

No. CAZ 020-2025

11 August 2025

Subject: Management Discussion and Analysis for the 2nd Quarter ended 30 June 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 2nd Quarter ended 30 June 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	3 Months				6 Months			
	30 Jun 2025	30 Jun 2024	Change	(%)	30 Jun 2025	30 Jun 2024	Change	(%)
Revenues from construction contracts	950.46	998.10	(47.64)	(4.77)	1,774.29	1,947.13	(172.85)	(8.88)
○ EPC Service	185.09	41.68	143.42	344.12	272.50	57.18	215.32	376.56
○ Structure Mechanic and Pinging (SMP E&I Service)	738.49	680.69	57.80	8.49	1,398.33	1,339.34	59.29	4.43
○ Civil & Building Service	25.66	200.78	(175.12)	(87.22)	82.83	433.33	(350.80)	(80.90)
○ General Construction Service	-	14.10	(14.10)	(100.00)	-	16.33	(16.34)	(100.00)
○ Fabrication and Other service	1.22	60.85	(59.63)	(98.00)	20.64	100.95	(80.32)	(79.56)
Cost of construction contracts	(842.46)	(904.40)	(61.94)	(6.85)	(1,576.92)	(1,753.93)	(177.01)	(10.09)
Gross profit	108.00	93.70	14.30	15.27	197.37	193.20	4.17	2.16
Other income	0.47	8.24	(7.78)	(94.35)	6.76	9.07	(2.31)	(25.48)
Administrative expenses	(60.35)	(33.06)	27.29	82.55	(92.81)	(63.75)	29.06	45.58
Profit before finance cost and income tax	48.12	68.88	(20.76)	(30.13)	111.32	138.52	(27.20)	(19.64)
Finance cost	(9.78)	(7.70)	2.08	27.08	(21.59)	(11.36)	10.23	90.01
Profit before income tax	38.34	61.18	(22.84)	(37.33)	89.73	127.16	(37.43)	(29.43)
Income tax	(11.36)	(13.42)	(2.06)	(15.36)	(22.61)	(26.70)	(4.08)	(15.30)
Profit for the year	26.98	47.76	(20.78)	(43.51)	67.12	100.46	(33.34)	(33.19)
Owners of the parent	26.59	46.10	(19.50)	(42.31)	66.18	98.42	(32.24)	(32.76)
Non-controlling interests	0.38	1.66	(1.28)	(76.89)	0.95	2.04	(1.10)	(53.67)

Revenues from construction contracts

The Group has construction revenue for the three-month period ended 30 June 2025 of THB 950.46 million, compared to construction revenue of THB 998.10 million for Q2/2024, representing a decrease of THB 47.64 million or 4.77%. This decrease was due to certain construction projects entering the final stage of their contractual periods, resulting in a lower percentage of work that could be recognized as revenue, together with a reduction in revenue recognition from Clean Fuel Projects as a result of the termination of a contract between the project owner and the main contractor during Q2/2025.

As of 30 June 2025, the Group has construction projects in progress for which revenue has not yet been recognized (Backlog), including newly awarded projects as disclosed in the new project award notification letter No. CAZ-017-2025 dated 1 July 2025, with a total value of THB 12,995.88 million.

Administrative expenses

The Group has total administrative expenses for the quarter ended 30 June 2025 of THB 60.35 million, an increase of THB 27.29 million or 82.55% from THB 33.06 million in the same period of the previous year. The increase was mainly due to higher expenses related to tax surcharges and penalties, as well as expenses associated with employees from Clean Fuel projects who were moved to the Head office in preparation for other upcoming projects.

Finance costs

The Group has finance costs of THB 9.78 million for Q2/2025 from short-term borrowings used as working capital for ongoing projects, obtained from financial institutions with which the Company has existing credit facilities, as well as borrowings from related parties, and from other individuals and entities. This was mainly due to the delayed payment from a customer, resulting in an increase in finance costs of THB 2.08 million or 27.08% compared to the finance costs of THB 7.70 million recorded in Q2/2024.

Profitability

Gross profit and net profit of the 2nd quarter ended 30 June 2025 and 2024 as follows;

Profitability	2/2025		2/2024	
	Million Baht	%	Million Baht	%
Gross profit	108.00	11.36	93.70	9.39
Profit attributable to owners of the parent	26.59	2.80	46.10	4.58

The Group has a gross profit of THB 108.00 million for Q2/2025, representing a gross profit margin of 11.36%, a slight increase compared to the gross profit of THB 93.70 million and gross profit margin of 9.39% in Q2/2024. This increase was mainly due to certain construction projects under progress, contracted in Q4/2024, which are EPC contracts with revenue recognition based on the transfer of control of goods or services to customers in an amount

that reflects the consideration the Company expects to be entitled to in exchange for those goods or services, resulting in a slightly higher gross profit margin in Q2/2025 compared to the same period last year.

Net profit attributable to owners of the parent for Q2/2025 was THB 26.59 million, representing a net profit margin of 2.80%, compared to THB 46.10 million or a net profit margin of 4.58% in Q2/2024. The decrease in net profit margin was mainly due to the increase in finance costs, tax surcharge and penalty expenses, and employee expenses related to the transfer of staff from clean energy projects, as mentioned above.

Statement of Financial Position

(Unit : Million Baht)

Details	30 Jun 2025	31 Dec 2024	Increased (Decreased)	%
				Changed
Assets				
Current assets				
Cash and cash equivalents	49.04	26.99	22.05	81.71
Trade and other current receivables	1,338.26	1,221.00	117.26	9.60
Contract assets	650.50	605.06	45.44	7.51
Inventories	9.93	15.14	(5.21)	(34.39)
Other current assets	21.80	24.34	(2.54)	(10.45)
Total current assets	2,069.53	1,892.53	177.00	9.35
Non-current assets				
Restricted deposit at financial institution	56.92	68.98	(12.06)	(17.48)
Property, plant and equipment	531.80	573.78	(41.98)	(7.32)
Intangible assets	9.78	10.82	(1.04)	(9.60)
Retention receivables	128.48	188.89	(60.41)	(31.98)
Withholding tax deducted at source	10.80	10.80	-	-
Deferred tax assets	112.69	112.82	(0.14)	(0.12)
Deposits	1.70	1.81	(0.11)	(5.90)
Total non-current assets	852.18	967.90	(115.72)	(11.96)
Total assets	2,921.71	2,860.43	61.28	2.14
Liabilities and equity				
Current liabilities				
Bank overdrafts	34.16	27.60	6.56	23.77
Short-term borrowing from financial institutions	220.60	447.29	(226.69)	(50.68)
Trade and other current payables	1,081.78	849.60	232.18	27.33
Contract liabilities	424.38	460.95	(36.57)	(7.93)
Current portion of long-term borrowings from financial institutions	62.83	106.34	(43.52)	(40.92)
Current portion of lease liabilities	32.45	32.39	0.06	0.18
Short-term borrowings from related parties	50.32	52.00	(1.68)	(3.23)

Details	30 Jun 2025	31 Dec 2024	Increased (Decreased)	% Changed
Short-term borrowings from other party	43.00	20.00	23.00	115.00
Other current liabilities	90.57	96.89	(6.32)	(6.52)
Total current liabilities	2,040.09	2,093.06	(52.97)	(2.53)
Non-current liabilities				
Long-term borrowing from financial institutions	37.97	8.36	29.61	354.27
Lease liabilities	34.09	40.48	(6.39)	(15.78)
Retention payables	42.17	18.56	23.61	127.22
Non-current provisions for employee benefits	9.36	9.06	0.30	3.28
Total non-current liabilities	123.59	76.46	47.13	61.65
Total liabilities	2,163.67	2,169.52	(5.85)	(0.27)
Equity				
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	322.10	255.91	66.18	25.86
Equity attributable to owners of the parent	8.45	8.45	-	-
Equity attributable to owners of the parent	738.35	672.17	66.18	9.85
Non-controlling interests	19.68	18.74	0.94	5.05
Total equity	758.04	690.91	67.13	9.72
Total liabilities and equity	2,921.71	2,860.43	61.28	2.14

Assets

As at 30 June 2025, the Group's total assets of Baht 2,921.71 Million, increased of Baht 61.28 Million, or 2.14%, 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 49.04 Million, an increase of Baht 22.05 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 1,338.26 Million, increased of Baht 117.26 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

construction project. Therefore, as at 30 June 2025, the Group has expected credit losses from these receivables totaling of Baht 352.90 Million.

- Contract assets totaling of Baht 650.50 Million, increasing from last year totaling of Baht 45.44 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 30 June 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 531.80 Million, decreased by depreciation of Baht 41.98 Million.
- Retention receivables, amounting to Baht 128.48 Million, decreased of Baht 60.41 Million from the receipt in accordance with the terms and conditions of the contract for a construction project.

Liabilities

As at 30 June 2025, the Group's liabilities total of Baht 2,163.67 Million, decreased of Baht 5.85 Million, or 0.27%, compared with 31 December 2024.

Current liabilities; changing consist of:

- The Group has total borrowings of Baht 448.88 Million, decreased of Baht 212.71 Million from the previous year. Due to the repayment of short-term loans for current construction projects to financial institutions by mutuality date. However, the Group has loan money from other party totaling Baht 43 million.
- Trade and other payables totaling of Baht 1,081.78 Million, increased totaling of Baht 232.18 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, during Q2/2025, a construction contract between the project owner and a customer who is the main contractor was terminated. As a result, this customer is currently in the process of making the final settlement of the subcontract with the Company. The Group expects to receive partially of the cash inflows from this customer, which will be used to repay both borrowings and the aforementioned trade payables, upon receipt of payment in accordance with the terms of the final settlement of the subcontract.

- Contract liabilities total of Baht 424.38 Million, decreased of Baht 36.57 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 418.08 Million, increased of Baht 12.67 Million. This increase was due to the Group received money from the transferring control of services to customers under the contracts during the period, with the related service income to be recognized progressively in subsequent periods.
 - 2) Advance received from construction contracts total of Baht 6.30 Million. These advance received were from projects which signed by previous years. Decreased of Baht 49.24 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 30 June 2025, total of Baht 738.35 Million, increased from previous year, total of Baht 66.18 Million, or 9.85%. Resulted from, the Group's operating results with net profit attributable to owners of the parent for the 6-months period ended 30 June 2025.

Please be informed accordingly.

Sincerely yours,

(Mr. Chung Sik Hong)

Chief Executive Officer