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At BJC/SET 2565-001

25 February 2022

Subject: Explanation of 2021 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 2021 Operating Results as compared with those in 2020 as follows.

Overview of Business Operation in 2021

For over 2 years, many countries around the world faced economic challenge due to the COVID-19 outbreak. However, thanks to massive economic stimulus packages and accommodative monetary policies, the global economic conditions have been reviving.

In 2021, BJCHI has successfully delivered projects such as Koodiaderi and Santos project, which in turn showed our testament to execute large-scale projects, providing outstanding work with the continuous commitment to our client.

Moreover, we were also awarded new contract from Santos as our existing client which has proved that the client is obviously confident and satisfied with BJCHI's performance all the time that we have executed the project for them due to our high quality and outstanding project execution.

As previously cited, the economic recovery has also supported the rally of commodity prices such as oil, coal, natural gas to increase. This situation is encouraging more project developers to resume their project activities.

As a result of the positive momentum in the industry conditions, BJCHI has been actively invited to participate in new bids from many clients in several industries such green energy, oil and gas, petrochemical, power plant, mining, and infrastructure projects, totaling over 31,000 MB in value. Therefore, the company hopes to win some more project bids in the near future.



Revenue

Contracted Revenue

In 2021, Contracted Revenue (excluding other revenue) was 1,340.2 million baht, decreasing by 31.8% from 1,965.3 million baht in 2020. The Contract Revenue decreased because there were slow project activities in 2021 as compared to the previous year.

Other Revenue

In 2021, other revenue (excluding FX gain) was 54.4 million baht, increasing from 46.1 million baht. This was mainly caused by the increase in interest revenue.

Expenses

Contracted Costs

Contracted Costs in 2021 was 1,196.4 million baht, falling by 37.8% from the same period of last year. Moreover, Contracted Costs in 2021 represented by 89.3% of Contracted Revenue as compared to that by 97.8% in 2020. The main reasons resulted from slow project activities and the absence of suspension cost from a large-scale project.

Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 2021 was 161.1 million baht, decreasing from 278.4 million baht in 2020, thanks mainly to the ongoing effort in efficient cost control.

Foreign Exchange (FX) Impact

In 2021, the company recognized FX gain by 150.2 million baht as compared with 2020 FX gain by 23.4 million baht. This was due to the depreciation of THB against US dollar after there was capital outflow from Thailand.

Gross Profit and Net Profit

In 2021, Gross Profit was at 143.8 million baht as compared with that in 2020 at 42.5 million baht. On the other hand, Net Profit in 2021 was at 152.7 million baht as compared with the net loss in 2020 at 193.9 million baht due to reasons explained previously.

Please be informed accordingly,

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