Work	Type
1) Civil Works for Highway 22 A. Nong Han-A.Phang Khon Section 1 Km.60+000-Km.75+850, Km.79+420-Km.88+000	Department of Highways	754.93	2018-2021	Work on the whole project	Subcontractor
2) Slope Protection Work of Chantuk - Klong Khananchit Railway Station Project	State Railway of Thailand	65.78	2017	Work on the whole project	Main contractor
3) Slope Protection Work of Highway No.205 Lamnarai Municipality-Chong Samran Part 2 Project	Office of Highways 11, Department of Highways	37.29	2017-2018	Work on the whole project	Main contractor
4) Sri Song Rak Floodgate Project, Loei, Thailand	Royal Irrigation Department	1,429.31	2019-2022	Work on the whole project	Main contractor
5) Xe Pian-Xe Namnoy Hydroelectric Power Project: Civil Package 3, Dam Grouting	SK Engineering and Construction Co., Ltd	185.04	2014-2016	Temporary Supports, Grouting	Subcontractor
6) Phuthapfa Gold Mine Phase 1 Project, Loei, Thailand	Thung Kum Co., Ltd.	75.77	2010-2011	Blasting work and loading and transportation	Main contractor
7) Kyaikthalan Pagoda Slope Stabilization Project	Government of MON State	37.56	2019-2020	Work on the whole project	Main contractor

**Remark:** /\*\* The Company operating under joint venture

### Examples of the Company's Construction Works



Civil Works for Highway 22 A. Nong Han - A. Phang Khon, Udon Thani-Sakon Nakhon, Thailand



Slope Protection Work of Highway No. 205 Lamnarai Municipality - Chong Samran Part 2 Project

Therefore, the Company's construction operation can be divided into 2 types:

1) Main Contractor – The Company directly submits proposals in its own name as contractor through bidding process or negotiate with project owners including works from government agencies, state enterprises, and private sectors. In the acceptance of projects in this manner, the Company does not solely carry out the entire construction work, but subcontracts parts of such work.

2) Subcontractor – The Company accepts work from other contractors that are awarded the work directly from project owners. The work of this nature would mostly be large sized and sophisticated or requiring construction contractors with various capabilities and fields of experience. A single main contractor does not have adequate experience and skills to proceed with all steps of the work and deliver the works on time, so he/she has to hire other subcontractor to certain kinds of work like electrical & mechanical system Installation, cutting, bending, installation work of electrical system and mechanical system, reinforcement bar cutting, bending and tying of a reinforced concrete work, erection of concrete formworks and concrete placing, geological investigation and sampling collection and services like transporting trucks, etc. The company seeks the subcontractor with required qualifications in line with the company selection guideline.

### **1.2.3 Marketing and Competition**

#### **Marketing Strategy**

The Company has expertise in construction engineering and geotechnical technology. The Company has committed to deliver the highest quality construction and timely completion for long-lasting customer satisfaction with the specialized experienced and expertise staff. The Company operates construction engineering business and geotechnical technology to create works that meet the construction standard quality, safety, occupational health, and working environment. Moreover, The Company has a website: <http://rtco.co.th/> to display The Company's projects.

#### **Nature of Customers and Target Customers**

The Company serves both domestic and international customers. The domestic customers can be divided into 3 groups, namely government agencies, state enterprises, and private sectors. For international customers, the major customers are private sectors.

The domestic customers can be divided into 3 groups as follows:

##### **1. Government Agencies**

Government agencies are the major domestic customer of The Company. In 2017 – 2020, the Company had revenue from the government agencies from construction service as 21.56, 49.75, 35.26 and 30.72, respectively. As the government agencies are laying foundation of the country's infrastructure, which is considered a significant foundation in the nation's development, the country's establishment of policy and construction project will promote the private sector to invest in the government's projects. The government agency customers of the Company are Royal Irrigation Department, Department of Mineral Resources, The Supreme Command Headquarters, Department of Highways, Department of Public Works, Department of Groundwater Resources, etc.

##### **2. State Enterprises**

A state enterprise is the organization with the government as the major shareholder or the owner. It is the organization owned or controlled by the federal government with profit-making intention. In 2017 – 2020, the Company had revenue from the domestic state enterprises as 17.54, 31.69, 36.00, and 40.38, respectively. The state enterprise customers of the Company are Electricity Generating Authority of Thailand, Metropolitan Electricity Authority, Provincial Electricity Authority, Airports of Thailand, and State Railway of Thailand, etc.



### 3. Private Sectors

The private sector has a significant role in construction investment in the country. In 2017 – 2020, the Company had revenue from the private sector from construction service as 60.90, 18.57, 28.73 and 24.37, respectively. The private sector customers in Thailand of the Company are Italian - Thai Development Corporation Limited (ITD), Sino-Thai Engineering And Construction Public Co.,Ltd., and Banchakij Company Limited, etc. The Company also has the private sector customers in other countries such as CH. Karnchang (Laos) Company Limited, Hongsa Power Company Limited, Geotechnical & Foundation Engineering Co., Ltd., and Kyeryong Construction & Industrail Co., Ltd.

#### Competition

Nowadays, there are more than 80,000 construction service companies (Source: Department of Business Development, 2018). There are about 55 large-sized contractors, but the market share is 50% of the market value (considered from size of income). Most large-sized contractors are the listed companies. The differences of large-sized contractors and SMEs are as follows:

Type	Large-Sized Contractors	SMEs
<b>Skills/Expertise</b>	Large-sized contractors are able to work effectively on both public and private sectors, particularly on mega projects, high-rise buildings and other high-value projects with specific requirements and supply chain linkage. Work is therefore abundant and large-sized contractors are able to exploit economies of scale.	Most SMEs engage in general construction works, though some mid-sized companies may specialize in areas such as foundation work or road construction.
<b>Financial Strength</b>	Large-sized contractors enjoy financial strength and this allows them to take on large projects.	SMEs have limited assets and this restricts their ability to undertake large projects, though they are able to participate in these as subcontractors.
<b>Building Technology</b>	These companies are able to invest in the development and deployment of modern technology, bringing savings in time and costs and reducing the risk of labor-shortages. They may also have investments in companies manufacturing construction materials, such as prefabricated concrete.	At present, SMEs tend not to develop their own technology and still rely heavily on labor but they have started to use more ready-made materials, such as precast concrete and metal sheet walling.
<b>Bargaining Power with Suppliers</b>	Larger companies are able to exploit economies of scale to extract advantages when negotiating with suppliers of materials.	SMEs have a weaker bargaining position when dealing with suppliers.
<b>Cost Management</b>	Large-sized contractors are professionally administered and systematically able to plan and manage stocks.	Most SMEs are family businesses and as such their stock management tends to be somewhat inefficient.

(Source: Krungsri Research, Industry Outlook 2019-2021, Construction Contractors, June 2019 )

Remark: The segmentation of subcontracting companies (Small and Medium Enterprises) as per the Ministry of Industry

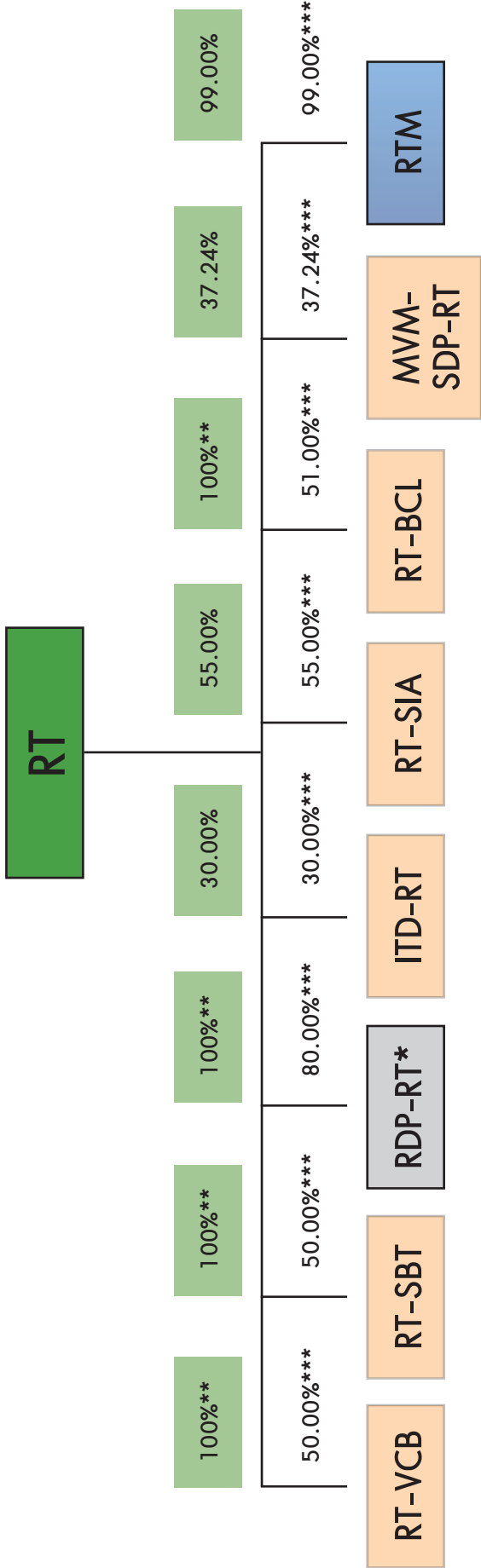
## **1.2.4 Procurement of Products or Services**

### **Construction Materials Procurement**

Significant construction materials of the Company in construction service are such as concrete, cement, steel, metals, explosive, construction chemicals, tools supplies, electrical system. The Company has the concrete pipe foundry located closed to the construction sites for construction works such as Pipe Jacking Project. In procuring construction materials for construction service, the Company has procured both from domestic and overseas, but mostly domestic, except for the materials that need to be specifically sourced from overseas as per the employer's contract. The procurement is in line with the Company's procurement policy. There is also an approval and procurement plan for price comparison from at least 2 vendors from the vendor list. Procurement without price comparison is done only for special goods with certain specifications or those supplied by a sole dealer. However, a procurement approval must be given by the authority first and then a purchase is made at the appropriate price.

Previously, the Company has never encountered a procurement problem or a material shortage, except for the price risk of construction materials like steel, metal, and concrete. This is especially of the steel's price which is fluctuated by demand and supply of the world market. The fluctuation of material price might affect the Company's cost management. However, the Company has followed the news and material price tendency all the time for managing the project costs efficiently. The Company does not rely on any particular dealer because the Company's resource materials are common construction materials, so there are plenty of dealers selling them. The Company has procurement steps, comparing the prices of at least 2 vendors and conduct evaluation on dealers in a specified period, to ensure material quality and material reasonable cost for the Company's best benefit.

1.3 Shareholding Structure of Company Group



Remarks: \* The company is in processing of registration of business closure.  
\*\* Interest in joint venture after the transfer of interest from other party  
\*\*\* Proportion by joint venture and responsibility as contract



## **Subsidiary**

### **1. Right Tunnelling Myanmar Company Limited (RTM)**

Established Date	: June 2, 2016
Address	: No.1110, Byamaso Street, 4 Block, South-Okkalapa Township, Yangon.
Nature of Work	: 1. Construction Services 2. Engineering, Services 3. Geotechnical and Civil Engineering Consulting 5. Mining and Engineering Consulting
Joint Venture and Responsibility	: Right Tunnelling Company Limited holds 99.00% Mr. Chawalit Tanomtin holds 1.00%
Authorized Capital	: USD 150,000
Paid-Up Capital	: USD 150,000
Common Stock	: 150,000 shares
Par Value	: USD 1
Directors	: 1. Mr. Chawalit Tanomtin 2. Mr. Teerayut Chusilp 3. Mr. Chaiya Wonglappanich
Authorized Directors	: 1. Mr. Chawalit Tanomtin 2. Mr. Teerayut Chusilp 3. Mr. Chaiya Wonglappanich Two of three directors to sign and affix the Company seal

## **Joint Ventures**

The Company has Joint Ventures with outside companies which are not related to Shareholders, Directors, and the Company's Executives.

### **1. Right Tunnelling-Vichitbhan Construction Joint Venture (RT-VCB)**

Contract Signing Date	:	January 22, 2014
Head Office	:	292 Moo 4, Bang Bor, Bang Bor, Samutprakarn 10560
Nature of Work	:	Construction of Mae Saluom Dam Project, Chiang Mai
Joint Venture Purpose	:	For signing a contract to be a contractor of Royal Irrigation Department and construction according to the conditions specified in the contract, liaising with other related departments, and operating the project until completion
Joint Venture and Responsibility	:	Right Tunnelling Company Limited holds 50.00% Vichitbhan Group Construction Co., Ltd. holds 50.00%
Remark	:	Vichitbhan Group Construction Co., Ltd. has transferred the Joint Venture's interest to Right Tunnelling Company Limited. Right Tunnelling Company Limited has proportion in Joint Venture 100 %.

### **2. Right Tunnelling-Sahaburana Technology Joint Venture (RT-SBT)**

#### **2.1 Pipe Jacking Work in Rattanakosin 200 Years Project**

Contract Signing Date	:	November 27, 2014
Head Office	:	292 Moo 4, Bang Bor, Bang Bor, Samutprakarn 10560
Nature of Work	:	Construction of Pipe Jacking Work in Rattanakosin 200 Years Project, Samut Prakan
Joint Venture Purpose	:	For construction bidding: Pipe Jacking Work in Rattanakosin 200 Years Project, Bangkok – Chonburi sec. 30+601 to sec. 30+928, Bang Bor, Bang Bor, Samutprakarn with Metropolitan Electricity Authority
Joint Venture and Responsibility	:	Right Tunnelling Company Limited holds 50.00% Saha Burana Technology Company Limited holds 50.00%
Remark	:	Saha Burana Technology Company Limited has transferred the Joint Venture's interest to Right Tunnelling Company Limited. Right Tunnelling Company Limited has proportion in Joint Venture 100 %.

## 2.2 Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, Thailand

Contract Signing Date	:	November 13, 2015
Head Office	:	292 Moo 4, Bang Bor, Bang Bor, Samutprakarn 10560
Nature of Work	:	Construction of Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, by Pipe Jacking Horizontal Directional and Open Cut
Joint Venture Purpose	:	For construction bidding: Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, by Pipe Jacking Horizontal Directional and Open Cut with Electronic method with Metropolitan Electricity Authority
Joint Venture and Responsibility	:	Right Tunnelling Company Limited holds 50.00% Saha Burana Technology Company Limited holds 50.00%
Remark	:	Saha Burana Technology Company Limited has transferred the Joint Venture's interest to Right Tunnelling Company Limited. Right Tunnelling Company Limited has proportion in Joint Venture 100 %.

### 3. ITD-RT Joint Venture (ITD-RT)

Contract Signing Date	:	August 11, 2017
Head Office	:	2034/132-161 Italthai Tower, New Petchaburi Rd, Bang Kapi, Huai Khwang, Bangkok 10310
Nature of Work	:	Track Doubling for The East Coast Line Project. (Map Kabao Section-Thanon Chira Junction Contract 3: Railway Tunnel)
Joint Venture Purpose	:	For making a construction contract with State Railway of Thailand
Joint Venture and Responsibility	:	Italian-Thai Development Public Company Limite holds 70.00% Right Tunnelling Company Limited holds 30.00%

### 4. Right Tunnelling- SIA Joint Venture (RT-SIA)

Contract Signing Date	:	August 29, 2017
Head Office	:	292 Moo 4, Bang Bor, Bang Bor, Samutprakarn 10560
Nature of Work	:	Pipe Jacking Work for Underground Electricity Cable for the 115 kV Circuit SIT-796 power distribution to Tie Line through the 230 kV, EGAT, cuts through Bang Phai Road - Ban Nong Phao Ngai to supply power to the Khun Sri substation, point 4, Khlong Sipsok, Nong Phao Ngai Sub-district, Sai Noi District, Nonthaburi



Joint Venture Purpose	:	For construction bidding: Pipe Jacking Work for Underground Electricity Cable for the 115 kV Circuit SIT-796 power distribution to Tie Line through the 230 kV, EGAT, cuts through Bang Phai Road - Ban Nong Phao Ngai to supply power to the Khun Sri substation, point 4, Khlong Sipsok, Nong Phao Ngai Sub-district, Sai Noi District, Nonthaburi with Metropolitan Electricity Authority
Joint Venture and Responsibility	:	Right Tunnelling Company Limited holds 55.00% Sia Construction & Management Co., Ltd. holds 45.00%

#### 5. Right Tunnelling- Bangkok Civil Line Joint Venture (RT-BCL)

Contract Signing Date	:	August 20, 2018
Head Office	:	292 Moo 4, Bang Bor, Bang Bor, Samutprakarn 10560
Nature of Work	:	Soil Improvement under plumbing (Jet Grout Block Cut & Cover Tunnel Type 1-2) Orange Line Project (Contract E1: Underground Civil Work)
Joint Venture Purpose	:	For construction bidding: Ground Improvement Along Bored Tunnels by Jet Grouting, Orange Line Project with CKST Joint Venture
Joint Venture and Responsibility	:	Right Tunnelling Public Company Limited holds 51.00% Bangkok Civil Line Company Limited holds 49.00%
Remark	:	Bangkok Civil Line Company Limited has transferred the Joint Venture's interest to Right Tunnelling Company Limited. Right Tunnelling Company Limited has proportion in Joint Venture 100 %.

#### 6. MVM-SDP-RT Consortium (MVM-SDP-RT)

Contract Signing Date	:	August 1, 2017
Head Office	:	255 Moo 5, Mae Chua, Den Chai District, Phrae 54110
Nature of Work	:	Railway Maintenance by Tamping Machine and Others Year 2018, Lampang Highway Maintenance, S.R.T Civil North
Joint Venture Purpose	:	For bidding: Railway Maintenance by Tamping Machine and Others Year 2018 with State Railway of Thailand
Joint Venture and Responsibility	:	Sakdaporn Co., Ltd. holds 37.364% Right Tunnelling Company Limited holds 37.224% Mvm Rail (Thailand) Company Limited holds 25.412%

## **Planning / On Process of Registration of Joint Venture Closure**

### **1. Rudee Prayong-Right Tunnelling Joint Venture (RDP-RT)**

Contract Signing Date	:	September 27, 2016
Head Office	:	292 Moo 4, Bang Bor, Bang Bor, Samutprakarn 10560
Nature of Work	:	Construction of Slope Protection Work of Chantuk - Klong Khananchit Railway Station Project
Joint Venture Purpose	;	For construction bidding: Slope Protection Work of Chantuk - Klong Khananchit Railway Station Project with State Railway of Thailand
Joint Venture and Responsibility	:	Right Tunnelling Company Limited holds 80.00% Rudee Prayong Co., Ltd. holds 20.00%
Remark	:	Rudee Prayong Co., Ltd. has transferred the Joint Venture's interest to Right Tunnelling Company Limited. Right Tunnelling Company Limited has proportion in Joint Venture 100 %.

### **1.3.1 Relationship with Business Groups of Major Shareholders**

#### **1. Australian Mining Technologies Company Limited**

Established Date	:	March 14, 1983
Head Office	:	20 Jewell Pde North Fremantle WA 6159
Nature of Business Operations	:	Mining & Exploration Supply Company
Authorized Capital/Paid-Up Capital:		AUD \$2.00
Shareholders' Structure	:	Allan Bray 100%
Director	:	Allan Bray
Authorized Director	:	Allan Bray
Relationship		<ul style="list-style-type: none"> <li>• Miss Chanaporn Bray, the child of Mr. Allan Bray, is the director and the shareholder of Australian Mining Technologies Company Limited.</li> <li>• Miss Chanaporn Bray is the major shareholder of The Company, as a 8.23% of paid-up capital.</li> </ul>

## 2. Tunnelling & Mining Technologies Company Limited

Established Date	: 1994
Head Office	: BLOCK 106. CLEMENT ST 12#02-58 SINGAPORE (ADDRESS NO LONGER EXISTS AS BUILDING WAS DEMOLISHED)
Nature of Business Operations	: Mining Supply Company
Authorized Capital/Paid-Up Capital:	NIL
Shareholders' Structure	: 1) Jawad Uddin 51% 2) Allan Bray 49%%
Directors	: 1) Jawad Uddin 2) Allan Bray
Authorized Director	: Allan Bray
Relationship	<ul style="list-style-type: none"><li>● Miss Chanaporn Bray is the child of Mr. Allan Bray, the director and the shareholder of Tunnelling &amp; Mining Technologies Company Limited.</li><li>● Miss Chanaporn Bray is the major shareholder of The Company, as a 8.23% of paid-up capital.</li></ul>

## 3. E.F.S.GROUP CO., LTD.

Established Date	: April 5, 2000
Head Office	: 341 Sirindhorn Rd., Bang Bumru, Bang Phlat, Bangkok 10700
Nature of Business Operations	: Wholesale machinery and equipment for industrial use business
Authorized Capital/Paid-Up Capital:	5,000,000 Baht
Shareholders' Structure	: 1) Mr. Peansup Kunnathomsiri holds 21,000 shares, as a 42.00% 2) Miss Thongbai Songkittitham holds 20,001 shares, as a 40.00% 3) Mr. Supathatch Kunnathomsiri holds 7,996 shares, as a 16.00% 4) Mr. Suchoke Kunnathomsiri holds 1,000 shares, as a 2.00% 5) Mr. Kessada Yuyardmak holds 1 shares, as a 0.00% 6) Mr. Thanaboon Songkittitham holds 1 share, as a 0.00% 7) Mr. Olarn Songkittitham holds 1 share, as a 0.00%





Director	: Mr. Peansup Kunnathomsiri
Authorized Director	: Mr. Peansup Kunnathomsiri, the one to sign and affix the Company seal
Relationship	: Mr. Peansup Kunnathomsiri is the shareholder of the company, as a 0.70% of paid-up capital at June 10, 2020.

#### **4. P. P. N. Expert Company Limited**

Established Date	: October 9, 1995
Head Office	: 341 Sirindhorn Rd. Bang Bumru, Bang Phlat, Bangkok 10700
Nature of Business Operations	: Machinery and Vehicle Tractor supplier
Authorized Capital/Paid-Up Capital:	3,000,000 Baht
Shareholders' Structure	: Mr. Peansup Kunnathomsiri holds 20,000 shares, as a 66.67% Mr. Suchoke Kunnathomsiri holds 9,995 shares, as a 33.32% Mr. Supathatch Kunnathomsiri holds 2 shares, as a 0.01% Miss Kanlayalak Kunnathomsiri holds 1 share, as a 0.00% Mr. Kessada Yuyardmak holds 1 share, as a 0.00% Mr. Olarn Songkittitham holds 1 share, as a 0.00%
Directors	: Mr. Suchoke Kunnathomsiri Mr. Peansup Kunnathomsiri
Authorized Director	: One director to sign and affix the Company seal
Relationship	: Mr. Peansup Kunnathomsiri is the shareholder of the company, as a 0.70% of paid-up capital at June 10, 2020.

### 1.3.2 Shareholders

As of December 31, 2020, the Company's list of major shareholders including shareholders described as per Article 258 of Securities and Exchange Act B.E. 2535 (1992) and shareholders that are under the same regulator are as follows:

Name	Number of Shares and Proportion as of December 31, 2020	
	Number of shares (share)	Proportion (%)
1. Mr. Chawalit Tanomtin <sup>/1</sup>	179,090,800	16.28
2. Miss Chanaporn Bray	90,500,000	8.23
3. Mr. Thanawut Sirinawin	62,030,400	5.64
4. Mr. Teerayut Chusilp <sup>/2</sup>	47,380,000	4.31
5. Mr. Prisdapunt Pojanapreecha	24,749,600	2.25
6. Miss Prapaipan Putthapibal	24,148,000	2.20
7. Mr. Surasak Seekhiew <sup>/3</sup>	23,958,400	2.18
8. Mr. Chaiya Wonglappanich <sup>/4</sup>	21,288,000	1.94
9. Mrs. Namfon Angkasingha	20,974,400	1.91
10. Mrs. Rungthip Chantaramongkol	19,380,000	1.76
11. Other Shareholders	586,500,400	53.32
<b>Total</b>	<b>1,100,000,000</b>	<b>100.00</b>

**Remarks:** <sup>/1</sup> MR. CHAWALIT TANOMTIN is an authorized director, CEO, Chairman of Executive Committee, Member of the Nomination & Remuneration Committee, and Member of the Corporate Governance & Risk Management Committee.

<sup>/2</sup> MR. TEERAYUT CHUSILP is an authorized director, Deputy Managing Director (Organization & Legal), Executive Director, and Member of the Nomination & Remuneration Committee.

<sup>/3</sup> MR. SURASAK SEEKHIEW is an authorized director, Managing Director, Executive Director, and Member of the Corporate Governance & Risk Management Committee.

<sup>/4</sup> MR. CHAIYA WONGLAPPANICH is an authorized director, Deputy Managing Director (Management and Finance), Executive Director, and Member of the Corporate Governance & Risk Management Committee.

## 1.4 Volume of Authorized Capitals and Paid-Up Capitals

### Authorized Capitals /Paid-Up Capitals/Volume of Shares

The Company has the Authorized Capital of 550,000,000 Million Baht, divided into a total of 1,100,000,000 ordinary shares, at the par value of 0.50 Baht per share. The paid-up capital is 400,000,000 Baht, divided into a total of 800,000,000 ordinary shares, as a par value of 0.50 Baht. After IPO, the paid-up capital will be 550,000,000 Baht, divided into a total of 1,100,000,000 ordinary shares, as a par value of 0.50 Baht. Registered with SET market.

## 1.5 Dividend Policy

### Dividend Policy

The Company has a policy to pay dividend at a rate of not less than 40% of the net profits after corporate income tax and legal reserve, including other reserves based on its separated financial statement. However, the company may consider changing the dividend payment depending on performance, financial status, liquidity, investment plan, and other necessities in the future. The resolution of the Board of Directors (“BOD”) that approves the dividend payment must be presented to the shareholders' meeting for approval. However, the BOD has an approval authority to approve the interim dividend payment if deemed appropriate. The payment must be reported to the shareholders at the next shareholders' meeting.

### Dividend payout history compares to net profit 2017- 2020

Item		2017	2018	2019	2020
Net Profit (Loss) <sup>1</sup>	Million Baht	47.16	(65.34)	139.07	239.15
Dividend Payout	Million Baht	8.00	-	-	93.50
Dividend Payout Rate <sup>1</sup>	(%)	16.96%	-	-	41.16%

**Remarks:** <sup>1</sup> Net Profit (Loss), For the accounting period from the separate financial statements of the company

<sup>2</sup> Dividend Payout Rate = Dividend / Net Profit for the accounting period from the separate financial statements of the company

### Subsidiary's Dividend Policy

Subsidiary has not determined the exact dividend policy, so it depends on the Company's turnover each year. However, the subsidiary's directors may consider dividend payout policy, but they need the agreement from shareholders' meeting first, except for the interim dividend payment, the directors have authority to pay dividend when the subsidiary has enough revenue. Then, the directors have to report to the next shareholders' meeting.

The subsidiary's consideration of dividend payout will be made from the remaining of net profits after every deduction as required by law. However, dividend payout will depend on cash flow, investment plan, and legal terms. The subsidiary will be considered from the necessity and appropriateness of other factors in the future and the dividend payout will not affect the company operations significantly.



## 2. Risk Management

### Risk Policies and Management Plans

The Company has conducted risk management policies systematically, considered them as a main policy to develop the Company. There is an incident management, threat management, and other factors that might impact the objectives achievement and the Company's goals. The Company also conducted risk management team comprising of every concerned department to create understanding and ensure working in the same direction, follow up Enterprise-Wide Risk Management, and conduct risk analysis of the main project in the following 4 types of risk:

1. Strategic Risk
2. Operational Risk
3. Financial Risk
4. Compliance Risk

### Business risks

#### 1. Business risks

##### 1.1 Economic Conditions

Economic conditions affect the expansion of the construction business as the economic growth or slowdown has impacts on both public and private investment, which is a factor affecting the Company's income. Therefore, the Company has to take into account the risks from economic conditions and the rate of economic growth.

However, the Company has more than 20 years experiences in the construction work of civil engineering and geotechnical engineering as a direct contractor and a subcontractor. Consequently, the Company has gained trust of government agencies, private agencies, as well as overseas employers to conduct various projects for them. In the meantime, the Company plans to expand its customer base to neighboring countries especially in the CLMV countries to help reduce risks from economic conditions.

##### 1.2 Change in Government Policies

Changes in government policies may have impacts on the construction business. In particular, policies that have significant impacts are policies on construction budgets for various infrastructure. However, the Company regularly monitors news from the government in order to plan the recruitment of the Company to have continuous incomes. With the stated reason, the Company believes that the Company will not get significant impacts from risk factors due to changes in government policies.

##### 1.3 Discontinuity of Revenue from Construction Contracts

Since the main income of the company is the revenue from the construction of each project, which is recognized when the work is completed and the work is delivered according to the contract to the customer. Therefore, in the event that the company does not have construction works on hand to support continuous works or no new jobs to support, this may affect the operations of the company.

The company is aware of such risks. Therefore, guidelines have been established to mitigate such risks. The company has a budget plan, a revenue target and new projects to be auctioned in order to be in line with the work that the company is doing. If the amount of work that is being done and will be completed and ready to deliver in a short time and the number of backlogs are in low volume, the company will have to rush to find new jobs as well as make contact with other companies that have been partners in working with the company regardless of whether in the form of a joint venture or joint venture (Consortium). The company believes that the company will be able to reduce the risk arising from such incidents.

#### 1.4 Faulty Estimate of Operating Costs

Estimating construction costs is an important aspect of construction business because the estimated cost to accept the work will determine the company's operating results. Therefore, before accepting work in any project, the company will set a reasonable estimate of the cost of work in order to avoid errors and use in the pricing before the bidding by determining the profit margin for each job auction in accordance with the Company's policy. In addition, the project manager and the project engineering department will review the details for the purpose of tightness. The company is aware of such risks. Therefore, the Company assigns project and engineering managers to inspect the details for tightness to help prevent or reduce errors related to inaccurate cost estimates.

#### 1.5 Fluctuation on Construction Material and Fuel Prices

As the Company deals with construction business of civil engineering and geotechnical engineering, the Company engages in purchasing construction equipment such as steel and metal materials, cement, gravel, sand, fuel, lubricating oil and running materials such as fuel oil used for construction vehicles and machinery. Therefore, the cost of construction materials and fuel prices are the major construction costs of each project. If there is an increase or decrease in price, it will directly affect the purchase cost of raw materials used in the construction. Currently, some types of construction work with the government that have been completed for many years will be indicated on the construction value adjustment according to the price adjustment formula (K value). In the event that prices of main materials used for construction have risen or fallen beyond the specified price range, the company will receive compensation if material prices rise or the company will pay compensation if the material prices drop.

#### 1.6 Project Delayed

Delays in construction projects can occur from the operations of the company as a contractor or caused by the employer or caused by other external effects such as change of some work details, the case when the contractor is unable to enter the construction area, or the case when the employer could not deliver the area used for construction. In the late delivery of work, there is a contract requirement that the employer has the right to charge the contractor at the rate as specified in the contract. However, if such a delay is not caused by the company or as a force majeure, the Company can negotiate with the employer to request an extension of the construction time.

The Company is aware of the risk from the delay of each project. Therefore, there is a risk assessment before deciding to accept the job or enter the auction. In the event that the company has decided to accept the job or bid the job, there will be a set of guidelines for the work in order to be able to deliver the work on time.

### 1.7 Competition within Industry

The construction business is one of the industries that are important to the economy of Thailand and it is a business that has a tendency to compete in high competition for contractors to take up construction work. In some auction, the Company sometimes has to compete with a large group of experienced contractors and higher financial potential than contractors or subcontractors. This causes competition because the big companies that are listed on the Stock Exchange of Thailand are companies with high working capitals and lower financial costs than contractors or subcontractors. As a result, the subcontractors who want to win the auction will bid at the auction with a low margin, resulting in a lower profit-to-value of the project.

However, the Company has working experience in the construction business especially the geotechnical work for more than 20 years, making the Company become an expert and experienced in the construction of geotechnical works and civil engineering and succeed in winning contracts of the construction of geotechnical works which require expertise and experience and sufficient amount of modern machinery. Therefore, it is not easy to find a qualified business enterprise like the Company. As a result, the work in the mentioned section is not very competitive. In addition, the Company has been an expert and has had experience in geotechnical work for more than 20 years. Therefore, it is recognized among contractors that the Company has a large-scale construction project both domestic and overseas. Due to the aforementioned reasons, it is believed that the Company will not be significantly impacted by competitive risks.

### 1.8 Sabotage, Accidents, and Natural Disasters

Sabotage, disasters, or natural disasters are external factors that the Company cannot control. If such an event occurs, the operating project may slow down and result in the delay of the project. This will increase the cost of the project budget that the Company has made and might affect the performance of the Company.

However, the Company has insured all construction projects to cover the damage that may arise from the above risks. In addition, the Company also has insurance to cover damage to machinery. The company has insurance that is consistent with the insurance in the construction business and has an appropriate damage coverage limit.

### 1.9 Information Technology Management

The businesses of the Company rely on technology to keep pace with competitors including the management of various information. There are risks of leakage, loss, or incidents that may cause business interruption. The Company therefore has prepared plans in handling such cases like establishing a system to monitor the server room according to the standards, setting up the firewall and LOG to prevent network intruders at both the headquarters and the job sites, installing a joy domain to connect to Server Active Directory to manage the security of Computer systems within the organization, both at the headquarters and at the sites. The Company's Disaster Recovery Planning is beneficial in recovering the organization's IT system in case of disruption. The Company also has IT staff monitor the system according to the security policy of the information system and the management manual.

### 1.10 Government Budget Disbursement

Currently, the value of work under construction under the government policy is still high. Problems in delaying budget disbursement may affect the liquidity of the Company from not getting paid on time and may be the cause of the work delay from the time specified in the contract.



However, the construction business is at risk of government budget disbursement due to the delay because some contractors do not have an adequate credit limit. This may result in a lack of liquidity for the payment of wages and construction materials which could cause delay in delivery, resulting in creating problems with employer. However, the company may not get many consequences from the delay in the budget.

#### 1.11 COVID-19

The outbreak of the new coronavirus, COVID-19, has become a widespread public health concern. The rapid spread of the virus has created panic to the people around the world. Such conditions cause the government to issue an Emergency Decree on Public Administration in an emergency situation to control the outbreak of the coronavirus or COVID-19, resulting in problems with the movement of workers and engineers who work in Laos and Myanmar. The Company has a construction project in those countries. It also caused the Company to have problems in the transportation of equipment that the Company purchased from overseas by plane to use in construction, so the Company was unable to deliver work to the employer on time. The Company is currently waiting for the government of foreign countries and Thailand to resume the international air transport system. For construction projects of domestic companies, the Company has not been affected by such measures since the company has requested permission from the responsible agency of each province to travel across the provincial area. For the work on the project during the period that the government prohibits people from leaving the home (Curfew), the company has received permission from the relevant authorities so the company has not been affected by such conditions.

#### 1.12 Reliance on Major Customers

The Company is exposed to the risk of relying on a large customer that accounts for more than 30% of the total construction revenue. In 2017, the Company had revenue from construction from a private customer for 996.63 Million Baht or accounted for 40.81% of the total construction revenue. In 2018 - 2019, the Company had revenue from one government agency, including the Royal Irrigation Department, amounting to 854.86 Million Baht and 742.91 Million Baht or equivalent to a percentage of 45.93 and 32.23 percent of the total construction revenue. In addition, in 2019 and 2020, the Company had revenues from another government agency, the State Railway of Thailand, in the amount of 709.78 Million Baht and 1,105.60 Million Baht or equivalent to 30.79% and 39.16% of the total construction revenue. This makes the Company at risk from relying on such customers. If the Company does not receive continuous work from the said customers in the future, it may decrease or cause uneven income.

However, the revenue from construction services for large private customers that are subsidiaries of large construction companies listed on the SET are financially stable. These customers also require many large constructions works, so the Company expects to receive some works from them. For government customers, they hire construction companies in major infrastructure works of the country. The Company therefore expects to receive jobs from the government sector continuously because the company has expertise in geotechnical construction which requires specialized experience and expertise such as the construction of tunnels and underground structures, dam construction work, etc.

### 1.13 Subcontractor Employment

For the construction service of the Company, there are limited personnel restrictions in accepting the work with the employer, causing the company to hire external subcontractors to cover the needs of the employer within the time frame specified by the employer in the contract. The works requiring hiring subcontractors with specific construction expertise include, system installation, transportation employment, architectural work In each project. In such cases, the Company controls the work of subcontractors to ensure the construction is in accordance with the schemes and time frames set out in the contract. However, in hiring subcontractors and outsourcing, there may be a chance of mistakes in the work of subcontractors or third parties which might cause a delay and damage to the Company's projects. This might cause the Company to be vulnerable from work damage.

The Company manages such risks by establishing a policy for recruitment, selection and assessment of subcontractors in order to screen the quality and verify the reliability of the subcontractors.

### 1.14 Reliance on Major Construction Material/Equipment Vendors

The Company has risk from relying on large suppliers of materials and equipment that accounts for more than 30% of the total procurement of the Company. In 2017, the purchase amount was 525.75 Million Baht or 36.18% of the total purchase. In the future, if the Company is unable to provide materials and equipment that meet specified qualifications on time, it may cause a delay in the construction of the project.

However, the Company has established a purchasing-procurement with transparent process and promotes fair competition and ensures that suitable vendors are selected to obtain quality products that meet the standards up to the best value for money. In the process, sellers are evaluated based on their potential and product quality and an approved vendor list is established and regularly assessed at least once a year. Most of the construction materials can be purchased locally with no problem because there are lots of vendors that can be substitutable and they can deliver materials and equipment to the company on time as needed.

### 1.15 Participating in Joint Ventures

In some cases, the Company has entered into joint ventures with other partners under the criteria of shared responsibility to enable the Company to participate in bidding and work on specific projects that require expertise or when the company wants to raise the qualifications for bidding to higher and operating in the project. The success of the joint venture largely depends on the ability of the Company to work with the venture capitalists or the ability of the joint venture partner to fulfill their obligations under the contract. If the venture capitalist in a joint venture is unable to fulfill its obligations or is unable to fund its equity to invest, the Company may have to invest more and provide more services. If the owner of the project has the right to claim damages for failing to comply with such obligations, the Company may also be liable for the part of the venture capitalist in the joint venture. This may expose the Company to legal liability and damage the Company's reputation, so the profit that the company will receive from the project will be reduced and may have a negative impact on business performance and the liquidity of the company.

## 2. Financial Risk

### 2.1 Foreign Exchange

The Company has income from overseas construction contractors, so the Company is exposed to foreign exchange fluctuations. Since the company has income from construction contracts purchase of products and the advance received from employer is mainly in foreign currency, such as US dollars. During 2017 - 2020, the Company had gain (loss) on exchange rate in (5.48) Million Baht 3.85 Million Baht 11.75 Million and 1.04 Million Baht or equivalent to 0.22% loss, 0.20% gain, 0.50% gain and 0.04% gain of total income, respectively.

### 2.2 Liquidity

In general, of the construction business, financial liquidity is an important factor because businesses will have to use high working capital and have sufficient working capital to support the procurement of raw materials, materials for operation in each project, and support for wages stationed at various projects. If the Company is unable to manage financial liquidity well, it may affect the operations of the Company.

The Company is aware of the financial liquidity risk as it is an important factor in the Company's business operations. Therefore, to prevent such risk, the Company has requested a bank loan for overdraft (O/D), promissory note (P/N), letter of guarantee (L/G), as well as a letter of credit (L/C) to be used as working capital sufficiently to business operations such as purchasing raw materials, operational equipment, and support various expenses in the implementation of the project, etc. and include planning to use the annual budget of the Company. However, from the Company's past experience, the Company has never experienced a significant lack of liquidity that affects its business operations. In addition, the Company has established a cash management policy that is suitable for business operations to support liquidity problems that may arise in the future by obtaining sufficient credit limit for business operations by raising capital through an initial public offering (IPO) to support the Company's expansion is another option that will allow the Company to reduce its liquidity risk.

### 2.3 Liquidity from Unbilled Receivables and Risk to Collect Money from the Customers

As of December 31, 2020, the Company had unbilled income equal to 1,410.64 Million Baht higher than that of 2019 in the amount of 169.25 Million Baht or an increase of 13.63 percent, mainly due to the water tunnel project and tunnel building in Chiang Mai province in the amount of 852.22 Million Baht, consisting of

Unbilled Receivables	Unbilled income generated in each period (Million Baht)				
	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
1) Work in solving the cave cavity problem	-	83.00	(7.10)	252.10	266.78
2) Concrete preparation	-	-	290.00	55.00	273.64
3) Actual quantity of work	0.16	45.85	38.00	45.00	275.59
4) Work that is waiting for withdrawal according to the normal billing cycle according to the contract conditions	-	-	-	-	-

## 2.4 Lending Interest Rate Fluctuation

Presently, the Company uses loans from financial institutions mainly as working capital for business operations. As of December 31, 2019, and December 31, 2020, the Company had short-term and long-term loans from financial institutions worth 1,012.71 Million Baht and 820.90 Million Baht, respectively, with different interest rates for each type of credit limit that the Company received. It is a floating rate that changes in accordance with the costs of financial institutions and the economy, referring to the interest rate MOR and MLR, which may result in the Company exposed to fluctuating interest rates and got impact on financial costs, and performance of the Company. When considering financial costs for the year 2019 and 2020, worth 72.65 Million Baht and 67.58 Million Baht, accounting for 3.07% and 2.36% of total revenue, respectively, the Company plans to reliance lesser on loans from financial institutions and using internal working capital sources from some of the funds received from fund raising after listing on the SET to reduce the interest expense and reduce the risk of interest rate fluctuation from loans from financial institutions.

## 2.5 Reliance on Directors and Assets Guarantee with Financial Institutions

The Company relies on guarantees for short-term and long-term borrowings with several domestic financial institutions. The major shareholders and directors of the Company are Mr. Chawalit Thanomtin, Mr. Chaiya Wonglappanich and Mr. Teerayut Chusilp, directors and shareholders of the Company, as guarantors of financial institution loan in full amount, including using personal assets as collateral for financial institution loans. There is no charge or fee for being a guarantor/collateral. However, the company will have a written notification to the financial institution to release the guarantee. The Company believes that if the Company is approved to list ordinary shares on the Stock Exchange of Thailand, financial institutions can withdraw guarantees from the said group of shareholders. In addition, the Company also sees that once the Company is listed on the Stock Exchange of Thailand, the Company will be able to add more opportunities and options to raise funds through the capital market with lower financial costs. This will enable the company to reduce its dependence on guarantees and to use assets as collateral for loans from the shareholders.

## 3. Management Risk

### Reliance on Management and Key Personnel

The Company's construction business relies on the management of the main management. If the main management team cannot continue to manage the Company, the Company's business could be affected. The Company still has to rely on skilled personnel with specific skills in the construction business, civil engineering and geotechnical engineering as an important part of the Company's business operations.

However, the Company has appointed an executive committee and various sub-committees such as the executive committee and the risk management committee. In the past, the Company applied the management guidelines by delegating duties and responsibilities to other management personnel and employees in each department clearly to decentralize management power and reduce the risk of dependence on the chief executive officer. This also includes the preparation of succession plans at the executive level for all positions to help the company to continue its business.



#### **4. Risk of Share Offering**

Restrictions that shareholders of the Company may have in exercising their rights to purchase newly issued ordinary shares of the Company in the future.

If the Company is listed on the Stock Exchange of Thailand, the Company can raise capital through capital raising. The Company can issue new shares in the future and allocate new shares in 3 types: allocation to existing shareholders in proportion to their shareholding (Right Offering: RO), public offering (PO) and allocation to the specific investors (Private Placement: PP) by issuing capital increase shares in the case of allocation to the public and the allocation to the private placement. The existing shareholders of the Company may have restrictions on the exercise of the right to purchase the newly issued ordinary shares of the company. Since the capital increase of listed companies will have a direct impact on the shareholders' benefits and the Company's share price, the Company will disclose information related to the capital increase for the shareholders and general investors to make appropriate investment decisions and in accordance with the relevant criteria.

### **3. ESG Disclosure**

#### **Sustainability Management Goals and Policies**

The Company defined missions related to sustainability management as follows:

- To perpetuate organizational administration and development on work safety and work ethics among employees with the concept of good governance towards substantiable growth
- To attach importance to potential development of human resources work in line with organizational growth
- To provide appropriate and fair benefits to shareholders and stakeholders
- To be responsible to community, society and environment

#### **Value Chain's Stakeholders Analysis**

The Company has identified the significant stakeholders both inside and outside the organization such as Shareholders, Employees, Customers, Traders, Press, Public, and Community.

Summary Table Showing the Engagement Method and Treatment of Right Tunnelling Public Company Limited 's Stakeholders

Stakeholders	Expectations and Concerns of the Stakeholders	Treatment of Stakeholders	Method
<b>1. Shareholders,</b> Investors, Analysts, and Domestic and Foreign Institutional Investors	<ul style="list-style-type: none"> <li>• Legal benefits</li> <li>• Shareholders' equitable treatment</li> <li>• Legal compliance in transparency, verifiable, and under good corporate governance.</li> <li>• The Company's business performance and financial situation are good, stable and achieving the desired objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• Adhering to various laws, rules, and regulations to ensure that the shareholders' treatment is in accordance with the principles of good governance.</li> <li>• Sharing information equally, with accuracy, completion, clarity, efficiency, and being up to date.</li> </ul>	<ul style="list-style-type: none"> <li>• Legal benefits</li> <li>• Shareholders' Annual General Meeting (AGM)</li> <li>• Analysts' Meeting</li> <li>• Activities Roadshows and Company Visits</li> <li>• 56-1 One Report</li> <li>• Corporate Governance</li> <li>• Telephone</li> <li>• Newspaper and Media</li> <li>• Website : <a href="http://www.rtko.co.th">www.rtko.co.th</a></li> <li>• E-mail : <a href="mailto:ir@rtco.co.th">ir@rtco.co.th</a></li> </ul>
<b>2. Employees</b> <ul style="list-style-type: none"> <li>• Monthly Staff</li> <li>• Daily Staff</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving appropriate compensation and welfare</li> <li>• Employees holding equal rights</li> <li>• Gaining career advancement and stability</li> <li>• Being safe at workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with labor laws by being mindful of human rights principles and the needs of our employees</li> <li>• Providing fair and appropriate compensation</li> <li>• Establishing communication channels for our employees to make complaints in cases of unfair treatments</li> <li>• Implement efficient occupational health and safety practices</li> <li>• Putting an emphasis on the development of potential at work</li> <li>• Clarification for a common understanding and usage of rules and regulations</li> <li>• Establishing various policies for the maximum benefit of the Company and other stakeholders.</li> <li>• Having all practices that are in compliance with the law, rules, and corporate governance principles.</li> <li>• Controlling and managing the Company's operations to be in accordance with the established resolutions and policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Training and seminars</li> <li>• Email</li> <li>• Notice board</li> <li>• Clarification by the supervisors</li> </ul>

Stakeholders	Expectations and Concerns of the Stakeholders	Treatment of Stakeholders	Method
<b>3. Customers</b> <ul style="list-style-type: none"> <li>Project owner, Government</li> <li>Private sector</li> <li>Companies in the Right Tunnelling Group</li> </ul>	<ul style="list-style-type: none"> <li>Having supervision and management regarding occupational health and safety, and measures to control the impact that may occur to the environment.</li> <li>Having efficient and sufficient personnel for operation</li> <li>Having efficient and sufficient tools, machinery, and equipment for operation</li> <li>Possessing a certain level of competency and experience in the operation of successful construction projects.</li> <li>Having comprehensive technical details and prices for the construction of each type of project</li> </ul>	<ul style="list-style-type: none"> <li>Being abided by the format and regulations of the bidding and contracts</li> <li>Delivering projects with quality that meets the standards and requirements</li> <li>Keeping confidentiality for the project owner</li> <li>Projects being guaranteed within the duration specified in the construction contract</li> </ul>	<ul style="list-style-type: none"> <li>Reports/Evidence according to the regulations</li> <li>Project owner's meetings</li> <li>Telephone</li> <li>Website</li> <li>Email</li> <li>Letter</li> </ul>
<b>4. Traders</b> <ul style="list-style-type: none"> <li>Suppliers</li> <li>Subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Legal benefits</li> <li>Remitting payments for goods and wages punctually as per the agreed time.</li> <li>Utilizing the goods and services provided by tradepartners/ subcontractor continuously.</li> </ul>	<ul style="list-style-type: none"> <li>Treating all trade partners with fairness and equity.</li> <li>Having a transparent bidding standard</li> <li>Having procedures that reverifiable</li> </ul>	<ul style="list-style-type: none"> <li>Reports on Purchasing Orders/ Contract Hiring Orders</li> <li>Meetings with contractors and retail</li> <li>Telephone</li> <li>Email</li> </ul>
<b>5. Press</b> <ul style="list-style-type: none"> <li>Press, TV, and Radio</li> <li>Online media</li> </ul>	<ul style="list-style-type: none"> <li>Legal benefits</li> <li>Receiving information from the company that is clear, precise, and correct</li> <li>Receiving equal amounts of information with other groups of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Communicating information that is effective, beneficial, swift, accurate, and up to date</li> <li>Treating all groups of mass media equally with other groups of stakeholders situation are good, stable and achieving the desired objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Reports and dissemination of the company's news and information through press releases, articles, and news 20 times/year</li> <li>Giving interviews and arranging meetings with the Executives in order to exchange viewpoints 5 times/year</li> <li>Email</li> <li>Telephone</li> </ul>
<b>6. Public</b> <ul style="list-style-type: none"> <li>General public</li> <li>Users of roads and car</li> </ul>	<ul style="list-style-type: none"> <li>Preventing accidents or negative impacts that are caused by the use of machinery and transportation of oversized equipment.</li> <li>Refraining from emitting pollution into the environment.</li> </ul>	<ul style="list-style-type: none"> <li>Having an assessment measure for the tools and machinery, as well as public impacts that may occur</li> <li>Carrying out construction work efficiently and deliver within the specified delivery time</li> </ul>	<ul style="list-style-type: none"> <li>Meetings arranged through the Supervisors</li> <li>Notice Board</li> <li>Telephone</li> </ul>

Stakeholders	Expectations and Concerns of the Stakeholders	Treatment of Stakeholders	Engagement
<b>7. Communities</b> <ul style="list-style-type: none"> <li>Communities surrounding the construction site.</li> </ul>	<ul style="list-style-type: none"> <li>Being free from the construction's side effects, including pollution such as air, dust, noise, surface water quality, or in terms of life quality and day-to-day routines</li> <li>Any impact from the construction (if any) to be rectified as soon as possible</li> </ul>	<ul style="list-style-type: none"> <li>Meetings to be held with the community residents in order to inquire and follow up on any impacts that occur from the construction</li> <li>Survey on the needs of the community residents.</li> <li>Participation in establishing communal practices and supporting those activities.</li> <li>Preventing and creating an understanding with the community, as well as participating in the development of the community resident's quality of life</li> <li>Organizing community relations activities in order to develop the skills of the community residents</li> </ul>	<ul style="list-style-type: none"> <li>Community relations activities</li> <li>Filing complaints at the construction site office</li> <li>Telephone</li> <li>Project Website</li> </ul>
<b>8. Competitors</b> Construction companies both listed and non-listed on the Stock Exchange of Thailand.	<ul style="list-style-type: none"> <li>Not discrediting companies within the same industry with dishonest or illegal methods</li> <li>Treating our competitors correctly and wish for lawful ethics</li> <li>Having non-trade discrimination policy</li> </ul>	<ul style="list-style-type: none"> <li>Operating business within the frame of the law, with ethics, transparency, and verifiable</li> <li>Refraining from violations of intellectual assets and properties</li> </ul>	<ul style="list-style-type: none"> <li>Meetings through the Thai Construction Industry Association under royal patronage and other relevant departments.</li> </ul>

## Value Chain

In business operation, the Company has considered sustainability supply chain management for reducing the cost, making the difference, increasing its competitiveness in the industry, and reducing the risks in every part of the business.

The Company's business strategy is to build quality works with on-time delivery, meet the customer's satisfaction by coordinating and cooperating, and also managing the cost that can compete in the business. Therefore, to have the competitive advantages, the Company has analyzed which part of the Company uses the cost more than usual and how the cost can be reduced continuously.

## Main Works

Construction is the Company's main work. The construction cost including labor costs, material costs, machine costs, wasting material costs, and project management costs are the main cost of all the cost. Therefore, the construction cost control is the most important factor to make profit and increase value in construction management,



starting from bidding plan or accepting works from project owners. When a job is assigned, a construction plan and use of resources plan must be done. There will be a pre-assessment of the situation and work's risks in every area for the accurate cost estimation for each work to ensure the effective construction operation is going as planned and the work with quality is handed in on time. There are cost control and analysis during the construction. If there are changes in factors or an unexpected situation that might impact the work or increase in cost happens, there will be a meeting to prepare and solve the problems effectively. The Company has a working group and staff that have expertise in each business including machines, materials, and tools as the Company's advantages when compared with competitors.

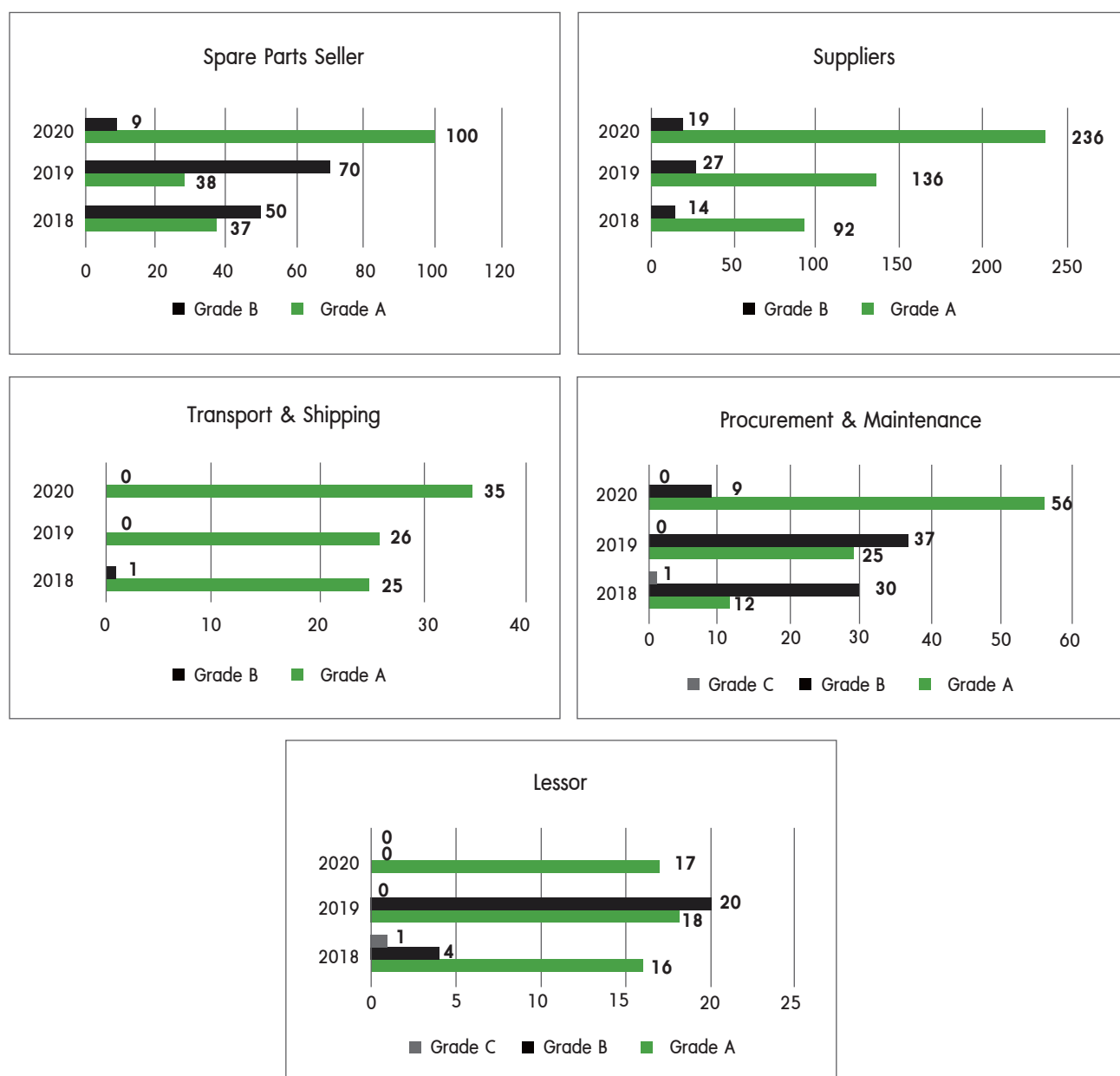
Moreover, the Company also stresses on staff's safety and assets, environmental impact, and community-friendliness for corporate sustainability.

### **Support Works**

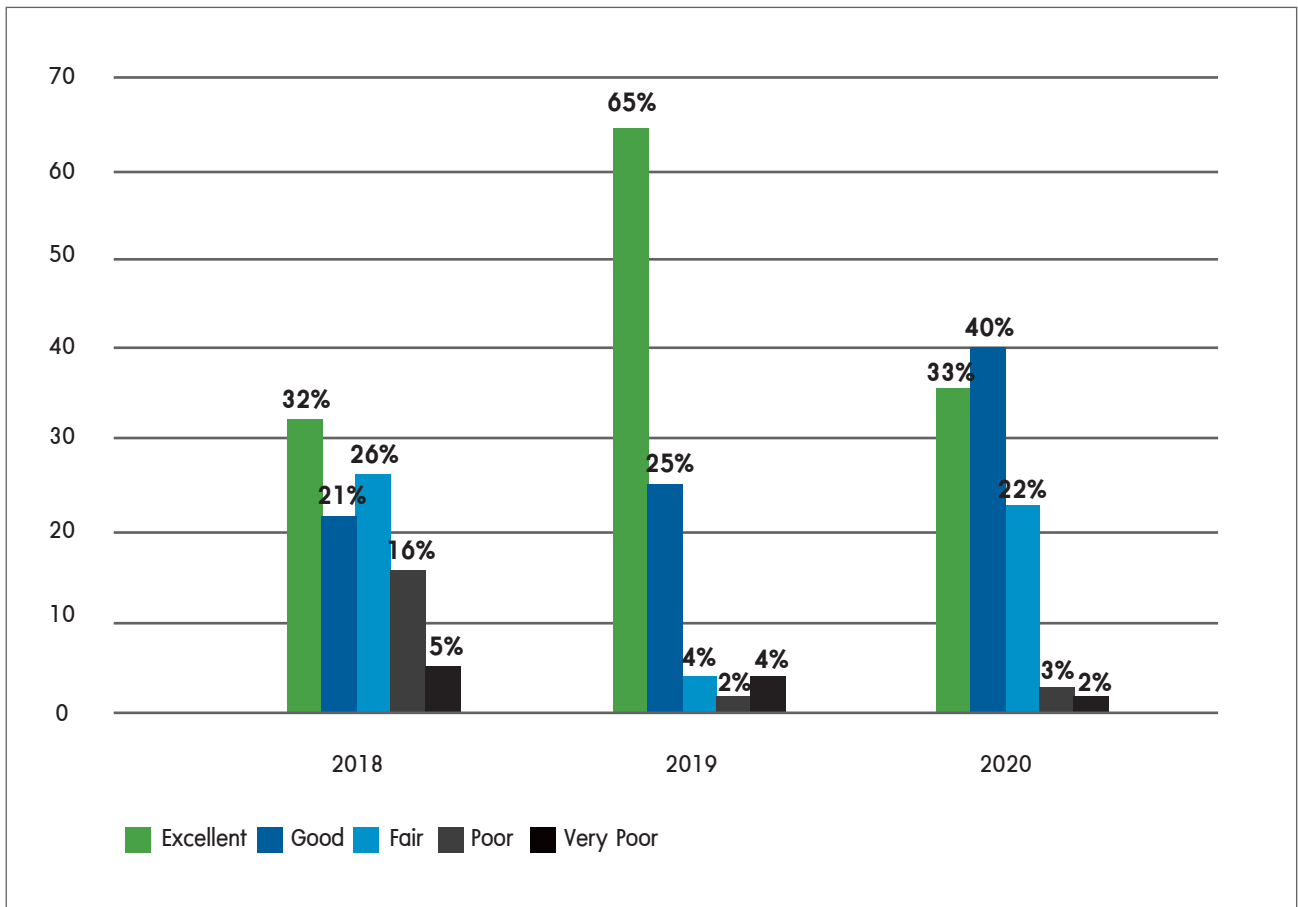
1. To procure the construction materials, wasting materials, machines, tools, and other factors of production, used in construction. The Company has selected suppliers, compared prices, make an adequate and on-time procurement plan to reduce the cost.
2. To deliver materials, tools, and equipment to construction sites on time and at minimum costs. The Company's transportation system can manage appropriate time and at the most value for both inside and outside services.
3. To manage human resources, including selection, training, developing, and setting the remuneration for all staff. Every work is the value network. All the resource management costs might not define the quantification because there are complex problems which are employee turnover costs and remuneration. Employees' skills level improvement and maintaining a good relationship with employees are the important things to create value. The Company has the Excellent Employee of The Year award in many levels and the Valuable Employee award for an employee who works hard and serves the Company for over 15 years to build employees' morale, satisfaction, and culture and to make employees proud of the Company, resulting in increasing their work efficiency.
4. To develop the technology, the Company has cooperated with academic institutions to develop the technology. The company had cooperated with the educational institution for the technology development in a project called "Three-dimensional photo recording device development project for TBM tunnel excavation to increase its performance and to evaluate geological condition in advance more accurately".
5. The Company has developed material production to reduce the procurement costs of the work's main material such as Pipe Jacking, Segmental Concrete, Tunnel Boring Machine, and Formwork to reduce the procurement costs.
6. In terms of Information System: IT, to increase work's value by data processing and cost control, the Company uses the Enterprise Resources Planning (ERP) that suits the organization and is encouraged to use software technology to help managing digital documentary system. It causes the document operation to be faster, reduce mistakes, have less paper used, and also include reducing repeated steps of work. As the Company stresses on data security, the staff have to follow the Thai Cyber Law Strictly.

Risk assessment is the Company's must do thing. Cost analysis and business risk assessment along with environment, society and governance (ESG) by ranking the importance of the risk that might affect the business operation are conducted. Trader risk assessment on employers, suppliers, and subcontractors, including trader satisfaction assessment are done for the Company's own assessment for work improvement and value increase of every part.

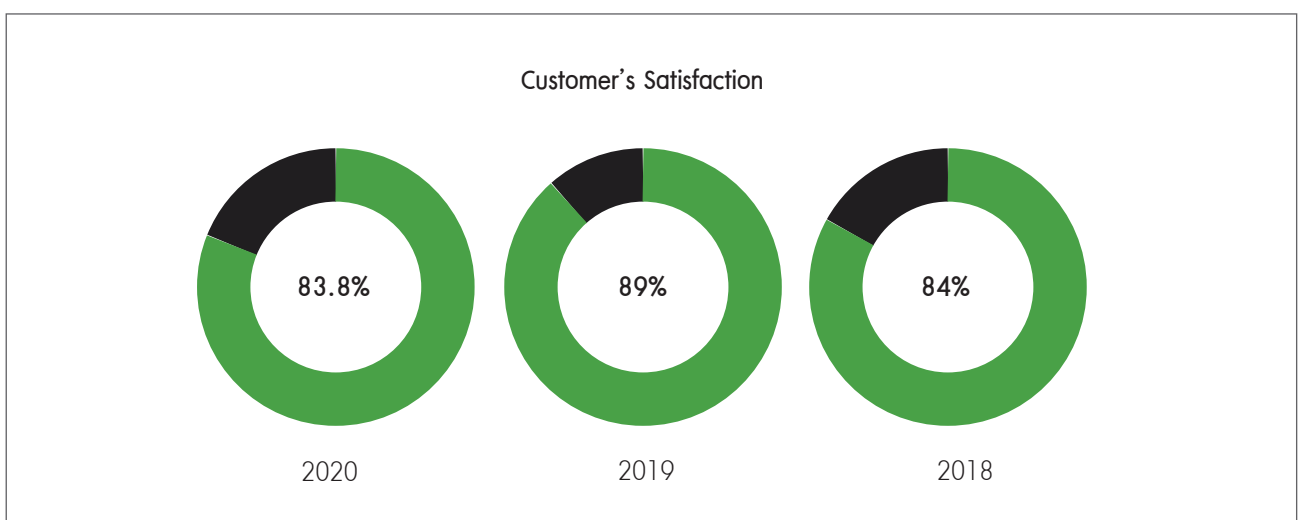
### Suppliers Assessment Results



### Subcontractor Assessment Results



Customer's satisfaction survey such as employers and consultant groups, the important customers for business operation



### **Social Sustainability Management**

The Company stresses on operating the project that causes the least social and environmental impact, including wastewater treatment, dust, noise, and vibration, to meet the standard and to be abided by law. The Company has environmental management in every project. Environmental officers are assigned in each project to follow up the operations. Moreover, the Company also hires a contractor to monitor the operations to reduce environmental impact according to the employer's requirements.

### **Social Sustainability Management**

The Company has the transparent business operations and customers fair treatment policy. Also, there is a policy for staff to have welfare, wages, safety at work, support and develop staff potential by providing training regularly.

In addition, the Company also has the Company's administration system control to be effective, preventing conflict of interest, and anti-corruption. There are an auditor and internal auditor authorized by the Securities and Exchange Commission, Thailand (SEC) to ensure that the Company recognizes the shareholders' rights, both stipulated in the law and the Company's policy, whether treating to shareholders, staff, customers, or partner.

### **Corporate Social Responsibility**

The Company operates its business with the corporate social and environmental responsibility for corporate and social sustainability under the Code of Business Conduct and anti-corruption policies. The Company has determined the operation guidelines according to the organization's social responsibility guidelines created by the Stock Exchange of Thailand and there are 8 principle. 1) Business Ethics 2) Anti-Corruption 3) Respect for Human Rights 4) Fair Labor Practices 5) Consumer Liability 6) Eco-Friendly Practice 7) Participation in Social Developments 8) Green Innovation.



## **CSR (Corporate Social Responsibility)**

### **Donation of Consumer Goods to disabled, Poor Elderly, and Victims from COVID-19**

#### Objectives

1. To promote the employees to share commodities to others.
2. To promote the employees to create the community development activities.
3. To promote the employees to take part in helping others to create unity
4. To promote others to have morale in life and a better quality of life.

### **Volunteer to Make Almshouse on Macha Bucha Day Project**

#### Objectives

1. To encourage the employees to have a volunteer mind and help each other.
2. To encourage the employees to participate in the activity and be in harmony.
3. To promote the employees to inherit Thai cultures and traditions.

### **Donation Project**

#### Objectives

1. To promote the employees to make merit and inherit Buddhist traditions.
2. To make good relationship, harmony, and participate in the community's activity.
3. To make a support for the community.

### **Supply of Ready-mixed Concrete for Road Expansion in Mae Taman School Project**

#### Objectives

1. To facilitate the transportation and safety in school.
2. To improve the school's landscape to be more pleasant.

### **Road Reparation Mae Taman Project**

#### Objectives

1. To improve and mitigate the passage way for locals.
2. For passer safety of life and property.
3. To prevent road accidents.

### Space Development of Mae Taman Kindergarten Project

#### Objectives

1. To improve the availability of space for activities.
2. To support Mae Taman Kindergarten's activities.

### Construction of temporary bridge over Loei River, Ban Kokpho, Huay Hinsor Project

#### Objectives

1. For local's transportation across the Loei River.
2. To build check dam for drought alleviation.

## **4. Management Discussion and Analysis (MD&A)**

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 Results

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 increase 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: As of 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 recognized 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: As of 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: As 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.

### Cash Flow

7. As of December 31, 2020, the Company and its Subsidiaries have Cash and Cash Equivalents increased by Baht 301.23 Million, increased from operating activities at the amount of Baht 205.80 Million. The Company and its Subsidiaries have spent Cash for operating activities at the amount of Baht 15.69 Million. The largest expenditure was the investment on machinery and equipment at the amount of Baht 27.79 million. The Company and its Subsidiaries have received cash flow from funding at Baht 110.71 Million. After deduction of expense incurred from Initial Public Offering (IPO), the remaining proceeds are at the amount of Baht 557.52 Million, and long-term receivables of the period at the amount of Baht 148.99 Million. Repayment of long-term loans from financial institutions of the period consists of Bank overdrafts and short-term loans from financial institution of the period at the amount of Baht 235.31 Million, repayment of lease liabilities at the amount of Baht 99.38 Million, repayment of long-term loans from financial institutions at Baht 191.64 Million, and Loan Interest at Baht 69.49 Million.

## Summary of Financial Statements

### 1. Financial Summary

#### (1) Statements of Financial Position

Unit: Million Baht

Statements of Financial Position	Financial Statement (Audited)					
	As of December 31, 2018		As of December 31, 2019		As of December 31, 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<u>Current assets</u>						
Cash and cash equivalents	36.65	1.22	52.16	1.40	353.39	8.73
Trade and other receivables	125.64	4.19	549.89	14.74	647.11	15.98
Contract assets - unbilled receivables	1,005.23	33.52	1,241.39	33.28	1,332.19	32.89
Inventories and construction supplies	160.06	5.34	184.98	4.96	198.41	4.90
Other current assets	41.32	1.38	36.60	0.98	47.26	1.17
<b>Total current assets</b>	<b>1,368.91</b>	<b>45.64</b>	<b>2,065.02</b>	<b>65.85</b>	<b>2,578.36</b>	<b>63.66</b>
<u>Non-current assets</u>						
Restricted bank deposits	250.01	8.34	297.02	7.96	289.57	7.15
Contract assets - retention receivables	204.66	6.82	292.13	7.83	287.34	7.09
Investment properties	1.73	0.06	1.67	0.04	1.60	0.04
Property, plant and equipment	1,101.84	36.74	911.22	24.43	790.64	19.52
Costs to fulfil contracts with customers	5.90	0.20	60.80	1.63	29.82	0.74
Intangible assets	7.35	0.25	7.04	0.19	17.94	0.44
Deferred tax assets	28.68	0.96	34.54	0.93	34.14	0.84
Other non-current assets	30.05	1.00	61.11	1.64	20.60	0.51
<b>Total non-current assets</b>	<b>1,630.22</b>	<b>54.36</b>	<b>1,665.52</b>	<b>44.65</b>	<b>1,471.65</b>	<b>36.34</b>
<b>Total assets</b>	<b>2,999.13</b>	<b>100.00</b>	<b>3,730.54</b>	<b>100.00</b>	<b>4,050.02</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>						
<u>Current liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	552.37	18.42	1,008.09	27.02	772.79	19.08
Trade and other payables	572.25	19.08	744.40	19.95	812.95	20.07
Current portion of long-term loans from financial institutions	71.92	2.40	192.18	5.15	106.03	2.62
Current portion of lease liabilities						
Contract liabilities - advances received from hirers	101.42	3.38	116.93	3.13	103.64	2.56
Contract liabilities - construction revenues received in advance	777.10	25.91	811.44	21.75	584.01	14.42
					4.73	0.12

Income tax payable	2.53	0.08	2.16	0.06	2.66	0.07
Short-term provisions	11.60	0.39	10.99	0.30	-	-
Provision for losses on construction projects	-	-	6.32	0.17	0.96	0.02
Other current liabilities	13.04	0.43	61.92	1.66	71.11	1.76
<b>Total current liabilities</b>	<b>2,102.23</b>	<b>70.09</b>	<b>2,954.43</b>	<b>79.20</b>	<b>2,458.87</b>	<b>60.71</b>
<u>Non-current liabilities</u>						
Accounts payable for purchase of machinery - net of current portion	91.78	3.06	-	-	-	-
Long-term loans from financial institutions - net of current portion	142.36	4.75	4.62	0.12	48.12	1.19
Lease liabilities - net of current portion	158.65	5.29	115.38	3.09	78.39	1.94
Provision for long-term employee benefits	32.93	1.10	47.68	1.28	59.19	1.46
Deferred tax liabilities	13.01	0.43	-	-	-	-
Other non-current liabilities	1.41	0.05	21.08	0.57	16.79	0.41
<b>Total non-current liabilities</b>	<b>440.13</b>	<b>14.68</b>	<b>188.77</b>	<b>5.06</b>	<b>202.49</b>	<b>5.00</b>
<b>Total liabilities</b>	<b>2,542.37</b>	<b>84.77</b>	<b>3,143.20</b>	<b>84.26</b>	<b>2,661.36</b>	<b>65.71</b>
<u>Shareholders' equity</u>						
Share capital						
Registered						
1,100,000,000 ordinary shares of Baht 0.50 each					550.00	13.58
4,000,000 ordinary shares of Baht 100 each	400.00	13.34	400.00	10.72		
Issued and fully paid up						
1,100,000,000 ordinary shares of Baht 0.50 each					550.00	13.58
4,000,000 ordinary shares of Baht 100 each	400.00	13.34	400.00	10.72		
Share premium	6.00	0.20	6.00	0.16	417.22	10.30
Retained earnings						
Appropriated - statutory reserve	40.00	1.33	40.00	1.07	52.00	1.28
Unappropriated	6.69	0.22	137.41	3.68	365.08	9.01
Other components of shareholders' equity	4.06	0.14	3.97	0.11	4.42	0.11
Equity attributable to owners of the Company	456.74	15.23	587.38	15.74	1,388.72	34.29
Non-controlling interests of the subsidiaries	0.02	0.00	(0.04)	(0.00)	(0.06)	(0.00)
<b>Total shareholders' equity</b>	<b>456.76</b>	<b>15.23</b>	<b>587.34</b>	<b>15.74</b>	<b>1,388.66</b>	<b>34.29</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,999.13</b>	<b>100.00</b>	<b>3,730.54</b>	<b>100.00</b>	<b>4,050.02</b>	<b>100.00</b>

**Remark:** 1) Financial Statement as of December 31, 2018, have been reclassified in accordance with the presentation in the financial statements as of December 31, 2020.



## (2) Statements of Comprehensive Income

Unit: Million Baht

Statements of Comprehensive Income	Financial Statement (Audited)					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from construction services	1,861.11	98.60	2,304.92	97.41	2,823.34	98.69
Sales of construction materials	3.35	0.18	31.77	1.34	20.72	0.72
Exchange gain	3.85	0.20	11.75	0.50	1.04	0.04
Other income	19.23	1.02	14.69	0.62	15.70	0.55
<b>Total revenues</b>	<b>1887.54</b>	<b>100.00</b>	<b>2,363.13</b>	<b>100.00</b>	<b>2,860.80</b>	<b>100.00</b>
Cost of construction services	1,688.19	89.44	1,895.80	80.12	2,234.67	78.11
Cost of sales of construction materials	3.18	0.17	27.19	1.15	19.99	0.70
Selling and distribution expenses	0.22	0.01	-	-	-	-
Administrative expenses	237.76	12.60	215.37	9.11	245.94	8.60
<b>Total expenses</b>	<b>1,929.35</b>	<b>102.22</b>	<b>2,138.36</b>	<b>90.37</b>	<b>2,500.59</b>	<b>87.41</b>
Profit from operating activities	(41.81)	(2.22)	224.77	9.51	360.20	12.59
Finance income	2.14	0.11	3.14	0.13	3.23	0.11
Finance cost	(45.67)	(2.42)	(72.65)	(3.07)	(67.58)	(2.36)
Profit before income tax expenses	(85.34)	(4.52)	155.25	6.57	295.85	10.34
Income tax expenses	20.13	1.07	(24.59)	(1.04)	(57.73)	(2.02)
<b>Profit for the year</b>	<b>(65.21)</b>	<b>(3.45)</b>	<b>130.66</b>	<b>5.53</b>	<b>238.12</b>	<b>8.32</b>
Other comprehensive income:						
Exchange differences on translation of financial statements in foreign currency - net of income tax	(0.04)	(0.00)	(0.08)	(0.00)	0.45	0.02
Actuarial gain - net of income tax	-	-	-	-	1.53	0.05
Other comprehensive income for the year	(0.04)	(0.00)	(0.08)	(0.00)	1.97	0.07
<b>Total comprehensive income for the year</b>	<b>(65.25)</b>	<b>(3.45)</b>	<b>130.58</b>	<b>5.53</b>	<b>240.09</b>	<b>8.39</b>
Basic earnings per share						
Profit attributable to equity holders of the Company	(0.08)		0.16		0.28	

### (3) Cash Flow Statements

Unit: Million Baht

Cash Flow Statements	Financial Statement (Reviewed)		
	2018	2019	2020
<u>Cash flows from operating activities</u>			
<b>Profit before tax</b>	<b>(85.34)</b>	<b>155.25</b>	<b>295.85</b>
<b>Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:</b>			
Depreciation and amortization	238.73	265.33	186.30
Reversal of allowance for expected credit losses	-	-	(0.01)
Reversal of allowance for doubtful accounts	(1.65)	(7.17)	-
Reversal of allowance for doubtful accounts	3.53	(0.39)	(0.01)
Reversal of allowance for doubtful accounts	(0.33)	2.42	(1.31)
Loss (gain) on sales of machinery and equipment	-	0.10	0.10
Loss on write off of intangible assets	-	2.61	-
Loss on impairment of property, plant and equipment	(3.06)	0.26	(2.28)
Unrealized loss (gain) on exchange rate	(2.16)	-	(6.49)
Reversal of short-term provisions	8.56	14.76	13.80
Provision for long-term employee benefits	(1.64)	6.32	(5.37)
Increase (decrease) in provision for losses on construction projects	(2.14)	(3.14)	(3.23)
Finance income	45.67	72.65	67.58
Finance cost			
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>200.16</b>	<b>509.02</b>	<b>544.93</b>
<b>Operating assets (increase) decrease</b>			
Trade and other receivables	60.13	(424.01)	(96.62)
Unbilled receivables	(378.55)	(236.16)	(90.80)
Inventories and construction supplies	(41.82)	(24.53)	(13.42)
Other current assets	21.53	(20.03)	(0.54)
Retention receivables	8.10	(84.77)	7.14
Costs to fulfil contracts with customers	15.99	(41.77)	31.37
Other non-current assets	(1.30)	(0.74)	
Operating liabilities increase (decrease)			(0.25)
Trade and other payables	(99.24)	185.14	65.02
Advances received from hirers	318.01	34.34	(227.43)
Construction revenues received in advance	(5.51)	-	4.73
Short-term provisions	(2.71)	-	-
Other current liabilities	(7.64)	48.24	9.19

Unit: Million Baht

Cash Flow Statements	Financial Statement (Reviewed)		
	2018	2019	2020
Cash paid for long-term employee benefits	(1.68)	-	(0.38)
Other non-current liabilities	0.29	(4.95)	(4.29)
<b>Cash from (used in) operating activities</b>	<b>85.75</b>	<b>(60.24)</b>	<b>228.65</b>
Proceed from refund of corporate income tax	-	-	40.77
Corporate income tax paid	(27.62)	(43.92)	(63.62)
<b>Net cash flows from (used in) operating activities</b>	<b>58.13</b>	<b>(104.16)</b>	<b>205.80</b>
<u>Cash flows from investing activities</u>			
Decrease (increase) in restricted bank deposits	(56.29)	(47.01)	7.45
Interest received	2.62	3.14	3.23
Increase in property, plant and equipment	(236.77)	(133.79)	(27.79)
Decrease in advance payment for purchases of machinery and equipment	0.02	-	-
Proceeds from sales of machinery and equipment	45.46	77.19	1.88
Increase in intangible assets	(0.99)	(0.83)	(0.46)
<b>Net cash flows used in investing activities</b>	<b>(245.95)</b>	<b>(101.30)</b>	<b>(15.69)</b>
<u>Cash flows from financing activities</u>			
Increase (decrease) in bank overdrafts	(19.16)	47.71	(56.80)
Increase (decrease) in short-term loans from financial institutions	251.97	408.01	(178.51)
Payment of principal portion of lease liabilities	(114.94)	(147.26)	(99.38)
Increase in long-term loans from financial institutions	205.59	92.46	148.99
Repayment of long-term loans from financial institutions	(71.55)	(109.94)	(191.64)
Interest paid	(34.59)	(69.94)	(69.49)
Dividend paid	(8.00)	-	-
Proceeds from increase in share capital	-	-	576.00
Transaction costs on issue of shares	-	-	(18.48)
<b>Net cash flows from financing activities</b>	<b>209.32</b>	<b>221.05</b>	<b>110.71</b>
Increase (decrease) in translation adjustment	(0.04)	(0.08)	0.42
<b>Net increase in cash and cash equivalents</b>	<b>21.46</b>	<b>15.51</b>	<b>301.23</b>
Unrealised gain on exchange for cash and cash equivalents	0.31	-	-
<b>Cash and cash equivalents at beginning of year</b>	<b>14.88</b>	<b>36.65</b>	<b>52.16</b>
<b>Cash and cash equivalents at end of year</b>	<b>36.65</b>	<b>52.16</b>	<b>353.39</b>

## 2. Financial Ratio

Financial Ratio	Unit	2018	2019	2020
<u>Liquidity Ratio</u>				
Current ratio	time	0.65	0.70	1.05
Quick ratio	time	0.05	0.18	0.38
Operating Cash flow ratio	time	0.03	(0.04)	0.08
Account receivables ratio	time	15.63	8.15	5.27
Account receivable days	days	24	45	70
Account receivables ratio	time	1.99	1.64	1.55
(Including unbilled receivables)	days	184	223	236
Account receivables (Including unbilled receivables)	time	10.61	10.56	11.53
Inventory Turnover ratio	days	35	35	32
Inventory days	time	3.68	3.82	3.34
Accounts Payables Turnover	days	100	96	110
Account Payables Days	days	(41)	(16)	(8)
Cash Cycle	days	119	162	158
Cash Cycle (Average collection period including Unbilled receivables)				
<u>Profitability Ratio</u>				
Gross Profit Margin	%	9.29	17.75	20.85
Operating Profit Margin	%	(2.13)	9.75	12.76
Other Profit Margin	%	0.00	0.13	0.11
Cash flow from Operation/EBIT	%	(139.02)	(46.34)	57.13
Net Profit Margin	%	(3.45)	5.53	8.32
Return on Equity	%	(13.22)	25.03	24.10
<u>Efficiency Ratio</u>				
Return on Assets	%	(2.36)	3.88	6.12
Return on Fix Assets	%	16.00	39.23	49.59
Total Asset Turnover	time	0.68	0.70	0.74
<u>Efficiency Ratio</u>				
Debt to Equity Ratio	time	5.57	5.35	1.92
Interest Coverage Ratio	time	4.36	6.79	8.13
Interest bearing debt to EBITDA ratio	time	5.16	2.91	2.02
Debt service coverage –Cash Basis	time	0.27	0.37	0.56
Dividend Payout Ratio	%	0.00	0.00	39.27

## 5. Corporate Information and Other Information

### 5.1 References

Definitions of Common Stock	:	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Bangkok 10400, Thailand Telephone: 02-009-9000 Fax: 02-009-9991
Auditor	:	EY Office Limited 193/136-137 Lake Rajada Office Complex 33rd floor Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Telephone: 02-264-0777, 02-661-9190 Fax: 02-264-0789-90
Internal Auditor	:	I VL AUDITING.CO., LTD. 35 Soi Wachiradhammasatit 36, Sukumvit 101/1 road, Bangchak, Prakanong, Bangkok 10260, Thailand Telephone: 02-746-4861-3 Fax: 02-746-4569
Legal Advisor	:	Legal Advisory Council Limited Company ("LACL") 444 Olympia Thai Tower, 16th Floor, Ratchadapisek Road, Samsennork, Huaykwang, Bangkok 10310, Thailand Telephone: 02-512-5938-40 Fax: 02-512-6091
Financial Advisor	:	Asset Pro Management Co., Ltd. ("APM") 999/9 The Offices at Central World 10th Fl., Rama I Road, Patumwan, Bangkok 10330 Telephone: 02-264-5678 Fax: 02-264-5679





**Right Tunnelling Public Company Limited**

Annual Registration Statement / Annual Report 2020  
(Form 56-1 One Report)



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## Part 2

# Corporate Governance

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## 6. Corporate Governance Policy

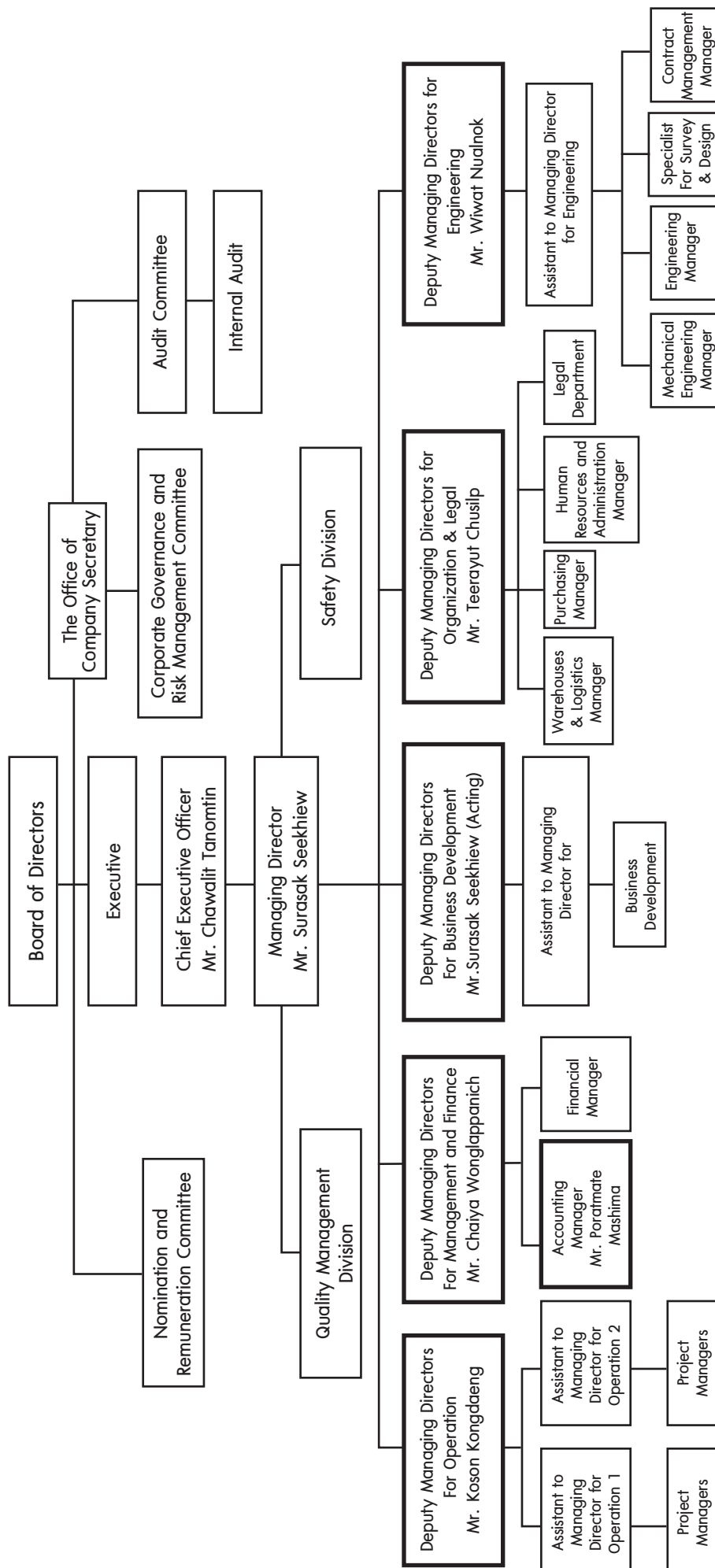
The Company complies with the Good Corporate Governance Policy by publishing several types of information for the shareholders, investors, and stakeholders for their decision, through various channels - posts and the Electronic Company Information Disclosure system ("ELCID") of the Stock Market Exchange of Thailand ("SET"). According to the Board of Directors' Resolution No.1/2020 (after the conversion to Public Company) on June 17, 2021, Corporate Governance Code, promoted by SET, has been approved, in concern with transparency in all operational levels namely: the Board of Directors, executives, and employees for the long-term benefits of shareholders, customers, investors, and the public. The Code of Business Ethics and Code of Conduct are used as guideline of duties of directors and executives in accordance with Code of Best Practice and Good Corporate Governance by SET.

More information on Corporate Governance is available at Right Tunnelling Company Limited's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance.





## 7. Corporate Governance Structure and Key information about the Board, Subcommittees, Management, Employees, and Others



**Remarks:** - the definition of "executives" according to the announcement of the Securities and Exchange Commission (Kor Jar 17/2551) is represented in Bold frames  
 - JVL AUDITING CO.,LTD. is the Company's outsourced internal auditor (Yearly Contract).

## 7.1 Board of Directors

The members of the Board of Directors as of December 31, 2020 were 12 persons as follows:

Name-Surname	Position
1. Songpope Polachan, Ph.D. <sup>/1</sup>	Chairman of the Board
2. Mr. Chawalit Tanomtin	Director / Deputy Chairman of the Board
3. Mr. Suraksak Seekhiew	Director
4. Mr. Chaiya Wonglappanich	Director
5. Mr. Teerayut Chusilp	Director
6. Mr. Suraphong Iamchula	Director
7. Krayim Santrakul, Ph.D	Director
8. Mr. Nattapong Poome	Director
9. Boonthep Nanegrungsunk, Ph.D. <sup>/2</sup>	Chairman of the Audit Committee / Independent Director
10. Mr. Thanapat Pupat/2	Member of the Audit Committee / Independent Director
11. Mr. Chaiwut Jumnongsutasathien <sup>/4</sup>	Member of the Audit Committee / Independent Director
12. Mr. Jumpot Kanjanapanyakom <sup>/3</sup>	Independent Director

**Remarks:** <sup>/1</sup> was appointed as Chairman of the Board of Directors as per the Board of Directors' resolution No. 2/2015 on May 11, 2015.

<sup>/2</sup> were appointed as Director and Independent Director as per the Annual General Meeting of Shareholders' resolution No. 1/2017 on April 3, 2017.

<sup>/3</sup> was appointed as Director and Independent Director as per the Annual General Meeting of Shareholders' resolution No. 1/2017 on April 3, 2017.

<sup>/4</sup> was appointed as Director and Independent Director as per the Annual General Meeting of Shareholders' resolution No. 1/2017 on April 25, 2019.

Please see the Appendix 1: Biographies of Directors, Executive, and Company Secretary for review. Mrs. Pornthip Kongsangbhat was appointed as Company Secretary (Please see the Appendix 1: Biographies of Directors, Executive, and Company Secretary for review.)

### Authorized Directors

The Authorized Directors consisted of: Mr. Chawalit Tanomtin or Mr. Chaiya Wonglappanich or Mr. Teerayut Chusilp or Mr. Surasak Seekhiew, any two of these directors jointly sign with the Company's seal affixed.

For scope of duties and responsibilities of the Board of Directors, please see the Company's website: [www.rtko.co.th](http://www.rtko.co.th) - Corporate Governance, for review.



## 7.2 Subcommittees

The Board of Directors' structure is comprised of 5 subcommittees as follows: the Board of Directors, the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Risk Management Committee. According to the Board of Directors' resolution No. 1/2020 (after the conversion to Public Company) on June 17, 2020, the approval of scope of duties and responsibilities of 4 subcommittees: Audit Committee, Executive Committee, Corporate Governance and Risk Management, and Nomination and Remuneration Committee were as follows:

### 7.2.1 Audit Committee

The members of Audit Committee as of December 31, 2020 were 3 persons as follows:

Name-Surname	Position
1. Boonthep Nanegrungsunk, Ph.D.	Chairman of the Audit Committee / Independent Director
2. Mr. Chaiwut Jumnongsutasathien	Auditing Director / Independent Director
3. Mr. Thanapat Papat	Auditing Director / Independent Director

**Remarks:** A well-experienced Auditing Director who can review the reliability of financial statement is Mr. Chaiwut Jumnongsutasathien, with Master's Degree in Business Administration, Kasetsart University, and Bachelor Degree in Accounting, Thammasart University with work experiences as follows:

- 2019 - present Director and Auditing Director at Right Tunnelling Public Company Limited
- 2019 - present Director and Auditing Director at NSL Foods Co.,Ltd.
- 2018- present Audit Partner at AST Master Co., Ltd.
- 2016- present Director SM Lertpipat Co., Ltd.
- 2012 - present Subcommittee for the Ethics Code Setting, the Federation of Accounting Professions
- 1999 - 2017 Executive Director of Audit Partner at DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT COMPANY LIMITED

Mrs. Pornthip Kongsangbhat was appointed as the Secretary to the Audit Committee by Audit Committee's resolution No. 1/2020 (after the conversion to Public Company) on June 17, 2020. For scope of duties and responsibilities of Audit Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 7.2.2 Nomination and Remuneration Committee

The members of Nomination and Remuneration Committee as of December 31, 2020 were 4 persons as follows:

Name-Surname	Position
1. Mr. Jumpot Kanjanapanakom	Chairman of the Nomination and Remuneration Committee / Independent Director
2. Mr. Thanapat Papat	Nomination and Remuneration Director / Independent Director

3. Mr. Chawalit Tanomtin	Nomination and Remuneration Director
4. Mr. Teerayut Chusilp	Nomination and Remuneration Director

For scope of duties and responsibilities of the Nomination and Remuneration Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 7.2.3 Corporate Governance and Risk Management Committee

The members of Corporate Governance and Risk Management Committee as of December 31, 2020 were 4 persons as follows:

Name-Surname	Position
1. Mr. Suraphong Iamchula	Chairman of the Corporate Governance and Risk Management Committee
2. Mr. Chawalit Tanomtin	Corporate Governance and Risk Management Director
3. Mr. Surasak Seekhiew	Corporate Governance and Risk Management Director
4. Mr. Chaiya Wonglappanich	Corporate Governance and Risk Management Director

For scope of duties and responsibilities of the Corporate Governance and Risk Management Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 7.2.4 Executive Committee

The members of the Executive Committee as of December 31, 2020 were 6 persons as follows:

Name-Surname	Position
1. Mr. Chawalit Tanomtin	Chief Executive Officer
2. Mr. Surasak Seekhiew	Executive Director
3. Mr. Teerayut Chusilp	Executive Director
4. Mr. Chaiya Wonglappanich	Executive Director
5. Mr. Wiwat Nualnok	Executive Director
6. Mr. Koson Kongdaeng	Executive Director

For scope of duties and responsibilities of the Executive Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

## 7.3 Executives

### Management Team

The members of Management Team as of December 31, 2020 were 7 persons as follows:

Name-Surname	Position
1. Mr. Chawalit Tanomtin	Chief Executive Officer
2. Mr. Surasak Seekhiew	Managing Director / Deputy Managing Director for Business Development (Acting)
3. Mr. Teerayut Chusilp	Deputy Managing Director for Organization & Legal
4. Mr. Chaiya Wonglappanich <sup>/1</sup>	Deputy Managing Director for Management and Finance
5. Mr. Wiwat Nualnok	Deputy Managing Director for Engineering
6. Mr. Koson Kongdaeng	Deputy Managing Director for Operation
7. Mr. Nawin Pongkaew	Assistant to Managing Director for Operation 1
8. Mr. Charlie Pungpanichkul	Assistant to Managing Director for Operation 2
9. Mr. Panat Kungsuwan	Assistant to Managing Director for Engineering
10. Mrs. Mechaya Kaewduangdee	Assistant to Managing Director for Business Development
11. Mr. Poramate Mashima <sup>/2</sup>	Accounting Manager

**Remarks:** Please see Appendix 1: Biographies of Directors, Executives, and Company Secretary for review.

<sup>/1</sup> The person assigned the highest responsibility in Accounting and Finance is Mr. Chaiya Wonglappanich, who graduated with Bachelor Degree in Geology, Faculty of Science, Chiang Mai University. His work experience is as follows:

- 2013- present Deputy Managing Director (Management and Finance) at Right Tunnelling Public Company Limited
- 2000 - 2013 Assistant to Managing Director (Management) at Right Tunnelling Company Limited
- 1996 - 2000 Assistant to Managing Director at International Blaster Co., Ltd.

<sup>/2</sup> The person assigned as the Company's accountant is Mr. Poramate Mashima, who graduated with Master's Degree in Accounting, Chulalongkorn University, Master's Degree in Business Administration, Kasetsart University, and Bachelor Degree in Accounting, Ramkhamhaeng University. His work experience is as follows:

- August 1, 2011 - present Accounting Manager at Right Tunnelling Public Company Limited
- 2004 - 2010 Chief of Internal Audit Division at GMM Grammy Public Company Limited
- 1994 - 2004 Senior Internal Audit at True Corporation Public Company Limited
- 1993 - 1994 Internal Audit Officer - International at Bangkok Bank Public Company Limited

For scope of duties and responsibilities of Chief Executive Officer, Managing Director, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

## **7.4 Company Secretary and the person assigned to be directly responsible for Accounting Supervision**

### **Company Secretary**

In response to the Securities and Exchange law (Article 89/15 and 89/16), Mrs. Pornthip Kongsangbhat was appointed as Company Secretary. Her work experience is as follows:

- 2015 - present      Company Secretary at Right Tunnelling Public Company Limited
- 2009 - 2015      Secretary to the Chairman of Executive Committee / Managing Director at Right Tunnelling Company Limited
- 2002 - 2005      Accounting and Finance Manager at Aesthetic Plus Co., Ltd
- 1994 - 2004      Project Coordinator at Right Tunnelling Company Limited

**Please see Appendix 1: Biographies of Directors, Executives, and Company Secretary for review.**

For scope of duties and responsibilities of Company Secretary, please see the Company's website: [www.rtko.co.th](http://www.rtko.co.th) - Corporate Governance, for review.

### **The person assigned to be directly responsible for Accounting Supervision**

The person assigned to be directly responsible for Accounting Supervision is Mr. Poramate Mashima, Accounting Manager, who graduated with Master's Degree in Accounting, Chulalongkorn University, Master's Degree in Business Administration, Kasetsart University, and Bachelor Degree in Accounting, Ramkhamhaeng University. His work experience is as follows:

- August 1, 2011 - present      Accounting Manager at Right Tunnelling Public Company Limited
- 2004 - 2010      Chief of Internal Audit Division at GMM Grammy Public Company Limited
- 1994 - 2004      Senior Internal Audit at True Corporation Public Company Limited
- 1993 - 1994      Internal Audit Officer - International at Bangkok Bank Public Company Limited

Please see Appendix 1 Biographies of Directors, Executives, and Company Secretary, for review.

### **Internal Auditor**

Please see Appendix 3: Head of Internal Audit for review.

## 7.5 Human Resources

### 7.5.1 Number of employees (excluding Executives)

As of December 31, 2020, the Company and its Subsidiaries (excluding Executives) have a total of 2,326 employees. The figures from each department as of December 31, 2017 - 2020 are as follows:

Department	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
	Amount (Person)	Amount (Person)	Amount (Person)	Amount (Person)
1. Operation	2,051	1,727	2,050	2,206
2. Management	6	6	6	11
3. The Office of Company Secretary	-	-	-	3
4. Accounting Department	10	11	15	13
5. Financial Department	4	4	4	7
6. Business Development Department	8	7	8	8
7. Administration Department	8	8	8	8
8. Human Resources Department	6	6	6	6
9. Engineering Department	21	21	20	14
10. Purchasing	9	8	9	9
11. Mechanical Engineering Department	94	65	61	22
12. Contract Management Department	0	1	1	1
13. Warehouse & Logistics Department	2	12	18	18
<b>Total</b>	<b>2,219</b>	<b>1,876</b>	<b>2,206</b>	<b>2,326</b>

*Source: Human Resources and Administration Department of Right Tunnelling Public Company Limited*



As of December 31, 2020, the Company and its Subsidiaries have total of 2,326 employees (excluding Executives). The figures of Daily Paid Employees Temporary and Monthly Paid Employees (Permanent) as of December 31, 2017-2020 are as follows:

Number of Employees	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
	Amount (Person)	Amount (Person)	Amount (Person)	Amount (Person)
<b>Monthly Paid Employee (Permanent)</b>				
- Thai Nationality	952	809	954	991
- Laos Nationality	45	35	35	34
- Myanmar Nationality	2	1	-	0
- Cambodia Nationality	-	-	-	1
<b>Daily Paid Employees (Temporary)</b>				
- Thai Nationality	805	947	997	1136
- Laos Nationality	328	9	37	8
- Myanmar Nationality	87	75	183	156
<b>Total</b>	<b>2,219</b>	<b>1,876</b>	<b>2,206</b>	<b>2,326</b>

### 7.5.2 Employees' Compensation

(Unit: Million Baht)

Employees' Compensation	2017	2018	2019	2020
Employees' Compensation is in form of: salaries, bonuses, over-time pay, social securities, compensation fund, provident fund, and other welfares.	441.75	460.60	519.36	540.41

**Source:** Human Resources and Administration Department of Right Tunnelling Public Company Limited

**Remark:** The Company has established a provident fund, MFC Master Fund on February 28, 2005, organized by MFC Assets Management, effective date since February 28, 2005.

### 7.5.3 Employees' Turnover Rate

The Company keeps track of Employees' turnover rate in order to monitor and assess the potential of organization and to retain the competent employees. The main reason of employee's resignation is the needs of running their own businesses. Therefore, the turnover rate of the employees of 2020 is at 17 percent.

### 7.5.4 Major Labor Dispute over the last 3 years

- None -

### 7.5.5 Human Resources Management Policy

The Company realizes the importance and values humans as an important resource. The Company is committed to continuous human resources development by selecting the personnel with knowledge, professional competence to work, and giving opportunities to train, to experience, and to develop their potentials into experts in their respective fields. Especially, it is focused on team collaboration together with the concept of Corporate Governance. The Company shall support and manage human resources in accordance with the policies, business goals, and strategies. The Annual Training is set on both internal and external courses. This is to ensure that the employees acquire the knowledge and competency to be able to work with their fullest potentials, and develop the organization towards the sustainable growth. Several welfares are also provided to the employees as an encouragement and incentives.

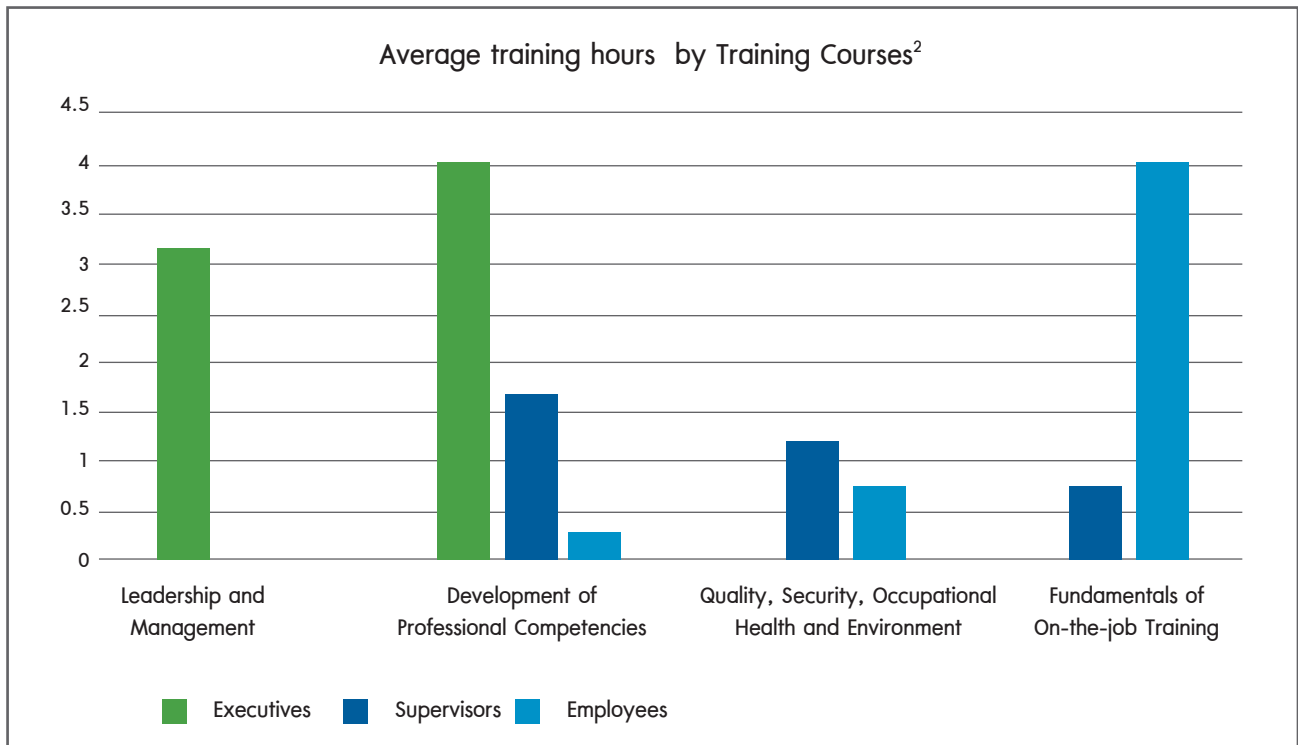
### 7.5.6 Summary of Employees' Training of 2020 (including Executives)

In the aspect of training and human resources development, the Company has started from the process of surveying the training needs to providing them training courses as well as monitoring and evaluating the training results. Such process is used for human resource development in all positions and consistent with the organization's goals.

#### Average training hours per employee per year

Training Course	Average by employee level <sup>1</sup>		
	Executives	Managers and Supervisors	Employees
Leadership and Management	3.2	0	0
Development of Professional Competencies	4	1.68	0.32
Quality, Security, Safety, Occupational Health and Environment	0	1.18	0.76
Fundamentals of On-the-Job Training	0	0.75	4.05

<sup>1</sup> Average training hours by Employee Level (Hour/Level/Year)



<sup>2</sup> Average training hours by Training Courses (Hours/Level/Year)

## 8. Highlights of Corporate Governance

### 8.1 Nomination and Appointment of Directors and Executive Directors

The process of nomination and appointment of directors and executive directors is that the designated person to be appointed as directors or executive directors shall be deemed to be qualified in accordance with Section 68 of the Public Companies Act B.E. 2535 (1992) and the announcement of Capital Market Supervisory Board (CMSB) (Tor Jor 39/2559 Re: Application for Approval and Granting of Approval for Offer for Sale of Newly Issued Shares dated September 30, 2016 with composition and recruitment criteria. Please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 8.2 Corporate Governance (the Company and its Subsidiaries)

In supervising its subsidiaries, representatives from the Company shall be appointed as a director in the subsidiary company. The representative director might be the Chairman of the Board of Director, Director, Chief Executive Officer, Managing Director, Executive Director or any others whose qualification and expertise are suitable for business operation and entirely devoid of any conflict of interest in that company and its subsidiaries. Furthermore, the representative director in the subsidiary company must ensure that the administration and management are in compliance with laws, regulations, and the Delegation of Authority of the Company.

In order to maintain the interest of the Company's investment, and allow the Company to properly supervise the administration and management as though it was a company agency. Therefore, the Board of Directors' Meeting No. 1/2020 (after the conversion to Public Company) on June 17, 2020, has approved the Corporate Governance Policy of the Company and its subsidiaries. The details are as follows:

### **1. Management Control of the Subsidiaries and Associated Companies Policy**

The determination of guidelines of exercising of voting rights of the Company's representative in the meeting of shareholders of the subsidiary company and associated companies: the nomination and Remuneration of directors, appointment of external auditors, allocation of net profit, and any other matters which are not set in advance on the agenda. Any determination or setting is required the approval from the Board of Director's Meeting or the meeting of shareholders (depending on the case). In addition, performance tracking of the subsidiaries and associated companies is ensured the business's operation is being prosecuted in accordance with the plan including the disclosure of the Related Party Transaction of the subsidiary company, the evaluation of adequacy of the internal control system, the disclosure of information of directors and their related persons, and oversight of inside information.

### **2. Financial Control Policy of Subsidiaries and Associated Companies**

Subsidiaries and associated companies are set to report the Company their operating performance and quarterly financial statements as well as relevant documents in regards to financial reports for the preparation of the consolidated financial statements and quarterly operational performance report. Subsidiaries and associated companies are also requested to report any financial issues that are significant to the Company when detected or when requested by the Company to conduct an investigation.

Besides, directors are responsible to continuously track: the operational performance of the subsidiaries and associated companies in accordance with the budget: the disclosure of Related Party Transaction and Acquisition and Disposition of Assets as per the announcement of Capital Market Supervisory Board (CMSB) and Board of Directors of the Stock Exchange of Thailand.

## **8.3 Oversight of Inside Information**

According to the Board of Directors' Meeting's resolution No. 1/2020 (after the conversion to Public Company) on June 17, 2020, Inside Information Usage Policy is approved. This is to prevent any designated persons from using inside information for their personal/other's benefits. The details are as follows:

1. Directors, executives, and employees of the Company must adhere to procedures as follows:

A) Must maintain confidentiality and/or inside information of the Company

B) Must not disclose the confidentiality and inside information of the Company or serving one's own interest or other's either directly or indirectly, and whether or not it will be rewarded.

C) Must not trade or transfer of the Company's shares by using confidentiality and/or inside information, and/or enter into any act using confidentiality and/or inside information of the Company which may cause damage to the Company either directly or indirectly.

Moreover, directors, executives, and employees of the Company whose department received or acknowledged inside information of the Company are not permitted to trade or transfer the Company's shares within 1 month before the disclosure of company's financial statements to the public. These measures include their spouses, cohabitation partners and minor children under legal age including legal entities of directors, executives, and employees of the Company. Any violation shall be considered a serious offence.

2. Directors and executives of the Company must report any changes in their RT ownership including spouses, cohabitation partners, minor children under legal age, and legal entities to the Securities and Exchange Commission ("SEC") under Article 59 of the Securities and Exchange Act B.E. 2535 (1992), and must acknowledge penalties of the Securities and Exchange Act B.E. 2535 (1992). Furthermore, directors and executives must submit a copy of the report to the Company within the same day as report to SEC was submitted Which they are required to notify within three days of the dates of sale, purchase, disposal, or receipt of such shares.

3. the Company has enforced and announced this regulation to the directors, executives, employees.

#### 8.4 Remuneration for Auditor

The Company has paid the audit fee for the consolidated financial statement in 2017-2020 to EY Office Limited who was appointed as the Company's external auditor. The details are as follows:

Unit: Baht

Audit Fee	2017	2018	2019	2020
Audit fee of the Company and its subsidiaries	2,965,000	2,635,000	2,835,000	2,900,000

- Other fees (Non-Audit Fee)

- None -



## 8.5 Summary of Board of Directors' Meeting Attendance (2017-2020)

(Unit: Total attendance time per total meetings)

Names of Directors	2017				2018				2019			
	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director
1. Songpope Polachan, Ph.D. <sup>1/</sup>	7/7	-	-	-	7/7	-	-	-	7/7	-	-	-
2. Mr. Chawalit Tanomtin	7/7	-	5/5	2/2	7/7	-	5/5	2/2	6/7	-	6/6	3/3
3. Mr. Surasak Seekhiew	7/7	-	5/5	-	6/7	-	5/5	-	6/7	-	6/6	-
4. Mr. Chaiya Wonglapanich	7/7	-	5/5	-	7/7	-	5/5	-	7/7	-	6/6	-
5. Mr. Teerayut Chusilp	7/7	-	-	2/2	7/7	-	-	2/2	6/7	-	-	3/3
6. Mr. Suraphong Jamchula	7/7	-	5/5	-	6/7	-	5/5	-	5/7	-	6/6	-
7. Kroyim Santrakul, Ph.D.	7/7	-	-	-	7/7	-	-	-	7/7	-	-	-
8. Mr. Natthapong Poome	7/7	-	-	-	7/7	-	-	-	7/7	-	-	-
9. Boonthep Nanengrungsunk, Ph.D. <sup>2/</sup>	5/6	4/4	-	-	7/7	4/4	-	-	7/7	5/5	-	-
10. Mr. Thanapat Papat <sup>2/</sup>	6/6	4/4	-	1/1	7/7	4/4	-	2/2	7/7	5/5	-	3/3
11. Mr. Chaiwit Jumnongsutsathien <sup>3/</sup>		-	-	-		-	-	-	5/6	4/4	-	-
12. Mr. Jumpsot Kanjanapanyakom <sup>2/</sup>	5/6	-	-	1/1	7/7	-	-	2/2	7/7	-	-	3/3

**Source:** The Office of Company Secretary, Right Tunneling PCL

**Remarks:** - Figures representing the number of times the directors attended the meeting

<sup>1/</sup>The Board of Directors' Meeting No 2/2015 on May 11, 2015 approved the appointment of Songpope Polachan, Ph.D. as the Chairman of the Board of Directors

<sup>2/</sup> The Annual General Meeting of Shareholders No.1/2017 on April 3, 2017 approved the appointment of 3 Auditing Directors: Boonthep Nanengrungsunk, Ph.D.,

Mr. Thanapat Papat, Ms. Nongram Laahaareedilok, and another Independent Director, Mr. Jumpsot Kanjanapanyakom.

<sup>3/</sup> The Annual General Meeting of Shareholders No. 1/2019 on April 25, 2019 approved the appointment of Auditing Director, Mr. Chaiwit Jumnongsutsathien, in replacement of resigned director.

## 8.6 Remuneration for Directors and Executives

Nomination and Remuneration of Directors Policy is approved by the Board. This is as an incentive that will drive the organization towards both short-term and long-term goals. The Company is certain that Director's Remuneration Rate is competitive compared to others in the same industry; therefore, the Company is able to maintain the competent directors. Their duties and responsibilities in the business are appropriate to the Remuneration in accordance with market norm and other listed companies in the same industries. The appropriateness of duties and responsibilities are also in part of the consideration by the Nomination and Remuneration Committee. They are responsible for nominating and remunerating for directors, subcommittees, Chief Executive Officer, Managing Director. Besides, the remuneration of directors is proposed to the Board of Directors, then to the Annual General Meeting of Shareholders annually.

For the Nomination and Remuneration of Directors Policy, please see the Company's website: [www.rtko.co.th](http://www.rtko.co.th) - Corporate Governance, for review.

### 8.6.1 Remuneration of Directors

#### 1) Remuneration of the Board of Directors

The Board of Directors' Meeting No. 3/2020 on May 25, 2020, and the Extraordinary General Meeting of Shareholders No. 1/2563 on June 10, 2020 have approved the remuneration of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee of 2020. The details are as follows:

#### 1.1) Meeting Allowance of Directors

Position	Meeting Allowance in 2020
Board of Director <sup>1</sup> - Chairman of the Board of Directors - Director	25,000 Baht / Person / Time 16,500 Baht / Person / Time
Audit Committee <sup>2</sup> - Chairman of the Audit Committee - Auditing Director	20,000 Baht / Person / Time 16,000 Baht / Person / Time
Nomination and Remuneration Committee <sup>3</sup> - Chairman of the Nomination and Remuneration Committee - Nomination and Remuneration Director	20,000 Baht / Person / Time 16,000 Baht / Person / Time
Corporate Governance and Risk Management Committee <sup>4</sup> - Chairman of the Corporate Governance and Risk Management Committee - Corporate Governance and Risk Management Director	20,000 Baht / Person / Time 16,000 Baht / Person / Time

**Remarks:** - Executive Committee are not eligible for Meeting Allowance.

<sup>1</sup> The Company started to pay directors' remuneration for the first time since the Board of Directors' Meeting No.2/2015 on May 11, 2015.

<sup>2</sup> The Annual General Meeting No.1/2017 on April 3, 2017 approved the appointment of Audit Committee. Remuneration was paid to Auditing Directors since the Board of Directors' Meeting No.1/2017 on March 15, 2017 onwards.

<sup>3</sup> The Annual General Meeting No.1/2017 on March 15, 2017 approved the appointment of Nomination and Remuneration Committee. Nomination and Remuneration Committee's Meeting has started since December 27, 2017 onwards.

<sup>4</sup> The Annual General Meeting No.1/2017 on March 15, 2017 approved the appointment of Corporate Governance and Risk Management Committee. The Corporate Governance and Risk Management Committee's Meeting has started from May 15, 2017 onwards.

Besides, the Board of Directors' Meeting No.1/2020 on February 27, 2020 has approved to propose the remuneration of directors at the amount of (not exceeding) 6,262,500 Baht.

#### 1.2) Annual Remuneration of Directors

The Board of Directors' Meeting No.1/2020 on February 27, 2020 has approved to propose the Annual Remuneration of Directors for 2020 at the amount of 3,460,000 Baht and in case the director do not taking an office for full year, remuneration is to be averaged in accordance with the period of holding the position.

#### 1.3) Annual Remuneration of Executive Directors

The Board of Director's Meeting No.1/2020 on February 27, 2020 has determined the Annual Remuneration of Executive Directors for 2020 at the amount (not exceeding) 6,800,000 Baht. Chairman of the Executive Committee shall be the one who allocates the remuneration to all executive directors.

### Summary of Remuneration of Directors in 2017-2020

(Unit: Baht)

Names	2017				2018			
	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director
1. Songpope Polachan, Ph.D.	328,666	10,000	-	-	555,000	-	-	-
2. Mr. Chawalit Tanomtin	273,666	-	72,000	24,000	395,500	-	64,000	32,000
3. Mr. Surasak Seekhiew	273,666	-	72,000	-	379,000	-	64,000	-
4. Mr. Chaiya Wonglappanich	273,666	-	72,000	-	395,500	-	64,000	-
5. Mr. Teerayut Chusilp	273,666	-	-	24,000	395,500	-	-	32,000
6. Mr. Suraphong Iamchula	273,666	-	90,000	-	379,000	-	80,000	-
7. Krayim Santrakul, Ph.D.	273,666	8,000	-	10,000	395,500	-	-	-
8. Mr. Natthapong Poome	273,666	8,000	-	-	395,500	-	-	-
9. Boonthep Nanegrungsunk, Ph.D.	82,500	80,000	-	-	325,500	80,000	-	-
10. Mr. Thanapat Pupat	99,000	64,000	-	16,000	325,500	64,000	-	32,000
11. Mr. Chaiwut Jumnongsutasathien <sup>/1</sup>	-	-	-	-	-	-	-	-
12. Mr. Jumpot Kanjanapanyakorn	325,500	-	-	40,000	325,500	-	-	40,000
13. Mr. Wiwat Nualnok <sup>/2</sup>	-	-	-	-	-	-	-	-
14. Mr. Koson Kongdaeng <sup>/2</sup>	-	-	-	-	-	-	-	-

**Remarks:** Remuneration of directors consists of Meeting Allowance and Annual Remuneration of Directors

<sup>/1</sup> The Annual General Meeting of Shareholders for the year 2019 on April 25, 2019 has appointed Mr. Chaiwut Jumnongsutasathien as Auditing Director in replacement of the resigned director, Ms. Nongram Laahaareedilok.

<sup>/2</sup> Mr. Wiwat Nualnok and <sup>/2</sup> Mr. Koson Kongdaeng are the executive directors

(Unit: Baht)

Names	2019				2020			
	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director	Director	Auditing Director	Corporate Governance and Risk Management Director	Nomination and Remuneration Director
1. Songpope Polachan, Ph.D.	555,000	-	-	-	655,000	-	-	-
2. Mr. Chawalit Tanomtin	379,000	-	96,000	16,000	461,500	-	96,000	48,000
3. Mr. Surasak Seekhiew	379,000	-	80,000	-	461,500	-	96,000	-
4. Mr. Chaiya Wonglappanich	395,500	-	96,000	-	61,500	-	96,000	-
5. Mr. Teerayut Chusilp	379,000	-	-	32,000	461,500	-	-	48,000
6. Mr. Suraphong Iamchula	362,500	-	120,000	-	461,500	-	120,000	-
7. Krayim Santrakul, Ph.D.	395,000	-	-	-	461,500	-	-	-
8. Mr. Natthapong Poome	395,000	-	-	-	461,500	-	-	-
9. Boonthep Nanegrungsunk, Ph.D.	395,500	120,000	-	-	461,500	120,000	-	-
10. Mr. Thanapat Pupat	395,500	96,000	-	16,000	461,500	96,000	-	60,000
11. Ms. Nongram Laohaareedilok	16,500	64,000	-	-	-	-	-	-
12. Mr. Chaiwut Jumnongsutasathien <sup>/1</sup>	362,500	-	-	-	461,500	96,000	-	-
13. Mr. Jumpot Kanjanapanyakorn	395,500	-	-	40,000	461,500	-	-	48,000
14. Mr. Wiwat Nualnok <sup>/2</sup>	-	-	-	-	-	-	-	-
15. Mr. Koson Kongdaeng <sup>/2</sup>	-	-	-	-	-	-	-	-

**Remarks:** Remuneration of directors consists of Meeting Allowance and Annual Remuneration of Directors

<sup>/1</sup> The Annual General Meeting of Shareholders for the year 2019 on April 25, 2019 has appointed Mr. Chaiwut Jumnongsutasathien as Auditing Director in replacement of the resigned director, Ms. Nongram Laohaareedilok.

<sup>/2</sup> Mr. Wiwat Nualnok and <sup>/2</sup> Mr. Koson Kongdaeng are the executive directors.

## 2) Remuneration of Executive Directors

The Company pays the remuneration of executive directors in forms of salaries, bonuses, and other welfares such as post-employment benefits.

Remuneration of Executive Directors	2017		2018		2019		2020	
	Amount (Person)	Amount (Million Baht)	Amount (Person)	Amount (Million Baht)	Amount (Person)	Amount (Million Baht)	Amount (Person)	Amount (Million Baht)
Salaries, bonuses, post-employment benefits, social securities, life-insurance premium, Travelling Expenses, telephone expenses	5	19.24	5	19.68	6	17.29	7	21.90

**Remarks:** The Company has established a provident fund, MFC Master Fund on February 28, 2005, organized by MFC Assets Management, effective date since February 28, 2005.

**Source:** Human Resources and Administration Department

### 8.6.2 Non-monetary Compensation

The Company rewarded the non-monetary compensation to executive directors. The details of executive directors' provident funds are as follows:

Remuneration of Executive Directors	2017		2018		2019		2020	
	Amount (Person)	Amount (Million Baht)	Amount (Person)	Amount (Million Baht)	Amount (Person)	Amount (Million Baht)	Amount (Person)	Amount (Million Baht)
Provident Funds	5	1.24	5	1.27	6	1.37	7	1.53

### 8.6.3 Other Compensation

The Board of Directors' Meeting No.3/2020 on October 15, 2020 has approved the allocation of newly issued ordinary shares for directors, executives, and/or employees of the Company and its Subsidiaries at the amount (not exceeding) 30,000,000 shares, or 10 percent of the total new allocation. In addition, qualifications of candidates were determined.

In the event that there are remaining newly issued ordinary shares from the allocation for directors, executives, and/or employees of the Company and its Subsidiaries, such shares will be allocated to the Initial Public Offering (IPO). Moreover, the offer price is the price equal to the Initial Public Offering's Price, and is offered with the IPO.

The allocation of newly issued ordinary shares for directors approved by the Board of Directors' Meeting No. 3/2020 on October 15, 2020. The Company has allocated newly issued ordinary shares for 12 directors at the amount of (not exceeding) 14,000,000 shares as follows:

Number	Name - Surname	Position	Highest Allocated Shares (Not Exceeding) (shares)	Per IPO
1	Songpope Polachan, Ph.D.	Chairman of the Board	2,000,000	0.67%
2	Mr. Chawalit Tanomtin	Director / Deputy Chairman of the Board	2,000,000	0.67%
3	Mr. Suraksak Seekhiew	Director	1,000,000	0.33%
4	Mr. Chaiya Wonglappanich	Director	1,000,000	0.33%
5	Mr. Teerayut Chusilp	Director	1,000,000	0.33%
6	Mr. Suraphong Iamchula	Director	1,000,000	0.33%
7	Krayim Santrakul, Ph.D.	Director	1,000,000	0.33%
8	Mr. Nattapong Poome	Director	1,000,000	0.33%
9	Boonthep Nanegrungsunk, Ph.D.	Chairman of the Audit Committee / Independent Director	1,000,000	0.33%
10	Mr. Thanapat Papat	Auditing Director / Independent Director	1,000,000	0.33%
11	Mr. Chaiwut Jumngsutasathien	Auditing Director / Independent Director	1,000,000	0.33%
12	Mr. Jumpot Kanjanayakom	Independent Director	1,000,000	0.33%
<b>Total</b>			<b>14,000,000</b>	<b>4.67%</b>



## 8.7 Reports of the Executive Committee

The Board of Directors of Right Tunnelling Public Company Limited approved the appointment of Executive Committee with the responsibility to supervise the operational management in accordance with policies determined by the Board of Directors with awareness and consideration of the best interests of stakeholders and investors appropriately and fairly in concerns with good corporate governance.

The Executive Committee were 6 persons as follows:

- |                             |                                     |
|-----------------------------|-------------------------------------|
| 1. Mr. Chawalit Tanomtin    | Chairman of the Executive Committee |
| 2. Mr. Surasak Seekhiew     | Executive Director                  |
| 3. Mr. Teerayut Chusilp     | Executive Director                  |
| 4. Mr. Chaiya Wonglappanich | Executive Director                  |
| 5. Mr. Wiwat Nualnok        | Executive Director                  |
| 6. Mr. Koson Kongdaeng      | Executive Director                  |

In 2020, the Executive Committee had a total of 36 meetings. These were to supervise and monitor the performance of the operation closely and strictly in order to achieve the most efficient performance. The summary is as follows:

1. Supervised the operational management of the Company in concerns with the policies given by the Board of Directors, and reported the results to the Board of Directors.
2. Considered approving the business plan to be suitable and profitable, and reported to the Board of Directors.
3. Considered the annual budget and budget spending to propose to the Board of Directors, and supervise the spending in accordance with budget approved by the Board of Directors.
4. Provided sufficiently important information for the consideration and better decision making to the Board of Directors and investors including prepared the reliable financial reports according to the standards and transparency.
5. Ensured a proper procedure for employees to report any unusual incidents, action, or offences to the Executive Committee in timely manner.
6. Considered the Company's profit and loss and propose the allocation of dividend payment to the Board of Directors.
7. Prepared the Succession Plan in order to prepare the successors for the position of Chief Executive Director, Managing Directors, and executives. Moreover, ensured that Managing Director had reported the Board of Directors a Succession Plan once a year.

Mr. Chawalit Tanontin  
Chairman of the Executive Committee

## 8.8 Reports of Corporate Governance and Risk Management Committee

Corporate Governance and Risk Management Committee of Right Tunnelling Public Company Limited was appointed by the Board of Directors on June 17, 2020. In the present, the committee consists of 4 competent directors with the experience on Corporate Governance and Risk Management as follows:

- |                             |  |
|-----------------------------|--|
| 1. Mr. Suraphong Iamchula   | Chairman of the Corporate Governance and Risk Management Committee |
| 2. Mr. Chawalit Tanomtin    | Corporate Governance and Risk Management Director                  |
| 3. Mr. Surasak Seekhiew     | Corporate Governance and Risk Management Director                  |
| 4. Mr. Chaiya Wonglappanich | Corporate Governance and Risk Management Director                  |

In 2020, the Corporate Governance and Risk Management Committee had total of 6 meetings, and the committee has performed the duties as assigned by the Board of Directors as follows:

- Established the Corporate Governance Policy that covers the principles of Good Corporate Governance as well as guidelines to create transparency, responsibility, and credibility to the investors, and stakeholders for long-term benefits of the business.
- Established plans to prevent and reduce risks, evaluated, prepared the Risk Management Report, and controlled the risk of the Company within the acceptable limit. This also includes the responsibility to consider, examine, and present the policies and practices of Risk Management in all aspects involving in business operation to be appropriate and efficient.
- Provided guidance for Risk Management of the complex project finance to support the decisions of the Board of Directors or the Management.
- Reviewed the financial risk management report and provide comments and recommendations.
- Considered and commented the operational risk which consists of safety, occupational health, and environmental risks. This is to ensure that risk management measures are sufficient to protect lives, properties, business as well as stakeholders. As a result, there has been none of COVID-19 outbreak in the office and project sites in 2020.
- Considered and commented the risk management of Information System to efficiently stabilize the Company's operation.

In addition, Corporate Governance and Risk Management Committee has performed their duties as signed by the Board of Directors in their fullest potential, and is committed to ensure that the overall operation is under the supervision and enterprise-wide risk management with continuous efficiency and improvement according to the Good Corporate Governance as well as any laws and regulations in relevant to the business continuity for the best interest of the Company, investors, and stakeholders.

Mr. Suraphong Iamchula  
Chairman of the Corporate Governance and Risk Management Committee

## **Corporate Governance**

### **1. Conflict of Interest**

The Company has Conflict of Interest Policy which is considered important. It is to maintain the maximum benefits of the Company and investors. The procedures are as follows:

#### Conflict of interest Policy

The Company has Conflict of Interest Policy which is considered important. It is to maintain the maximum benefits of the Company and investors. The procedures are as follows:

- 1) The Board of Directors and Executives must carefully consider any conflict of interest of the related party transaction among the Company, its subsidiaries, and associated companies with integrity. The consideration is made with rations and independence with highest concern of the Company.
- 2) In the event that the related party transaction is supposed to be disclosed or initially approved by the shareholders, the Company must make sure that the relevant information is adequately disclosed to the shareholders, for instance, names, relationship of the connected person, pricing and transaction policy, reasons of the transaction including the opinion of the Board of Directors about the transaction, reviewed by the Audit Committee.
- 3) In the meeting, any person with conflict of interest in that agenda must temporarily leave the meeting when the agenda is being considered so that other attendees are able to consider, analyze and criticize without the influence of that person.
- 4) The Board of Directors and Executives making the decision regarding the business must concern the best interest for the Company regardless of any influences, needs, and personal benefits of the relevant person.
- 5) Every personnel must not operate or engage in a similarly competitive business or the company with same characteristics with the business and will not be the major shareholder or executive in a similarly competitive business or the company with same characteristics with the business. In any inevitable case, he must report to the supervisor immediately.
- 6) Every personnel must not seek the benefits that should not be obtained from any source or any others from his duties and responsibilities.
- 7) Every personnel must refrain from engaging in finance and/or a relationship with any other party outside the organization, which may cause damage to the Company or create any conflict of interest or impede the efficiency of the operation.
- 8) Directors and executives must conduct a self-review and evaluation in the aspect of conflict of interest mentioned in the self-evaluation every year.

## **2. Oversight of Inside Information**

### Oversight of Inside Information Policy

1.) Directors, executives, and employees of the Company must adhere to procedures as follows:

1.1) Must maintain confidentiality and/or inside information of the Company

1.2) Must not disclose the confidentiality and inside information of the Company or serving one's own or others' interest either directly or indirectly, and whether or not it will be rewarded.

1.3) Must not trade or transfer the Company's shares by using confidentiality and/or inside information, and/or enter into any act using confidentiality and/or inside information of the Company which may cause damage to the Company either directly or indirectly.

Moreover, directors, executives, and employees of the Company whose department received or acknowledged inside information of the Company are not permitted to trade or transfer the Company's shares within 1 month before the disclosure of the Company's financial statements to the public, and 24 hours after the disclosure of financial report or any other information for the public. These measures include their spouses, cohabitation partners and minor children under legal age including legal entities of directors, executives, and employees of the Company. Any violation shall be considered a serious offence.

Directors and executives of the Company must report any changes in their RT ownership including spouses, cohabitation partners, minor children under legal age, and legal entities to the Securities and Exchange Commission ("SEC") under Article 59 of the Securities and Exchange Act B.E. 2535 (1992), and must acknowledge penalties of the Securities and Exchange Act B.E. 2535 (1992). Furthermore, directors and executives must submit a copy of the report to the Company within the same day as the report to SEC was submitted which they are required to notify within three days of the dates of sale, purchase, disposal, or receipt of such shares. The Company has enforced and announced this regulation to the directors, executives, employees.

## **3. Anti-corruption**

Right Tunnelling Public Company Limited has an ambition to conduct a business with integrity, transparency, and in compliance with laws, regulations, and involving obligations in conducting a business with a serious concern of the stakeholders. The Company has set the Anti-corruption Policy as guidelines for directors, executives, and employees, and informed the stakeholders about its procedures.

### Definition of Corruption

Corruption means any forms of bribery by offering promise, commitment, claims, or receipt of remuneration, cash or assets, or any other inappropriate benefits to the authorities, government or private agencies, or any person either directly or indirectly in order for such person to perform or refrain from performing duties in the acquisition and maintenance of business, or introducing businesses to a particular business or to acquire, maintain any inappropriate benefits unless in case of practical and feasible laws, regulations, announcement, traditions, local traditions or trade practices.

### **Anti-corruption Policy**

The directors, executives, and employees of the Company are prohibited from conducting or accepting any kinds of corruption either directly or indirectly covering from domestic business to all sectors involving the Company. There shall be a regular review of implementation of this anti-corruption policy including evaluation and determination to development its procedures and regulations to comply with any changes in business, regulations and legal requirements.

#### **Duties and Responsibilities**

1. The Board of Directors is responsible for the determination of policies and supervision of effectively anti-corruption systems in order that the management realizes and values anti-corruption, until it becomes the corporate culture.
2. Audit Committee is responsible for the review of financial statements, internal control, internal audit system, and risk management system in accordance with the generally-accepted standard, in concise, appropriate, modern, and efficient manners.
3. Managing Director, management, and executives are responsible for the determination of system and campaign that supports Anti-corruption Policy to communicate to the employees and stakeholders as well as to review the suitability of systems and measures in response to the changes in business, laws, regulations, and legal requirements.
4. Internal auditors are responsible for review and inspection of the operation to ensure that it is valid and compiled with policies, procedures, delegation of authorities, measures, law, and legal requirements for the suitable internal control system and sufficient for corruption risk that might possibly occur, then report to the Audit Committee.

#### **Practical Guidelines**

1. Directors, executives, and employees of Right Tunnelling Public Company Limited in all levels must follow Anti-corruption Policy and Business' Ethics, and not get involved in corruption either directly or indirectly.
2. In business operation, duties and responsibilities are separated by the clear chain of command for the balance of power, in order to prevent or reduce the opportunities of corruption so that the sustainable growth is achieved.
3. Audit Committee, the independent unit, performs their duties with audit principles and review to ensure that the Company follows Corporate Governance Code without fail as per the policies and requirements by mainly focusing on corruption risk and unlawful exploitation of duties which is assessed and examined appropriately.
4. Employees must not ignore and assent to any suspicious act of corruption involved with the Company. If such corruption is found, they must report to the supervisors or responsible personnel and cooperate in the investigation as well. If any inquiries arise, employees may consult directly with supervisors or personnel who is in charge of the Company's Code of Conduct through provided channels.



5. The Company determined Whistleblowing Policy in written format. In the event that any suspicious act of corruption or misconduct of a person or legal entity is found, whistleblowers may report the complaints via email: whistleblower@rtco.co.th or telephone number: 02-313-4848 or posts directly to the Audit Committee of Right Tunnelling Public Company Limited, 292 Moo 4, Bangna-Trad Road Km. 26, Bangbor, Bangbor, Samut Prakarn, 10560. Furthermore, in the protection of whistleblowers, the Company has mechanism and policy that retain the confidentiality of whistleblowers.

6. Directors, executives, and employees who corrupt or violate the Company's Code of Conduct will be disciplined as per the established regulations. Resulting from such actions may be punishable by law.

7. The Company is aware of the importance of dissemination of information or knowledge to any other party that performs duties related to the Company or whatever causes damage to the Company resulted from following this Anti-corruption Policy.

8. The Company is determined to build and maintain the organizational culture that any form of corruption of between both government and private sector is unacceptable.

#### Terms of Action

1. Anti-corruption Policy covers the Human Resources Management from recruiting or selecting candidates, promotion, training, evaluation of performance, and compensation. Supervisors at all levels must communicate with employees for every business activity that they are responsible and supervise the operation to ensure the effectiveness.

2. Any action concerning Anti-Corruption Policy must refer to the guidelines stipulated in Code of Conduct, Business Ethics, Good Corporate Governance, and Policies and Guidelines for stakeholders as well as other relevant regulations and Quality Procedures of the Company in addition to any guidelines to be determined in the future.

3. Directors, executives, and employees of the Company are provided with training courses in accordance with Code of Conduct and Good Corporate Governance by focusing on maintaining the standards and developing of corporate governance process. This is to establish Good Corporate Governance as the cultural organization, also monitor and evaluate conventionally.

4. For clarity in the operation of high corruption risk, directors, executive, and employees of the Company at all levels must behave the following with full awareness:

a. all occurring expense of gratuity, entertainment must be complied with the Company's Code of Conduct.

b. Any donation, grant, or financial aids must be transparent, in compliance with laws, and must not involve with bribery. Any business relations and procurement with government agencies must not give or receive any forms of bribery during business operation of the Company and its Subsidiaries. All must be transparent, honest, and in compliance with the laws.

#### 4. Whistleblowing

Right Tunnelling Public Company Limited and the Management Team value correctness, transparency, fairness, and accountability in accordance with Good Corporate Governance. The Board of Directors has assigned the Audit Committee to consider receiving complaints and commends from the stakeholders. In the case of suspicious acts of the employees and units are found that might cause damage to the Company including the protective measures for the whistleblowers.

Stakeholders, and employees including those who are affected by the operation of the Company, can report or complain to the Company when notified, wondered or believed that the Company's unit and employees violate the laws, practices, regulations, Corporate Governance Code, Code of Conduct, as well as policies and procedures that might cause damages to the Company.

The Company shall protect the rights of whistleblowers, and witnesses that act with good intention. Names, addresses, or any identifiable information shall be kept with confidentiality by allowing only the person who is responsible for the investigation to gain access to the data. In addition, that responsible personnel shall also keep all information and evidence with confidentiality, and must not disclose the information to outsiders except the duty of disclosure required by laws.

Whistleblowers must inform the details: name, address, and telephone number to the Chairman of the Board Director and/or chairman of the Audit Committee of Right Tunnelling Public Company Limited by

1. Posts

To the Chairman of the Board of Director of Right Tunnelling Public Company Limited and/or Chairman of the Audit Committee of Right Tunnelling Public Company Limited, 292 Moo 4 Bangna-Trad Road (Km. 26X) Bangbor, Bangbor, Samut Prakarn, 10560

2. Electronic mail (Email)

E-mail address: whistleblower@rtco.co.th

#### 8.9 Report of the Audit Committee

The Audit Committee of Right Tunnelling Public Company Limited, appointed by the Board of Directors, consists of 3 independent directors as follows:

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| 1) Boonthep Nanegrungsunk, Ph.D.  | Chairman of the Audit Committee |
| 2) Mr. Thanapat Pupat             | Auditing Director               |
| 3) Mr. Chaiwut Jumnongsutasathien | Auditing Director               |

Every director performed their duties independently regardless of the influence of the Management as per the scope of duties and responsibilities assigned by the Board of Directors, and Audit Committee's charter.

In 2020, the Audit Committee has total of 6 meetings with full attendances. Their work as per the duties and responsibilities to consider as well as give comments to important agendas are as follows:

**1. Review of Financial Statement** The Audit Committee has reviewed the quarterly and yearly financial statements of the Company and its Subsidiaries in order to ensure its credibility, transparency, reliability and adequacy, in accordance with the generally- accepted accounting principles.

**2. Review of Internal Control** The Audit Committee has considered the annual audit plan as well as monitor the results closely with the concerns of appropriateness together with efficiency and evaluated the adequacy of the internal control system promoted by COSO covering 5 aspects as follows:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information & Communication
- (5) Monitoring Activities

**3. Review of Compliance Activities** The Audit Committee has reviewed compliance activities enforced by SEC and SET or policies, practices, regulations, and requirements of SET and other legal requirements involving business. No unusual or illegal transaction were found.

**4. Consideration and Nomination of External Auditor** The Audit Committee has considered the qualifications and remuneration of external auditor of the Company for 2020 and attended a meeting with external auditors without Management Team once.

**5. Supervision of Internal Audit** The Audit Committee has considered the qualifications and nominate candidates the independent internal auditor of the Company for 2020 as well as supervised and reviewed the annual internal audit plan on 2020. They are assigned to report the audited results, improvements, and recommendations to the committee every quarter to ensure that the Company and its Subsidiaries have an effective and adequate internal control system.

**6. Consideration and Review of Related Party Transaction or Conflict of Interests** The Audit Committee has reviewed every related party transaction or conflicts of interests that all are accurate and complete, and in accordance with laws, practices, regulations, as well as regulations and policies of SET.

**7. Review and Evaluate the Effectiveness of Risk Management Report** The Audit Committee has reviewed risk management process as per the operation. It is ensured the effectiveness and efficiency of the system is continuously improved for the adequacy of the risk management.

The Audit Committee believe that as of December 31, 2020, the Company has a valid financial statement in accordance with generally-accepted accounting principles and adequate disclosure, as well as effective internal control system. However, no significant errors were found. Above of all this, the Company has perfectly performed their duties in compliance with the regulations, policies and legal requirements of SEC and SET.

Boonthep Nanegrungsunk, Ph.D.  
Chairman of the Audit Committee

## 8.10 Report of Nomination and Remuneration Committee

The Board of Directors has approved the appointment of Nomination and Remuneration Committee of Right Tunnelling Public Company Limited consisting of 4 persons: 2 independent directors, and 2 executive directors as follows:

- |                                |   |
|--------------------------------|---|
| 1. Mr. Jumpot Kanjanapanyakorn | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Chawalit Tanomtin       | Nomination and Remuneration Director                  |
| 3. Mr. Teerayut Chusilp        | Nomination and Remuneration Director                  |
| 4. Mr. Thanapat Pupat          | Nomination and Remuneration Director                  |

As per the appointment as the Nomination and Remuneration Directors, they have performed their duties as per the assignment of the Board of Directors with the concerns of duties and responsibilities and best interests of investors and stakeholders appropriately and fairly in accordance with Good Corporate Governance.

In 2020, Nomination and Remuneration Committee has a total of 3 meetings to discuss and recommend the important agendas to propose to the Board of Directors. The main ideas are as follows:

**1. Nomination** The committee has reviewed the process and procedures of nomination and selection of suitable candidates to be appointed as a director in replacement of the retired director (by rotation). The consideration focuses the candidacy of the director and the nature of business as well as competencies, experiences, and expertise in a particular field which is beneficial for the Company. In addition, this complies the Companies' strategies in big picture in order to propose to the meeting shareholders a suitable candidate, and also recruit a qualified executive for the position of Chief Executive Officer and Managing Director.

**2. Remuneration** The committee has reviewed Remuneration of Directors Policy. The compensation consists of Annual Remuneration and Meeting Allowance. The remuneration structure which has been used since 2017 has been approved by the shareholders. Nomination and Remuneration Committee has also considered remuneration structure for executive directors; in addition, appraise the salaries and annual bonuses for Chief Executive Officer, Managing Director, and Deputy Managing Director for Management and Finance. The Remuneration has been carefully considered with procedures that is agreeable to the Company's operating results, responsibilities, and evaluation of directors' performance of 2020 to propose to the Board of Directors' Meeting for approval.

**3. Considered reviewing** the charter of Nomination and Remuneration Committee to be appropriate and in compliance with Good Corporate Governance and evaluation of directors' performance, and propose the Board of Directors' Meeting for information and consideration.

The Nomination and Remuneration Committee has performed their duties with discretion, prudence, and independence for the best interest of the Company.

Mr. Jumpot Kanjanapanakorn  
Chairman of the Nomination and Remuneration Committee

## 9. Internal Control and Related Party Traction

### 9.1 Opinions of the Audit Committee of Adequacy of the Internal Control System

Having an effective internal control system is essential for the Company itself and shareholders. Good internal control system helps prevent risks or reduce damage caused to the Company, allowing the Company to reach its determined goals successfully. This is as an assurance of adequacy and credibility of the Company financial statement. Business Operation is in compliance with laws, regulations, announcement, and legal requirements involving the Company, as well as prevention of loss from corruption or any others.

The Audit Committee of Right Tunnelling Public Company consists of 3 independent directors, 1 person is qualified to be able to review the credibility and reliability of financial statement.

The committee were:

1. Boonthep Nanegrungsunk, Ph.D. Independent Director / Chairman of the Audit Committee
2. Mr. Thanapat Pupat Independent Director / Auditing Director
3. Mr. Chaiwut Jumnongsutasathien Independent Director / Auditing Director

Each meeting of the Audit Committee has considered and evaluated the adequacy of the internal control system by inviting the executives to attend the meeting of a particular agenda, as well as a certified public accountant from EY Office Limited and an internal auditor from IVL Auditing Co., Ltd. to explain the facts or any information, results of the financial statements and internal control system by auditors, and other evidence quarterly. The Audit Committee considered and evaluated internal control system of the Company in accordance with The Committee of Sponsoring Organizations of Treadway Commission (COSO) which consisted of 1. Control Environment 2. Risk Assessment 3. Control Activities 4. Information and Communication 5. Monitoring Activities. The management and the involving parties have given good cooperation on this matter.

Therefore, the Audit Committee is in the opinion that the internal control system of the Company is adequate, appropriate, and in compliance with the evaluation of adequacy of internal control system promoted by the Securities and Exchange Commission (SET). This evaluated is recommended by the Board of Directors. The Company has efficiently provided enough employees for the operation of the Company and its Subsidiaries in each department. This will help prevent the Company's assets from corruption. Such organization will also cover the transaction with persons with conflicts of interest and related party transactions.

Boonthep Nanegrungsunk, Ph.D.  
Chairman of the Audit Committee

## **9.2 Reports on the Responsibilities of the Board of Directors on Financial Reports**

The Board of Directors' priority is to supervise the Company's operation that they are in line with the good corporate governance policies and the financial statements and financial data appeared in the Annual Registration Statement/ Annual Report 2020 (Form 56-1 One Report) contain accurate complete and adequate information. Its duty is also to ensure the financial statements are in line with the generally-accepted accounting principles practice in Thailand where an appropriate accounting policy is being chosen and carefully pursued in a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to guarantee the credibility of its financial statement, that a protection system is in place to prevent unusual transactions, that a related party transaction that might lead to possible conflicts of interest is in fact an actual transaction reasonably carried out during a normal course of business of the Company's maximum benefits and that relevant laws and regulations are complied. The Audit Committee has already reported the results of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the Annual Registration Statement/ Annual Report 2020 (Form 56-1 One Report).

In this regard, the Board of Director is of the opinion that the Company's internal control system is proven satisfactory and contributes to the Company's credibility as of December 31, 2020. The Company's auditor has already audited it according to the general accepted accounting standards and has an opinion that the financial statements represent an accurate financial status and operation results in its essence as per the generally-accepted accounting principles.

Songpope Polachan, Ph.D  
Chairman of the Board



## 9.3 Related Party Transaction

### 9.3.1 Related Party Transaction

Right Tunnelling Public Company Limited has the related party transaction with the persons with conflict of interest in which transactions were made with directors, and/or executives, and/or major shareholders, and legal entities that those are in the positions of directors and/or executives, and/or major shareholders in the fiscal year 2019 as of December 31, 2019 and fiscal year 2020 as of December 31, 2020. The details are as follows:

Related Persons	Relationship	Description of Transaction	Value of Transaction (Unit: Million Baht)	
			Fiscal Year 2019 as of December 31, 2019	Fiscal Year 2020 as of December 31, 2020
1. Australian Mining Technologies Company Limited Type of Business: Mining & Exploration Supply Company	- Ms. Chanaporn Bray - the major shareholder of the Company (8.23%) - Ms. Chanaporn Bray is the child of Mr. Allan Bray - Director and major shareholder of Australian Mining Technologies Company Limited	<u>Purchase of Asset:</u>  <u>Creditors:</u>	0.03  0.41	0.49  -
2. Tunnelling & Mining Technologies Company Limited Type of Business: Mining Supply Company	- Ms. Chanaporn Bray - the major shareholder of the Company (8.23%) - Ms. Chanaporn Bray is the child of Mr. Allan Bray - Director and major shareholder of Australian Mining Technologies Company Limited	<u>Asset Purchase:</u>  <u>Creditors:</u> - The Company has trade payables from the acquisition of outstanding assets	-  1.93	-  -
3. E.F.S.Group Co., Ltd. Type of Business: Machinery and Equipment	- Mr. Peansup Kunnathomsiri is the shareholder of the Company (0.70%) - Mr. Peansup Kunnathomsiri is the director and major shareholder (66.67%) of P.P.N. Expert Company Limited	<u>Asset Purchase:</u>  <u>Creditors:</u>	0.65  0.05	1.01  0.19
4. P.P.N. Expert Company Limited Type of Business: Spare parts and parts of tractor	- Mr. Peansup Kunnathomsiri is the shareholder of the Company (0.70%) - Mr. Peansup Kunnathomsiri is the director and major shareholder (66.67%) of P.P.N. Expert Company Limited	<u>Asset Purchase:</u>  <u>Creditors:</u>	0.07  0.50	-  0.19

Related	Relationship	Description of Transaction	Value of Transaction (Unit: Million Baht)	
			Fiscal Year 2019 as of December 31, 2019	Fiscal Year 2020 as of December 31, 2020
5. Mr. Chawalit Tanomtin	<ul style="list-style-type: none"> <li>- The major shareholder of the Company (16.28%)</li> <li>- Director</li> <li>- Authorized Director</li> <li>- Chairman of the Executive Committee</li> <li>- Chief Executive Officer</li> </ul>	<u>Short-term Loan:</u>	-	-
		The Company has outstanding amount of loans from the said transaction	-	-
		<u>Interest Paid</u>	-	0.20
		The Company has interest paid from the said transaction	-	-
		<u>Creditors:</u>	0.15	-
6. Mr. Chaiya Wonglapanich	<ul style="list-style-type: none"> <li>- The major shareholder of the Company (1.94%)</li> <li>- Director</li> <li>- Authorized Director</li> <li>- Deputy Managing Director for Management and Finance</li> <li>- Executive Director</li> <li>- Corporate Governance and Risk Management Director</li> </ul>	<u>Director's Suretyship - guaranty</u>	1,204.89	857.31
		<u>Director's Suretyship</u>		
		The Company has outstanding amount of loans from the said transaction	1,204.89	857.31
7. Mr. Teerayut Chusilp	<ul style="list-style-type: none"> <li>- The major shareholder of the Company (4.31%)</li> <li>- Director</li> <li>- Authorized Director</li> <li>- Deputy Managing Director for Legal &amp; Organization</li> <li>- Executive Director</li> <li>- Nomination and Compensation Director</li> </ul>	<u>Director's Suretyship</u>		
		The Company has outstanding amount of loans from the said transaction	1,008.49	846.48

### **9.3.2 Opinion of the Audit Committee regarding The Related Party Transaction**

The Audit Committee has considered the related party transactions of between the Company and other persons or legal entity with conflict of interest both in the present and the future as per the announcement of SEC. The Audit Committee No. 1/2563 on February 27, 2020 and No. 2/2020 on May 14, 2020, commented that the said related party transaction is reasonable and in accordance with fair trade traditions, equitable treatment of unrelated parties or other entities, and business exploitation.

### **9.3.3 Measures and Procedures of Approval of Related Party Transaction**

In the Board of Directors' meeting No. 1/2020 (after the conversion to Public Company) on June 16, 2020, the measures and procedures of approval of related party transaction were approved as follows:

#### **Measures and Procedures of Approval of Related Party Transaction**

- In consideration of any related party transaction, the Company shall refer to the pricing criteria and trade agreements similarly to the general customers. For the financial assistance, the transaction must be reasonable, with fair terms and conditions for the best interest of the Company and stakeholders.
- In the case that there are no pricing criteria as a reference, the Company shall consider comparing prices of any goods or services to the market price under the similar terms and conditions.
- The Company may seek benefits from the independent assessor appointed by the Company to compare the terms of the important related party transaction to be able to ensure that they are reasonable and will serve best for the Company.
- In the event that the related party transaction is involved with the related persons and those with conflicts of interest or stakeholders, or whoever will be engaging in conflict of interest in the future, it is a commercial agreement in the same manner as a person of ordinary prudence that would do in the same situation with bargaining power without influence in processing the status of directors, executives, or related persons under the traditional and reasonable terms and conditions, and can be disclosed regardless of conflict of interest. Management Team has performed its duties under the principles approved by the Board of Directors, and reported to the Audit Committee quarterly.
- On the condition that any related party transaction falls within the requirements of SET and SEC, the Company shall comply with those rules strictly.
- The Company is required to disclose any related party transaction with conflict of interest as per the requirements of SET and SEC. Such dissemination shall be disclosed in the Annual Registration Report/ Annual Report (Form 56-1 One Report) according to the legal requirements by SET. Furthermore, the approval of such a transaction must be performed in accordance with regulations, announcements, edits, and the legal requirements by SET. The persons with conflict of interest are refrained from voting in that agenda.

- The related party transactions must be included in the annual audit plan for review by Internal Auditor and then report to the Audit Committee of the Company. In addition, control and audit measures must be ensured to be conducted transactions randomly. They must be correct and in compliance with contracts policies, or specified conditions.

#### **9.3.4 Policy or Tendency of the Related Party Transaction in the Future**

The Board of Directors' Meeting No. 1/2020 (after the conversion to Public Company) on June 17, 2020 has approved the policy or tendency of the related party transaction in the future as follows: (1) in the event that the related party transaction with the person with conflict of interest is required, the Company shall determine terms and conditions in accordance with the normal trade agreement which are referable to the conditions of a business in the same industry that performs with contractors. Besides, the Audit Committee is assigned to give comments on the trade agreement, remuneration, necessity, and appropriateness of that transaction. (2) In the event that the Audit Committee is unable to consider such transaction, the Company may consider having independent assessors, independent specialists or auditors to give comments on that transaction to support the decision of the Audit Committee, and furtherly propose to the Board or shareholders (as the case may be). Moreover, the Company shall disclose the related party transaction in financial statement notes reviewed by the Company's auditor, and in case of listed company of the Stock Exchange of Thailand, the Company shall disclose it on the Annual Registration Report/Annual Report (Form 56-1 One Report) required by SET, and other regulations, announcements, edits, or legal requirements of SET.

For any related party transaction in the future, directors must follow all legal requirements stipulated by SEC And SET. Directors must not approve any transaction that they themselves have conflict of interest with the Company, and are required to propose to the Board for approval. The process must be in compliances with regulations, announcements, edits, or legal requirements of SET, the disclosure of Related Party Transaction and the Acquisition or Disposition of Assets of the Company, and accounting standards set by the Federation of Accounting Professions.

However, the related party transactions that are currently under the agreement, and may be in the future are:

The procurement of machine and spare parts from Australian Mining Technologies Company Limited, Tunnelling Mining Technologies Company Limited, E.F.S.Group Co., Ltd., and P.P.N. Expert Co., Ltd which is a purchase of machinery and spare parts as per the nature of business with the reasonable terms and conditions as same as other suppliers.

The reliance on loans from directors without guaranty with an interest rate at 5.75% per annum based on the average interest rate of promissory notes issued by the company to financial institution and the payable on demand. The Company has the policy that there will no reliance on loans from directors after becoming listed company, wherewith the policy that the Company shall seek its own source of funds. After becoming a listed company, the Company is expected to receive more funds from the Initial Public Offering (IPO) which provides the Company with adequate working capital to continue the business.

As for the reliance on directors' suretyship, including the director's personal assets pledged as collateral for loans from financial institutions regardless of remuneration of such an activity, the Company has submitted a letter notifying the financial institution to request for the release of director's surety and collateral assets. Besides, it is expected that after becoming a listed company in the Stock Market Exchange of Thailand, the Company will not rely on loans from the directors and as for the financial institution, the director's surety will be considered to be released in order to reduce the financial independence from the directors.

### **9.3.5 Investor Protection Measures**

In the protection of investors, in the event that in the future, the related party transaction of the Company and its Subsidiaries occurs with the persons with conflict of interest, or stakeholders, or what may be a conflict of interest in the future, the Company shall propose to the Audit Committee, and the Board of Directors which the Auditing Directors are attending (except the related party transaction with the reasonable trade agreement that the Board had approved and given the authority to the management to perform, as per the Board of Directors' Meeting No. 1/2020 (after the conversion to Public Company) on June 17, 2020). In addition to the supervision of transaction and to ensure its fairness and appropriate pricing policies, the Board of Directors shall perform their duties in accordance with the law under the Securities and Exchange Act, regulations, announcements, and other legal requirements by SEC and SET as well as the disclosure of Related Party Transaction and the Acquisition or Disposition of Assets of the Company. Furthermore, the Company has disclosed to the public the related party transaction in financial statement notes reviewed by the Company's auditor, also in the Annual Registration Report/Annual Report (Form 56-1 One Report) in financial statement notes section for the year ended December 31, 2020 in accordance with the laws under the Securities and Exchange Act, regulations, announcements, edits or legal requirements of the Stock Exchange of Thailand.







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## Part 3

# Financial Statements

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Right Tunnelling Public Company Limited  
and its subsidiaries  
(Formerly known as “Right Tunnelling Company Limited”)  
Report and consolidated financial statements  
31 December 2020

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## **Independent Auditor's Report**

To the Shareholders of Right Tunnelling Public Company Limited  
(Formerly known as "Right Tunnelling Company Limited")

### **Opinion**

I have audited the accompanying consolidated financial statements of Right Tunnelling Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Right Tunnelling Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Right Tunnelling Public Company Limited and its subsidiaries and of Right Tunnelling Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### ***Recognition of revenue from construction contracts***

In 2020, the Group recognised revenue from construction contracts amounting to Baht 2,823 million and Baht 2,785 million in the consolidated statement of comprehensive income and the separate statement of comprehensive income, respectively, which were significant transactions. The Group recognises revenue from construction contracts in accordance with the accounting policy described in Note 5.1 to the financial statements. I focused my audit on the process of measurement, the determination of appropriate timing of revenue recognition and the estimates of possible losses since these areas require management to exercise significant judgement to assess the percentage of completion of construction work, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction contracts and the estimates of possible losses from construction contracts.

I examined the recognition of revenue from construction contracts and the provision for losses on construction projects by assessing and testing the effectiveness of the internal controls put in place by the Group over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction projects, through making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group's process for assessing the percentage of completion and making cost estimates for projects, and checked the estimated project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred. In addition, I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 24 February 2021

**Right Tunnelling Public Company Limited and its subsidiaries**

**(Formerly known as “Right Tunnelling Company Limited”)**

**Statements of financial position**

**As at 31 December 2020**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	353,393,513	52,158,627	344,906,947	50,362,762
Trade and other receivables	7, 9	647,111,557	549,893,123	685,924,719	576,291,606
Contract assets - unbilled receivables	7, 10	1,332,189,223	1,241,392,549	1,305,194,816	1,223,998,114
Inventories and construction supplies	11	198,406,002	184,979,164	197,966,819	182,453,625
Other current assets		47,261,052	36,598,142	44,828,990	31,715,104
Total current assets		2,578,361,347	2,065,021,605	2,578,822,291	2,064,821,211
Non-current assets					
Restricted bank deposits	12	289,567,948	297,015,127	286,705,805	290,316,910
Contract assets - retention receivables	7, 10	287,343,393	292,134,640	290,676,703	291,893,485
Investments in subsidiaries	13	-	-	5,002,221	5,002,221
Investment properties	15	1,601,582	1,667,336	1,601,582	1,667,336
Property, plant and equipment	16	790,639,540	911,215,643	789,827,647	910,262,398
Costs to fulfil contracts with customers		29,819,756	60,802,998	29,819,756	60,802,998
Intangible assets	17	17,942,271	7,041,119	17,942,271	7,041,119
Deferred tax assets	28	34,144,699	34,536,471	33,812,603	34,204,375
Other non-current assets		20,595,020	61,108,033	18,486,214	59,213,841
Total non-current assets		1,471,654,209	1,665,521,367	1,473,874,802	1,660,404,683
Total assets		4,050,015,556	3,730,542,972	4,052,697,093	3,725,225,894

The accompanying notes are an integral part of the financial statements.

**Right Tunnelling Public Company Limited and its subsidiaries**

**(Formerly known as “Right Tunnelling Company Limited”)**

**Statements of financial position (continued)**

**As at 31 December 2020**

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	18	772,786,115	1,008,089,716	772,786,115	1,000,089,716
Trade and other payables	7, 19	812,950,643	744,396,887	813,674,862	745,104,280
Current portion of long-term loans from					
financial institutions	21	106,031,645	192,179,356	106,031,645	192,179,356
Current portion of lease liabilities	22	103,643,156	116,925,964	103,643,156	116,925,964
Short-term loans from related party	7	-	-	17,040,000	17,040,000
Contract liabilities - advances received from hirers	7, 10	584,011,442	811,444,501	573,625,612	802,731,211
Contract liabilities - construction revenues received					
in advance	10	4,725,782	-	4,725,782	-
Income tax payable		2,659,024	2,159,217	1,213,466	1,662,711
Short-term provisions	20	-	10,996,106	-	10,996,106
Provision for losses on construction projects		956,775	6,323,415	956,775	4,130,070
Other current liabilities		<u>71,105,657</u>	<u>61,915,174</u>	<u>71,105,657</u>	<u>62,088,409</u>
<b>Total current liabilities</b>		<u>2,458,870,239</u>	<u>2,954,430,336</u>	<u>2,464,803,070</u>	<u>2,952,947,823</u>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions					
- net of current portion	21	48,116,664	4,618,850	48,116,664	4,618,850
Lease liabilities - net of current portion	22	78,391,793	115,384,994	78,391,793	115,384,994
Provision for long-term employee benefits	23	59,194,011	47,683,254	59,194,011	47,683,254
Other non-current liabilities		<u>16,786,882</u>	<u>21,081,289</u>	<u>16,786,882</u>	<u>21,081,289</u>
<b>Total non-current liabilities</b>		<u>202,489,350</u>	<u>188,768,387</u>	<u>202,489,350</u>	<u>188,768,387</u>
<b>Total liabilities</b>		<u>2,661,359,589</u>	<u>3,143,198,723</u>	<u>2,667,292,420</u>	<u>3,141,716,210</u>

The accompanying notes are an integral part of the financial statements.



**Right Tunnelling Public Company Limited and its subsidiaries**

**(Formerly known as “Right Tunnelling Company Limited”)**

**Statements of financial position (continued)**

**As at 31 December 2020**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Shareholders' equity</b>					
Share capital	24				
Registered					
1,100,000,000 ordinary shares of Baht 0.50 each					
(2019: 4,000,000 ordinary shares of Baht 100 each)		<u>550,000,000</u>	<u>400,000,000</u>	<u>550,000,000</u>	<u>400,000,000</u>
Issued and fully paid up					
1,100,000,000 ordinary shares of Baht 0.50 each					
(2019: 4,000,000 ordinary shares of Baht 100 each)		550,000,000	400,000,000	550,000,000	400,000,000
Share premium		417,217,548	6,000,000	417,217,548	6,000,000
Retained earnings					
Appropriated - statutory reserve	25	52,000,000	40,000,000	52,000,000	40,000,000
Unappropriated		365,084,782	137,410,660	361,884,372	133,206,931
Other components of shareholders' equity		<u>4,415,766</u>	<u>3,969,145</u>	<u>4,302,753</u>	<u>4,302,753</u>
Equity attributable to owners of the Company		<u>1,388,718,096</u>	<u>587,379,805</u>	<u>1,385,404,673</u>	<u>583,509,684</u>
Non-controlling interests of the subsidiaries		<u>(62,129)</u>	<u>(35,556)</u>	-	-
<b>Total shareholders' equity</b>		<u>1,388,655,967</u>	<u>587,344,249</u>	<u>1,385,404,673</u>	<u>583,509,684</u>
<b>Total liabilities and shareholders' equity</b>		<u>4,050,015,556</u>	<u>3,730,542,972</u>	<u>4,052,697,093</u>	<u>3,725,225,894</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

**Right Tunnelling Public Company Limited and its subsidiaries**  
**(Formerly known as “Right Tunnelling Company Limited”)**

**Statements of comprehensive income**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>	
				<b>2020</b>
				<b>2019</b>
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from construction services		2,823,341,872	2,304,915,781	2,784,801,528
Sales of construction materials		20,718,981	31,773,558	23,658,278
Exchange gain		1,040,648	11,747,242	940,764
Other income		15,697,186	14,690,944	22,573,556
<b>Total revenues</b>		<b>2,860,798,687</b>	<b>2,363,127,525</b>	<b>2,831,974,126</b>
<b>Expenses</b>				
Cost of construction services		2,234,665,494	1,895,798,437	2,209,052,199
Cost of sales of construction materials		19,985,493	27,187,633	22,924,142
Administrative expenses		245,943,432	215,370,542	240,057,123
<b>Total expenses</b>		<b>2,500,594,419</b>	<b>2,138,356,612</b>	<b>2,472,033,464</b>
<b>Profit from operating activities</b>		<b>360,204,268</b>	<b>224,770,913</b>	<b>359,940,662</b>
Finance income		3,234,520	3,136,712	3,150,335
Finance cost	26	(67,584,954)	(72,654,642)	(67,333,013)
<b>Profit before income tax expenses</b>		<b>295,853,834</b>	<b>155,252,983</b>	<b>295,757,984</b>
Income tax expenses	28	(57,730,960)	(24,589,504)	(56,606,575)
<b>Profit for the year</b>		<b>238,122,874</b>	<b>130,663,479</b>	<b>239,151,409</b>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency - net of income tax		445,264	(81,991)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain - net of income tax		1,526,032	-	1,526,032
<b>Other comprehensive income for the year</b>		<b>1,971,296</b>	<b>(81,991)</b>	<b>1,526,032</b>
<b>Total comprehensive income for the year</b>		<b>240,094,170</b>	<b>130,581,488</b>	<b>240,677,441</b>

The accompanying notes are an integral part of the financial statements.



**Right Tunnelling Public Company Limited and its subsidiaries**

**(Formerly known as “Right Tunnelling Company Limited”)**

**Statements of comprehensive income (continued)**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	238,148,090	130,722,846	<u>239,151,409</u>	<u>139,069,821</u>
Non-controlling interests of the subsidiaries	<u>(25,216)</u>	<u>(59,367)</u>		
	<u>238,122,874</u>	<u>130,663,479</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	240,120,743	130,636,931	<u>240,677,441</u>	<u>139,069,821</u>
Non-controlling interests of the subsidiaries	<u>(26,573)</u>	<u>(55,443)</u>		
	<u>240,094,170</u>	<u>130,581,488</u>		
<b>Basic earnings per share</b>	29			
Profit attributable to equity holders of the Company	<u>0.28</u>	<u>0.16</u>	<u>0.28</u>	<u>0.17</u>

The accompanying notes are an integral part of the financial statements.



**Right Tunnelling Public Company Limited and its subsidiaries**

(Formerly known as “Right Tunnelling Company Limited”)

**Cash flow statements**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>				
Profit before tax	295,853,834	155,252,983	295,757,984	163,206,607
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	186,302,296	265,334,542	186,033,922	265,169,223
Reversal of allowance for expected credit losses	(11,907)	-	(11,907)	-
Reversal of allowance for doubtful accounts	-	(7,173,615)	-	(7,173,615)
Reversal of reduction of inventories to net realisable value	(11,429)	(387,048)	(11,429)	(387,048)
Loss (gain) on sales of machinery and equipment	(1,310,777)	2,422,057	(1,310,777)	2,422,057
Loss on write off of intangible assets	96,549	95,509	96,548	95,509
Loss on impairment of property, plant and equipment	-	2,611,250	-	2,611,250
Unrealised loss (gain) on exchange rate	(2,277,539)	263,310	(2,277,539)	(19,050)
Reversal of short-term provisions	(6,490,170)	-	(6,490,170)	-
Provision for long-term employee benefits	13,796,853	14,755,625	13,796,862	14,755,625
Increase (decrease) in provision for losses on construction projects	(5,366,640)	6,323,415	(3,173,295)	4,130,070
Finance income	(3,234,520)	(3,136,712)	(3,150,335)	(3,053,992)
Finance cost	67,584,954	72,654,642	67,333,013	70,536,127
Profit from operating activities before changes in operating assets and liabilities	544,931,504	509,015,958	546,592,877	512,292,763
Operating assets (increase) decrease				
Trade and other receivables	(96,620,558)	(424,013,345)	(109,035,237)	(436,157,284)
Unbilled receivables	(90,796,674)	(236,158,228)	(81,196,702)	(224,929,102)
Inventories and construction supplies	(13,415,409)	(24,532,567)	(15,501,765)	(22,007,028)
Other current assets	(542,554)	(20,034,307)	(4,354,666)	(16,705,594)
Retention receivables	7,141,970	(84,767,086)	3,567,505	(85,860,576)
Costs to fulfil contracts with customers	31,374,742	(41,774,501)	31,374,742	(41,774,501)
Other non-current assets	(252,391)	(738,132)	(37,777)	1,156,060
Operating liabilities increase (decrease)				
Trade and other payables	65,022,872	185,135,098	65,039,698	156,347,753
Advances received from hirers	(227,433,059)	34,339,977	(229,105,599)	25,273,869
Construction revenues received in advance	4,725,782	-	4,725,782	-
Other current liabilities	9,190,483	48,238,465	9,017,248	49,571,367
Cash paid for long-term employee benefits	(378,557)	-	(378,566)	-
Other non-current liabilities	(4,294,407)	(4,950,114)	(4,294,407)	(4,950,114)
Cash from (used in) operating activities	228,653,744	(60,238,782)	216,413,133	(87,742,387)
Proceed from refund of corporate income tax	40,765,404	-	40,765,404	-
Corporate income tax paid	(63,620,415)	(43,920,324)	(62,109,162)	(43,866,226)
<b>Net cash flows from (used in) operating activities</b>	<b>205,798,733</b>	<b>(104,159,106)</b>	<b>195,069,375</b>	<b>(131,608,613)</b>

The accompanying notes are an integral part of the financial statements.



**Right Tunnelling Public Company Limited and its subsidiaries**  
**(Formerly known as “Right Tunnelling Company Limited”)**

**Cash flow statements (continued)**

**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	7,447,179	(47,007,551)	3,611,105	(46,925,673)
Interest received	3,234,520	3,136,712	3,150,335	3,053,992
Cash paid for investment in a subsidiary	-	-	-	(2,366,347)
Increase in property, plant and equipment	(27,792,407)	(133,785,491)	(27,665,384)	(132,686,419)
Proceeds from sales of machinery and equipment	1,880,123	77,189,890	1,880,123	77,189,890
Increase in intangible assets	(458,782)	(831,140)	(458,782)	(831,140)
<b>Net cash flows used in investing activities</b>	<u>(15,689,367)</u>	<u>(101,297,580)</u>	<u>(19,482,603)</u>	<u>(102,565,697)</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts	(56,797,358)	47,705,873	(56,797,358)	47,705,873
Increase (decrease) in short-term loans from financial institutions	(178,506,243)	408,014,810	(170,506,243)	435,014,810
Payment of principal portion of lease liabilities	(99,375,678)	(147,255,317)	(99,375,678)	(147,255,317)
Increase in long-term loans from financial institutions	148,991,001	92,459,163	148,991,000	92,459,163
Repayment of long-term loans from financial institutions	(191,640,898)	(109,940,861)	(191,640,898)	(109,940,861)
Interest paid	(69,487,287)	(69,938,558)	(69,235,345)	(67,820,044)
Proceeds from increase in share capital	576,000,000	-	576,000,000	-
Transaction costs on issue of shares	(18,478,065)	-	(18,478,065)	-
<b>Net cash flows from financing activities</b>	<u>110,705,472</u>	<u>221,045,110</u>	<u>118,957,413</u>	<u>250,163,624</u>
<b>Increase (decrease) in translation adjustment</b>	<u>420,048</u>	<u>(81,991)</u>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>301,234,886</u>	<u>15,506,433</u>	<u>294,544,185</u>	<u>15,989,314</u>
Cash and cash equivalents at beginning of year	<u>52,158,627</u>	<u>36,652,194</u>	<u>50,362,762</u>	<u>34,373,448</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>353,393,513</u></u>	<u><u>52,158,627</u></u>	<u><u>344,906,947</u></u>	<u><u>50,362,762</u></u>
	-	-	-	-

**Supplemental cash flows information:**

**Non-cash transactions**

Increase in right-of-use assets due to entering into

lease agreements

29,769,738

-

29,769,738

-

Acquisition of assets under finance lease agreements

-

119,496,371

-

119,496,371

Transfer property, plant and equipment to other

non-current assets

-

5,739,600

-

5,739,600

Transfer property, plant and equipment to intangible assets

12,921,822

-

12,921,822

-

The accompanying notes are an integral part of the financial statements.

Right Tunnelling Public Company Limited and its subsidiaries  
(Formerly known as "Right Tunnelling Company Limited")  
Statements of changes in shareholders' equity  
For the year ended 31 December 2020

Consolidated financial statements											(Unit: Baht)
Equity attributable to owners of the Company											
Other components of shareholder's equity											
Other											
comprehensive income											
Issued and fully paid-up share capital	Retained earnings		Exchange differences on translation of financial statements in foreign currency		Capital reserve for share-based payment transactions	Total other components of shareholders' equity	Total equity attributable to owners of the company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
	Share premium	Appropriated	Unappropriated								
<b>Balance as at 1 January 2019</b>											
	400,000,000		6,000,000	40,000,000	6,687,814	(247,693)	4,302,753	4,055,060	456,742,874	19,887	456,762,761
Profit for the year	-	-	-	-	130,722,846	-	-	-	130,722,846	(59,367)	130,663,479
Other comprehensive income for the year	-	-	-	-	-	(85,915)	-	(85,915)	(85,915)	3,924	(81,991)
Total comprehensive income for the year	-	-	-	-	130,722,846	-	-	(85,915)	130,636,931	(55,443)	130,581,488
<b>Balance as at 31 December 2019</b>	400,000,000		6,000,000	40,000,000	137,410,660	(333,608)	4,302,753	3,969,145	587,379,805	(35,556)	587,344,249
<b>Balance as at 1 January 2020</b>											
	400,000,000		6,000,000	40,000,000	137,410,660	(333,608)	4,302,753	3,969,145	587,379,805	(35,556)	587,344,249
Profit for the year	-	-	-	-	238,148,090	-	-	-	238,148,090	(25,216)	238,122,874
Other comprehensive income for the year	-	-	-	-	1,526,032	446,621	-	446,621	1,972,653	(1,357)	1,971,296
Total comprehensive income for the year	-	-	-	-	239,674,122	446,621	-	446,621	240,120,743	(26,573)	240,094,170
Increase share capital (Note 24)	150,000,000		426,000,000	-	-	-	-	-	576,000,000	-	576,000,000
Transaction costs (Note 24)	-		(14,782,452)	-	-	-	-	-	(14,782,452)	-	(14,782,452)
Transferred unappropriated retained earnings to statutory reserve (Note 25)	-		-	12,000,000	(12,000,000)	-	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	550,000,000		417,217,548	52,000,000	365,084,782	113,013	4,302,753	4,415,766	1,388,718,096	(62,129)	1,388,655,967

The accompanying notes are an integral part of the financial statements.



**Right Tunnelling Public Company Limited and its subsidiaries**

(Formerly known as "Right Tunnelling Company Limited")

**Statements of changes in shareholders' equity (continued)**

For the year ended 31 December 2020

(Unit: Baht)

Separate financial statements						
	Issued and fully paid-up		Retained earnings		Other components of shareholders' equity Capital reserve for share-based payment transactions	Total shareholders' equity
	share capital	Share premium	Appropriated	Unappropriated		
<b>Balance as at 1 January 2019</b>	400,000,000	6,000,000	40,000,000	(5,862,890)	4,302,753	444,439,863
Total comprehensive income for the year	-	-	-	139,069,821	-	139,069,821
<b>Balance as at 31 December 2019</b>	400,000,000	6,000,000	40,000,000	133,206,931	4,302,753	583,509,684
<b>Balance as at 1 January 2020</b>	400,000,000	6,000,000	40,000,000	133,206,931	4,302,753	583,509,684
Profit for the year	-	-	-	239,151,409	-	239,151,409
Other comprehensive income for the year	-	-	-	1,526,032	-	1,526,032
Total comprehensive income for the year	-	-	-	240,677,441	-	240,677,441
Increase share capital (Note 24)	150,000,000	426,000,000	-	-	-	576,000,000
Transaction costs (Note 24)	-	(14,782,452)	-	-	-	(14,782,452)
Transferred unappropriated retained earnings to statutory reserve (Note 25)	-	-	12,000,000	(12,000,000)	-	-
<b>Balance as at 31 December 2020</b>	550,000,000	417,217,548	52,000,000	361,884,372	4,302,753	1,385,404,673

The accompanying notes are an integral part of the financial statements.

## **Right Tunnelling Public Company Limited and its subsidiaries**

**(Formerly known as “Right Tunnelling Company Limited”)**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2020**

#### **1. General information**

##### **1.1 Corporate information**

Right Tunnelling Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is Mr. Chawalit Tanomtin. The Company is principally engaged in the provision of construction services, open rock excavation, underground rock excavation and mineral exploration. The registered office of the Company is at 292 Moo 4, Bangbor, Bangbor, Samutprakarn.

On 10 June 2020, the Extraordinary General Meeting of the Company’s shareholders No. 1/2020 passed special resolutions approving the transformation of the limited company into a public limited company and the change of the Company’s name from “Right Tunnelling Company Limited” to “Right Tunnelling Public Company Limited”. The Company registered the transformation and the change of name with the Ministry of Commerce on 11 June 2020.

The Stock Exchange of Thailand approved the Company’s ordinary shares as listed securities, with trading permitted on 12 November 2020, as discussed in Note 24.2 to the financial statements.

##### **1.2 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### **2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and its subsidiaries ("the Group"). The details of subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Interest in subsidiaries	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
Right Tunnelling - Vichitbhan Construction Joint Venture	Construction	Thailand	100	100
Right Tunnelling - Sahaboon Technology Joint Venture	Construction	Thailand	100	100
Rudee Prayong - Right Tunnelling Joint Venture	Construction	Thailand	100	100
Right Tunnelling - Bangkok Civil Line Joint Venture	Construction	Thailand	100	100
Right Tunnelling Myanmar Company Limited	Construction	Myanmar	99	99

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

## 2.3 The separate financial statements present investments in subsidiaries under the cost method.



- 2.4 The Company has joint arrangements which were assessed as joint operations between the Company and other joint operators. The Company recognises its shares of assets, liabilities, revenue and expenses of the joint operations, in proportion to its interest, in the separate financial statements. The details are as follows:

Name of entity	Nature of Business	Country of incorporation	Interest in joint operations	
			<u>2020</u> Percent	<u>2019</u> Percent
ITD - RT Joint Venture	Construction - Dual-track railway project	Thailand	30	30
Right Tunnelling - Sia Joint Venture	Construction - Manholes and underground electrical conduits project	Thailand	55	55

On 3 October 2017, the Company established ITD - RT Joint Venture, which is a joint venture between the Company and Italian-Thai Development Public Company Limited, in which the Company holds a 30% interest. In December 2017, the joint venture entered into the contractual agreement for the Dual-track Railway Project with State Railway of Thailand. The joint venture has commenced its operation in 2018.

On 29 August 2017, the Company established Right Tunnelling - Sia Joint Venture, which is a joint venture between the Company and Sia Construction & Management Company Limited, in which the Company holds a 55% interest. In October 2018, the joint venture entered into the contractual agreement for the manholes and underground electrical conduits project with Metropolitan Electricity Authority. The joint venture has commenced its operation in 2019.

### 3 New financial reporting standards

#### a) Financial reporting standards that became effective in the current year

During the current year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standards involve changes to key principles, which are summarised below.

## Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entities' business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

### TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 4 to the financial statements.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current year, the Group adopted the set of financial reporting standards related to financial instruments and TFRS 16. The Group has elected to recognise the cumulative effect of the resulting changes in accounting policies as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The change in accounting policies do not have any impact on the beginning balance of retained earnings of 2020, while the impacts to assets and liabilities in the statements of financial position are as follows:

(Unit: Thousand Baht)						
Consolidated financial statements			Separate financial statements			
Balance		Balance	Balance		Balance	
Balance	as at	as at	Balance	as at	as at	
as at	1 January	1 January	as at	1 January	1 January	
1 January	The impacts	2020	1 January	The impacts	2020	
2020	of TFRS 16	(restated)	2020	of TFRS 16	(restated)	
<b>Non-current assets</b>						
Property, plant and equipment						
	911,215	18,885	930,100	910,262	18,885	929,147
<b>Current liabilities</b>						
Current portion of lease liabilities						
	116,926	2,391	119,317	116,926	2,391	119,317
<b>Non-current liabilities</b>						
Lease liabilities - net of current portion						
	115,385	16,494	131,879	115,385	16,494	131,879

#### 4.1 Financial instruments

As at 1 January 2020, the Group has designated financial assets and financial liabilities to be measured at amortised cost. There are no changes in book value of financial assets and financial liabilities from previously recorded.

#### 4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Operating lease commitments as at 31 December 2019	24,758
Less: Short-term leases and leases of low-value assets	(83)
Less: Others	(1,627)
Less: Deferred interest expenses	(4,163)
Increase in lease liabilities due to TFRS 16 adoption	18,885
Liabilities under finance lease agreements as at 31 December 2019	232,311
Lease liabilities as at 1 January 2020	251,196
Weighted average incremental borrowing rate (percent per annum)	6.0
Comprise of:	
Current lease liabilities	119,317
Non-current lease liabilities	131,879
	251,196

## **5. Significant accounting policies**

### **5.1 Revenue and expense recognition**

#### *Revenues from construction contracts*

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

#### *Sales of construction materials*

Sales of construction materials are recognised at the point in time when control of goods is transferred to the customer, generally upon delivery of the goods. Sales are measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances.

#### *Service income*

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **5.3 Contract assets/Contract liabilities**

### ***Contract assets***

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

### ***Contract liabilities***

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

## **5.4 Inventories and construction supplies**

Inventories and construction supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value.

## **5.5 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

## **5.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.



## 5.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and premises	-	20 - 30 years
Temporary buildings	-	As a period of construction contracts
Machinery and equipment	-	3 - 10 years
Tools	-	5 years
Furniture, fixtures and office equipment	-	5 years
Motor vehicles	-	5 - 8 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

## 5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 5.9 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset, provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

## 5.10 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years

## 5.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### ***The Group as a lessor***

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

### **The Group as a lessee**

#### Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term as follows:

Land	2 - 4	years
Buildings	3	years
Machinery and equipment	2 - 4	years
Motor vehicles	3 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **Accounting policies adopted before 1 January 2020**

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### **5.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

### **5.13 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **5.14 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **5.15 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognised restructuring-related costs.

#### **5.16 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for losses on construction projects is made in the accounts in full when the possibility of loss is ascertained.

#### **5.17 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **5.18 Financial instruments**

##### **Accounting policies adopted since 1 January 2020**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.



### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These financial assets include derivatives.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### *Accounting policies adopted before 1 January 2020*

#### **Accounts receivable**

Accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### **5.19 Derivatives**

The Group uses derivatives, which are forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **5.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **6. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Revenues from construction contracts**

The Group recognises revenues from construction contracts over time. To reflect the satisfaction of the performance obligations, the management determines the stage of completion using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. The Group estimates the costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the projects, including labour costs and other miscellaneous costs to be incurred to completion of the service, and considering the direction of movements in these costs. These estimates are reviewed regularly or whenever actual costs differ significantly from the original estimates.

In addition, significant judgement is required in determining the contract costs incurred for work performed to date, estimated total contract revenue, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers or the work of specialists (if any).

### **Provision for losses on construction projects**

Management has used judgement to estimate the losses expected to be incurred from each construction project, based on the estimates of anticipated costs, taking into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials and labour costs, and current circumstances.

### **Joint arrangement**

Management applied judgement to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement. On this basis, the management of the Company determined that the Company has investments in two joint venture agreements that are joint operations (between the Company and other joint operators) in accordance with TFRS 11.

### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Revenues from construction services	-	-	2.5	20.4	As stipulated in construction contracts
Sales of construction materials	-	-	2.9	6.1	With reference to market price
Other income	-	-	6.9	7.6	Cost plus margin not over than 5%
<b><u>Transactions with related companies</u></b>					
Purchases of machinery and spare parts	1.1	0.7	1.1	0.7	With reference to market price
<b><u>Transactions with joint arrangements</u></b>					
Revenues from construction services	15.8	-	15.8	-	As stipulated in construction contracts
<b><u>Transactions with related person</u></b>					
Interest expenses	0.2	-	0.2	-	5.75 percent per annum

As at 31 December 2020 and 2019, the balances of the accounts between the Company, subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b><u>Trade and other receivables - related parties</u></b>				
<b><i>Subsidiaries</i></b>				
Right Tunnelling - Vichitbhan Construction Joint Venture	-	-	15,270	78,012
Right Tunnelling - Bangkok Civil Line Joint Venture	-	-	149	149
Right Tunnelling Myanmar Company Limited	-	-	24,259	15,114
Total trade and other receivables - related parties	-	-	39,678	93,275
<b><u>Unbilled receivables - related parties</u></b>				
<b><i>Subsidiary</i></b>				
Right Tunnelling - Sahaboon Technology Joint Venture	-	-	-	9,713
<b><i>Joint arrangement</i></b>				
ITD - RT Joint Venture	15,830	-	15,830	-
Total unbilled receivables - related parties	15,830	-	15,830	9,713
<b><u>Retention receivables - related parties</u></b>				
<b><i>Subsidiaries</i></b>				
Right Tunnelling - Vichitbhan Construction Joint Venture	-	-	3,524	1,267
Right Tunnelling - Sahaboon Technology Joint Venture	-	-	-	7,443
Total retention receivables - related parties	-	-	3,524	8,710
<b><u>Trade and other payables - related parties</u></b>				
<b><i>Subsidiaries</i></b>				
Rudee Prayong - Right Tunnelling Joint Venture	-	-	1,788	1,898
Right Tunnelling - Sahaboon Technology Joint Venture	-	-	777	4,137
Right Tunnelling - Bangkok Civil Line Joint Venture	-	-	2,993	3,493
<b><i>Related companies (common shareholders)</i></b>				
Australian Mining Technologies	-	408	-	408
Tunneling & Mining Technologies	-	1,930	-	1,930
E.F.S. Group Company Limited	195	49	195	49
P.P.N. Expert Company Limited	-	15	-	15
<b><i>Related person</i></b>				
Director	-	150	-	-
Total trade and other payables - related parties	195	2,552	5,753	11,930



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b><u>Advances received from hirers - related parties</u></b>				
<b><i>Subsidiaries</i></b>				
Right Tunnelling - Vichitbhan Construction Joint Venture	-	-	-	1,208
Right Tunnelling - Sahaboon Technology Joint Venture	-	-	-	2,848
Total advances received from hirers - related parties	-	-	-	4,056

### Short-term loans from related parties

As at 31 December 2020 and 2019, the balance of short-term loans from related parties and the movement of these loans are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Balance as at	Increase	Decrease	Balance as at
Short-term loans	31 December 2019	during the year	during the year	31 December 2020
<b><i>Related person</i></b>				
Director	-	15,395	(15,395)	-

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
Short-term loans	31 December 2019	during the year	during the year	31 December 2020
<b><i>Subsidiary</i></b>				
Right Tunnelling - Vichitbhan Construction Joint Venture	17,040	-	-	17,040
<b><i>Related person</i></b>				
Director	-	15,395	(15,395)	-
Total	17,040	15,395	(15,395)	17,040

As at 31 December 2020, short-term loan from subsidiary is unsecured, interest free and repayable at call.

### Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	35,829	30,291	35,829	30,291
Post-employment benefits	1,241	1,201	1,241	1,201
Total	<u>37,070</u>	<u>31,492</u>	<u>37,070</u>	<u>31,492</u>

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 32.3 to the financial statements.

## **8. Cash and cash equivalents**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	2,229	1,962	2,173	1,912
Bank deposits	351,165	50,197	342,734	48,451
Total	<u>353,394</u>	<u>52,159</u>	<u>344,907</u>	<u>50,363</u>

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.50 percent per annum (2019: between 0.13 and 0.50 percent per annum).

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	17,638
Past due				
Up to 3 months	-	-	810	50,739
3 - 6 months	-	-	2,299	49
6 - 12 months	-	-	9,715	1,242
Over 12 months	-	-	149	-
Total trade receivables - related parties	-	-	12,973	69,668
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	410,814	342,347	410,814	342,348
Past due				
Up to 3 months	130,137	140,954	130,137	75,765
3 - 6 months	30,340	1,158	30,340	1,158
6 - 12 months	12	93	12	93
Over 12 months	8,723	7,276	8,723	7,276
Total	580,026	491,828	580,026	426,640
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(5,391)	(5,403)	(5,391)	(5,403)
Total trade receivables - unrelated parties, net	574,635	486,425	574,635	421,237
Total trade receivables - net	574,635	486,425	587,608	490,905
<u>Other receivables</u>				
Advances to related parties	-	-	26,705	23,607
Advances to unrelated parties	37,096	19,265	36,664	18,121
Deposits for purchases of supplies	8,847	5,377	8,539	5,098
Prepaid expenses	15,539	31,597	15,444	31,362
Other receivables	10,995	7,229	10,965	7,199
Total other receivables	72,477	63,468	98,317	85,387
Total trade and other receivables - net	647,112	549,893	685,925	576,292

As at 31 December 2020 and 2019, rights over collection of trade receivables from certain construction projects of the Company have been used to secure the credit facilities obtained from financial institutions as described in Notes 18 and 21 to the financial statements.

## 10. Contract assets/Contract liabilities

### 10.1 Contract assets - unbilled receivables

As at 31 December 2020 and 2019, rights over collection of unbilled receivables from certain construction projects of the Company have been used to secure the credit facilities obtained from financial institutions as described in Notes 18 and 21 to the financial statements.

The balance of unbilled receivables as at 31 December 2020 and 2019, aged on the basis of period until they are expected to be billed to customers in the future, can be summarised as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Period to expected billing				
In up to 3 months	564,048	400,903	564,048	383,508
In over 3 and up to 12 months	580,460	571,084	553,466	571,084
In over 1 year	187,681	269,406	187,681	269,406
Total unbilled receivables	<u>1,332,189</u>	<u>1,241,393</u>	<u>1,305,195</u>	<u>1,223,998</u>

### 10.2 Contract assets - retention receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Retention receivables	311,090	315,882	314,424	315,640
Less: Allowance for expected credit losses (2019: allowance for doubtful accounts)	<u>(23,747)</u>	<u>(23,747)</u>	<u>(23,747)</u>	<u>(23,747)</u>
Retention receivables - net	<u>287,343</u>	<u>292,135</u>	<u>290,677</u>	<u>291,893</u>

### 10.3 Revenue recognised in relation to contract assets and contract liabilities as at 31 December 2020 and 2019

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue recognised in the year that was included in contract liabilities at the beginning of the year	226,375	189,654	222,934	175,717
Revenue recognised in the year from performance obligations satisfied in previous years	(28,212)	14,076	(33,156)	14,076

### 10.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, the Group's revenue totaling Baht 3,552 million (2019: Baht 5,560 million) (the Company only: Baht 3,549 million, 2019: Baht 5,324 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 2 years.

## 11. Inventories and construction supplies

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Construction supplies						
and spare parts	200,102	187,123	(2,133)	(2,144)	197,969	184,979
Goods in transit	437	-	-	-	437	-
Total	200,539	187,123	(2,133)	(2,144)	198,406	184,979

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Construction supplies and spare parts	199,663	184,598	(2,133)	(2,144)	197,530	182,454
Goods in transit	437	-	-	-	437	-
Total	200,100	184,598	(2,133)	(2,144)	197,967	182,454

## 12. Restricted bank deposits

These represent fixed deposits pledged with the financial institutions to secure credit facilities obtained from financial institutions.

## 13. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid-up capital		Interest in subsidiaries		Cost	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(%)	(%)		
Right Tunnelling - Vichitbhan Construction Joint Venture	-	-	100	100	-	-
Right Tunnelling - Sahaboon Technology Joint Venture	-	-	100	100	-	-
Rudee Prayong - Right Tunnelling Joint Venture	-	-	100	100	-	-
Right Tunnelling - Bangkok Civil Line Joint Venture	-	-	100	100	-	-
Right Tunnelling Myanmar Company Limited	USD 0.15 million	USD 0.15 million	99	99	5,002	5,002
Total investments in subsidiaries					<u>5,002</u>	<u>5,002</u>

## 14. Joint arrangements - joint operations

Financial information of the Company only and the joint arrangements which are the joint operations are presented including in the separate financial statement as below.

(Unit: Million Baht)

	The Company only		The joint arrangements		Elimination entries		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Summarised information</b>								
<b>about financial position:</b>								
Current assets	2,526	2,031	379	431	(326)	(397)	2,579	2,065
Non-current assets	1,436	1,618	62	68	(24)	(26)	1,474	1,660
Current liabilities	2,438	2,890	345	458	(318)	(395)	2,465	2,953
Non-current liabilities	202	189	25	26	(25)	(26)	202	189
Unappropriated retained earnings (deficits)	298	119	71	16	(7)	(2)	362	133



(Unit: Million Baht)								
	The Company only		The joint arrangements		Elimination entries		Separate financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Summarised information</b>								
<b>about profit or loss:</b>								
Total revenues	2,716	2,288	1,128	712	(1,012)	(662)	2,832	2,338
Total expenses	(2,421)	(2,063)	(1,054)	(705)	1,003	660	(2,472)	(2,108)
Operating profit (loss)	295	225	74	7	(9)	(2)	360	230
Finance income	3	3	-	-	-	-	3	3
Finance cost	(67)	(70)	-	-	-	-	(67)	(70)
Profit (loss) before income tax expenses	231	158	74	7	(9)	(2)	296	163
Income tax benefit (expenses)	(42)	(24)	(17)	-	2	-	(57)	(24)
Profit (loss) for the year	189	134	57	7	(7)	(2)	239	139

## 15. Investment properties

(Unit: Thousand Baht)			
	Consolidated/Separate financial statements		
	Land	Warehouse for rent	Total
31 December 2020:			
Cost	800	1,500	2,300
Less: Accumulated depreciation	-	(698)	(698)
Net book value	800	802	1,602
31 December 2019:			
Cost	800	1,500	2,300
Less: Accumulated depreciation	-	(633)	(633)
Net book value	800	867	1,667

As at 31 December 2020, the fair value of the investment properties, which was determined based on a valuation performed by an independent appraiser using the market approach, amounted to Baht 4.2 million (2019: Baht 4.2 million).

(Unit: Thousand Baht)

Consolidated financial statements									
	Land and land improvement	Buildings and premises	Machinery and equipment	Tools	Furniture, fixtures and office equipment	Motor vehicles	Right-of-use assets (Note 22)	Assets under installation and construction	Total
<b>Cost :</b>									
1 January 2019	86,681	106,207	1,609,695	80,459	23,239	76,746	-	13,467	1,996,494
Additions	-	-	94,766	10,674	2,675	24,376	-	17,586	150,077
Disposals/write off	-	-	(140,953)	(3,222)	(1,203)	(1,346)	-	-	(146,724)
Transfers in (out)	(5,740)	(35,017)	5,817	3,117	-	-	-	(16,796)	(48,619)
31 December 2019	80,941	71,190	1,569,325	91,028	24,711	99,776	-	14,257	1,951,228
Effect from TFRS 16 adoption	-	-	(613,138)	-	-	(53,126)	685,149	-	18,885
Additions	-	-	6,511	9,336	1,874	3,741	28,992	7,430	57,884
Disposals/write off	-	-	(3,630)	(2,217)	(669)	(1,452)	-	-	(7,968)
Transfers in (out)	-	991	4,920	-	133	(4,475)	-	(14,491)	(12,922)
31 December 2020	80,941	72,181	963,988	98,147	26,049	44,464	714,141	7,196	2,007,107
<b>Accumulated depreciation:</b>									
1 January 2019	-	28,653	762,441	46,637	13,497	43,427	-	-	894,655
Depreciation for the year	-	13,021	226,843	13,100	3,682	7,576	-	-	264,222
Disposals/write off	-	-	(87,025)	(2,275)	(1,083)	(1,346)	-	-	(91,729)
Transfers out	-	(29,747)	-	-	-	-	-	-	(29,747)
31 December 2019	-	11,927	902,259	57,462	16,096	49,657	-	-	1,037,401
Effect from TFRS 16 adoption	-	-	(212,467)	-	-	(16,166)	228,633	-	-
Depreciation for the year	-	2,558	80,064	12,976	3,582	2,211	82,462	-	183,853
Disposals/write off	-	-	(3,547)	(1,773)	(626)	(1,452)	-	-	(7,398)
31 December 2020	-	14,485	766,309	68,665	19,052	34,250	311,095	-	1,213,856

(Unit: Thousand Baht)

Consolidated financial statements (continued)									
	Land and land improvement	Buildings and premises	Machinery and equipment	Tools	Furniture, fixtures and office equipment	Motor vehicles	Right-of-use assets (Note 22)	Assets under installation and construction	Total
<b>Allowance for impairment loss:</b>									
1 January 2019	-	-	-	-	-	-	-	-	-
Increase during the year	2,611	-	-	-	-	-	-	-	2,611
31 December 2019	2,611	-	-	-	-	-	-	-	2,611
31 December 2020	2,611	-	-	-	-	-	-	-	2,611
<b>Net book value:</b>									
31 December 2019	78,330	59,263	667,066	33,566	8,615	50,119	-	14,257	911,216
31 December 2020	78,330	57,696	197,679	29,482	6,997	10,214	403,046	7,196	790,640
<b>Depreciation for the year</b>									
2019 (Baht 242 million included in cost of construction services and the balance in administrative expenses)									264,222
2020 (Baht 166 million included in cost of construction services and the balance in administrative expenses)									183,853

(Unit: Thousand Baht)

Separate financial statements

	Land and land improvement	Buildings and premises	Machinery and equipment	Tools	Furniture, fixtures and office equipment	Motor vehicles	Right-of-use assets (Note 22)	Assets under installation and construction	Total
<b>Cost :</b>									
1 January 2019	86,681	106,207	1,609,695	80,459	23,218	76,746	-	13,467	1,996,473
Additions	-	-	94,733	9,840	2,441	24,376	-	17,586	148,976
Disposals/write off	-	-	(140,953)	(3,222)	(1,203)	(1,346)	-	-	(146,724)
Transfers in (out)	(5,740)	(35,017)	5,817	3,117	-	-	-	(16,796)	(48,619)
31 December 2019	80,941	71,190	1,569,292	90,194	24,456	99,776	-	14,257	1,950,106
Effect from TFRS 16 adoption	-	-	(613,138)	-	-	(53,126)	685,149	-	18,885
Additions	-	-	6,507	9,243	1,846	3,741	28,992	7,430	57,759
Disposals/write off	-	-	(3,630)	(2,217)	(669)	(1,452)	-	-	(7,968)
Transfers in (out)	-	991	4,920	-	133	(4,475)	-	(14,491)	(12,922)
31 December 2020	80,941	72,181	963,951	97,220	25,766	44,464	714,141	7,196	2,005,860
<b>Accumulated depreciation:</b>									
1 January 2019	-	28,653	762,441	46,637	13,495	43,427	-	-	894,653
Depreciation for the year	-	13,021	226,838	12,975	3,646	7,576	-	-	264,056
Disposals/write off	-	-	(87,025)	(2,275)	(1,083)	(1,346)	-	-	(91,729)
Transfers out	-	(29,747)	-	-	-	-	-	-	(29,747)
31 December 2019	-	11,927	902,254	57,337	16,058	49,657	-	-	1,037,233
Effect from TFRS 16 adoption	-	-	(212,467)	-	-	(16,166)	228,633	-	-
Depreciation for the year	-	2,558	80,057	12,792	3,506	2,211	82,462	-	183,586
Disposals/write off	-	-	(3,547)	(1,773)	(626)	(1,452)	-	-	(7,398)
31 December 2020	-	14,485	766,297	68,356	18,938	34,250	311,095	-	1,213,421

(Unit: Thousand Baht)

Separate financial statements (continued)									
	Land and land improvement	Buildings and premises	Machinery and equipment	Tools	Furniture, fixtures and office equipment	Motor vehicles	Right-of-use assets (Note 22)	Assets under installation and construction	Total
<b>Allowance for impairment loss:</b>									
1 January 2019	-	-	-	-	-	-	-	-	-
Increase during the year	2,611	-	-	-	-	-	-	-	2,611
31 December 2019	2,611	-	-	-	-	-	-	-	2,611
31 December 2020	2,611	-	-	-	-	-	-	-	2,611
<b>Net book value:</b>									
31 December 2019	78,330	59,263	667,038	32,857	8,398	50,119	-	14,257	910,262
31 December 2020	78,330	57,696	197,654	28,864	6,828	10,214	403,046	7,196	789,828
<b>Depreciation for the year</b>									
2019 (Baht 242 million included in cost of construction services and the balance in administrative expenses)									264,056
2020 (Baht 166 million included in cost of construction services and the balance in administrative expenses)									183,586

As at 31 December 2020, the Company has mortgaged land and construction with net book value of approximately Baht 82 million (2019: Baht 83 million) to secure the credit facilities obtained from financial institutions.

As at 31 December 2020, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 388 million (2019: Baht 351 million).

## 17. Intangible assets

(Unit: Thousand Baht)		
Consolidated/Separate financial statements		
	<u>2020</u>	<u>2019</u>
Computer software - cost	23,752	10,524
Less: Accumulated amortisation	(5,810)	(3,483)
Net book value	<u>17,942</u>	<u>7,041</u>

(Unit: Thousand Baht)		
Consolidated/Separate financial statements		
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	7,041	7,354
Acquisitions	459	831
Transfer from property, plant and equipment	12,922	-
Amortisation expenses for the year	(2,383)	(1,048)
Write-off	(97)	(96)
Net book value at end of year	<u>17,942</u>	<u>7,041</u>

## 18. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)						
	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(% p.a.)	(% p.a.)				
Bank overdrafts	5.70 - 6.95	5.95 - 7.95	29,875	86,672	29,875	86,672
Promissory notes	3.25 - 5.35	4.75 - 6.25	599,828	817,289	599,828	809,289
Trust receipts	4.10 - 5.25	4.85 - 6.50	143,083	104,129	143,083	104,129
Total			<u>772,786</u>	<u>1,008,090</u>	<u>772,786</u>	<u>1,000,090</u>

The Company's bank overdrafts are secured by the mortgage of the Company's and a director's land and construction and guaranteed provided by the Company's directors. The short-term loans from a financial institution under promissory notes are secured by the pledge of a fixed deposit and the transfer of the rights to collect settlement from the Company's debtors for the work performed on some projects. Trust receipts are secured by the mortgage of machinery, the pledge of a fixed deposit, the transfer of the rights to collect settlement from the Company's debtors for the work performed on some projects and guaranteed by the Company's directors.

#### 19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties	195	2,402	195	2,402
Trade payables - unrelated parties	755,465	579,029	753,109	575,539
Other payables - related parties	-	150	5,558	9,528
Other payables - unrelated parties	11,379	4,913	10,829	4,881
Accounts payable for purchases of assets	10,535	10,212	10,535	10,212
Accounts payable for purchase of machinery	-	85,352	-	85,352
Accrued expenses	35,377	62,339	33,449	57,190
Total trade and other payables	<u>812,951</u>	<u>744,397</u>	<u>813,675</u>	<u>745,104</u>

#### 20. Short-term provisions

	(Unit: Thousand Baht)
	Consolidated/Separate
	financial statements
Balance as at 1 January 2019	11,596
Unrealised gain on exchange	(600)
Balance as at 31 December 2019	10,996
Decrease during the year	(6,490)
Unrealised loss on exchange	315
Transfers out	(4,821)
Balance as at 31 December 2020	-



Short-term provisions are provisions for tax assessment on the construction project in India amounting to INR 23.1 million. Subsequently, in December 2020, the High Court of Delhi ordered the Company to pay tax amounting to INR 11.0 million within 31 March 2021. As a result, the Company reversed provision of INR 12.1 million, or equivalent to Baht 6.5 million, and transferred provision of INR 11.0 million, or equivalent to Baht 4.8 million, to other payables - unrelated parties.

## 21. Long-term loans from financial institutions

			(Unit: Thousand Baht)	
			Consolidated/Separate	
			financial statements	
Loan	Interest rate (%)	Repayment schedule	2020	2019
1	MLR	Repayment at not less than 15% of each time a payment for construction work is received, and the final installment is due when the construction project is completed by 70%	12,388	81,749
2	MLR - 1.50	Repayable in monthly installments, and the final installment is due in January 2022	5,602	6,587
3	MLR	Repayment at not less than 15% of each time a payment for construction work is received, and the final installment is due within June 2021	-	108,462
4	MLR	Repayment at not less than 15% of each time a payment for construction work is received, and the final installment is due within May 2023	86,967	-
5	2.0 for the 1 <sup>st</sup> - 2 <sup>nd</sup> years, Prime rate - 2.0 for the 3 <sup>rd</sup> - 5 <sup>th</sup> years and Prime rate for the remaining years	Repayable in monthly installments, and the final installment is due in December 2027	49,191	-
Total			154,148	196,798
Less: Current portion			(106,032)	(192,179)
Long-term loans from financial institutions, net of current portion			48,116	4,619

Movement of the long-term loans account during the year ended 31 December 2020 are summarised below.

		(Unit: Thousand Baht)
		Consolidated/Separate
		financial statements
Balance as at 1 January 2020		196,798
Add: Additional borrowings during the year		148,991
Less: Repayment during the year		(191,641)
Balance as at 31 December 2020		154,148

During the current year, the Company was granted long-term loans facilities by two banks, totaling Baht 190 million. As at 31 December 2020, the Company has drawn down the loan facilities of Baht 149 million.

Long-term loans from financial institutions are secured by the mortgage of land, construction and machinery, the pledge of the Company's fixed deposit, the transfer of rights over collection of revenue from construction projects and guaranteed by the Company's directors.

As at 31 December 2020, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 41 million (2019: None).

## 22. Leases

### 22.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 5 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements				
	Land	Buildings	Machinery and equipment	Motor vehicles	Total
1 January 2020	11,463	7,422	400,670	36,961	456,516
Additions	-	-	26,275	2,717	28,992
Depreciation for the year	(2,067)	(1,036)	(72,777)	(6,582)	(82,462)
31 December 2020	9,396	6,386	354,168	33,096	403,046

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2020	2019
Lease payments	193,609	246,376
Less: Deferred interest expenses	(11,574)	(14,065)
Total lease liabilities	182,035	232,311
Less: Portion due within one year	(103,643)	(116,926)
Lease liabilities - net of current portion	78,392	115,385

A maturity analysis of lease payments is disclosed in Note 34.1 to the financial statements under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
<b><i>For the year ended 31 December 2020</i></b>	
Depreciation of right-of-use assets	82,462
Interest expenses is on lease liabilities	11,612
Expenses relating to short-term leases	1,500
Expenses relating to leases of low-value assets	211

**d) Others**

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 101 million, including the cash outflow related to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 30 million.

**23. Provision for long-term employee benefits**

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2020</u>	<u>2019</u>
<b>Provision for long-term employee benefits at beginning of year</b>	47,683	32,928
Included in profit or loss:		
Current service cost	13,349	10,246
Interest cost	449	629
Past service cost	-	3,880
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	1,309	-
Financial assumption changes	6,247	-
Experience adjustments	(9,464)	-
Benefits paid during the year	(379)	-
<b>Provision for long-term employee benefits at end of year</b>	<u>59,194</u>	<u>47,683</u>

The Company expects to pay Baht 8 million of long-term employee benefits during the next year (2019: Baht 5 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 6 years (2019: 5 years).

Significant actuarial assumptions are summarised below.

	(Unit: Percent per annum)	
	Consolidated/Separate	
	financial statements	
	<u>2020</u>	<u>2019</u>
Discount rate	0.98%	2.0%
Salary increase rate	8.0%	6.0%
Turnover rate	0 - 35%	0 - 28%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

	(Unit: Million Baht)			
	Consolidated/Separate financial statements			
	As at 31 December 2020		As at 31 December 2019	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3)	3	(2)	3
Salary increase rate	3	(3)	4	(4)
Turnover rate	(3)	2	(3)	1

## 24. Share Capital

24.1 On 10 June 2020, the Extraordinary General Meeting of the Company's shareholders No. 1/2020 passed special resolutions approving the following significant matters:

- A change in the par value of the Company's ordinary shares from Baht 100 per share to Baht 0.50 per share, such that the Company's registered and issued and paid-up share capital was changed from 4,000,000 ordinary shares with a par value of Baht 100 each to 800,000,000 ordinary shares with a par value of Baht 0.50 each. The Company registered the change in the par value of its ordinary shares with the Ministry of Commerce on 11 June 2020.

- An increase in the Company's registered share capital from Baht 400 million (800,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 550 million (1,100,000,000 ordinary shares with a par value of Baht 0.50 each) through the issuance of 300,000,000 new ordinary shares with a par value of Baht 0.50 each to be allocated to the initial public offering (IPO) of the Company, with not more than 25% of IPO shares to be offered to related persons, employees and sponsors. The Company registered the increase in its registered share capital with the Ministry of Commerce on 11 June 2020.

24.2 During 3 to 5 November 2020, the Company made an initial public offering of 300,000,000 newly issued ordinary shares with a par value of Baht 0.50 each, at an offering price of Baht 1.92 per share, amounting to Baht 576 million. Subsequently on 6 November 2020, the Company has received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 400 million (800,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 550 million (1,100,000,000 ordinary shares with a par value of Baht 0.50 each) with the Ministry of Commerce on the same date. The Stock Exchange of Thailand approved the Company's ordinary shares as listed securities, with trading permitted on 12 November 2020

The Company incurred expenses relating to the share offering amounting to approximately Baht 14.8 million (net of income tax of Baht 3.7 million), and these expenses were recorded as a deduction against share premium.

## 25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 26. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	55,973	58,567	55,721	56,449
Interest expenses on lease liabilities	11,612	14,088	11,612	14,087
Total	<u>67,585</u>	<u>72,655</u>	<u>67,333</u>	<u>70,536</u>

## 27. Expenses by nature

Significant expenses classified by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries, wages and other employee benefits	672,625	596,939	667,137	592,198
Depreciation and amortisation	186,302	265,335	186,034	265,169
Construction materials and consumables used	1,123,026	856,105	1,115,996	850,178
Subcontractors costs	322,692	179,738	315,140	172,570
Repair and maintenance expenses	20,463	17,553	20,447	17,550

## 28. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Current income tax charge for the year	54,025	43,456	52,900	43,003
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,706	(18,866)	3,706	(18,866)
<b>Income tax expenses reported in profit or loss</b>	<u>57,731</u>	<u>24,590</u>	<u>56,606</u>	<u>24,137</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial gain	<u>382</u>	<u>-</u>	<u>382</u>	<u>-</u>

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	<u>295,854</u>	<u>155,253</u>	<u>295,758</u>	<u>163,207</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	59,171	31,051	59,151	32,641
Effects of:				
Non-deductible expenses	4,741	3,981	4,347	3,825
Additional expense deductions allowed	(9,647)	(12,817)	(9,647)	(12,329)
Unused tax losses	950	2,375	239	-
Others	2,516	-	2,516	-
Total	<u>(1,440)</u>	<u>(6,461)</u>	<u>(2,545)</u>	<u>(8,504)</u>
Income tax expenses reported in profit or loss	<u>57,731</u>	<u>24,590</u>	<u>56,606</u>	<u>24,137</u>



The components of deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Deferred tax assets</b>				
Unbilled receivables	5,089	8,312	5,089	8,312
Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	3,627	3,629	3,627	3,629
Allowance for diminution in value of inventories	427	429	427	429
Value of property, plant and equipment	11,677	9,272	11,677	9,272
Short-term provisions	964	2,199	964	2,199
Provision for long-term employee benefits	11,838	9,537	11,838	9,537
Provision for losses on construction projects	191	826	191	826
Unused tax losses	332	332	-	-
Total	<u>34,145</u>	<u>34,536</u>	<u>33,813</u>	<u>34,204</u>

As at 31 December 2020, the Group has deductible temporary differences totaling Baht 13 million (2019: Baht 13 million) (the Company only: Baht 11 million, 2019: Baht 11 million) on which deferred tax assets have not been recognised as the Group believes that they might not be used to offset taxable income in the future.

As at 31 December 2020, the subsidiaries have unused tax losses amounting to Baht 22 million (2019: Baht 17 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire within 2025.

## 29. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after reflecting the effect of stock split as mentioned in Note 24 to the financial statements.

The following table sets forth the computation of basic earnings per share for the years ended 31 December 2020 and 2019:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the year attributable to equity holders of the Company (Thousand Baht)	238,148	130,723	239,151	139,070
Weighted average number of ordinary shares (Thousand shares)	845,902	800,000	845,902	800,000
Earnings per share (Baht per share)	0.28	0.16	0.28	0.17

For comparative purpose, the basic earnings per share for the year ended 31 December 2019 have been re-calculated to reflect the effect of the stock split.

## 30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Chairman of the Executive Board.

The Group is principally engaged in the provision of construction services, underground rock and dam excavation, and other construction work and operate in the two geographic areas of Thailand and overseas (Myanmar, The Lao People's Democratic Republic and Cambodia).

The performance of operating segments is measured on a basis consistent with that used to determine the profit or loss of the operations reported in the financial statements. Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profits by geographic segment per the consolidated financial statements for the years ended 31 December 2020 and 2019:

(Unit: Million Baht)					
	Thailand segment		Overseas segment		Consolidated
	2020	2019	2020	2019	2020 2019
Revenue from external customers	2,723	2,262	121	75	2,844 2,337
Segment profit	564	412	25	2	589 414
Unallocated income (expenses):					
Exchange gain					1 12
Other income					16 15
Administrative expenses					(246) (215)
Finance income					3 3
Finance cost					(67) (73)
Income tax expenses					(58) (25)
Profit for the year					238 131
Non-current assets					
(Other than financial instruments					
and deferred tax assets)	858	1,039	3	3	861 1,042

### *Major customers*

During the current year, the Group had revenues from provision of construction services to major customers, which consisted of two government agencies and a private customer, amounting to Baht 1,924 million, arising from Thailand segment (2019: revenues from two government agencies and a private customer, amounting to Baht 1,754 million, arising from Thailand segment).

### **31. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rates of 2 - 15 percent of basic salary. The fund, which is managed by MFC Asset management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 8.1 million (2019: Baht 7.3 million) were recognised as expenses.

## 32. Commitments and contingent liabilities

### 32.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of approximately Baht 75 million (2019: Baht 15 million), relating to building improvements and the acquisitions of machinery and equipment.

### 32.2 Service agreements

As at 31 December 2020, the Company had commitments totaling Baht 1 million under various service agreements (2019: Baht 2 million).

### 32.3 Guarantees

- (a) As at 31 December 2020, the Company has provided guarantees totaling Baht 162 million (2019: Baht 261 million) for bank credit facilities on behalf of two subsidiaries.
- (b) As at 31 December 2020 and 2019, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. The details of bank guarantees are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Guarantee of construction contracts, bidding and debt repayment	1,452	1,470	1,395	1,411
Guarantee of advance payment bond and retention	1,588	1,606	1,483	1,402
Other guarantees	71	45	71	45
Total	<u>3,111</u>	<u>3,121</u>	<u>2,949</u>	<u>2,858</u>

### 33. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets that their fair value were disclosed, using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated/Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Asset for which fair value are disclosed</b>								
Investment properties	-	-	-	-	4.2	4.2	4.2	4.2

### 34. Financial instruments

#### 34.1 Financial risk management objectives and policies

the Group's financial instruments principally comprise the following:

<u>Financial assets</u>	<u>Financial liabilities</u>
- Cash and cash equivalents	- Bank overdrafts and short-term loans from financial institutions
- Trade and other receivables	- Trade and other payables
- Restricted bank deposits	- Short-term loans from related party
- Retention receivables	- Lease liabilities
	- Long-term loans from financial institutions

The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade receivables, contract assets and cash at banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables and contract assets***

the Group is exposed to credit risk primarily with respect to trade receivables and contract assets. However, since the majority of the Group's construction contracts are made with government agencies and other creditworthy customers, they do not anticipate material losses from their debt collection outside those for which provision has already been set aside.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation of impairment reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### ***Cash at banks***

The Group manages the credit risk from balances with banks by making investments only with approved counterparties. The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk. The details are as follows:

#### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated/Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3	2	2	5	30.04	30.15
Japanese Yen	-	-	-	2	0.29	0.28

As at 31 December 2020 and 2019, the Company has no outstanding forward exchange contracts.

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in the US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)
US dollar	+10	3
	- 10	(3)

### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its interest-bearing cash at banks and short-term and long-term borrowings. However, because most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group does not use derivatives to manage its interest rate risk.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.



## Consolidated financial statements

	2020						2019							
	Fixed interest rates						Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)						(% per annum)	(Million Baht)						(% per annum)
<b>Financial assets</b>														
Cash and cash equivalents	-	-	-	263	90	353	Note 8	-	-	-	29	23	52	Note 8
Trade and other receivables	-	-	-	-	647	647	-	-	-	-	-	550	550	-
Restricted bank deposits	245	45	-	-	-	290	0.30 - 1.50	252	45	-	-	-	297	0.30 - 1.50
Retention receivables	-	-	-	-	287	287	-	-	-	-	-	292	292	-
	245	45	-	263	1,024	1,577		252	45	-	29	865	1,191	
<b>Financial liabilities</b>														
Bank overdrafts and short-term loans from financial institutions	743	-	-	30	-	773	Note 18	921	-	-	87	-	1,008	Note 18
Trade and other payables	252	-	-	-	561	813	0.75 - 1.75	126	-	-	85	533	744	0.75 - 1.75
														and LIBOR +
														0.20
Long-term loans from financial institutions	-	-	-	154	-	154	Note 21	-	-	-	197	-	197	Note 21
Lease liabilities	104	78	-	-	-	182	3.44 - 13.23	117	115	-	-	-	232	1.60 - 18.22
	1,099	78	-	184	561	1,922		1,164	115	-	369	533	2,181	

Separate financial statements

	2020							2019							
	Fixed interest rates							Fixed interest rates							
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
	(Million Baht)						(% per annum)	(Million Baht)							(% per annum)
Financial assets															
Cash and cash equivalents	-	-	-	264	81	345	Note 8	-	-	-	29	21	50	Note 8	
Trade and other receivables	-	-	-	-	686	686	-	-	-	-	-	576	576	-	
Restricted bank deposits	243	44	-	-	-	287	0.30 - 1.50	245	45	-	-	-	290	0.30 - 1.50	
Retention receivables	-	-	-	-	291	291	-	-	-	-	-	292	292	-	
	243	44	-	264	1,058	1,609		245	45	-	29	889	1,208		
Financial liabilities															
Bank overdrafts and short-term loans from financial institutions	743	-	-	30	-	773	Note 18	913	-	-	87	-	1,000	Note 18	
Trade and other payables	252	-	-	-	562	814	0.75 - 1.75	126	-	-	85	534	745	0.75 - 1.75	
														and LIBOR	
Short-term loans from related party	-	-	-	-	17	17	-	-	-	-	-	17	17	+ 0.20	
Long-term loans from financial institutions	-	-	-	154	-	154	Note 21	-	-	-	197	-	197	Note 21	
Lease liabilities	104	78	-	-	-	182	3.44 - 13.23	117	115	-	-	-	232	1.60 - 18.22	
	1,099	78	-	184	579	1,940		1,156	115	-	369	551	2,191		

The following table demonstrates the sensitivity of the Group's interest expenses expected to be paid within next year to changes in interest rates on loans with floating rates, calculated on outstanding loan balance as at 31 December 2020, regardless of the expiration date of each loan contract.

	Increase/decrease	Effect on profit before tax
	(%)	(Million Baht)
Long-term loans from	+1	(2)
financial institutions	-1	2

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group considers that the liquidity risk is low since the Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. In addition, the Group has financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On	Less than	1 to 5		
	demand	1 year	years	> 5 years	Total
<b>Non-derivatives</b>					
Bank overdraft and short-term loans					
from financial institutions	-	778,737	-	-	778,737
Trade and other payables	-	813,330	-	-	813,330
Long-term loans from financial institutions	-	109,993	36,865	15,605	162,463
Lease liabilities	-	110,692	79,485	3,432	193,609
<b>Total non-derivatives</b>	-	1,812,752	116,350	19,037	1,948,139

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bank overdraft and short-term loans					
from financial institutions	-	778,737	-	-	778,737
Trade and other payables	-	814,136	-	-	814,136
Short-term loans from related party	17,040	-	-	-	17,040
Long-term loans from financial institutions	-	109,993	36,865	15,605	162,463
Lease liabilities	-	110,692	79,485	3,432	193,609
<b>Total non-derivatives</b>	<b>17,040</b>	<b>1,813,558</b>	<b>116,350</b>	<b>19,037</b>	<b>1,965,985</b>

### 34.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. the Group had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

### 35. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.92:1 (2019: 5.35:1) and the Company's debt-to-equity ratio was 1.93:1 (2019: 5.38:1).

### 36. Events after the reporting period

On 24 February 2021, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 0.085 per share, a total of Baht 93.5 million.

### 37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.





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## Part 4

# Certification of Information

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## Appendix 1: Biographies of Directors, Executives, and Company Secretary

<b>1. Name - Surname</b>	Songpope Polachan, Ph.D.
<b>Position</b>	Chairman of the Board of Directors
<b>Age</b>	67
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Doctor of Philosophy in Petroleum Geology, Royal Holloway and Bedford New College, University of London, UK</li> <li>• Bachelor of Science in Geology, Chiang Mai University</li> <li>• Certificate of Top Executives in the Energy Education Program, Thailand Energy Academy, Batch 2 (2013)</li> <li>• Certificate of Senior Executives on Justice Administration, National Justice Academy, Batch 3, (2012)</li> <li>• Diploma, National Defence College, The National Defence Course, Class 50, (2007)</li> <li>• Certificate of Advance Executive Program, Kellogg School of Management, Northwestern University, USA, B.E. 2550 (2007)</li> <li>• Certificate of ASEAN Executive Program, New York, USA. (2005)</li> <li>• Senior Executive Program, Office of the Civil Service Commission, Batch 42 (2004)</li> <li>• Certificate of The Board's Role in Strategic Formulation, Governance Matters, Australia</li> <li>• Certificate of Director Certification Program (DCP) Class 52/2547 (2004) Thai Institute of Directors (IOD) (2004)</li> <li>• Certificate of Director Accreditation Program (DAP) Class 23/2547 (2004) Thai Institute of Directors (IOD) (2004)</li> <li>• Finance for Non-Finance Director Program (FND) Class 9/2547 Thai Institute of Directors (IOD) (2004)</li> </ul>



**Honorary Awards**

2015 - Award of Excellence Committee of the Year B.E. 2558 (2015), IRPC Public Company Limited from National Corporate Governance Committee

2015 - Award of Excellence Audit Committee of the Year B.E. 2558 (2015), IRPC Public Company Limited from National Corporate Governance

2014 - Excellence in Energy Management, 2557 (2014) ASEAN Energy Awards 2014

2005 - Honorary Award of Excellence Committee of the Year B.E. 2547-2548 (2004-2005) Bangchak Corporation Public Company Limited from National Corporate Governance

**Shareholding in the Company**

0.18%

**Familial relationship between directors and executives**

None

**Experience**TimelinePosition / Company

2015 - present

Chairman of the Board of Directors, Right Tunnelling Public Company Limited

2019 - present

Independent Director and Auditing Director, Stark Corporation Public Company Limited

2016 - 2017

Chairman of the Audit Committee, IRPC Public Company Limited

2015 - 2016

Auditing Director, IRPC Public Company Limited

2013 - 2015

Nomination and Remuneration Director, IRPC Public Company Limited

2013 - 2015

Nomination and Remuneration Director, RATCH Group Public Company Limited

2009 - 2013

Director, RATCH Group Public Company Limited

2007 - 2009

Director, Ratchaburi Energy Co., LTD.

2011 - 2013

Director, PTT Global Chemical Public Company Limited

2010 - 2013

President of Geological Society of Thailand,

2004 - 2006

Director, Bangchak Corporation Public Company Limited

## Officials

2019 - present	Public Sector Audit and Evaluation Committee (PAEC) Ministry of Energy
2014 - 2015	Advisor to the Minister of Energy
July - September 2014	Inspector of the Ministry of Energy
2011 - 2014	Director General, Department of Mineral Fuels, Ministry of Energy
2006 - 2011	Deputy Director General, Department of Mineral Fuels, Ministry of Energy
2002 - 2006	Director-General of the Office of Trade Policy and Strategy Office, Ministry of Energy
2000 - 2002	Head of Corporation and Development of International Energy Agency, Department of Mineral Resources
1996 - 2000	Deputy Chief Executive Officer (DCEO) Thai-Malaysian Joint Organization
1992 - 1996	Petroleum Evaluation and Development Department, Department of Mineral Fuels
1975 - 1992	Survey Control Department, Department of Mineral Fuels, Department of Mineral Resources

## 2. Name - Surname

Mr. Chawalit Tanomtin

### Position

Deputy Chairman of the Board of Director / Director / Chief Executive Officer / Chairman of the Executive Committee / Corporate Governance and Risk Management Committee / Nomination and Remuneration Director

### Age

70

### Education / Training

- Master of Science in Geology, Faculty of Sciences, Asian Institute of Technology
- Bachelor of Science in Geology, Faculty of Sciences, Chiang Mai University
- Certificate of Director Certification Program (DCP) Class 210/2015 Thai Institute of Directors (IOD) (2015)
- Certificate of Ethical Leadership Program (ELP) Thai Institute of Directors (IOD) (2016)
- Certificate of Nitro Nobel Blasting Advanced Rock Blasting Technique Training Techniques Department
- Certificate of Corporate Finance Batch 3/61 the Federation of Accounting Professions

**Shareholding in the Company** 16.28%

**Familial relationship between directors and executives** None

**Experience**

<u>Timeline</u>	<u>Position / Company</u>
2020 - present	Deputy Chairman of the Board of Directors / Chief Executive Officer, Right Tunnelling Public Company Limited
2015 - present	Corporate Governance and Risk Management Committee / Nomination and Remuneration Director, Right Tunnelling Company Limited
2000 - present	Director / Chairman of the Executive Committee, Right Tunnelling Public Company Limited
2000 - 2020	Managing Director, Right Tunnelling Public Company Limited
1988 - 2000	Managing Director, International Blaster Co., Ltd.
1981 - 1987	Field Engineer, Minipe Right Bank Transbasin Canal Mahaveli Project, Srilanka And Cheow Lan Dam Construction Project, Vianini Lavori S.p.A.
1979 - 1981	Field Engineer, C.C.C. Fondisa Far East S.p.A. Thailand Branch
1974 - 1977	Mining Production Supervisor, P&S Barite Mining Co., Ltd.

**3. Name - Surname** Boonthep Nanegrungsunk, Ph.D.

**Position** Director / Independent Director / Chairman of the Audit Committee

**Age** 69

**Education / Training**

- Doctor of Philosophy in Engineering, Dr.-Ing., Underground Construction Techniques, Tunnelling and Construction Management, Ruhr-University of Bochum, Germany (under scholarship from DAAD, Germany)
- Master of Engineering, M.Eng., Geotechnical Engineering Diversion, Soil Engineering, Asian Institute of Technology, Thailand (under scholarship from AIT)
- Bachelor of Engineering, B.Eng. (Hons), Silver Metal Award, Civil Engineering, Khon Kaen University

- Certificate of Short Course on “Geotechnical Earthquake Engineering for Earthquake Hazard Mitigation” Department of Earthquake Engineering, University of Roorkee (under scholarship from UNESCO)
- Certificate of Director Accreditation Program (DAP) Class 139/2017, Thai Institute of Directors (IOD)

**Shareholding in the Company**

None

**Familial relationship between directors and executives**

None

**Experience**

Timeline

Position / Company

2017 - present

Independent Director / Chairman of the Audit Committee Right Tunnelling Public Company Limited

present

Senior Tunnel / Geotechnical Engineer

To B.E. 2559 (2016)

Director, Index International Group Co., Ltd.

Lifelong

Pensioner, Faculty of Sciences, Chiang Mai University

1977 - 2012

Permanent lecturer in Civil Engineering Department, Faculty of Sciences, Chiang Mai University

**4. Name - Surname**

Mr. Suraphong Iamchula

**Position**

Director / Chairman of Corporate Governance and Risk Management Committee

**Age**

68

**Education / Training**

- Bachelor of Science in Geology, Chiang Mai University  
Certificate of Director Certification Program (DCP) Class 116/2009  
Thai Institute of Directors (IOD) (2009)
- Certificate for Senior Executive Program (SEP) 11, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Shareholding in the Company**

1.73%

**Familial relationship  
between directors  
and executives**

None

**Experience**

Timeline

Position / Company

2007 - present

Director, Right Tunnelling Public Company Limited

2015 - present

Chairman of Corporate Governance and Risk Management Committee, Right Tunnelling Public Company Limited

2013 - 2015

Advisor, PTT Exploration and Production Public Company Limited

2010 - 2013

Deputy Managing Director (Domestic), PTT Exploration and Production Public Company Limited

2010 - 2013

Deputy Managing Director (Operational Support), PTT Exploration and Production Public Company Limited

**5. Name - Surname**

Mr. Jumpot Kanjanapunyakom

**Position**

Director / Independent Director / Chairman of the Nomination and Remuneration Committee

**Age**

70

**Education / Training**

- Master of Engineering (Soil Mechanic and Foundation Engineering), Asian Institute of Technology
- Bachelor of Science (Second Class Honors), Chulalongkorn University
- Certificate of Director Accreditation Program (DAP) Class 139/2017 Thai Institute of Directors (IOD) B.E. 2560 (2017)
- February 2000: Certificate of “Asia-Pacific Sustainable Energy Planning Workshop”, U.S. Department of Energy, Denver, Colorado, U.S.A.
- October 1997: Certificate of “Samsung Senior Management Course”, Samsung Human Resource Development Center, Yogyin, Korea
- November 1988: Certificate of “Management Problem Solving and Decision Making Programme”, Kepner-Tregoe International, Princeton, New Jersey, U.S.A.
- April 1986: Certificate of “Evaluating and Negotiating Construction Contract Claims Course”, International Contract and Consulting Services, U.S.A.

## Honorary Awards

- 1978-1979: King Scholarship for graduate study
- 1970-1973: Undergraduate Scholarship from Wat Nual Noradit Alumni Association
- 1971: Outstanding achievement scholarship for undergraduate study from Chulalongkorn University
- 1964: King Scholarship for outstanding performance at secondary school level
- 1962-1973: Annual Scholarships from the Ministry of Education for continuous outstanding academic achievement over a period of 12 years

## Shareholding in the Company

0.09%

## Familial relationship between directors and executives

None

## Experience

### Timeline

### Position / Company

2017 - present	Independent Director / Chairman of the Nomination and Remuneration Committee, Right Tunnelling Public Company Limited
2017 - present	Independent Director and Auditing Director, BJC Heavy Industries Public Company Limited
2006 - 2015	Italian-Thai Development Public Company Limited <ul style="list-style-type: none"> <li>- Project Director of Ahmedabad Airport, India Construction of New Terminal Building</li> <li>- Project Advisor of Commuter Train System (Red Line) (Bang Sue-Rang Sit)</li> <li>- Project Manager of Gas Separation Plant (GSP) for PTT Unit 6</li> </ul>
2001 - 2006	Deputy Project Director of Passenger Terminal Complex Project Suvarnabhumi Airport Italian Thai Development Public Company Limited

<b>6. Name - Surname</b>	Mr. Thanapat Papat
<b>Position</b>	Director / Independent Director / Auditing Director / Nomination and Remuneration Director
<b>Age</b>	62
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Master of Law, New York University School of Law, USA</li> <li>• Barrister-at-Law, Institute of Legal Education (1983)</li> <li>• Bachelor of Laws, Faculty of Law, Chulalongkorn University (1982)</li> <li>• Certificate of Director Accreditation Program (DAP) Class 139/2017, Thai institute of Directors (IOD)</li> </ul>
<b>Shareholding in the Company</b>	None
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2017 - present	Independent Director / Auditing Director / Nomination and Remuneration Director, Right Tunnelling Public Company Limited
2007 - present	Barrister / Legal Advisor, Magnus and Partners Co., Ltd.
1989 - 2007	Partner, International Legal Counsellors Thailand Limited
1987 - 1989	Barrister-at-law, David P. Christianson Law Corp. Los Angeles, California, The United States of America, U.S.A.



<b>7. Name - Surname</b>	Mr. Chaiwut Jumnongsutasathien
<b>Postion</b>	Director / Independent Director / Auditing Director
<b>Age</b>	44
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration, Kasetsart University</li> <li>• Bachelor of Accountancy, Thammasart University</li> <li>• Training Program - Engagement Quality Control Review (EQCR) and Monitoring, Class 1/2018, September 23, 2018</li> <li>• Certificate of Director Accreditation Program (DAP) Class 161/2019 (2004) Thai Institute of Directors (IOD). (2017)</li> </ul>
<b>Shareholding in the Company</b>	None
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2019 - present	Independent Director / Chairman of the Audit Committee, Right Tunnelling Public Company Limited Director / Auditing Director, NSL Food Co., Ltd.
2018 - present	Audit Partner AST Master Co., Ltd.
2016 - present	Director, SM Lertpipat Co., Ltd.
2012 - present	Sub-Committee for the Ethics Code Setting, the Federation of Accounting Professions.
1999 - 2017	Audit Director, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

<b>8. Name – Surname</b>	Krayim Santrakul, Ph.D.
<b>Position</b>	Director
<b>Age</b>	70
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Doctor of Philosophy in Electrical Engineering, University of Oklahoma, Norman, Oklahoma, USA.</li> <li>• Master of Arts (Physics), Kent State University, Kent, Ohio, USA.</li> <li>• Master of Arts (Nuclear Physics), Faculty of Science, Chiang Mai University</li> <li>• Bachelor of Arts (Physics), Faculty of Science, Chiang Mai University</li> <li>• Diploma, National Defence College, The Joint State - Private Sector Course (NDC 6) B.E. 2537 (1994)</li> <li>• Certificate of Modern Management, National Defence College of Thailand Class 1 B.E. 2544 (2001)</li> <li>• Politics and Government in Democracy for Executives, Class 11, King Prajadiphok's Institute</li> <li>• Certificate of Advance Security Management Program 2010, The Association of National Defence College of Thailand.</li> <li>• Certificate of Director Accreditation Program (DAP) Class 139/2560 (2017) Thai Institute of Directors (IOD) B.E. 2560 (2017)</li> </ul>
<b>Insignia</b>	<ul style="list-style-type: none"> <li>• Knight Commander (Second Class) of the Most Exalted Order of the White Elephant</li> <li>• Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn</li> <li>• The Silver Medal (Seventh Class) of the Direkgunabhorn.</li> </ul>
<b>Shareholding in the Company</b>	1.50%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2000 - present	Director, Right Tunnelling Public Company Limited
2012 - present	Managing Director, Technology Plus Co., Ltd.
1986 - present	Manager Partner, Tiger Engineering Limited Partnership

<b>9. Name - Surname</b>	Mr. Natthapong Poome
<b>Position</b>	Director
<b>Age</b>	62
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor Degree from Faculty of Commerce and Accountancy, Thammasart University</li> <li>• Certified Public Accountant, registration number 3325</li> <li>• Certificate of Director Accreditation Program (DAP) Class 131/2016 Thai Institute of Directors (IOD) B.E. 2559 (2017)</li> </ul>
<b>Shareholding in the Company</b>	0.64%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2000 - present	Director, Right Tunnelling Public Company Limited
1980 - present	Managing Director, Nattapong Auditing & Consultants Company Limited
2005 - present	Certified Public Accountant
2018 - 2020	Partner Manager, P&N Boutique Limited Partnership
2017 - 2020	Partner Manager, Chanderma Limited Partnership

<b>10. Name – Surname</b>	Mr. Surasak Seekhiew
<b>Position</b>	Director / Executive Director / Corporate Governance and Risk Management Director / Managing Director
<b>Age</b>	57
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science in Geology, Chiang Mai University</li> <li>• Certificate of Director Certification Program (DCP) Class 210/2015 Thai Institute of Directors (IOD) B.E. 2558 (2017)</li> <li>• Certificate of Executive Mini MBA, Nida Business School</li> <li>• Certificate of Risk Management Program for Corporate Leaders (3/2016) Thai Institute of Directors (IOD) B.E. 2559 (2017)</li> </ul>
<b>Shareholding in the Company</b>	2.18%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2020 - present	Managing Director / Deputy Managing Director for Business Development (Acting), Right Tunnelling Public Company Limited
2000 - present	Director / Executive Director, Right Tunnelling Public Company Limited
2013 - 2020	Deputy Managing Director for Operation 1, Right Tunnelling Company Limited
2010 - 2012	Assistant to Managing Director, Right Tunnelling Company Limited
1988 - 2000	Project Manager, International Blaster Co., Ltd.

<b>11. Name - Surname</b>	Mr. Chaiya Wonglappanich
<b>Position</b>	Director / Executive Director / Corporate Governance and Risk Management Director / Deputy Manager Director for Management and Finance,
<b>Age</b>	52
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science in Geology, Chiang Mai University</li> <li>• Certificate of Chief Financial Officer Certification Program Class 18/2014 on the 20th September 2014, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>• Certificate of Director Certification Program (DCP) Class 211/2015 Thai Institute of Directors (IOD)</li> <li>• Certificate of Risk Management Program for Corporate Leaders 3/1016, Thai Institute of Directors (IOD)</li> <li>• Certificate of Financial Statements for Directors (FSD) Class 32/2017, Thai Institute of Directors (IOD) 2560 (2017)</li> <li>• Certificate of Corporate Finance, Batch 3/61 (6 hours/ December 6, 2018), the Federation of Accounting Professions.</li> <li>• Certificate of FinTech and Blockchain for Digital Transformation 9 (August 29-30, 2020), National Institute of Development Administration</li> </ul>
<b>Shareholding in the Company</b>	1.94%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2000 - present	Directors / Executive Director, Right Tunnelling Public Company Limited
2015 - present	Corporate Governance and Risk Management Director, Right Tunnelling Public Company Limited
2013 - present	Deputy Managing Director for Management and Finance, Right Tunnelling Public Company Limited
2000 - 2013	Assistant to Managing Director for Management, Right Tunnelling Company Limited
1996 - 2000	Assistant to Deputy Managing Director International Blaster Co., Ltd.

<b>13. Name – Surname</b>	Mr. Wiwat Nualnok
<b>Position</b>	Executive Director / Deputy Managing Director for Engineering
<b>Age</b>	60
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor of Science in Civil Engineering, Faculty of Science, Prince of Songkhla University.</li> </ul>
<b>Shareholding in the Company</b>	0.13%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2015 - present	Executive Director, Right Tunnelling Company Limited
2013 - present	Deputy Managing Director for Engineering, Right Tunnelling Company Limited
2008 - 2013	Assistant to Managing Director for Engineering, Right Tunnelling Company Limited
2017	Engineering Manager, Right Tunnelling Company Limited
2000 - 2008	Senior Engineer, Right Tunnelling Company Limited
1999 - 2000	Senior Engineer and Head of Engineering Department, International Blaster Co., Ltd.

<b>12. Name – Surname</b>	Mr. Teerayut Chusilp
<b>Position</b>	Director / Nomination and Remuneration Director / Deputy Managing Director for Organization & Legal
<b>Age</b>	61
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor of Laws, Faculty of Law, Chulalongkorn University</li> <li>• Barrister-at-Law, Institute of Legal Education</li> <li>• Certificate of Director Certification Program (DCP) Class 211/2015 Thai Institute of Directors (IOD) B.E. 2558 (2017)</li> <li>• Certificate of Ethical Leadership Program (ELP), Thai Institute of Directors (IOD) 2559 (2017)</li> </ul>

**Shareholding in the Company** 4.31%

**Familial relationship between directors and executives** None

**Experience**

Timeline

Position / Company

2000 - present	Director, Right Tunnelling Company Limited
2015 - present	Nomination and Compensation Director, Right Tunnelling Company Limited
2010 - present	Executive Director, Right Tunnelling Company Limited
2010 - 2012	Human Resources and Legal Manager, Right Tunnelling Company Limited

**14. Name - Surname**

Mr. Koson Kongdaeng

**Position**

Executive Director / Deputy Managing Director for Operation

**Age**

57

**Education / Training**

- Master of Science in Geology, Faculty of Science, Asian Institute of Technology
- Bachelor of Science in Geology, Faculty of Science, Chiang Mai University
- Certificate of Director Accreditation Program (DAP) Class 161/2019 Thai Institute of Directors (IOD)
- Certificate of Advance Course in Rock Blasting Technique, Nitro Nobel, Sweden, 1992

**Shareholding in the Company** 1.02%

**Familial relationship between directors and executives** None

**Experience**

Timeline

Position / Company

2019 - present	Executive Director, Right Tunnelling Company Limited
2018 - present	Deputy Managing Director for Operation, Right Tunnelling Company Limited
2001 - present	Project Manager, Right Tunnelling Company Limited



<b>15. Name - Surname</b>	Mrs. Mechaya Kaewduangdee
<b>Position</b>	Assistant to Managing Director for Business Development
<b>Age</b>	48
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration Management, Ramkhamhaeng University</li> <li>• Bachelor of Science in Engineering, Chiang Mai University</li> <li>• Certificate of Business and Economy Analyst Program, Batch 53, Faculty of Economics, Chulalongkorn University, B.E. 2556 (2013)</li> <li>• Certificate of How to Develop a Risk Management Plan-HRP, Batch 9/2016, Thai Institute of Directors (IOD)</li> <li>• Certificate of Company Reporting Program (CRP), Class 18/2017, Thai Institute of Directors (IOD) B.E. 2017</li> <li>• Certificate of FinTech and Blockchain for Digital Transformation 9 (August 29-30, 2020), National Institute of Development Administration</li> </ul>
<b>Shareholding in the Company</b>	0.19%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2018 - 2020	Assistant to Managing Director for Business Development, Right Tunnelling Public Company Limited
2013 - 2018	Business Development Manager, Right Tunnelling Company Limited
2011 - 2013	Deputy Engineering Manager, Right Tunnelling Company Limited
2003 - 2011	Cost Controller (Head Office), Right Tunnelling Company Limited
2000 - 2003	Field Geologist, Right Tunnelling Public Company Limited

<b>16. Name - Surname</b>	Mr. Charlie Pungpanichkul
<b>Position</b>	Assistant to Managing Director for Operation 2
<b>Age</b>	60
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Master of Engineering in Environmental Engineer, Kasetsart University</li> <li>• Bachelor of Science in Geology, Chiang Mai University</li> </ul>
<b>Shareholding in the Company</b>	0.25 %
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2020 - present	Assistant to Managing Director for Operation 2, Right Tunnelling Public Company Limited
2018 - 2020	Assistant to Managing Director for Operation, Right Tunnelling Public Company Limited
2010 - 2018	Project Manager, Right Tunnelling Public Company Limited
2008 - 2010	Deputy Project Director, Right Tunnelling Company Limited
2013	Geologist, Right Tunnelling Company Limited
<b>17. Name - Surname</b>	Mr. Nawin Pongkaew
<b>Position</b>	Assistant to Managing Director for Operation 1
<b>Age</b>	52
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor of Engineering in Mechanics, Chiang Mai University</li> <li>• Registered member of the Council of Engineers, the license for engineer professional practices in Fellow Mechanical Engineer CE 9129 (Por Gor)</li> </ul>
<b>Shareholding in the Company</b>	0.29%
<b>Familial relationship between directors and executives</b>	None

**Experience****Timeline****Position / Company**

2020 - present	Assistant to Managing Director for Operation 1, Right Tunnelling Public Company Limited
2010 - 2020	Assistant to Managing Director for Mechanics / Project Manager, Right Tunnelling Company Limited
2006 - 2010	Mechanical Engineering Manager, Right Tunnelling Company Limited
2001 - 2005	Mechanical Engineer, Thai Nichimustsu Construction
1995 - 2001	Mechanical Engineer, International Blaster Co., Ltd.
1993 - 1995	Mechanical Engineer, Samchai Industrial Construction

**18. Name - Surname**

Mr. Panat Kungsuwan

**Position**

Assistant to Managing Director / Engineering Manager (Acting)

**Age**

51

**Education / Training**

- Master of Engineering in Civil Engineering, Kasesart University (2001)
- Bachelor of Science in Civil Engineering, Chiang Mai University (1993)
- Registered member of the Council of Engineers, the license for engineer professional practices in Fellow Mechanical Engineer CE 7882 (Por Gor)

**Shareholding in the Company**

0.10%

**Familial relationship between directors and executives**

None

**Experience****Timeline****Position / Company**

2020 - present	Assistant to Managing Director for Engineering and Engineering Manager (Acting), Right Tunnelling Public Company Limited
2018 - 2020	Assistant to Managing Director for Engineering and Engineering Manager (Acting), Right Tunnelling Public Company Limited
2008 - 2018	Engineering Manager, Right Tunnelling Company Limited
2005 - 2008	Senior Engineer, Right Tunnelling Company Limited

<b>19. Name - Surname</b>	Mrs. Pornthip Kongsangbhat
<b>Position</b>	Company Secretary
<b>Age</b>	57
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration in Banking and Finance, Faculty of Business Management, Sukhothai Thammathirat Open University</li> <li>• Certificate of Company Secretary Program (CSP), Class 66/2015, Thai Institute of Directors (IOD) (2015)</li> <li>• Certificate of Effective Minutes Taking (EMT), Class 33/2015, Thai Institute of Directors (IOD) (2015)</li> <li>• Certificate of Board Reporting Program (BRP), Class 18/2015, Thai Institute of Directors (IOD) (2015)</li> <li>• Certificate of Company Reporting Program (CRP), Class 13/2015, Thai Institute of Directors (IOD) (2015)</li> </ul>
<b>Shareholding in the Company</b>	0.16%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2015 - present	Company Secretary, Right Tunnelling Public Company Limited
2009 - 2015	Secretary to Chairman of the Executive Committee / Managing Director, Right Tunnelling Company Limited
2006 - 2009	Project Coordinator, Right Tunnelling Company Limited
2002 - 2005	Accounting and Finance Manager, Aesthetic Plus Co., Ltd.

<b>20. Name - Surname</b>	Mr. Poramate Mashima
<b>Position</b>	Accounting Manager
<b>Age</b>	50
<b>Education / Training</b>	<ul style="list-style-type: none"> <li>• Master of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>• Master of Business Administration in Accountancy, Department of Accounting, Kasetsart University</li> <li>• Bachelor of Business Administration in Accountancy, Faculty of Business Administration, Ramkhamhaeng University</li> </ul>
<b>Shareholding in the Company</b>	0.08%
<b>Familial relationship between directors and executives</b>	None
<b>Experience</b>	
<u>Timeline</u>	<u>Position / Company</u>
2011 - present	Accounting Manager, Right Tunnelling Company Limited
2004 - 2010	Head of Internal Audit, GMM Grammy Public Company Limited
1994 - 2004	Senior Internal Audit, True Corporation Public Company Limited
1993 - 1994	Internal Audit (International), Bangkok Bank Public Company Limited

## Appendix 2: Details of Subsidiaries' Directors

Directors	Right Tunnelling Myanmar Company Limited (RTM)
1. Mr. Chawalit Tanomtin	x
2. Mr. Teerayut Chusilp	x
3. Mr. Chaiya Wonglappanich	x

**Remark:** X means Directors and Authorized Directors

### Appendix 3: Head of Internal Audit

IVL Auditing Co., Ltd. is the Company's outsourced internal auditor. The profile is as follows:

Number	Name-Surname / Position	Age	Education / Training	Shareholding of the Company (%)	Familial relationship between Director and Executive	Experience			
						Timeline (B.E.)	Position	Name of The Company	Type of Business
1.	Ms. Wandee Sibunruang Position: Senior Partner IVL Auditing Co., Ltd. (Outsource)	54	- Bachelor of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University - Certified Public Accountant, registration number 3829 - Certificate of Director Accreditation Program (DAP) - Certificate of Audit Committee Program (ACP)	-	-	1994 - present  1990 - 1994  1986 - 1990	Senior Partner  Accounting and Finance Manager  Audit Senior	IVL Auditing Co.,Ltd.  Mandom Corporation (Thailand) Company Limited  Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	Accounting and Internal Audit Service Production and Distribution of Cosmetics  Auditing Service



## Appendix 4 Review of Business Assets

### 4.1 Figures represents the Company's Assets for business operation as of December 31, 2020

The essential properties of Right Tunnelling Public Company Limited used for business operation as of December 31, 2020 are as follows:

Types of Property / Characteristics of Property	Types of Ownership	Obligation	Net Book Value As of December 31, 2020 (Million Baht)	Utilization of Property
1. Lands	Owned		78.33	For Double-track Railway Construction projects.
2. Property, Plant and Equipment	Owned	Burdened mortgage at the amount of 254.52 Million Baht	57.69	For business operation
3. Machinery and Equipment	Owned	Burdened mortgage at the amount of 200 Million Baht	197.67	For business operation
4. Tools and Equipment	Owned	None	29.48	For business operation
5. Decorations and Officer Supplies	Owned	None	6.99	For business operation
6. Vehicles	Owned	None	10.21	For business operation
7. Assets during installation and construction	Owned	None	7.19	For business operation
8. Right of Utilization of Assets	Owned	None	403.04	For business operation
<b>Total</b>			<b>790.64</b>	

#### 4.2 Intangible Assets for Business Operation

As of December 31, 2020, the Company's intangible assets: Computer Software were determined net book value at the amount of 17.94 Million Baht

#### 4.3 Investment in Subsidiary Companies and Associated Companies

As of December 31, 2020, the Company has the investment value in the Subsidiaries at the total amount of USD 150,000. The details are as follows:

The Company	Registered Capital (USD)	Paid-up Capital (USD)	Investment Proportion (%)	Investment Value (USD)
Right Tunnelling Myanmar Company Limited	150,000	150,000	99.00	150,000





## RIGHT TUNNELLING

**Right Tunnelling Public Company Limited**

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