

BJC Heavy Industries Public Company Limited
 594 Moo 4, Makhamkoo, Nikompattana,
 Rayong, 21180 Thailand
 Tel. : +66 (0) 33 017 345-7
 Fax. : +66 (0) 33 017 348
 Registration No. : 0107556000302



บริษัท บีเจซี เอพี อินดัสทรี จำกัด (มหาชน)
 594 หมู่ 4 ต.มะขามคู่ อ.นิคมพัฒนา
 จ.ระยอง 21180 ประเทศไทย
 โทรศัพท์ : +66 (0) 33 017 345-7
 แฟกซ์ : +66 (0) 33 017 348
 เลขทะเบียนนิติบุคคล : 0107556000302

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Subject: Clarification on Significant Changes in Operating Results for 3Q2018

To: President
 The Stock Exchange of Thailand

BJC Heavy Industries Public Company Limited (hereinafter referred to as "BJCHI") would like to clarify the changes in 3Q2018 Operating Results as compared with those in 3Q2017 as follows.

3Q2018 Business Overview

BJCHI was continuously to bids for several potential projects. However, due to previous anticipation focused on high rates of potential projects, revenue may recognized as discontinuity. Additionally, the appreciation of Thai Baht has caused negative FX impact since the major revenue resulted from oversea markets.

Revenue

Contracted Revenue

In 3Q2018, Contracted Revenue (excluding other revenue) was 164.7 million baht, decreased 63.0% from 445.7 million baht in 3Q2017 due to the slower pace of project activities.

Expenses

Contracted Costs

Contracted Costs in 3Q2018 was 148.0 million baht, representing the decreased 70.7% from 505.8 million baht in the same period of last year. The main decrease was decreased of Contracted Revenue.

Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 3Q2018 was 38.1 million baht, increasing 16.5% from 3Q2017 which was 32.8 million baht. The increased SG&A was mainly due to some fixed costs even the slower pace of project activities as mentioned previously.



Foreign Exchange (FX) Impact

In 3Q2018, BJCHI recognized FX loss by 49.1 million baht as compared with 3Q2017 FX loss at 40.1 million baht, increasing 22.4% due to the Thai baht strengthened against the US dollar.

Gross Profit and Net Profit

In 3Q2018, Gross Profit was 16.7 million baht, as compared with 3Q2017 at 60.1 million baht. On the other hand, Net loss in 3Q2018 was 60.2 million baht as compared with net loss in 3Q2017 at 131.7 million baht as a mainly result of FX loss.

Please be informed accordingly,

Best regards,
BJC Heavy Industries Public Company Limited

-Mr. Seung Woo Lee-

(Mr. Seung Woo Lee)
Deputy Managing Director