

Our Ref: IRF-03/2015-E

August 11th, 2015Subject: Explanation of the Operating Results for the 2nd Quarter, ending 30 June 2015

Attention: The President and Manager of The Stock Exchange of Thailand

Dear Sir,

BuilderSmart Public Company Limited (BSM) reported the 2nd Quarter results for the period ending June, 2015 as follows:

Total revenue from Sale & Service

Total revenue from Sale & Service of the company for the 3 month period ended 30 June 2015 was Baht 130.65 million similar to last Quarter, decreasing by 2.6% QoQ, but increasing by 13.37% YoY due to better local sale performance compare with last year.

	2nd Q 2015	1st Q 2015	QoQ	% QoQ	2nd Q 2014	YoY	% YoY
Total revenue	130.65	134.18	(3.53)	(2.6%)	115.25	15.40	13.37%
Local	104.58	103.54	1.04	1%	85.39	19.19	22.47%
Export	26.07	30.65	(4.58)	(14.94%)	29.86	(3.79)	(12.69%)

Gross profit margin and net profit margin

The table is shown the proportion of gross profit and net profit to total revenue for Q2, 2015

Income Statements	2nd Q 2015		2nd Q 2014		Increase / (Decrease)	
	Million Baht	%	Million Baht	%	Million	%
Total revenue from Sale & Services	130.65	100.00%	115.25	100.00%	15.40	13.37%
Cost of Sales & Services	97.00	74.24%	76.83	66.67%	20.16	26.24%

Gross Profit	33.65	25.76%	38.41	33.33%	(4.76)	(12.39%)
Other Revenue & Bad debt return	1.32	1.01%	0.67	0.58%	0.66	98.50%
Selling & Admin Expenses	26.87	20.57%	22.48	19.50%	4.40	19.55%
Management Benefit expense	7.70	5.90%	5.00	4.34%	2.71	54.18%
Financial Cost	1.06	0.81%	1.21	1.05%	(0.15)	(12.23%)
Profit & Loss Before Tax	(0.66)	(0.51%)	10.39	9.02%	(11.06)	(106.40%)
Income Tax	0.44	0.33%	1.98	1.72%	(1.55)	(77.97%)
Net Profit & Loss	(1.10)	(0.84%)	8.41	7.30%	(9.51)	(113.10%)

The Gross Profit Margin

Gross Profit Margin was decreased from 33.33% to 25.76% YoY, which was resulted from low local sale income in D&W (Asia); our subsidiary company. We have ongoing projects which will have sales revenues recognized in Q2 & Q3.

Selling & Admin Expenses

Selling & Admin Expense in 2Q 2015 was Baht 26.87 Million increasing by Baht 4.40 million YoY mainly due to the reasons below

- Investment in new product lines , we have obtained license to manufacture and sell from
 - Freedom Screens of Australia PTY LTD
 - Diamond Louvres Australia
- Investment in software for sales and logistics.
- Investment in consultants to improve business processes and to study new projects & industries.

Management Benefit expense

The increase of management benefit expense by Baht 2.71 million YoY mainly due to BSM paid bonus to directors and management based on achieve target last year.

BuilderSmart Public Company Limited

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Net Profit & Loss

The result from low gross profit margin and high selling & admin expense, BSM has net loss of Baht 1.10 Million in the 2Q 2015.

Please be informed accordingly

Yours faithfully,

Suresh Subramaniam
Chief Executive Officer