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Subject: Clarification on Significant Changes in Operating Results for 1Q2019

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 1Q2019 Operating Results as compared with those in 1Q2018 as follows.

1Q2019 Business Overview

During 1Q2019, the Company had a gross profit of 68.9 million baht and a net profit of 3.1 million baht, which improved when compared to the same period of the previous year with a loss of performance. The main reason due to the Company has completed the delivery of large projects and able to reduce an additional costs. As well as recognition of revenue from the UPGN Comperj Project which began to be fully operational this year. In addition, the Company has received new project, namely Santos Onshore Upstream Development Project, which is a project from Australia and began operations in 1Q2019 as well, resulting in better performance in 1Q2019.

Revenue

Contracted Revenue

In 1Q2019, Contracted Revenue (excluding other revenue) was 381.4 million baht decreased by 20.4%, comparing to the same period of last year which was 479.2 million baht. The revenue was decreased due largely to the decreased of project activities.

Other Revenue

In 1Q2019, other revenue was 14.6 million baht, increased from 2.8 million baht in 1Q2018 mainly caused by interest income from long term loan.



Expenses

Contractual Costs

Contracted Costs in 1Q2019 was 312.6 million baht, decreasing from 1Q2018 which was 433.8 million baht, representing by 81.9% and 90.5% of Contracted Revenue, respectively. Mainly caused by the Company being able to reduce the additional costs.

Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 1Q2019 was 46.9 million baht, decreasing by 13.3% from 1Q2018 which was 54.1 million baht which in line with the decreased of project activities.

Foreign Exchange (FX) Impact

In 1Q2019, recognized FX loss by 30.1 million baht compared to 1Q2018 FX loss at 91.8 million baht due to the anticipation of THB against US dollar.

Gross Profit and Net Profit

In 1Q2019, Gross Profit was 68.9 million baht, positively improving from 1Q2018 which was 45.4 million baht. Net Profit in 1Q2019 was 3.1 million baht improved from 1Q2018 at a loss of 97.8 million baht. The main reason explained in the Business Overview as 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