

(Translation)

REF: BSM 006/2022

May 12, 2022

Subject: Management Discussion and Analysis of Operation Results for the 1st Quarter, ending March 31, 2022

To: 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 1st Quarter, ending March 31, 2022, as follows:

1. Performance for Q1/2022, Company and its subsidiaries had revenues from sales and services of 284.55 million baht. By including other income, interest income and gain on foreign exchange, total revenue of the Company would be 289.02 million baht, increased by 173.19 million baht or 149.5% compared to Q1/2021.

Construction Material business consisted of BuilderSmart Pcl and Alloy Solutions Asia Ltd. (former namely “D&W (Asia) Co.,Ltd.”) Total sales of the 2 companies was 84.29 million baht, decreased by 7.07 million baht or 7.7% compared to Q1/2021. Since the beginning of the year 2020, the spread of COVID-19 pandemic cause majority of the businesses, overall economy to slow down, and delays in construction projects or construction budget to decrease. This result in a significant decrease in sales of companies.

For Real Estate business also had been continuously affected from the COVID-19 epidemic. Real Estate business consisted of Sansara Project and Teak Development Co.,Ltd. Total sales of the 2 projects was 200.27 million baht, increased by 177.28 million baht, which from Land sales amounted 139 million baht and increased from units transferred amounted 38.28 million baht or 66.5% compared to revenue from units transferred in Q1/2021.

I. Sansara Project is a real estate project for senior citizens located in Hua – Hin, Prachuap Khiri Khan province, which had been directly impacted by the pandemic due to majority of the customers are foreigners. The foreign customers were concerned with international travel abroad and limitations in entering Thailand. This created obstacles for the transfer of property and new sales units for the Project. For Sansara Lifestyle Services, Ltd., the property manager of Sansara Project and service provider to residents of the project, had been affected continuously which caused a decrease in travelers resulting in lower-than-expected service revenue as same as other travel service industry. However, with the clearer

policy from government show starting open country for travelers, which also help Sansara business starting to be back to normal. Total revenue from Sansara in Q1/2022 was 48.47 million baht, increased by 40.67 million baht or 521.3% from last year.

II. Teak Development Ltd., (“TEAK”) is a developer for condominium projects in central Bangkok area. TEAK has been significantly and continuously affected by the COVID-19 pandemic caused the delay in property transfer of Teak-Sathorn project and decreased of Teak’s revenue. In Q1/2022, Teak has total sales revenue from land sales and units transferred of 151.80 million baht, comprised of Land Ari sales amounted 139 million baht and units transferred amounted 12.80 million baht, decreased by 2.39 million baht, or equivalent to 15.7%, compare to Q1/2021. For Teak-Ratchada project, the project is currently under construction which the construction process has been affected by government policies to stop and delay all construction activities in Bangkok during May- August 2021. TEAK-Ratchada expects to start transfer and recognized revenue in Q2/2022.

2. In Q1/2022, the Company's and its subsidiaries had cost of sales amounted 237.14 million baht or equivalent to 83.3% of revenue from sales and services, increased from Q1/2021 which was 75.8% due to cost of land sales was high, as shown in table

million baht

	Construction material business	Real estate business	Land sales	Total Q1/2022
Revenue from sales and service	84.29	61.27	139.00	284.55
Cost of sales and service (incl. logistic cost)	(62.99)	(43.28)	(130.87)	(237.14)
% Cost of sales and service to Revenue	74.7%	70.6%	94.1%	83.3%

Therefore, the Company's Gross Profit Margin for overall had been decreased from 24.2% to 16.7% in Q1/2022.

3. The selling expenses were 38.98 million baht or equivalent to 13.7% of total revenues from sales and services, decreased comparing with Q1 last year which was 32.27 million baht, or 28.2% of total revenues from sales and services. The selling expenses ratios was down from the company had strictly controlled the selling expenses, which was 8.92% of total revenues from sales and services decreased from 11.15% of Q1/2021. For the administrative expenses was 13.57 million baht, decreased from 19.51 million baht from Q1/2021 since the accounting policy moving common area of Sansara Project (non-sales units' portion) from Property Plant and Equipment to Real Estate Development Cost, which affected decrease in depreciation. Due to Sansara Project has changed business model

BuilderSmart Public Company Limited

905/7 Rama III Soi 51, Rama III Rd., Bangpongpan, Yannawa, Bangkok 10120
 Tel : +66 (0) 2683-4900; Fax: +66 (0) 2683-4949; E-mail: info@buildersmart.com
www.bsmgroup.asia ; www.alloy-asia.com

from Leasehold only to be Leasehold & Freehold. For other administrative expenses was decreased due to the group company had plan for controlling cost and strictly controlled in expenses since the spread of COVID-19 epidemic.

4. Finance cost was 6.45 million baht, which decreased by 0.74 million baht compared to Q1 of the previous year due to Loan repayment to bank, especially in portion of Land Loan, which had been sold 3 plots since Q1/2021.

5. Tax expense was 1.39 million baht, which increased by 1.05 million baht compared to Q1 of the previous year, according to the higher profit of the period.

6. For the period of Q1/2022, the Company and its subsidiaries had a net profit attributed to Equity holders of the Company equal to 4.91 million baht compared to the previous year same period, which had the net loss attributable to Equity holders of the Company equal to 10.61 million baht. In addition, when consider in separate business segmentation, the Company's building materials section can still make profit to the group of companies at net profit margin of 4.9% from revenue.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer