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At BJC/SET 2566-012

15 November 2023

Subject: Explanation of 3Q2023 Operating Results

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 3Q2023 Operating Results as compared with those in 3Q2022 as follows.

Overview of Business Operation

In 3Q2023, BJCHI has continued executing large-scale projects like CRISP and SANTOS, which is the core project to boost our revenue in this quarter. With the exceptional quality of work and well-known reputation, BJCHI is negotiating with our 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 from many clients 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 46,000 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 3Q2023, Contracted Revenue (excluding other revenue) was 513.8 million baht, decreasing by 42.7% from 897 million baht in 3Q2022. The Contract Revenue decreased from the actual progress recognition from CRISP and SANTOS as compared to the same period of last year, especially for CRISP Project will remain in revenue recognition until 1Q2024.

Other Revenue

In 3Q2023, other revenue (excluding FX gain) was 8.9 million baht, increasing by 93.8% from that in 3Q2022 at 4.6 million baht due to the increasing in interest and dividend income from financial investment.

Expenses

Contracted Costs

Contracted Costs in 3Q2023 was 703.7 million baht, decreasing by 13% as compared to that in 3Q2022 at 809.1 million. The decrease in Contracted Costs was in line with progress of the project. However, in 3Q2023 there were additional costs of expediting work to deliver the project as schedule. The company is under the negotiation to request the compensation from the client to cover the incurred cost.

Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 3Q2023 was 48.4 million baht, decreasing by 20.4% from 3Q2022 which was 60.8 million baht due to declining in project activities.

Foreign Exchange (FX) Impact

In 3Q2023, the Company recognized FX gain by 42.5 million baht as compared to FX gain in 3Q2022 at 80.6 million baht.

Gross Profit and Net Profit

In 3Q2023, Gross Profit/(Loss) was at (189.9) million baht, decreasing by 316% from Gross Profit 87.9 million baht in 3Q2022. On the other hand, Net Profit/(Loss) in 3Q2023 was at (198.2) million baht, decreasing by 278.3% from Net Profit 111.2 million baht in 3Q2022 due to reasons of additional contracted costs as explained above and additional severance recognition at almost end of projects.

Please be informed accordingly,

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