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At BJC/SET 2564-008

13 August 2021

Subject: Explanation of 2Q2021 Operating Results changing over 20%

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 2Q2021 Operating Results as compared with those in 2Q2020 as follows.

Overview of Business Operation

In 2Q2021, Thailand still faced the challenging of economic recovery. Thai's economy was affected by the new wave of the Covid-19 pandemic. Nearly all economic indicators such as, Thai GDP growth, local consumption, investment as well as consumer confidence were deteriorated by such pandemic excepting only Thai's exporting sector which is showing positive sign thanks largely to the global economic recovery and THB depreciation.

At the same time, the global economy is recovering after major economies such as The U.S. and China are advancing. The U.S. economy has been bolstered by its massive fiscal budget and supportive monetary policy while China's economy is showing a steady recovery, with production and demand picking up.

The global economic recovery has been triggering rising demand for commodity products such as prices of crude oil and Iron Ore which in turn have encouraged more project developers to resume their project activities.

Currently, the Company has actively participated in potential project bids both in oversea and local markets in many industries such as power plant, refinery, petrochemical, oil and gas, green energy as well as mining project. With the recovering sign of industry environment, the Company views that there should be high possibilities to receive more projects in the near future.



Also, the Company's financial status is well-being with the low debt to equity and stable cash flow which can ultimately lead our business to resist the current business environment.

Revenue

Contracted Revenue

In 2Q2021, Contracted Revenue (excluding other revenue) was 459.9 million baht, decreasing by 9.0% from 505.1 million baht in 2Q2020. The Contract Revenue decreased because there was less executed projects as compared to the same period of last year.

Other Revenue

In 2Q2021, other revenue (excluding FX gain) was 7.2 million baht, decreasing from that in 2Q2020 at 7.7 million baht due mainly to the decrease in service income.

Expenses

Contracted Costs

Contracted Costs in 2Q2021 were 373.4 million baht, representing the decrease by 21.0% from the same period of last year at 472.7 million baht. The decrease in Contracted Costs was in line with decreased project activities while there is no major cost from CRISP.

Selling, General and Administrative Expenses (SG&A)

Selling, General and Administrative Expenses (SG&A) in 2Q2021 was 34.3 million baht, decreasing by 30.6% from 2Q2020 which was 49.4 million baht due to the ongoing cost control policy.

Foreign Exchange (FX) Impact

In 2Q2021, ongoing THB depreciation made the company recognize FX gain by 28.9 million baht as compared with the loss in 2Q2020 at 83.5 million baht. The depreciation of THB against US dollar happened due to foreign capital outflow from Thailand.

Gross Profit and Net Profit

In 2Q2021, Gross Profit was at 86.5 million baht, as compared with that in 2Q2020 at 32.4 million baht due to the absence of major cost from a project.

On the other hand, Net profit in 2Q2021 was at 56.9 million baht as compared with the loss in 2Q2020 at 88.5 million baht due largely to the absence of major cost from a project, FX gain and SG&A reduction as explained above.

Please be informed accordingly,

Best regards,

BJC Heavy Industries Public Company Limited
(Mr. Seung Woo Lee)
Director/Deputy Managing Director