

Our Ref. RTCS 012/2565

May 17, 2022

Subject: Management Discussion and Analysis Quarter 1 Ending 31 March 2022

To: The President
 The Stock Exchange of Thailand

Right Tunnelling Public Company Limited and its Subsidiaries (“**the Company and its Subsidiaries**”) would like to report the consolidated operating results and financial position as of 31 March 2022, reviewed by the auditor. The details are as follows:

Financial Highlight

| Statement of Comprehensive Income Unit: million baht or as otherwise stated | 1Q/21 | 1Q/22 | Change | |
|--|---------------|----------------|-----------------|-----------------|
| | | | Amount | % |
| Revenues from construction services | 727.42 | 502.09 | (225.33) | -30.98% |
| Sales of construction materials | 2.54 | 0.27 | (2.27) | -89.35% |
| Exchange gain | 1.48 | - | (1.48) | -100.00% |
| Other income | 4.08 | 1.33 | (2.75) | -67.34% |
| Total revenues | 735.52 | 503.69 | (231.83) | -31.52% |
| Cost of construction services | 614.55 | 463.04 | (151.51) | -24.65% |
| Cost of sales of construction materials | 2.06 | 0.26 | (1.81) | -87.59% |
| Administrative expenses | 61.64 | 57.98 | (3.66) | -5.94% |
| Exchange loss | - | 0.90 | 0.90 | - |
| Total expenses | 678.25 | 522.18 | (156.07) | -23.01% |
| Net Operating profit | 57.27 | (18.49) | (75.76) | -132.28% |
| Finance revenues | 0.50 | 0.18 | (0.32) | -64.00% |
| Finance cost | (13.01) | (15.74) | (2.72) | 20.92% |
| Profit before income tax expenses | 44.76 | (34.04) | (78.80) | -176.06% |
| Income tax expenses | (7.52) | 8.73 | 16.25 | -216.17% |
| Profit for the year | 37.25 | (25.32) | (62.56) | -167.97% |
| Gross Profit Margin (%) | 15.52% | 7.78% | - | - |
| Net Profit Margin (%) | 5.06% | -5.03% | - | - |

Performance

1. Revenues: For 1Q/22, the total revenue of the Company and its Subsidiaries was Baht 503.69 million, decreased by Baht 231.83 million or equivalent to 31.52 percent decrease compared to last year. Due to the effect of COVID-19 pandemic since the beginning of the year 2021 and the measures to close the worker's camp, the workers were not permitted to work as usual. The major revenue was from the construction revenue in the number of Baht 502.09 million, decreased by Baht 225.33 million or equivalent to 30.98 percent decrease compared to last year.

2. Expenses: For 1Q/22, the total expense of the Company and its Subsidiaries was Baht 522.18 million, decreased by Baht 156.07 million or equivalent to 23.01 percent compared to last year. The major expenses were the cost of construction services in the number of Baht 463.04 million, decreased by Baht 151.51 million or equivalent to 24.65 percent, administrative expense in the number of Baht 57.98 million, decreased by Baht 3.66 million or equivalent to 5.94 percent decrease compared to last year. The change of cost of construction services compared to last year because of the difference of quantity of work compared to the last year.

3. Profitability: For 1Q/22, showed that the Company and its Subsidiaries had the gross profit of Baht 39.05 million, decreased by Baht 73.82 million or equivalent to 65.41 percent decrease compared to last year. Though the gross profit margin of the Company and its Subsidiaries was at 7.78 percent, net loss was at the amount of Baht 25.32 million, decreased by Baht 62.56 million or equivalent to 167.97 percent decrease. The net profit margin was -5.03 percent. The decrease in gross profit and net profit was caused by the COVID-19 pandemic; therefore, the workers could not work as usual and the difference of the profit structure.

Financial Position

| Statement of Financial Position Unit: million baht | As of 31 Dec 2021 | As of 31 Mar 2022 | Change | |
|---|-------------------|-------------------|---------|--------|
| | | | Amount | % |
| Total Assets | 3,915.16 | 3,988.65 | 73.50 | 1.88% |
| Total Liabilities | 2,578.59 | 2,678.03 | 99.43 | 3.86% |
| Total Equity | 1,336.56 | 1,310.63 | (25.94) | -1.94% |

- 1. Total Assets:** As of 31 March 2022, the total Assets of the Company and Subsidiaries were Baht 3,988.65 million, increased by Baht 73.50 million from the end of last year or 1.88 percent. The major changes in assets are trade and other receivable increased by Baht 35.64

million and contract assets - unbilled receivables increased by Baht 71.97 million which revenue was recognized in proportion of work completed and not yet billed to customer.

2. **Total Liabilities:** As of 31 March 2022, the total Liabilities of the Company and its Subsidiaries were Baht 2,678.03 million, increased by Baht 99.43 million from the end of previous year or 3.86 percent. The major changes in liabilities are bank overdrafts and short-term loans from financial institutions which increased by Baht 119.63 million and trade and other payables which increased by Baht 39.06 million
3. **Shareholders' equity:** As of 31 March 2022, total Shareholders' equity of the Company and its Subsidiaries were Baht 1,310.63 million decreased by Baht 25.94 million from the previous year or 1.94 percent due to the comprehensive loss for the quarter 1/22 by Baht 25.94 million.

Yours sincerely,

(Mr. Chaiya Wonglappanich)

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