

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

Condensed interim financial statements
for the three-month period ended
31 March 2020
and
Independent auditor's review report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

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 31 March 2020; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 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, changes in equity and cash flows for the three-month period ended 31 March 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 15 May 2019.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
11 May 2020

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Assets					
<i>Current assets</i>					
Cash and cash equivalents		4,360	31,330	3,089	30,135
Trade and other current receivables	4	222,376	186,078	295,171	282,018
Contract assets	5	574,299	564,883	574,299	564,883
Short-term loans to a related party	3	-	-	35,000	40,000
Inventories		20,345	9,719	19,864	9,465
Other current assets		12,095	13,156	10,614	12,054
Total current assets		833,475	805,166	938,037	938,555
<i>Non-current assets</i>					
Restricted deposit at financial institution		25,530	32,948	25,530	32,948
Investment in a subsidiary	6	-	-	7,390	7,390
Property, plant and equipment	7	552,291	527,967	532,369	506,222
Intangible assets		11,680	11,282	11,632	11,233
Retention receivables	5	16,636	10,567	16,636	10,567
Withholding tax deducted at source		111,123	96,481	92,555	81,363
Deposits		1,974	2,107	1,591	1,798
Deferred tax assets		1,156	1,085	1,006	965
Total non-current assets		720,390	682,437	688,709	652,486
Total assets		1,553,865	1,487,603	1,626,746	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	
		31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Bank overdrafts		18,788	16,706	18,788	16,706
Short-term borrowings from financial institutions		178,367	222,247	178,367	222,247
Trade and other current payables		343,505	327,157	418,137	438,128
Contract liabilities	5	225,579	217,248	225,579	217,248
Short-term borrowings from related parties	3	52,000	2,500	50,000	-
Current portion of long-term borrowings					
from financial institutions		38,640	38,640	38,640	38,640
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)		13,637	8,345	11,351	6,223
Other current liabilities		32,398	21,380	25,983	16,159
Total current liabilities		902,914	854,223	966,845	955,351
<i>Non-current liabilities</i>					
Long-term borrowings from financial institutions		94,680	105,060	94,680	105,060
Lease liabilities (2019: Finance lease liabilities)		27,642	20,688	20,700	13,033
Retention payables		8,767	8,299	28,319	22,095
Non-current provisions for employee benefits		5,430	5,057	4,690	4,474
Total non-current liabilities		136,519	139,104	148,389	144,662
Total liabilities		1,039,433	993,327	1,115,234	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	
		31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Liabilities and equity					
Equity					
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		107,357	87,313	109,887	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>511,065</u>	<u>491,021</u>	<u>511,512</u>	<u>491,028</u>
Non-controlling interests		<u>3,367</u>	<u>3,255</u>	-	-
Total equity		<u>514,432</u>	<u>494,276</u>	<u>511,512</u>	<u>491,028</u>
Total liabilities and equity		<u>1,553,865</u>	<u>1,487,603</u>	<u>1,626,746</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	
	31 March		31 March	
Note	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue				
Revenues from construction contracts	611,824	414,345	611,824	414,346
Costs of construction contracts	<u>(561,507)</u>	<u>(368,249)</u>	<u>(564,298)</u>	<u>(371,914)</u>
Gross profit	50,317	46,096	47,526	42,432
Other income	457	2,696	1,515	3,471
Administrative expenses	<u>(19,110)</u>	<u>(21,861)</u>	<u>(17,222)</u>	<u>(19,549)</u>
Profit from operating activities	31,664	26,931	31,819	26,354
Finance costs	<u>(6,301)</u>	<u>(2,765)</u>	<u>(6,097)</u>	<u>(2,759)</u>
Profit before income tax expense	25,363	24,166	25,722	23,595
Income tax expense	<u>(5,207)</u>	<u>(4,828)</u>	<u>(5,238)</u>	<u>(4,735)</u>
Profit for the period	<u>20,156</u>	<u>19,338</u>	<u>20,484</u>	<u>18,860</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>20,156</u>	<u>19,511</u>	<u>20,484</u>	<u>18,860</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 31 March		Three-month period ended 31 March		
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Profit attributable to:					
Owners of parent		20,044	19,232	20,484	18,860
Non-controlling interests		112	106	-	-
		<u>20,156</u>	<u>19,338</u>	<u>20,484</u>	<u>18,860</u>
Total comprehensive income attributable to:					
Owners of parent		20,044	19,359	20,484	18,860
Non-controlling interests		112	152	-	-
		<u>20,156</u>	<u>19,511</u>	<u>20,484</u>	<u>18,860</u>
Basic earnings per share (in Baht)	9	<u>0.07</u>	<u>0.07</u>	<u>0.07</u>	<u>0.07</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

	Other components of equity							Total equity
	Retained earnings	Share premium on ordinary shares	Legal reserve	Unappropriated	Share-based payment	Changes in parent's ownership interest in subsidiary	Total other components of equity	
Three-month period ended 31 March 2019								
Balance at 31 December 2018 - as reported	100,000	-	5,085	44,312	6,370	2,083	8,453	157,850
Impact of changes in accounting policies	-	-	-	196	-	-	-	196
Balance at 1 January 2019 - restated	100,000	-	5,085	44,508	6,370	2,083	8,453	158,046
Transactions with owners, recorded directly in equity								
<i>Contributions by owners of the parent</i>								
Issue of ordinary shares	40,000	246,105	-	-	-	-	-	286,105
<i>Total contributions by owners of the parent</i>	40,000	246,105	-	-	-	-	-	286,105
Comprehensive income for the period								
Profit for the period	-	-	-	19,359	-	-	-	19,359
<i>Total comprehensive income for the period</i>	-	-	-	19,359	-	-	-	19,359
Balance at 31 March 2019	140,000	246,105	5,085	63,867	6,370	2,083	8,453	463,510
								3,904
								19,511
								19,511
								467,414

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	Share-based payment	Changes in parent's ownership interest in subsidiary				Total other components of equity	
Three-month period ended 31 March 2020											
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	
Comprehensive income for the period	-	-	-	20,044	-	-	-	-	20,044	112	20,156
Profit for the period	-	-	-	20,044	-	-	-	-	20,044	112	20,156
Total comprehensive income for the period	-	-	-	20,044	-	-	-	-	20,044	112	20,156
Balance at 31 March 2020	140,000	246,105	9,150	107,357	6,370	2,083	8,453	511,065	3,367	514,432	

(in thousand Baht)

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	Total other components of equity	
Three-month period ended 31 March 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 owners of the parent</i>							
Issue of ordinary shares	40,000	246,105	-	-	-	-	286,105
Total contributions by owners of the parent	40,000	246,105	-	-	-	-	286,105
Comprehensive income for the period							
Profit for the period	-	-	-	18,860	-	-	18,860
Total comprehensive income for the period	-	-	-	18,860	-	-	18,860
Balance at 31 March 2019	140,000	246,105	5,085	59,534	6,370	6,370	457,094

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
	Retained earnings			Other components of equity			
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Share-based payment	Other components of equity	
Three-month period ended 31 March 2020							
Balance at 1 January 2020	140,000	246,105	9,150	89,403	6,370	6,370	491,028
Comprehensive income for the period	-	-	-	20,484	-	-	20,484
Profit for the period	-	-	-	20,484	-	-	20,484
Total comprehensive income for the period	-	-	-	20,484	-	-	20,484
Balance at 31 March 2020	140,000	246,105	9,150	109,887	6,370	6,370	511,512

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	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	20,156	19,338	20,484	18,860
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Finance costs	6,301	2,765	6,097	2,759
Depreciation and amortisation	14,300	10,041	12,325	8,701
Non-current provisions for employee benefits	373	296	216	276
Gain on disposal of equipment	-	(315)	-	(623)
Interest income	(67)	-	(607)	(344)
Income tax expense	5,207	4,828	5,238	4,735
	<u>46,270</u>	<u>36,953</u>	<u>43,753</u>	<u>34,364</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(36,298)	87,722	(13,555)	83,737
Contract assets	(9,416)	(134,784)	(9,416)	(134,784)
Inventories	(10,626)	24,170	(10,399)	24,221
Other current assets	1,061	(5,742)	1,440	(5,719)
Retention receivables	(6,069)	5,316	(6,069)	5,316
Deposits	133	(84)	207	(91)
Trade and other current payables	16,348	(51,662)	(20,683)	(37,225)
Contract liabilities	8,331	(68,962)	8,331	(68,962)
Other current liabilities	11,018	(12,176)	9,824	(11,514)
Retention payables	468	1,619	6,224	3,572
	<u>21,220</u>	<u>(117,630)</u>	<u>9,657</u>	<u>(107,085)</u>
Net cash generated from (used in) operating activities	(5,729)	(2,752)	(5,541)	(2,752)
Interest paid	(19,920)	(10,201)	(16,471)	(8,616)
Income tax paid	<u>(4,429)</u>	<u>(130,583)</u>	<u>(12,355)</u>	<u>(118,453)</u>
Net cash used in operating activities				
<i>Cash flows from investing activities</i>				
Restricted deposit at financial institution	7,418	5,954	7,418	5,954
Acquisition of current investments	-	(94,000)	-	(94,000)
Proceeds from short-term loans to a related party	-	-	5,000	-
Loans to a related party	-	-	-	(12,500)
Acquisition of property, plant and equipment	(22,053)	(23,538)	(22,149)	(22,657)
Acquisition of intangible assets	(770)	(566)	-	(566)
Proceeds from disposal of equipment	-	339	-	40
Interest received	67	-	1,009	37
	<u>(15,338)</u>	<u>(111,811)</u>	<u>(8,722)</u>	<u>(123,692)</u>
Net cash used in investing activities				

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	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Increase in bank overdrafts	2,082	-	2,082	-
Proceeds from short-term borrowings from financial institutions	146,617	17,000	146,617	17,000
Repayment of short-term borrowings from financial institutions	(190,497)	(76,180)	(190,497)	(76,180)
Repayment of lease liabilities	(4,525)	(573)	(3,791)	(533)
Proceeds from issue of shares	-	312,000	-	312,000
Payments on directly attributable expenses of the initial public offering	-	(18,235)	-	(18,235)
Repayment of long-term borrowings from financial institutions	(10,380)	(10,380)	(10,380)	(10,380)
Proceeds from short-term borrowings from related parties	100,500	-	100,000	-
Repayment of short-term borrowings from related parties	(51,000)	-	(50,000)	-
Net cash from (used in) financing activities	(7,203)	223,632	(5,969)	223,672
Net decrease in cash and cash equivalents	(26,970)	(18,762)	(27,046)	(18,473)
Cash and cash equivalents at 1 January	31,330	35,219	30,135	34,786
Cash and cash equivalents at 31 March	4,360	16,457	3,089	16,313

Supplement disclosures of cash flows information

Non-cash transactions

Acquisitions of property, plant and equipment for which payments have not yet made (included in trade and other current payables)	6,725	1,690	6,477	1,690
Acquisitions of right-of-use assets under leases (included in lease liabilities)	16,585	-	16,585	-
Disposal of equipment, not yet received cash (included in trade and other current receivables)	-	1,383	-	1,383
Transfer directly attributable expenses of the initial public offering to share premium	-	5,380	-	5,380
Directly attributable expenses of the initial public offering (included in trade and other current payables)	-	2,280	-	2,280

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 period ended 31 March 2020 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade and other current receivables
5	Contract assets and contract liabilities
6	Investment in a subsidiary
7	Property, plant and equipment
8	Segment information and disaggregation of revenue
9	Basic earnings per share
10	Financial instruments
11	Commitments with non-related parties
12	Contingent liabilities
13	Events after the reporting period
14	Reclassification of accounts

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

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 11 May 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.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

3 Related parties

Relationship with a subsidiary is described in note 6.

Significant transactions for the three-month period ended 31 March with related parties were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Ultimate parent				
Revenues from construction contracts	10,182	16,298	10,182	16,298
Costs of construction contracts	266	-	266	-
Parent				
Interest expense	858	-	858	-
Subsidiary				
Rental income	-	-	416	318
Service income	-	-	89	68
Interest income	-	-	539	344
Other income	-	-	15	44
Costs of construction contracts	-	-	100,498	42,635
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	4,069	5,222	3,343	4,351
Post-employment benefits	151	103	151	103
Total key management personnel compensation	<u>4,220</u>	<u>5,325</u>	<u>3,494</u>	<u>4,454</u>
Other related parties				
Rental income	36	36	36	36
Service income	28	38	28	38
Costs of construction contracts	6,064	4,470	6,064	4,470

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

	Consolidated financial statements		Separate financial statement	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Trade receivables				
Ultimate parent	<u>-</u>	<u>10,920</u>	<u>-</u>	<u>11,306</u>
Other current receivables				
Subsidiary	-	-	5,319	5,841
Other related parties	23	73	23	73
Total	<u>23</u>	<u>73</u>	<u>5,342</u>	<u>5,914</u>

CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2020 (Unaudited)

	Consolidated financial statements		Separate financial statement	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>(in thousand Baht)</i>				
Advance payments to subcontractor <i>(included in other current receivables)</i>				
Subsidiary	-	-	71,733	89,928
Contract assets				
Ultimate parent	17,620	17,644	17,620	17,644
Trade payables				
Ultimate parent	1,230	1,264	1,230	1,264
Subsidiary	-	-	14,315	56,101
Other related parties	13,765	7,026	13,765	7,026
Total	14,995	8,290	29,310	64,391
Accrued expenses (included in other current payables)				
Parent	564	-	564	-
Subsidiary	-	-	93,507	75,135
Other related parties	2,596	4,714	2,596	4,714
Total	3,160	4,714	96,667	79,849
Retention payables				
Subsidiary	-	-	19,552	13,796

	Interest rate		Separate financial statements		
	31 December 2019	31 March 2020	31 December 2019	Increase Decrease	31 March 2020
<i>(% per annum)</i>					
<i>(in thousand Baht)</i>					
Loans to					
Subsidiary	5.10 - 6.52	5.10 - 6.52	40,000	-	(5,000)
					35,000

	Interest rate		Consolidated financial statements		
	31 December 2019	31 March 2020	31 December 2019	Increase Decrease	31 March 2020
<i>(% per annum)</i>					
<i>(in thousand Baht)</i>					
Loans from					
Parent	-	5 - 6.87	-	100,000	(50,000)
Other parties	5.25	5.25	2,500	500	(1,000)
Total			2,500	100,500	(51,000)
					52,000

	Interest rate		Separate financial statements		
	31 December 2019	31 March 2020	31 December 2019	Increase Decrease	31 March 2020
<i>(% per annum)</i>					
<i>(in thousand Baht)</i>					
Loans from					
Parent	-	5 - 6.87	-	100,000	(50,000)
					50,000

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

4 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>(in thousand Baht)</i>					
Trade receivables					
Related parties	3	-	10,920	-	11,306
Other parties		201,981	155,555	201,981	155,555
Total		<u>201,981</u>	<u>166,475</u>	<u>201,981</u>	<u>166,861</u>
Less allowance for doubtful accounts		-	-	-	-
Net		<u>201,981</u>	<u>166,475</u>	<u>201,981</u>	<u>166,861</u>
Other current receivables					
Related parties	3	23	73	5,342	5,914
Other parties		192	202	69	71
Prepaid expenses		8,611	10,128	8,257	10,044
Advance payments to subcontractor - related party	3	-	-	71,733	89,928
Advance payments to subcontractors		11,569	9,200	7,789	9,200
Total		<u>20,395</u>	<u>19,603</u>	<u>93,190</u>	<u>115,157</u>
Total trade and other current receivables		<u>222,376</u>	<u>186,078</u>	<u>295,171</u>	<u>282,018</u>

As at 31 March 2020, the Company had pledged of Baht 13.96 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	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>(in thousand Baht)</i>				
Contract assets				
Total project value	5,103,888	4,657,808	5,103,888	4,657,808
Accumulated amount recognised as revenue on percentage of completion basis	2,954,606	2,455,515	2,954,606	2,455,515
Less value of total billed	<u>(2,380,307)</u>	<u>(1,890,632)</u>	<u>(2,380,307)</u>	<u>(1,890,632)</u>
Total contract assets	<u>574,299</u>	<u>564,883</u>	<u>574,299</u>	<u>564,883</u>
Retention receivables	16,636	10,567	16,636	10,567

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Contract liabilities				
Total project value	96,485	1,313,547	96,485	1,313,547
Value of total billed	34,056	1,237,641	34,056	1,237,641
Less Accumulated amount recognised as revenue on percentage of completion basis	<u>(25,983)</u>	<u>(1,235,708)</u>	<u>(25,983)</u>	<u>(1,235,708)</u>
	<u>8,073</u>	<u>1,933</u>	<u>8,073</u>	<u>1,933</u>
Advance received from construction contracts	<u>217,506</u>	<u>215,315</u>	<u>217,506</u>	<u>215,315</u>
Total contract liabilities	<u>225,579</u>	<u>217,248</u>	<u>225,579</u>	<u>217,248</u>

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

6 Investment in a subsidiary

Subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the three-month periods ended	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 March 2019
		(%)						<i>(in thousand Baht)</i>					
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	-	-

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

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

7 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2020 and 2019 were as follows:

	Consolidated financial statements			
	2020		2019	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Buildings and building improvements	-	-	325	-
Assets for construction project	-	-	221	-
Machinery, tools and equipment	10,198	-	16,515	-
Office equipment	1,278	-	679	37
Vehicles	150	-	-	-
Vehicles for construction projects	-	-	-	1,370
Assets under installation	10,041	-	2,332	-
Right-of-use assets	16,585	-	-	-
Total	38,252	-	20,072	1,407

	Separate financial statements			
	2020		2019	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Buildings and building improvements	-	-	325	-
Machinery, tools and equipment	9,667	-	15,926	-
Office equipment	817	-	608	37
Vehicles	150	-	-	-
Vehicles for construction projects	-	-	-	763
Assets under installation	10,882	-	2,332	-
Right-of-use assets	16,585	-	-	-
Total	38,101	-	19,191	800

During the three-month period ended 31 March 2020, the Company leased machinery, tools and equipment for 3 years and made fixed payments during the lease term. The Company recognised right-of-use assets amounted of Baht 16.59 million.

As at 31 March 2020, net book value of land and buildings of Baht 255.62 million have been pledged for long-term borrowings from financial institution (31 December 2019: Baht 256.69 million).

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

8 Segment information and disaggregation of revenue

Geographical segments

The Group is operates 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

<i>For the three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>20,044</u>	<u>19,232</u>	<u>20,484</u>	<u>18,860</u>
Weighted average number of ordinary shares outstanding (basic)	<u>280,000</u>	<u>265,778</u>	<u>280,000</u>	<u>265,778</u>
Earnings per share (basic) (in Baht)	<u>0.07</u>	<u>0.07</u>	<u>0.07</u>	<u>0.07</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 31 March 2019.

10 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.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

	Consolidated / Separate financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
At 31 March 2020					
Long-term borrowings from financial institutions	133,320	-	-	134,511	134,511
At 31 December 2019					
Long-term borrowings from financial institutions	143,700	-	-	143,520	143,520

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.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

<i>Trade receivables</i>	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
At 31 March 2020				
Related parties				
Within credit terms	-	10,920	-	10,920
Overdue:				
3 - 6 months	-	-	-	156
6 - 12 months	-	-	-	199
Over 12 months	-	-	-	31
	<u>-</u>	<u>10,920</u>	<u>-</u>	<u>11,306</u>
<i>Less allowance for doubtful accounts</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>-</u>	<u>10,920</u>	<u>-</u>	<u>11,306</u>
Other parties				
Within credit terms	87,013	145,830	87,013	145,830
Overdue:				
Less than 3 months	114,968	9,646	114,968	9,646
Over 12 months	-	79	-	79
	<u>201,981</u>	<u>155,555</u>	<u>201,981</u>	<u>155,555</u>
<i>Less allowance for doubtful accounts</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>201,981</u>	<u>155,555</u>	<u>201,981</u>	<u>155,555</u>
Total	<u>201,981</u>	<u>166,475</u>	<u>201,981</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.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

11 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 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	5,845	1,991	903	1,102
1 - 5 years	519	1,015	433	907
Total	6,364	3,006	1,336	2,009
<i>Other commitments</i>				
Purchase orders for construction materials	25,226	20,167	25,226	20,167
Bank guarantees	938,710	869,423	938,710	869,423
Total	963,936	889,590	963,936	889,590

12 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 set the date of hearing of the plaintiff on 28 May 2020 and hearing of the Company on 29 May 2020. However, the Company has already recorded a provision of certain contingent liabilities from the lawsuit and management believes that the damage that will occur will not exceed the estimated provision already recorded.

13 Events after the reporting period

At the Board of Directors’ meeting of the Company, held on 6 April 2020, the Board approve to postpone the 2020 Annual General Meeting of Shareholders from 23 April 2020. The Board authorised the Chief Executive Officer to consider fixing the date no later than 16 May 2020 as a result from the outbreak of the Coronavirus Disease 2019 (“COVID-19”). In addition, the Board approved the interim dividend payment replaced the annual dividend for the year 2019 of Baht 0.1071 per share, totaling Baht 30 million. The interim dividend was paid to the shareholders who are the right to receive by the list of shareholders as the Record Date on 16 March 2020. The dividend was paid to shareholders on 5 May 2020.

On 20 April 2020, the Executive Committee’s meeting resolved to fix the date of the Annual General Meeting of Shareholders for the year 2020 on 14 May 2020.

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 principal loan of grace amount is partially recorded in current portion of long-term borrowings from financial institutions in the statement of financial position as at 31 March 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.

CAZ (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2020 (Unaudited)

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.

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