

No. CAZ 012-2025

13 May 2025

Subject: Management Discussion and Analysis for the 1<sup>st</sup> Quarter ended 31 March 2025

Attention: The President, The Stock Exchange of Thailand

CAZ (Thailand) Public Company Limited (“the Company”) and its Subsidiary (“the Group”) would like to clarify the change in operating result for the 1<sup>st</sup> Quarter ended 31 March 2025, which changed in revenue and net profit compared with same period of last year as follows:

Statement of Comprehensive Income

(Unit : Million Baht)

| Details   | 31 Mar 2025 | 31 Mar 2024 | Increased<br>(Decreased) | (%)      |
|---|-------------|-------------|--------------------------|----------|
| Revenues from construction contracts                    | 823.84      | 949.04      | (125.20)                 | (13.20)  |
| ○ EPC Service   | 87.41       | 15.50       | 71.91                    | 463.94   |
| ○ Structure Mechanic and Pinging (SMP and E&I Services) | 659.84      | 658.65      | 1.19                     | 0.18     |
| ○ Civil & Building Service                              | 57.17       | 232.55      | (175.38)                 | (75.42)  |
| ○ General Construction Service                          | -           | 2.23        | (2.23)                   | (100.00) |
| ○ Fabrication and Other service                         | 19.42       | 40.11       | (20.69)                  | (51.59)  |
| Cost of construction contracts                          | (734.46)    | (849.54)    | (115.08)                 | (13.55)  |
| Gross profit  | 89.38       | 99.50       | (10.12)                  | (10.17)  |
| Other income  | 6.29        | 0.84        | 5.45                     | 648.81   |
| Administrative expenses                                 | (32.47)     | (30.69)     | 1.78                     | 5.80     |
| Profit before finance cost and income tax               | 63.20       | 69.65       | (6.45)                   | (9.26)   |
| Finance costs   | (11.81)     | (3.67)      | 8.14                     | 221.80   |
| Profit before income tax                                | 51.39       | 65.98       | (14.59)                  | (22.12)  |
| Income tax  | (11.24)     | (13.27)     | (2.03)                   | (15.30)  |
| Profit for the year                                     | 40.15       | 52.71       | (12.56)                  | (23.83)  |
| Owners of the parent                                    | 39.59       | 52.33       | (12.74)                  | (24.35)  |
| Non-controlling interests                               | 0.56        | 0.38        | 0.18                     | 47.37    |

#### Revenues from construction contracts

The Group has revenue from construction contracts for the three-month period ended 31 March 2025 totaling of Baht 823.84 Million. Compared with construction revenue for Q1/2024 of Baht 949.04 million, a decrease of Baht 125.20 million or 13.20%. Resulted from, some construction projects were being carried out towards the end of construction period, which have been not much work could be recognized as revenue. Q1/2024, on the other hand, some projects have been delivered to customers during the period already. It leads revenue of Q1/2025 reduced when compared to the same period of last year.

As at 31 March 2025, the Group has backlog for construction services totalling of Baht 1,733.95 Million.

#### Other revenue

The Group's other revenue totaling of Baht 6.29 Million. Increased of Baht 5.45 Million, from same period of last year. Due to the Group has profit from selling scrap and unused construction machine, equipment, and consumable during the period.

#### Administrative expenses

The Group's administrative expenses for three-month period ended 31 Mar 2025, totalling of Baht 32.47 Million, increased of Baht 1.78 Million, or 5.80% compared with Q1/2024 which was totaling of Baht 30.69 million. Due to the increased of employee expenses which related to the number of employees increasing.

#### Finance costs

The Group has financial costs during Q1/2025 totaling of Baht 11.81 Million, Due to the short-term loan with financial institutes, related parties and other parties for ongoing projects' expenditure. Due to the impact of a customer's overdue payment from one of construction project, resulting in an increase in financial costs compared to the previous year of 8.14 million baht, or 221.80%, Q1/2024 financial costs were 3.67 million baht.

#### Profitability

Gross profit and net profit of the first quarter ended 31 March 2025 and 2024 as follows;

| Profitability                               | Q1/2025      |       | Q1/2024      |       |
|---|--------------|-------|--------------|-------|
|   | Million Baht | %     | Million Baht | %     |
| Gross profit                                | 89.38        | 10.85 | 99.50        | 10.48 |
| Profit attributable to owners of the parent | 39.59        | 4.77  | 52.33        | 5.51  |

On Q1/2025, the Group's gross profit totaling of Baht 89.38 Million, considered to gross profit margin of 10.85%. Compared with Q1/2024 totaling of Baht 99.50 Million or gross profit margin of 10.48%. Due to some project signed during Q4/2024 is a EPC project which revenue recognized when a customer obtains control of the goods or



# CAZ (Thailand) Public Company Limited



239 Huaypong-Nongbon Rd, T.Huaypong,  
A.Muangrayong, Rayong 21150, Thailand

Telephone: (+66)-336-062-42, Facsimile: (+66)-336-061-66

service in an amount that reflects the consideration to which the Group expects to be entitled. This resulted in a slightly higher gross profit margin for Q1/2025, compared to the same period last year.

Q1/2025, the Group's has net profit attributable to owners of the parent totaling of Baht 39.59 Million, considered to net profit margin of 4.77%. Decreased from Q1/2024 with a net profit attributable to the parent company totaling of Baht 52.33 Million, or net profit margin of 5.51%. The reasons of net profit attributable to owners were decreased caused by employee expenses and finance costs increased during the period as mention above.

## Statement of Financial Position

(Unit: Million Baht)

| Details   | 31 Mar. 2025    | 31 Dec 2024     | Increased<br>(Decreased) | %<br>Changed  |
|---|-----------------|-----------------|--------------------------|---------------|
| Assets  |                 |                 |                          |               |
| Current assets  |                 |                 |                          |               |
| Cash and cash equivalents   | 37.18           | 26.99           | 10.19                    | 37.76         |
| Trade and other current receivables                                 | 1,428.96        | 1,221.00        | 207.96                   | 17.03         |
| Contract assets   | 630.61          | 605.06          | 25.55                    | 4.22          |
| Inventories   | 29.89           | 15.14           | 14.75                    | 97.42         |
| Other current assets  | 27.61           | 24.34           | 3.27                     | 13.43         |
| <b>Total current assets</b>   | <b>2,154.25</b> | <b>1,892.53</b> | <b>261.72</b>            | <b>13.83</b>  |
| Non-current assets  |                 |                 |                          |               |
| Restricted deposit at financial institution                         | 68.91           | 68.98           | (0.07)                   | (0.10)        |
| Property, plant and equipment                                       | 552.39          | 573.78          | (21.39)                  | (3.73)        |
| Intangible assets   | 10.28           | 10.82           | (0.54)                   | (4.99)        |
| Retention receivables   | 164.90          | 188.89          | (23.99)                  | (12.70)       |
| Withholding tax deducted at source                                  | 10.80           | 10.80           | -                        | -             |
| Deferred tax assets   | 112.69          | 112.82          | (0.13)                   | (0.12)        |
| Deposits  | 1.75            | 1.81            | (0.06)                   | (3.31)        |
| <b>Total non-current assets</b>                                     | <b>921.72</b>   | <b>967.90</b>   | <b>(46.18)</b>           | <b>(4.77)</b> |
| <b>Total assets</b>   | <b>3,075.97</b> | <b>2,860.43</b> | <b>215.54</b>            | <b>7.54</b>   |
| Liabilities and equity  |                 |                 |                          |               |
| Current liabilities   |                 |                 |                          |               |
| Bank overdrafts   | 24.65           | 27.60           | (2.95)                   | (10.69)       |
| Short-term borrowing from financial institutions                    | 243.02          | 447.29          | (204.27)                 | (45.67)       |
| Trade and other current payables                                    | 1,096.30        | 849.60          | 246.70                   | 29.04         |
| Contract liabilities  | 533.29          | 460.95          | 72.34                    | 15.69         |
| Current portion of long-term borrowings from financial institutions | 72.09           | 106.34          | (34.25)                  | (32.21)       |
| Current portion of lease liabilities                                | 31.43           | 32.39           | (0.96)                   | (2.96)        |
| Short-term borrowings from related parties                          | 54.26           | 52.00           | 2.26                     | 4.35          |



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| Details  | 31 Mar. 2025    | 31 Dec 2024     | Increased<br>(Decreased) | %<br>Changed |
|--|-----------------|-----------------|--------------------------|--------------|
| Short-term borrowings from other party             | 58.00           | 20.00           | 38.00                    | 190.00       |
| Other current liabilities                          | 99.13           | 96.89           | 2.24                     | 2.31         |
| <b>Total current liabilities</b>                   | <b>2,212.17</b> | <b>2,093.06</b> | <b>119.11</b>            | <b>5.69</b>  |
| <b>Non-current liabilities</b>                     |                 |                 |                          |              |
| Long-term borrowing from financial institutions    | 36.49           | 8.36            | 28.13                    | 336.48       |
| Lease liabilities                                  | 37.75           | 40.48           | (2.73)                   | (6.74)       |
| Other non-current payables                         | 24.09           | -               | 24.08                    | n.a.         |
| Retention payables                                 | 25.25           | 18.56           | 6.69                     | 36.05        |
| Non-current provisions for employee benefits       | 9.16            | 9.06            | 0.10                     | 1.10         |
| <b>Total non-current liabilities</b>               | <b>132.74</b>   | <b>76.46</b>    | <b>56.28</b>             | <b>73.61</b> |
| <b>Total liabilities</b>                           | <b>2,344.91</b> | <b>2,169.52</b> | <b>175.39</b>            | <b>8.08</b>  |
| <b>Equity</b>                                      |                 |                 |                          |              |
| Share Capital – Authorized                         |                 |                 |                          |              |
| Issued and paid-up                                 | 147.00          | 147.00          | -                        | -            |
| Share premium                                      | 246.11          | 246.11          | -                        | -            |
| Retained earning                                   |                 |                 |                          |              |
| Appropriated - legal reserve                       | 14.70           | 14.70           | -                        | -            |
| Unappropriated                                     | 295.50          | 255.91          | 39.59                    | 15.47        |
| Equity attributable to owners of the parent        | 8.45            | 8.45            | -                        | -            |
| <b>Equity attributable to owners of the parent</b> | <b>711.76</b>   | <b>672.17</b>   | <b>39.59</b>             | <b>5.89</b>  |
| Non-controlling interests                          | 19.30           | 18.74           | 0.56                     | 2.99         |
| <b>Total equity</b>                                | <b>731.06</b>   | <b>690.91</b>   | <b>40.15</b>             | <b>5.81</b>  |
| <b>Total liabilities and equity</b>                | <b>3,075.97</b> | <b>2,860.43</b> | <b>215.54</b>            | <b>7.54</b>  |

## Assets

As at 31 March 2025, the Group's total assets of Baht 3,075.97 Million, increased of Baht 215.54 Million, or 7.54%, compared with as at 31 December 2024, which total assets totaling of Baht 2,860.43 Million. Changing of total assets as following;

### Current assets; comprising of

- Cash and cash equivalents totaling of Baht 37.18 Million, an increase of Baht 10.19 Million from received of retention receivable of a current project on hand according to the contract condition.
- Net trade and other current receivables of Baht 1,428.96 Million, increased of Baht 207.96 Million.

Resulted from, the increasing of transfer right of controlling of contract assets and it could be invoice to customers during period. And the customers have already partially paid its debt by the following period. However, the Group has overdue payment from one customer which is the main contractor of a



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construction project. Therefore, as at 31 March 2025, the Group has expected credit losses from these receivables totaling of Baht 352.90 Million.

- Contract assets totaling of Baht 630.61 Million, increasing from last year totaling of Baht 25.55 Million. Due to the revenue recognized from percentage of projects' work completion during the period which be able to transfer right of control and issue invoices to clients in next periods. As at 31 March 2025, the Group has an allowance for expected credit losses on long-overdue contract assets from a construction project that the Group is constructing totaling Baht 196.10 Million.

### Non-current assets: comprising of

- Net property, plant and equipment of Baht 552.39 Million, decreased by depreciation of Baht 21.65 Million.
- Retention receivables, amounting to Baht 164.90 Million, decreased of Baht 23.99 Million from the receipt in accordance with the terms and conditions of the contract for a construction project.

### Liabilities

As at 31 March 2025, the Group's liabilities total of Baht 2,344.91 Million, increased of Baht 175.39 Million, or 8.08%, compared with 31 December 2024.

### Current liabilities: changing consist of:

- The Group has total borrowings of Baht 488.52 Million, decreased of Baht 173.08 Million from the previous year. Due to the repayment of short-term loans for current construction projects to financial institutions by mutuality date. However, during the period, the Group borrowed money from other party totaling Baht 38 million by issuing a 3-month promissory note which could be extendable.
- Trade and other payables totaling of Baht 1,096.30 Million, increased totaling of Baht 246.70 Million. Resulted from, purchased of construction materials and consumable from suppliers and sub-contractors during the period for construction projects on hand.

Due to the delay in payment by a construction project customer, it has affected the payment of debts to financial institutions and trade payables. The Group has negotiated with both financial institutions and trade account payable to request an extension of the payment period. However, from the consideration of approval of additional investment in a construction project of owner for the construction work to be completed according to the objectives plan, which is currently in the process of concluding between the project owner and above mention of account receivable. As a result, after the project owner conclude the solution for construction project, the Group expects that cash flow will come in to repay both short-term debts and trade payables above.



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- Contract liabilities total of Baht 533.29 Million, increased of Baht 72.34 Million, compared with last year. Comprising as follows;
  - 1) Construction income received in advance (the value of total billed by contract's milestone payment condition which was higher than revenue recognition of this period) total of Baht 518.24 Million, increased of Baht 112.83 Million. The Group could be recorded revenue recognition by transferred the right of control on goods and services to customer during the period from contract liabilities of last year.
  - 2) Advance received from construction contracts total of Baht 15.04 Million. These advance received were from projects which signed by previous years. Decreased of Baht 40.50 Million from last year, due to the decreasing in proportion to billing received from customers. These amount were reduced by portion of milestone's payment which complied with contracts condition.

### Equity

The shareholders' equity to the parent Company as of 31 March 2025, total of Baht 711.76 Million, increased from previous year, total of Baht 39.59 Million, or 15.47%. Resulted from, the Group's operating results with net profit attributable to owners of the parent for the 3-months period ended 31 March 2025.

Please be informed accordingly.

Sincerely yours,

(Mr. Chung Sik Hong)

Chief Executive Officer