

Our Ref: BSM 017/2020

November 11, 2020

Subject: Management Discussion and Analysis of Operation Results for the 3rd Quarter, ending September 30, 2020

Attention: The President

The Stock Exchange of Thailand

BuilderSmart Public Company Limited (“the Company”) would like to clarify the performance of the Company and its subsidiaries for the 3rd Quarter of Year 2020, ending September 30, 2020 as follows:

1. Performance for Q3/2020, the Company and its subsidiaries had total revenues of 158.06 million baht consist of Construction Material business 96.68 million baht or equivalent to 60.7% of total revenues, Real Estate business 61.38 million baht or equivalent to 38.6% of total revenues and other incomes 1.08 million baht or equivalent to 0.7% of total revenues. Revenue of Q3 2020 was decreased by 152.38 million baht or equivalent to 49.09% compared to the previous year same period. Detail of each business group was below.
 - Revenue from construction material business was 96.68 million baht, decreased by 72.22 million baht or 43% compared to the previous year same period, which was 168.90 million baht.
 - Revenue from Real Estate business was 61.38 million baht decreased by 80.15 million baht or 57% compared to the previous year same period, which was 141.53 million baht.

From the situation of the spread of COVID-19 epidemic since beginning of this year, it was affected to construction material business both BuilderSmart Pcl and D&W (asia) Co.,Ltd. The construction project had been delayed both new and current projects. Moreover, in Q3/2020, Company cannot export to India as main export market, which affected significantly to export sales amount. Thus, the sales of Construction Material business had been dropped in Q3.

However, the export sales in Q4 will be better due to India's government had been relaxed in lock down country,

For Real Estate business; Sansara Development Co.Ltd and Teak Development Co.Ltd had also been affected from the situation of the COVID-19 epidemic. Sansara developed Senior Living Project at Hua – Hin, Prachuap Khiri Khan province, mostly for foreigners. Sansara had got affected from the restriction on entering to Thailand. It was an obstacle for both transfer and new sales units of Project. However, in Q3 Sansara recognized income from sales amounting 8.3 million baht.

Teak was a developer for condominium in center point area. Although Teak had got affected from delaying in construction during the first half year 2020, in Q3 Teak had finished construction of Teak Sathorn and started transferring. Teak had recorded revenue amount 53.08 million baht in Q3.

2. Cost of sales of Q3/2020 was 120.4 million baht or equivalent to 76.2% of revenue from sales and services which was higher than Q3 last year, 73.0% of revenue from sales and services due to the cost of real estate business which was higher rate than the cost of sales of construction materials business. Therefore, the Company's Gross Profit Margin for overall had been decreased from 26.9% to 23.8% in Q3/2020.
3. The selling & administrative expenses of Q3/2020 were 45.4 million baht or equivalent to 28.7% of total revenues from sales and services, the expenses amount was decreased comparing with Q3 last year which was 54.69 million baht, related to the decreased revenue. However, the percentage to total revenues from sales and services was increased from 17.6% in Q3/2019.
 - Percentage to total revenues from sales and services was increased due to the selling expenses of Real estate business are higher than the construction materials business, mostly is the transferring expenses.
 - The administrative expenses amount was higher from depreciated of Common Area construction completed and recorded as Building and Equipment. For other administrative

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expenses was decreased due to the group company had strictly controlled in expenses since the spread of COVID-19 epidemic in the beginning of this year.

4. Finance cost of Q3/2020 was 6.59 million baht, which increased by 1.99 million baht compared to previous year same period. The increasing of finance cost was resulted from the impact of adoption of new accounting standards TFRS9.
5. In Q3, there was revaluation fair value of investment properties, the new valuation had been reduced by 30.8 million baht compared with the previous valuation due to valuation in the spread of COVID-19 epidemic period, affected pricing down. Resulting to record impair loss on the fair value of the investment properties.
6. From the Extraordinary Shareholders Meeting which was held on October 27th, 2020 has resolution to approve business restructuring by Entire Business Transferred (“EBT”) from Sansara Development Co., Ltd, to BuilderSmart Public Company Limited. Then, the Deferred Tax Assets recorded at Sansara Development Co.,Ltd. had to be reversed to be expense, which affected increasing tax expenses amounting 13 million baht compared to last year same period at 1.9 million baht.
7. From the reason above, resulting to the Company and its subsidiaries of net loss attributed to Equity holders of the Company equal to 59.51 million baht compared to the previous year same period, which had the net profit attributable to Equity holders of the Company equal to 23.02 million baht.

Please be informed accordingly,

Yours faithfully,

Sunchai Nuengsit
Chief Executive Officer