

No. CAZ 027-2025

12 November 2025

Subject: Management Discussion and Analysis for the 3rd Quarter ended 30 September 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 3rd Quarter ended 30 September 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				9 Months			
	30 Sep 2025	30 Sep 2024	Change	(%)	30 Sep 2025	30 Sep 2024	Change	(%)
Revenues from construction contracts	598.82	833.81	(234.99)	(28.18)	2,373.11	2,780.94	(407.83)	(14.67)
Loss arising from the final settlement of agreement by reducing the contract value	(928.26)	-	(928.26)	n.a.	(928.26)	-	(928.26)	n.a.
Net revenues from construction contracts	(329.44)	833.81	(1,163.25)	(139.51)	1,444.85	2,780.94	(1,336.09)	(48.04)
Cost of construction contracts	(558.23)	(783.00)	(224.77)	(28.71)	(2,135.14)	(2,536.93)	(401.79)	(15.84)
Gross profit	(887.66)	50.81	(938.48)	(1,847.00)	(690.29)	244.01	(934.30)	(382.90)
Other income	72.73	1.89	70.85	3,757.20	79.49	10.96	68.54	625.56
Administrative expenses	(45.79)	(31.63)	14.16	44.76	(138.60)	(95.39)	43.21	45.30
Reversal of allowance for expected credit losses	549.32	-	549.32	n.a.	549.32	-	549.32	n.a.
Profit before finance cost and income tax	(311.40)	21.06	(332.46)	(1,578.48)	(200.08)	159.58	(359.65)	(225.38)
Finance cost	(11.46)	(10.79)	0.67	6.22	(33.05)	(22.15)	10.90	49.21
Profit before income tax	(322.86)	10.28	(333.14)	(3,242.03)	(233.13)	137.43	(370.55)	(269.64)
Income tax	(87.11)	(2.79)	(84.31)	3,020.82	(109.71)	(29.48)	80.23	272.12
Profit for the year	(409.96)	7.48	(417.45)	(5,577.59)	(342.84)	107.94	(450.78)	(417.61)
Profit (loss) attributable to:								
Owners of the parent	(391.22)	9.11	(400.33)	(4,396.45)	(325.04)	107.53	(432.57)	(402.29)
Non-controlling interests	(18.74)	(1.62)	(17.12)	(1,056.14)	(17.80)	0.42	(18.22)	(4,346.15)

Revenues from construction contracts

The Group's total revenue for the third quarter ended 30 September 2025 amounted to THB 598.82 million, representing a decrease of THB 234.99 million or 28.18% compared to the total revenue of THB 833.81 million for the same period in 2024. This decline was primarily due to the completion and handover of certain construction projects during Q3/2025, resulting in lower revenue recognition within the quarter. Additionally, a project signed in Q2/2025 were still in the early stages of construction, thus generating limited revenue during the period.

Furthermore, during Q3/2025, the Group engaged in negotiations with a customer for the final settlement of construction agreement, resulting in a reduction of the project's contractual value. Consequently, the Group recognized an accumulated loss of THB 928.26 million from the final contract settlement. After accounting for this loss, the Group reported construction revenue of THB (329.44) million for the quarter.

As of 30 September 2025, the Group had a backlog of ongoing construction projects yet to be recognized as revenue, totaling THB 12,016.84 million.

Other Income

Other income for the Group consisted of gains from the sale of scrap metal, unused machinery, and construction materials disposed of during the year. For Q3/2025, the Group recognized other income of THB 72.73 million from the sale of scrap metal and scaffolding, representing an increase of THB 70.85 million compared to THB 1.89 million in Q3/2024.

Administrative expenses

The Group recorded administrative expenses totaling THB 45.79 million for the third quarter ended 30 September 2025, representing an increase of THB 14.16 million or 44.76% compared to the same period in the prior year, which amounted to THB 31.63 million. This increase was primarily due to surcharges and penalties for late payment of taxes, and employee-related expenses arising from the reassignment of certain personnel from a construction project that had its final settlement contract by the client. As a result, the related employee costs were reclassified under administrative expenses.

Reversal of allowance for expected credit losses

As a result of the negotiation to the final settlement a construction contract during the period, the Group recorded a loss from the reduction in the contract value in the construction revenue section in the amount of THB 928.26 million. Consequently, the Group reversed the impairment of expected credit losses related to trade receivables and contract assets from the same customer, which had been previously recorded in 2024, in the total amount of THB 548.72 million. Therefore, the net impact of the contract termination negotiation during the third quarter of 2025 resulted in a net loss of THB 380.26 million.

Finance costs

In the third quarter of 2025, the Group recorded total finance costs of THB 11.46 million, representing an increase of THB 0.67 million, or 6.22%, compared to the finance costs of THB 10.79 million in the third quarter of 2024. This increase primarily resulted from the Group's use of short-term borrowings as working capital to support its ongoing construction projects.

Profitability

Gross profit and net profit of the 3rd quarter ended 30 Sep 2025 and 2024 as follows;

Profitability	3/2025		3/2024	
	Million Baht	%	Million Baht	%
Gross profit (loss)	(887.66)	(148.24)	50.81	6.09
Profit (loss) attributable to owners of the parent	(391.22)	(58.26)	9.11	1.09

The Group recorded a gross (loss) of THB (887.66 million) in Q3/2025, representing a gross loss margin of (148.24%), a significant decline compared to gross profit of THB 50.81 million (gross profit margin of 6.09%) in Q3/2024. The main reason of the THB 928.26 million loss from final settlement contract. Excluding, this transaction, the Group would have posted a gross profit of THB 40.59 million, still lower than the previous year, mainly due to updated cost estimations for certain projects and reduced revenue from project completions.

Profit (loss) attributable to owners of the parent for Q3/2025 was net loss THB (391.22 million), or a net loss margin of (58.26%), compared to net profit of THB 9.11 million (net profit margin of 1.09%) in Q3/2024. The main reason was driven by the aforementioned contract termination loss, increased administrative expenses, expected credit loss reversal, and higher finance costs as mentioned above. Excluding the contract termination loss, the Group would have reported a net profit for Q3/2025 of THB 98.38 million.

Statement of Financial Position

(Unit : Million Baht)

Details	30 Sep 2025	31 Dec 2024	Increased (Decreased)	% Changed
Assets				
Current assets				
Cash and cash equivalents	500.63	26.99	473.64	1,754.83
Trade and other current receivables	969.07	1,221.00	(251.93)	(20.63)
Contract assets	-	605.06	(605.06)	(100.00)
Inventories	8.09	15.14	(7.05)	(46.56)
Retention receivables	127.62	-	127.62	n.a.
Other current assets	27.70	24.34	3.36	13.80
Total current assets	1,633.11	1,892.53	(259.41)	(13.71)

Details	30 Sep 2025	31 Dec 2024	Increased (Decreased)	% Changed
Non-current assets				
Restricted deposit at financial institution	0.02	68.98	(68.97)	(99.98)
Property, plant and equipment	641.30	573.78	67.52	11.77
Intangible assets	9.24	10.82	(1.58)	(14.59)
Retention receivables	-	188.89	(188.89)	(100.00)
Withholding tax deducted at source	12.33	10.80	1.53	14.13
Deferred tax assets	3.11	112.82	(109.71)	(97.24)
Deposits	3.18	1.81	1.38	76.05
Total non-current assets	669.18	967.91	(298.72)	(30.86)
Total assets	2,302.29	2,860.43	(558.14)	(19.51)
Liabilities and equity				
Current liabilities				
Bank overdrafts	27.47	27.60	(0.13)	(0.47)
Short-term borrowing from financial institutions	126.46	447.29	(320.83)	(71.73)
Trade and other current payables	1,008.15	849.60	158.55	18.66
Contract liabilities	283.17	460.95	(177.78)	(38.57)
Current portion of long-term borrowings from financial institutions	65.27	106.34	(41.07)	(38.62)
Current portion of lease liabilities	32.84	32.39	0.45	1.38
Short-term borrowings from related parties	51.32	52.00	(0.68)	(1.31)
Short-term borrowings from other party	53.00	20.00	33.00	165.00
Other current liabilities	39.43	96.88	(57.45)	(59.30)
Total current liabilities	1,687.12	2,093.06	(405.94)	(19.39)
Non-current liabilities				
Long-term borrowing from financial institutions	32.76	8.36	24.40	291.38
Lease liabilities	25.75	40.48	(14.72)	(36.38)
Retention payables	51.92	18.56	33.36	179.73
Deferred tax liabilities	29.42	-	29.42	n.a.
Non-current provisions for employee benefits	9.55	9.06	0.49	5.42
Total non-current liabilities	149.41	76.45	72.95	95.42
Total liabilities	1,836.53	2,169.52	(332.99)	(15.35)
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	-	-

Details	30 Sep 2025	31 Dec 2024	Increased (Decreased)	% Changed
Unappropriated	(71.16)	255.92	(327.08)	(127.81)
Other component of equity	128.19	8.45	119.73	1,416.48
Total equity attributable to owners of the parent	464.83	672.17	(207.34)	(30.85)
Non-controlling interests	0.94	18.74	(17.80)	(94.99)
Total equity	465.77	690.91	(225.14)	(32.59)
Total liabilities and equity	2,302.29	2,860.43	(558.13)	(19.51)

Assets

As at 30 September 2025, the Group's total assets of THB 2,302.29 million, decreased of THB 558.13 million, or 19.51%, 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: Amounted to THB 500.63 million, an increase of THB 473.64 million. This increase was primarily due to receipt of the first installment payment from a customer following the final settlement contract negotiation as previously mentioned. Receipt of payment from a retention receivable under the current construction project, in accordance with contract conditions.
- Trade and Other Current Receivables, and Contract Assets (net) decreased by THB 251.93 million and THB 605.00 million, respectively. These decreases were attributable to the reduction in project value arising from the final settlement contract negotiations. Receipt of the first installment payment from a customer during the reporting period.
- Retention Receivables: Total of THB 127.62 million, a decrease of THB 61.27 million, due to receipt of retention money in accordance with the contract terms of one of the construction projects.

Non-Current Assets; comprising of

- Property, Plant and Equipment (net): Increased due to asset revaluation, totaling an additional THB 147.12 million. After deducting disposals and depreciation, the net value of property, plant, and equipment amounted to THB 641.30 million.
- Deferred Tax Assets: Decreased by THB 109.71 million. Resulted to a reversal of deferred tax assets following the project value reduction associated with the contract termination negotiations with a customer during the period.

Liabilities

As of 30 September 2025, the Group reported total liabilities of THB 1,836.53 million, representing a decrease of THB 332.99 million, or 15.35%, compared to the prior year. The changes in total liabilities are summarized as follows:

Current liabilities: changing consist of:

- The Group had total borrowings of THB 356.29 million, representing a decrease of THB 305.31 million from 31 December 2024. The decrease was primarily due to repayment of short-term loans related to current construction projects to financial institutions, in accordance with the agreed repayment schedule. During the period, the Group incurred new borrowings from other companies in the aggregate amount of THB 43 million.
- Trade and Other Payables amounted to THB 1,008.15 million, reflecting an increase of THB 158.55 million, resulting from purchases of construction materials, Subcontractor payments for ongoing projects during the period.

Additional, due to the delayed payments from a customer under one of the Group's construction projects had an adverse impact on the Group's ability to settle its liabilities with trade and other creditors. In response, the Group has engaged in negotiations with both financial institutions and trade creditors to extend the debt repayment period. However, following the successful final settlement contract negotiations with a customer, and the receipt of the first settlement installment during Q3/2025, the Group has begun to receive some cash inflows, enabling it to plan for the repayment of both borrowings and trade payables in subsequent periods.

- Construction Contract Liabilities; As of 30 September 2025, the Group recorded construction contract liabilities in the amount of THB 283.17 million, representing a decrease of THB 177.78 million from the previous year. These liabilities comprise the following components:
 - 1) Unearned Revenue from Services; This refers to construction service fee that have already been collected from customers in accordance with the contractual terms, where the amounts received exceed the revenue recognized to date. The balance stands at THB 277.35 million, which is a decrease of THB 128.06 million from the prior year. This decrease is attributable to collections made during the period in relation to the transfer of control over goods and services to customers in accordance with the contracts, with the corresponding revenue to be recognized in subsequent periods. The reduction in contract value resulting from the negotiated termination of a construction contract with a specific customer.
 - 2) Construction Revenue Received in Advance; This represents THB 5.82 million of advance payments for a project for which the contract was signed in the prior year. It has decreased by THB 49.72 million compared to the previous year. The reduction is in line with the proportional billing to the customer during the period, in accordance with the deduction mechanism stipulated in the contract.

Equity

As of 30 September 2025, the equity attributable to owners of the parent company amounted to THB 465.83 million, representing a decrease of THB 207.34 million or 30.85% from 31 December 2024, when the equity stood at



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THB 673.17 million. The entire change is attributable to the comprehensive loss from operations incurred by the Group, resulting in a total comprehensive loss attributable to the parent company for the nine-month period ended 30 September 2025. Please be informed accordingly.

Sincerely yours,

(Mr. Chung Sik Hong)

Chief Executive Officer