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At BJC/SET 2566-006

15 May 2023

Subject: Explanation of 1Q2023 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 1Q2023 Operating Results as compared with those in 1Q2022 as follows.

Overview of Business Operation

In 1Q2023, the global economy and energy markets faced with economic challenging because of banking crisis in US and Europe, which triggered rising concerns about widespread risks and global economic recession.

However, BJCHI has also continued executing large-scale projects like CRISP and SANTOS, help to boost our revenue in this quarter. With the exceptional quality of work and well-known reputation, BJCHI is negotiating with some clients to work with long-term projects in the future.

Moreover, ongoing geopolitical risks between western countries and China are persuading several potential clients to seek more Asian fabricators which is increasingly creating benefits and project opportunities for BJCHI.

As a consequence, the Company has actively participated in received 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 business. Currently, the total bidding value is over 31,500 million baht,

As the leading modularization and fabrication service provider, the Company strongly believes our capability is able to provide one-stop products and services to clients in various industries, creating more project opportunities and achieving long-term sustainable growth for shareholders.



Revenue

Contracted Revenue

In 1Q2023, Contracted Revenue (excluding other revenue) was 1,093.5 million baht , increasing by 383.7% from 226.1 million baht in 1Q2022. The Contract Revenue increased thanks to rising project activities from CRISP and SANTOS as compared to the same period of last year.

Other Revenue

In 1Q2023, other revenue (excluding FX gain) was 6.2 million baht, decreasing from that in 1Q2022 at 9.2 million baht due to the decrease in service income.

Expenses

Contracted Costs

Contracted Costs in 1Q2023 was 983.6 million baht, rising by 427.5% as compared to that in 1Q2022 at 186.5 million. The increase in Contracted Costs was in line with rising project activities.

Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 1Q2023 was 51.3 million baht, increasing by 63.4% from 1Q2022 which was 31.4 million baht due to rising project activities. Also, the Company shall continue making its ongoing effort in efficient cost control.

Foreign Exchange (FX) Impact

In 1Q2023, the Company recognized FX loss by 22.2 million baht as compared to FX gain in 1Q2022 at 0.1 million baht after THB become appreciated in 1Q2023.

Gross Profit and Net Profit

In 1Q2023, Gross Profit was at 109.9 million baht, increasing from 39.6 million baht in 1Q2022. On the other hand, Net profit in 1Q2023 was at 37.2 million baht, increasing from 16.9 million baht in 1Q2022 due largely to reasons as explained above.

Please be informed accordingly,

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