

No. CAZ 004-2025

27 February 2025

Subject: Management Discussion and Analysis for the year ended 31 December 2024

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 year ended 31 December 2024, 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 Dec 2024	31 Dec 2023	Changed	(%)
Revenues from construction contracts	3,726.80	3,163.24	563.56	17.82
○ EPC Service	448.16	50.59	397.57	785.87
○ Structure Mechanic and Pinging (SMP and E&I Services)	2,463.10	1,837.54	625.56	34.04
○ Civil & Building Service	682.24	895.96	(213.72)	(23.85)
○ General Construction Service	16.34	212.97	(196.63)	(92.33)
○ Fabrication and Other service	116.96	166.18	(49.22)	(29.62)
Cost of construction contracts	(3,316.65)	(2,762.46)	554.19	20.06
Gross profit	410.15	400.78	9.37	2.34
Other income	11.53	3.45	8.08	234.20
Administrative expenses	(124.46)	(113.23)	11.24	9.93
Profit before finance cost and income tax	297.21	291.00	6.21	2.14
Finance cost	(33.45)	(16.12)	(17.33)	107.51
Impairment loss determined in accordance with TFRS 9	(548.72)	-	548.72	n.a.
Profit before income tax	(284.95)	274.88	(559.83)	(203.66)
Income tax	56.58	(55.96)	112.54	(201.11)
Profit for the year	(228.37)	218.92	(447.29)	(204.32)
Owners of the parent	(231.70)	214.57	(446.27)	(207.98)
Non-controlling interests	3.33	4.35	(1.02)	(23.45)

Revenues from construction contracts

The Group has revenue from construction contracts for the year ended 31 December 2024, totaling of Baht 3,726.80 Million. Increasing of Baht 563.56 Million or 17.82%, compared with the previous year, which was Baht 3,163.246 Million. Due to the recognition of revenue the contracted construction projects in previous year and during the period, which was recognized as a proportion of completed projects, as well as the transfer of control to customers in 2024.

As at 31 December 2024, the Group has backlog for construction services totaling of Baht 2,237.21 Million.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2024, totalling of Baht 124.46 Million. Increased of Baht 11.24 Million, or 9.93% from the same period of last year which was totaling of Baht 113.23 million resulted from increased of employee expenses.

Impairment loss determined

The Group has impairment losses on Trade receivables and Contract assets for a customer which has been overdue payment in accordance with TFRS 9, total amount 548.72 million baht. The Group has keep process of following up on payments to this customer, including taking legal action from said customer during the period.

Finance costs

The Group has financial costs during 2024 totaling of Baht 33.45 Million, increased of Baht 17.33 Million or 107.51%, compared to the same period of last year which has finance cost totaling of Baht 16.12 Million. Due to short-term loan for existing ongoing projects' expenditures from financial institutes which the Group has credit facilities. In addition, interest rate of the market at present is raising, resulted to the Groups finance cost 2024 has been increasing, compared with last year as well.

Profitability

Gross profit and net profit of the year ended 31 December 2024 and 2023 as follows;

Profitability	2024		2023	
	Million Baht	%	Million Baht	%
Gross profit	410.15	11.01	400.78	12.67
Profit attributable to owners of the parent	(231.70)	(6.20)	214.57	6.78

By the year, the Group's gross profit totaling of Baht 410.15 Million, considered to gross profit margin of 11.01%. It was similarly when compared with 2023 totaling of Baht 400.78 Million, or gross profit margin of 12.67%. Due to some projects have been adjusted of budget costs up to date by increasing of additional contract from contractor.



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

The Group's 2024 has net profit (loss) attributable to owners of the parent totaling of Baht (231.70) Million, considered to net margin of (6.20%). Decreased from 2023 with a net profit attributable to the parent company totaling of Baht 214.57 Million, or net profit margin of 6.78%. Due to provision for expected credit losses from Trade account receivables and Contract assets from one of the main contractors, as well as finance cost as mentioned above. However, if not consider losses from the allowance for expected credit losses, the Group's operating results for the year 2024 of the parent company in totaling of Baht 205.64 million.

Statement of Financial Position

(Unit: Million Baht)

Details	31 Dec 2024	31 Dec 2023	Increase (Decreased)	% Changed
Assets				
Current assets				
Cash and cash equivalents	26.99	173.72	(146.73)	(84.46)
Trade and other current receivables	1,221.00	305.41	915.59	299.79
Contract assets	605.06	1,010.81	(405.75)	(40.14)
Inventories	15.14	17.59	(2.45)	(13.93)
Withholding tax deducted at source	-	50.67	(50.67)	(100.00)
Other current assets	24.34	9.36	14.98	160.04
Total current assets	1,892.53	1,567.56	324.97	20.73
Non-current assets				
Restricted deposit at financial institution	68.98	7.76	61.22	788.92
Property, plant and equipment	573.78	554.70	19.08	3.44
Intangible assets	10.82	10.85	(0.03)	(0.28)
Retention receivables	188.89	102.35	86.54	84.55
Withholding tax deducted at source	10.80	55.98	(45.18)	(80.71)
Deposits	1.81	3.45	(1.64)	(47.54)
Deferred tax assets	112.82	3.99	108.83	2,727.57
Total non-current assets	967.90	739.08	228.82	30.96
Total assets	2,860.43	2,306.64	553.79	24.01
Liabilities and equity				
Current liabilities				
Bank overdrafts	27.60	-	27.60	n.a.
Short-term borrowing from financial institutions	447.29	100.00	347.29	347.29
Trade and other current payables	811.83	305.53	506.30	165.71
Contract liabilities	460.95	730.07	(269.12)	(36.86)



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

Details	31 Dec 2024	31 Dec 2023	Increase (Decreased)	% Changed
Short-term borrowings from related parties	50.50	-	50.50	n.a.
Short-term borrowings from other party	21.50	-	21.50	n.a.
Current portion of long-term borrowings from financial institutions	106.34	8.62	97.72	1,133.69
Current portion of Lease liabilities	32.39	30.20	2.19	7.25
Other current liabilities	134.66	52.69	81.97	155.57
Total current liabilities	2,093.07	1,227.11	865.96	70.57
Non-current liabilities				
Long-term borrowing from financial institutions	8.36	42.00	(33.64)	(80.10)
Lease liabilities	40.48	35.73	4.75	13.29
Retention payables	18.56	12.32	6.24	50.65
Non-current provisions for employee benefits	9.06	8.05	1.01	12.55
Total non-current liabilities	76.45	98.10	(21.65)	(22.07)
Total liabilities	2,169.52	1,325.21	844.31	63.71
Equity				
Share Capital – Authorized	147.00	147.00	-	-
Issued and paid-up	147.00	147.00	-	-
Share premium	246.11	246.11	-	-
Retained earning				
Appropriated - legal reserve	14.70	14.70	-	-
Unappropriated	255.91	549.76	(293.85)	(53.45)
Equity attributable to owners of the parent	8.45	8.45	-	-
Equity attributable to owners of the parent	672.17	966.02	(293.85)	(30.42)
Non-controlling interests	18.74	15.41	3.33	21.61
Total equity	690.91	981.43	(290.52)	(29.60)
Total liabilities and equity	2,860.43	2,306.64	553.79	24.01

Assets

As at 31 December 2024, the Group's total assets of Baht 2,860.43 Million, increased of Baht 553.79 Million, or 24.01%, compared with as at 31 December 2023, which total assets totaling of Baht 2,306.64 Million. Changing of total assets as following;



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

Current assets; comprising of

- Cash and cash equivalents totaling of Baht 26.99 Million, Decreased from last year of Baht 146.73 Million, Resulted from projects on hand expenditure.
- Account receivable and other current receivables total of Baht 1,221.00 Million, Increased from last year of Baht 915.59 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 a customer which is the main contractor of a construction project. Therefore, the company had to reserve 352.92 million baht in expected credit losses from these receivables.
- Contract assets totaling of Baht 605.06 Million, Decreased from last year totaling of Baht 405.75 Million. Due to the provision of Baht 196.10 million for expected credit losses and 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.
- Withholding tax deducted at source reduced totaling of Baht 50.57 Million. Due to refundable of withholding income tax for the fiscal year 2022 from the Revenue Department during the period.

Non - Current assets; comprising of

- Restricted deposit at financial institution increase of Baht 61.22 Million from the deposit of money as collateral for the bank to issue a guarantee to bid for the new project.
- Property, plant and equipment increased of Baht 108.91 million from the purchase of scaffolding, tools and machinery to support new project.
- Retention receivables totaling of Baht 188.89 Million, increased from the previous year of Baht 84.55 Million. Due to the receipt of retention payments from clients of some projects which delivered work already according to the condition of contract.
- Deferred tax assets totaling of Baht 112.82 Million, increase of Baht 108.83 Million, Result from the deferred income tax of the allowance for expected credit losses.

Liabilities

As at 31 December 2024, the Group's liabilities total of Baht 2,169.52 Million, increased of Baht 844.31 Million, or 63.71% compared with 31 December 2023.

Current liabilities: changing consist of:

- The Group has short-term loan which used as working capital for existing construction projects on hand during period totaling of Baht 653.24 Million. These loans were increase Baht 544.62 Million due to loan



from financial institutions, together with short-term loans from other persons and related persons for the Group's working capital and for existing construction projects on hand. Moreover, the Group has used a factoring credit line with a financial institution using a customer who has overdue payment as collateral. During the year 2024, the Group has received approval to extend the repayment period for short-term promissory notes from the said financial institution.

- Trade and other payables totaling of Baht 811.83 Million, increased totaling of Baht 506.30 Million. Resulted from, purchased of construction materials and consumable from suppliers and sub-contractors during the period for construction projects on hand.

In this regard, the Group has requested additional credit lines from financial institutions and has requested to extend the repayment period with suppliers during the period. However, from the resolutions to approval of increasing investment and budget in one of the owner's project in order to complete the work according to the objectives. 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.

- The Group has a long-term loan agreement with a local financial institution totaling of Baht 60 Million for investing to construction equipment. The agreement stipulated to repay the principal within 40 months. The loan was secured by the Company's land and buildings.
- Contract liabilities total of Baht 460.95 Million, decreased of Baht 269.12 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 405.41 Million, decreased of Baht 79.59 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 55.54 Million. These advance received were from projects which signed by previous years. Decreased of Baht 189.53 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

For shareholders' equity to the parent Company as of 31 December 2024, total of Baht 672.17 Million, decreased from previous year, total of Baht 293.85 Million, or 30.42%. The details of changing of equities consist of;

- The Group's operating results with net profit (loss) attributable to owners of the parent for the year ended 31 December 2024, totaling of Baht (231.40) Million.



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

- Dividend payment for the year 2023 operating results to shareholders whose names appear in the shareholder register on 13 March 2024 at 0.2114 Baht per share. The total payment amounted of Baht 62.15 Million on payment date of 20 May 2024.

Please be informed accordingly.

Sincerely yours,

(Mr. Chung Sik Hong)

Chief Executive Officer