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10th August 2018

Subject: Clarification on Significant Changes in Operating Results for 2Q2018

To: President
 The Stock Exchange of Thailand

BJC Heavy Industries Public Company Limited (hereinafter referred to as “the company”) would like to clarify the changes in 2Q2018 Operating Results as compared with those in 2Q2017 as follows.

2Q2018 Business Overview

In 2Q2018, the global economy signal has shown the continuous recovery. In this quarter, the Company has participated in many bidding projects and there are several projects that will be announced soon. This is reflected in the recovery of the global construction industry.

Revenue

Contracted Revenue

In 2Q2018, Contracted Revenue (excluding other revenue) was 122.6 million baht decreased by 49.4%, comparing the same period of last year at 242.5 million baht because the completion of the TUPI FPSO Modules (03B) project.

Other Revenue

In 2Q2018, other revenue was 5.4 million baht, increasing from 2.4 million baht in 2Q2017 by resulted from the rise in interest income.

Expenses

Contracted Costs

Contracted Costs in 2Q2018 was 207.5 million baht, decreasing from 224.5 million baht in 2Q2017, partly due to the idle cost which resulted from the completed project.



Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 2Q2018 was 53.9 million baht, decreasing by 14.0% from 2Q2017 which was 62.7 million baht. The decreased SG&A was mainly due to the decrease in workload.

Foreign Exchange (FX) Impact

In 2Q2018, the company recognized FX gain by 132.0 million baht as compared with 2Q2017 FX gain at 1.9 million baht are mainly attributable to the depreciation of the baht against the US dollar due to outflows of foreign capital.

Gross Profit and Net Profit

In 2Q2018, Gross Profit was negatively at 84.9 million baht, comparing the same period of last year at 18.0 million baht mainly effected from the contracted costs has decreased in proportion less than the volume of workload. At the same time, Net loss in 2Q2018 was 1.8 million baht as compared with that in 2Q2017 at 42.0 million baht, as a result of the FX gain as mentioned above.

Please be informed accordingly,

Best regards,
BJC Heavy Industries Public Company Limited

-Mr. Seung Woo Lee-

(Mr. Seung Woo Lee)
Director/Deputy Managing Director