

**CAZ (Thailand) Public Company Limited
and its Subsidiary**

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2020
and
Independent auditor's review report



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of CAZ (Thailand) Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of CAZ (Thailand) Public Company Limited and its subsidiary, and of CAZ (Thailand) Public Company Limited, respectively, as at 30 June 2020; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2020, the consolidated and separate statements of changes in equity and cash flows for the six-month periods ended 30 June 2020; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".



Other Matter

The consolidated and separate statements of financial position of CAZ (Thailand) Public Company Limited and its subsidiary, and of CAZ (Thailand) Public Company Limited, respectively, as at 31 December 2019, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated 27 February 2020. Furthermore, the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2019, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2019 of CAZ (Thailand) Public Company Limited and its subsidiary and of CAZ (Thailand) Public Company Limited, respectively, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in his report dated 9 August 2019.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
7 August 2020

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		8,535	31,330	7,202	30,135
Trade and other current receivables	4	224,539	186,078	325,225	282,018
Contract assets	5	518,211	564,883	518,211	564,883
Short-term loans to a related party	3	-	-	35,000	40,000
Inventories		19,586	9,719	19,454	9,465
Other current assets		15,636	13,156	14,452	12,054
Total current assets		786,507	805,166	919,544	938,555
Non-current assets					
Restricted deposit at financial institution		18,000	32,948	18,000	32,948
Investment in a subsidiary	6	-	-	7,390	7,390
Property, plant and equipment	7	563,120	527,967	545,438	506,222
Intangible assets		12,105	11,282	12,059	11,233
Retention receivables	5	31,479	10,567	31,479	10,567
Withholding tax deducted at source		118,556	96,481	98,605	81,363
Deposits		2,607	2,107	2,017	1,798
Deferred tax assets		1,234	1,085	1,053	965
Total non-current assets		747,101	682,437	716,041	652,486
Total assets		1,533,608	1,487,603	1,635,585	1,591,041

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
Liabilities and equity		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Bank overdrafts		128	16,706	128	16,706
Short-term borrowings from financial institutions		152,190	222,247	152,190	222,247
Trade and other current payables		339,568	327,157	439,807	438,128
Contract liabilities	5	227,158	217,248	227,158	217,248
Short-term borrowings from related parties	3	90,000	2,500	90,000	-
Current portion of long-term borrowings					
from financial institutions		28,980	38,640	28,980	38,640
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)		16,296	8,345	13,969	6,223
Other current liabilities		37,031	21,380	27,986	16,159
Total current liabilities		891,351	854,223	980,218	955,351
Non-current liabilities					
Long-term borrowings from financial institutions		104,340	105,060	104,340	105,060
Lease liabilities (2019: Finance lease liabilities)		26,741	20,688	20,395	13,033
Retention payables		6,580	8,299	31,645	22,095
Non-current provisions for employee benefits		6,050	5,057	5,155	4,474
Total non-current liabilities		143,711	139,104	161,535	144,662
Total liabilities		1,035,062	993,327	1,141,753	1,100,013

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Equity</i>					
Share capital:					
Authorised share capital <i>(280,000 thousand ordinary shares, par value at Baht 0.5 per share)</i>		<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Issued and paid-up share capital <i>(280,000 thousand ordinary shares, par value at Baht 0.5 per share)</i>		140,000	140,000	140,000	140,000
Share premium on ordinary shares		246,105	246,105	246,105	246,105
Retained earnings					
Appropriated					
Legal reserve		9,150	9,150	9,150	9,150
Unappropriated		90,863	87,313	92,207	89,403
Other components of equity		<u>8,453</u>	<u>8,453</u>	<u>6,370</u>	<u>6,370</u>
Equity attributable to owners of the parent		<u>494,571</u>	<u>491,021</u>	<u>493,832</u>	<u>491,028</u>
Non-controlling interests		<u>3,975</u>	<u>3,255</u>	<u>-</u>	<u>-</u>
Total equity		<u>498,546</u>	<u>494,276</u>	<u>493,832</u>	<u>491,028</u>
Total liabilities and equity		<u>1,533,608</u>	<u>1,487,603</u>	<u>1,635,585</u>	<u>1,591,041</u>

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
<i>Note</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue				
Revenues from construction contracts	563,668	540,315	563,668	540,314
Costs of construction contracts	<u>(521,088)</u>	<u>(492,001)</u>	<u>(525,430)</u>	<u>(494,677)</u>
Gross profit	42,580	48,314	38,238	45,637
Other income	732	146	1,397	1,197
Administrative expenses	<u>(19,095)</u>	<u>(17,773)</u>	<u>(17,535)</u>	<u>(15,992)</u>
Profit from operating activities	24,217	30,687	22,100	30,842
Finance costs	<u>(6,776)</u>	<u>(3,718)</u>	<u>(6,606)</u>	<u>(3,703)</u>
Profit before income tax expense	17,441	26,969	15,494	27,139
Income tax expense	<u>(3,339)</u>	<u>(5,424)</u>	<u>(3,186)</u>	<u>(5,479)</u>
Profit for the period	14,102	21,545	12,308	21,660
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Gain on remeasurements of defined benefit plans, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	14,102	21,545	12,308	21,660

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements		
	Three-month period ended		Three-month period ended		
	30 June		30 June		
Note	2020	2019	2020	2019	
<i>(in thousand Baht)</i>					
Profit attributable to:					
Owners of parent	13,494	21,599	12,308	21,660	
Non-controlling interests	608	(54)	-	-	
	<u>14,102</u>	<u>21,545</u>	<u>12,308</u>	<u>21,660</u>	
Total comprehensive income attributable to:					
Owners of parent	13,494	21,599	12,308	21,660	
Non-controlling interests	608	(54)	-	-	
	<u>14,102</u>	<u>21,545</u>	<u>12,308</u>	<u>21,660</u>	
Basic earnings per share (in Baht)	<u>9</u>	<u>0.05</u>	<u>0.08</u>	<u>0.04</u>	<u>0.08</u>

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements		
	Six-month period ended		Six-month period ended		
	30 June		30 June		
Note	2020	2019	2020	2019	
<i>(in thousand Baht)</i>					
Revenue					
Revenues from construction contracts		1,175,492	954,660	1,175,492	954,660
Costs of construction contracts		<u>(1,082,595)</u>	<u>(860,250)</u>	<u>(1,089,728)</u>	<u>(866,591)</u>
Gross profit		92,897	94,410	85,764	88,069
Other income		1,189	2,842	2,912	4,668
Administrative expenses		<u>(38,205)</u>	<u>(39,634)</u>	<u>(34,757)</u>	<u>(35,541)</u>
Profit from operating activities		55,881	57,618	53,919	57,196
Finance costs		<u>(13,077)</u>	<u>(6,483)</u>	<u>(12,703)</u>	<u>(6,462)</u>
Profit before income tax expense		42,804	51,135	41,216	50,734
Income tax expense		<u>(8,546)</u>	<u>(10,252)</u>	<u>(8,424)</u>	<u>(10,214)</u>
Profit for the period		<u>34,258</u>	<u>40,883</u>	<u>32,792</u>	<u>40,520</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gain on remeasurements of defined benefit plans, net of tax		<u>-</u>	<u>173</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period, net of tax		<u>-</u>	<u>173</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>34,258</u>	<u>41,056</u>	<u>32,792</u>	<u>40,520</u>

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements		
	Six-month period ended		Six-month period ended		
	30 June		30 June		
Note	2020	2019	2020	2019	
	<i>(in thousand Baht)</i>				
Profit attributable to:					
Owners of parent	33,538	40,831	32,792	40,520	
Non-controlling interests	720	52	-	-	
	<u>34,258</u>	<u>40,883</u>	<u>32,792</u>	<u>40,520</u>	
Total comprehensive income attributable to:					
Owners of parent	33,538	40,958	32,792	40,520	
Non-controlling interests	720	98	-	-	
	<u>34,258</u>	<u>41,056</u>	<u>32,792</u>	<u>40,520</u>	
Basic earnings per share <i>(in Baht)</i>	9	<u>0.12</u>	<u>0.15</u>	<u>0.12</u>	<u>0.15</u>

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity (Unaudited)

	Consolidated financial statements							Total equity		
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Other components of equity				
			Legal reserve	Unappropriated	Share-based payment	Changes in parent's ownership interest in subsidiary	Total other components of equity		Equity attributable to owners of the parent	Non-controlling interests
<i>(in thousand Baht)</i>										
Six-month period ended 30 June 2019										
Balance at 31 December 2018 - as reported	100,000	-	5,085	44,312	6,370	2,083	8,453	157,850	3,752	161,602
Impact of changes in accounting policies	-	-	-	196	-	-	-	196	-	196
Balance at 1 January 2019 - restated	100,000	-	5,085	44,508	6,370	2,083	8,453	158,046	3,752	161,798
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Issue of ordinary shares	40,000	246,105	-	-	-	-	-	286,105	-	286,105
Dividends to owners of the Company	-	-	-	(28,000)	-	-	-	(28,000)	-	(28,000)
<i>Total contributions by and distributions to owners of the parent</i>	40,000	246,105	-	(28,000)	-	-	-	258,105	-	258,105
Comprehensive income for the period										
Profit for the period	-	-	-	40,958	-	-	-	40,958	98	41,056
<i>Total comprehensive income for the period</i>	-	-	-	40,958	-	-	-	40,958	98	41,056
Balance at 30 June 2019	140,000	246,105	5,085	57,466	6,370	2,083	8,453	457,109	3,850	460,959

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity (Unaudited)

	Consolidated financial statements									
	Retained earnings		Other components of equity				Equity attributable to owners of the parent	Non-controlling interests	Total equity	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated reserve	Share-based payment	Changes in parent's ownership interest in subsidiary				Total other components of equity
Balance at 1 January 2020	140,000	246,105	9,150	87,313	6,370	2,083	8,453	491,021	3,255	494,276
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the parent</i>										
Dividends to owners of the Company	-	-	-	(29,988)	-	-	-	(29,988)	-	(29,988)
<i>Total distributions to owners of the parent</i>	-	-	-	(29,988)	-	-	-	(29,988)	-	(29,988)
Comprehensive income for the period										
Profit for the period	-	-	-	33,538	-	-	-	33,538	720	34,258
<i>Total comprehensive income for the period</i>	-	-	-	33,538	-	-	-	33,538	720	34,258
Balance at 30 June 2020	140,000	246,105	9,150	90,863	6,370	2,083	8,453	494,571	3,975	498,546

(in thousand Baht)

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity (Unaudited)

	Separate financial statements						Total equity	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Retained earnings				Total other components of equity
				Unappropriated (in thousand Baht)	Share-based payment	Other components of equity		
Six-month period ended 30 June 2019								
Balance at 31 December 2018 - as reported	100,000	-	5,085	40,478	6,370	6,370	151,933	
Impact of changes in accounting policies	-	-	-	196	-	-	196	
Balance at 1 January 2019 - restated	100,000	-	5,085	40,674	6,370	6,370	152,129	
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the parent</i>								
Issue of ordinary shares	40,000	246,105	-	-	-	-	286,105	
Dividends to owners of the Company	-	-	-	(28,000)	-	-	(28,000)	
Total contributions by and distributions to owners of the parent	40,000	246,105	-	(28,000)	-	-	258,105	
Comprehensive income for the period								
Profit for the period	-	-	-	40,520	-	-	40,520	
Total comprehensive income for the period	-	-	-	40,520	-	-	40,520	
Balance at 30 June 2019	140,000	246,105	5,085	53,194	6,370	6,370	450,754	

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The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity (Unaudited)

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in thousand Baht)	Share-based payment	
Six-month period ended 30 June 2020	140,000	246,105	9,150	89,403	6,370	491,028
Balance at 1 January 2020	-	-	-	(29,988)	-	(29,988)
Transactions with owners, recorded directly in equity	-	-	-	(29,988)	-	(29,988)
<i>Distributions to owners of the parent</i>						
Dividends to owners of the Company	-	-	-	(29,988)	-	(29,988)
<i>Total distributions to owners of the parent</i>						
Comprehensive income for the period	-	-	-	32,792	-	32,792
Profit for the period	-	-	-	32,792	-	32,792
Total comprehensive income for the period						
Balance at 30 June 2020	140,000	246,105	9,150	92,207	6,370	493,832

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	34,258	40,883	32,792	40,520
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Finance costs	13,077	6,483	12,703	6,462
Depreciation and amortisation	28,242	20,628	25,125	17,938
Non-current provisions for employee benefits	993	592	681	552
Gain on disposal of equipment	(359)	(315)	(168)	(623)
Interest income	(140)	-	(1,188)	(979)
Income tax expense	8,546	10,252	8,424	10,214
	<u>84,617</u>	<u>78,523</u>	<u>78,369</u>	<u>74,084</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(38,461)	700	(43,099)	2,468
Contract assets	46,672	(168,958)	46,672	(168,958)
Inventories	(9,867)	122,200	(9,989)	122,200
Other current assets	(2,480)	(4,307)	(2,398)	(4,081)
Retention receivables	(20,912)	(726)	(20,912)	(726)
Deposits	(500)	(189)	(219)	(175)
Trade and other current payables	5,901	4,071	(4,639)	28,513
Contract liabilities	9,910	(194,010)	9,910	(194,010)
Other current liabilities	15,651	(5,956)	11,827	(6,715)
Retention payables	(1,719)	1,962	9,550	4,207
Net cash generated from (used in) operating activities	<u>88,812</u>	<u>(166,690)</u>	<u>75,072</u>	<u>(143,193)</u>
Interest paid	(11,234)	(6,441)	(10,806)	(6,438)
Income tax paid	(30,770)	(20,964)	(25,754)	(17,907)
Net cash from (used in) operating activities	<u>46,808</u>	<u>(194,095)</u>	<u>38,512</u>	<u>(167,538)</u>
<i>Cash flows from investing activities</i>				
Decrease in restricted deposit at financial institution	14,948	13,372	14,948	13,372
Proceeds from short-term loans to a related party	-	-	5,000	-
Short-term loans to a related party	-	-	-	(22,000)
Acquisition of property, plant and equipment	(34,367)	(33,713)	(35,054)	(32,390)
Acquisition of intangible assets	(999)	(566)	(999)	(566)
Proceeds from disposal of equipment	869	1,722	168	1,423
Interest received	138	-	1,080	102
Net cash used in investing activities	<u>(19,411)</u>	<u>(19,185)</u>	<u>(14,857)</u>	<u>(40,059)</u>

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Decrease in bank overdrafts	(16,578)	-	(16,578)	-
Proceeds from short-term borrowings from financial institutions	313,055	217,374	313,055	217,374
Repayment of short-term borrowings from financial institutions	(383,112)	(181,243)	(383,112)	(181,243)
Repayment of lease liabilities	(10,689)	(1,010)	(9,585)	(930)
Proceeds from issue of shares	-	312,000	-	312,000
Payments on directly attributable expenses of the initial public offering	-	(20,515)	-	(20,515)
Repayment of long-term borrowings from financial institutions	(10,380)	(19,320)	(10,380)	(19,320)
Proceeds from short-term borrowings from related parties	180,500	1,000	180,000	-
Repayment of short-term borrowings from related parties	(93,000)	-	(90,000)	-
Proceeds from short-term borrowings from third party	-	5,000	-	-
Dividends paid to owners of the Company	<u>(29,988)</u>	<u>(28,000)</u>	<u>(29,988)</u>	<u>(28,000)</u>
Net cash from (used in) financing activities	<u>(50,192)</u>	<u>285,286</u>	<u>(46,588)</u>	<u>279,366</u>
Net increase (decrease) in cash and cash equivalents	(22,795)	72,006	(22,933)	71,769
Cash and cash equivalents at 1 January	<u>31,330</u>	<u>35,219</u>	<u>30,135</u>	<u>34,786</u>
Cash and cash equivalents at 30 June	<u>8,535</u>	<u>107,225</u>	<u>7,202</u>	<u>106,555</u>
<i>Supplement disclosures of cash flows information</i>				
Non-cash transactions				
Acquisitions of property, plant and equipment for which payments have not yet made	4,100	3,716	3,852	3,716
Acquisitions of intangible assets for which payments have not yet made	569	-	569	-
Acquisitions of right-of-use assets under leases	24,693	-	24,693	-
Transfer directly attributable expenses of the initial public offering to share premium	-	5,380	-	5,380

The accompanying notes form an integral part of the interim financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2020 (Unaudited)

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CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 7 August 2020.

1 General information

The principal activities of the Group are as follow:

EPC service	Engineering, Procurement, Construction, Construction management including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Structure Machanic and Piping (SMP) services	Structure Erection, Piping fabrication & Erection, Equipment Erection, Electric and Instrument work including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Civil & Building services	Civil and Building construction works including engineering work for Industrial, Energy Petrochemical/ Chemical Business, and Infrastructure Business
Fabrication and other services	Mechanical Fabrication work (Structure, Vessel, Heat Exchanger, Tanks) including procurement of materials for Energy and Petrochemical/ Chemical Business

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 December 2019.

The Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases* which have no material impact on the financial statements.

(b) Use of judgements and estimates

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019.

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3 Related parties

Relationship with a subsidiary is described in note 6.

Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Three-month period ended 30 June</i>				
Ultimate parent				
Revenues from construction contracts	2,792	100,897	2,792	100,897
Parent				
Interest expense	1,753	211	1,753	211
Subsidiary				
Rental income	-	-	343	304
Service income	-	-	70	66
Interest income	-	-	511	635
Other income	-	-	-	2
Costs of construction contracts	-	-	90,169	66,189
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	4,307	4,352	3,582	3,523
Post-employment benefits	151	104	151	104
Total key management personnel compensation	<u>4,458</u>	<u>4,456</u>	<u>3,733</u>	<u>3,627</u>
Other related parties				
Rental income	36	36	36	36
Service income	17	34	17	34
Costs of construction contracts	6,023	5,428	6,023	5,428
Interest expense	9	-	-	-
<i>Six-month period ended 30 June</i>				
Ultimate parent				
Revenues from construction contracts	12,974	117,195	12,974	117,195
Costs of construction contracts	266	-	266	-
Parent				
Interest expense	2,611	211	2,611	211
Subsidiary				
Rental income	-	-	759	622
Service income	-	-	159	134
Interest income	-	-	1,050	979
Other income	-	-	15	4

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<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary				
Costs of construction contracts	-	-	190,667	108,824
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	8,376	9,574	6,925	7,874
Post-employment benefits	302	207	302	207
Total key management personnel compensation	8,678	9,781	7,227	8,081
Other related parties				
Rental income	72	72	72	72
Service income	45	72	45	72
Costs of construction contracts	12,087	9,898	12,087	9,898
Interest expense	44	-	-	-

Balances as at 30 June 2020 and 31 December 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statement	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Trade receivables				
Ultimate parent	-	10,920	-	11,306
Other current receivables				
Subsidiary	-	-	5,496	5,841
Other related parties	46	73	46	73
Total	46	73	5,542	5,914
Advance payments to subcontractor (included in other current receivables)				
Subsidiary	-	-	95,847	89,928
Contract assets				
Ultimate parent	20,412	17,644	20,412	17,644
Trade payables				
Ultimate parent	285	1,264	285	1,264
Subsidiary	-	-	113,045	56,101
Other related parties	18,171	7,026	18,171	7,026
Total	18,456	8,290	131,501	64,391

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	Consolidated financial statements		Separate financial statement	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>			
<i>Accrued expenses (included in other current payables)</i>				
Parent	1,529	-	1,529	-
Subsidiary	-	-	14,075	75,135
Other related parties	159	4,714	159	4,714
Total	1,688	4,714	15,763	79,849
<i>Retention payables</i>				
Subsidiary	-	-	25,065	13,796

	Interest rate		Separate financial statements		
	31 December 2019	30 June 2020	31 December 2019	Increase Decrease	30 June 2020
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
<i>Loans to</i>					
Subsidiary	5.10 - 6.52	5.10 - 6.52	40,000	-	35,000

	Interest rate		Consolidated financial statements		
	31 December 2019	30 June 2020	31 December 2019	Increase Decrease	30 June 2020
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
<i>Loans from</i>					
Parent	-	5.00 - 6.87	-	180,000	(90,000)
Other related party	5.25	-	2,500	500	(3,000)
Total			2,500	180,500	(93,000)

	Interest rate		Separate financial statements		
	31 December 2019	30 June 2020	31 December 2019	Increase Decrease	30 June 2020
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
<i>Loans from</i>					
Parent	-	5.00 - 6.87	-	180,000	(90,000)

4 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties	3	-	10,920	-	11,306
Other parties		204,733	155,555	204,733	155,555
Total		204,733	166,475	204,733	166,861
<i>Less allowance for doubtful accounts</i>		-	-	-	-
Net		204,733	166,475	204,733	166,861

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	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		<i>(in thousand Baht)</i>			
Other current receivables					
Related parties	3	46	73	5,542	5,914
Other parties		73	202	73	71
Prepaid expenses		12,300	10,128	11,792	10,044
Advance payments to subcontractor - related party	3	-	-	95,847	89,928
Advance payments to subcontractors		7,387	9,200	7,238	9,200
Total		<u>19,806</u>	<u>19,603</u>	<u>120,492</u>	<u>115,157</u>
Total trade and other current receivables		<u>224,539</u>	<u>186,078</u>	<u>325,225</u>	<u>282,018</u>

As at 30 June 2020, the Company had pledged of Baht 87.46 million of trade receivables as collateral for short-term borrowings from financial institution - factoring loan (31 December 2019: Baht 41.47 million).

5 Contract assets and contract liabilities

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Contract assets				
Total project value	4,808,973	4,657,808	4,808,973	4,657,808
Accumulated amount recognised as revenue on percentage of completion basis	3,335,359	2,455,515	3,335,359	2,455,515
Less value of total billed	<u>(2,817,148)</u>	<u>(1,890,632)</u>	<u>(2,817,148)</u>	<u>(1,890,632)</u>
Total contract assets	<u>518,211</u>	<u>564,883</u>	<u>518,211</u>	<u>564,883</u>
Retention receivables	31,479	10,567	31,479	10,567
Contract liabilities				
Total project value	950,145	1,313,547	950,145	1,313,547
Value of total billed	243,774	1,237,641	243,774	1,237,641
Less Accumulated amount recognised as revenue on percentage of completion basis	<u>(192,471)</u>	<u>(1,235,708)</u>	<u>(192,471)</u>	<u>(1,235,708)</u>
	<u>51,303</u>	<u>1,933</u>	<u>51,303</u>	<u>1,933</u>
Advance received from construction contracts	<u>175,855</u>	<u>215,315</u>	<u>175,855</u>	<u>215,315</u>
Total contract liabilities	<u>227,158</u>	<u>217,248</u>	<u>227,158</u>	<u>217,248</u>

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6 Investment in a subsidiary

Subsidiary	Type of business	Separate financial statements										Dividend income for the six-month periods ended	
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net			
		30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019		
JKEC Co., Ltd.	Construction services	73.17	73.17	10,100	10,100	7,390	7,390	-	-	7,390	7,390	-	-
Total				7,390	7,390	7,390	7,390	-	-	7,390	7,390	-	-

(in thousand Baht)

The subsidiary was operated in Thailand and is not publicly listed. Consequently, there is no published price quotations.

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7 Property, plant and equipment

The movement of property, plant and equipment for the six-month period ended 30 June 2020 was as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Net book value</i>		
At 1 January	527,967	506,222
Additions	63,160	63,599
Disposals	(510)	-
Depreciation charge for the period	(27,497)	(24,383)
At 30 June	563,120	545,438

During the six-month period ended 30 June 2020, the Company leased machinery, tools and equipment for 3-4 years and made fixed payments during the lease term. The Company recognised right-of-use assets amounting to Baht 24.69 million.

As at 30 June 2020, net book value of land and buildings of Baht 254.56 million have been pledged for long-term borrowings from financial institution (31 December 2019: Baht 256.69 million).

8 Segment information and disaggregation of revenue

Geographical segments

The Group is operated principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Business segments

Management considers that the Group operates in a single line of business, namely construction business, therefore, only one reportable segment.

Timing of revenue recognition

Total revenues of the Group has timing of revenue recognition by over time.

9 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
<i>For the three-month period ended 30 June</i>	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	13,494	21,599	12,308	21,660
Weighted average number of ordinary shares outstanding (basic)	280,000	280,000	280,000	280,000
Earnings per share (basic) (in Baht)	0.05	0.08	0.04	0.08

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<i>For the six-month period ended 30 June</i>	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>33,538</u>	<u>40,831</u>	<u>32,792</u>	<u>40,520</u>
Weighted average number of ordinary shares outstanding (basic)	<u>280,000</u>	<u>272,928</u>	<u>280,000</u>	<u>272,928</u>
Earnings per share (basic) (in Baht)	<u>0.12</u>	<u>0.15</u>	<u>0.12</u>	<u>0.15</u>

On 11-15 January 2019, the Company offered its ordinary shares to the initial public offering by issuing 80 million ordinary shares. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 17 January 2019. The Company adjusted the weighted average number of ordinary shares for the period ended 30 June 2019.

10 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
<i>2020</i>				
Interim dividend	6 April 2020	5 May 2020	0.11	30
<i>2019</i>				
Annual dividend	18 April 2019	17 May 2019	0.10	28

11 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated / Separate financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>At 30 June 2020</i>					
Long-term borrowings from financial institutions	133,320	-	-	133,156	133,156
<i>At 31 December 2019</i>					
Long-term borrowings from financial institutions	143,700	-	-	143,520	143,520

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Borrowings from financial institutions

In April 2020, the Company amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The final repayment date of long-term borrowings from financial institutions will be due within February 2024 which is replaced the formal one in September 2023.

Financial instruments measured at fair value

Type	Valuation technique
Long-term borrowings from financial institutions	<i>Discounted cash flows:</i> The fair value is estimated considering a net present value of future cash flows calculated using discount rates at the market rate of loans.

Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers. Cash is limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

Impairment loss

Allowance for impairment loss for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

<i>Trade receivables</i>	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	10,920	-	10,920
Overdue:				
3 - 6 months	-	-	-	156
6 - 12 months	-	-	-	199
Over 12 months	-	-	-	31
	-	10,920	-	11,306
<i>Less allowance for doubtful accounts</i>	-	-	-	-
Net	-	10,920	-	11,306
Other parties				
Within credit terms	160,770	145,830	160,770	145,830
Overdue:				
Less than 3 months	43,214	9,646	43,214	9,646
3 - 6 months	749	-	749	-
Over 12 months	-	79	-	79
	204,733	155,555	204,733	155,555

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<i>Trade receivables</i>	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		<i>(in thousand Baht)</i>		
Other parties				
<i>Less allowance for doubtful accounts</i>	-	-	-	-
Net	<u>204,733</u>	<u>155,555</u>	<u>204,733</u>	<u>155,555</u>
Total	<u>204,733</u>	<u>166,475</u>	<u>204,733</u>	<u>166,861</u>

The normal credit term granted by the Group ranges from 30 days to 45 days.

Liquidity risk

The Group manages sufficient cash by funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Interest rate risk

The Group enters into the long-term borrowings from financial institutions which some of them bear floating interest rates. Therefore, the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's operations in the current reporting period and in future years. Management does not use any financial instruments to manage interest rate risk because the Group assesses that the changes in interest rate will not be moved significantly under the current situation.

12 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		<i>(in thousand Baht)</i>		
<i>Future minimum lease payments under non-cancellable operating leases - short-term leases and low-value assets</i>				
Within 1 year	3,662	1,991	347	1,102
1 - 5 years	422	1,015	360	907
Total	<u>4,084</u>	<u>3,006</u>	<u>707</u>	<u>2,009</u>
<i>Other commitments</i>				
Purchase orders for construction materials	32,107	20,167	32,107	20,167
Bank guarantees	890,874	869,423	890,874	869,423
Total	<u>922,981</u>	<u>889,590</u>	<u>922,981</u>	<u>889,590</u>

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13 Contingent liabilities

The Company has been sued for a damage case by a company (“plaintiff”) for breach of service contract in amount of Baht 18.31 million. The Company received a subpoena from the Civil Court on 30 November 2019. In this regard, the Company submitted a petition requesting and counterclaims on 27 January 2020. The Company sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court issued the hearing letter dated 1 July 2020 to postpone the hearing of the plaintiff from 28 May 2020 to 22 September 2020, and hearing of the Company from 29 May 2020 to 23 September 2020. However, the Company has already recorded a potential damage from the lawsuit and management believes that the damage that will occur will not exceed the provision recorded.

14 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2019 have been reclassified to conform to the presentation in the 2020 interim financial statements.

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
	<i>(in thousand Baht)</i>					
Statement of financial position						
Current assets						
Withholding tax deducted at source	27,437	(27,437)	-	25,676	(25,676)	-
Non-current assets						
Withholding tax deducted at source	69,044	<u>27,437</u>	96,481	55,687	<u>25,676</u>	81,363
		<u>-</u>			<u>-</u>	