

(Translation)

REF: BSM 007/2022

August 11, 2022

Subject: Management Discussion and Analysis of Operation Results for the 2nd Quarter, ending June 30, 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 2nd Quarter, ending June 30, 2022, as follows:

1. Performance for Q2/2022, Company and its subsidiaries had revenues from sales and services of 141.41 million Baht. By including other income, interest income and gain on foreign exchange, total revenue of the Company would be 143.36 million Baht, increased by 51.12 million Baht or 55.4% compared to Q2/2021.

Construction Material business consisted of BuilderSmart Pcl and Alloy Solutions Asia Ltd. (changed name from the previous name “D&W (Asia) Co.,Ltd.”) Total sales of the companies was 94.73 million Baht, increased by 14.50 million Baht or 18.1% compared to Q2/2021, showing good signs of business after the spread of COVID-19 pandemic which cause majority losses in revenues of the companies for more than 2 years.

For Real Estate business also had been continuously affected from the COVID-19 pandemic. Real Estate business consisted of Sansara Project and Teak Development Co.,Ltd. Total sales of the companies was 46.68 million Baht, increased by 38.78 million Baht or 491.2% compared to revenue from units transferred in Q2/2021.

- i. Sansara Project is a real estate project for senior citizens located in Hua – Hin, Prachuap Khiri Khan province. Due to the limitation of international travel abroad which had been directly impacted by the pandemic, this created obstacles for transferring of property and new sales units for the project as most of the customers are foreigners. For Sansara Lifestyle Services, Ltd., the property manager of Sansara Project and service provider to residents of the project also had been affected continuously as well. However, with the clearer tourism policy from government by opening borders help Sansara business starting to be back to normal. Total revenue from Sansara in Q2/2022 was 11.14 million Baht, increased by 3.25 million Baht or 41.1% from the same period of the previous 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 due to most of potential customers are residents living in Bangkok, where the work from home policy limited from leaving their residential area. This caused the delay in property transfer of Teak-Sathorn project, which caused much decreased in Teak's revenue. For Q2/2022, Teak has total sales revenue from units transferred of 35.54 million Baht better than Q2/2021. In Q2/2022, Teak Ratchada had started transferred 4 units in the amount of 19 million Baht.

For the first 6 months period of 2022, the Company and its subsidiaries had total sales of 425.96 million Baht. After including other income, interest income and gain/loss on exchange rate, the total net income equal to 432.40 million Baht. When compared to the first half of the previous year, the Company's total net income increased 224.32 million Baht, which included selling Teak's land plot amount of 139 million Baht

2. In Q2/2022, the Company's and its subsidiaries had cost of sales amounted of 107.63 million Baht or equivalent to 76.1% of the revenue from sales and services, decreased from Q2/2021 which was 84.9%. However, Real Estate business cost of sales was high at 87.2%, while construction materials business cost of sales was 70.7%. Therefore, the Company's Gross Profit Margin for overall equal to 23.9%, increased from 15.1% in the same period of the previous year. For the first 6 months of 2022, The Company had gross profit margin of 19.1%, slightly decreased from 20.3%, when compared in the same period of the previous year
3. The selling & administrative expenses were 43.02 million Baht or 30.4% of Total revenue from sales and services, comparing with the same period of the previous year which was 32.78 million Baht or 37.2% of Total revenue from sales and services. The selling & administrative ratios was shrank due to the company had strictly controlled the selling expensed and other administrative expenses cause by the spread of COVID-19 pandemic. For the 6 months period of 2022, the selling & administrative expenses were 82.00 million Baht or equivalent to 19.2% of Total revenue, decreased from 32.1% selling & administrative expenses ratios to Total revenue from the same period of the previous year.
4. Financial cost was 5.47 million Baht, which decreased by 5.28 million Baht compared to the second quarter of the previous year due to loan repayment to bank, especially in portion of Land loan, which had been sold 3 plots since Q2/2021. In addition, Teak Sathorn had paid all the loans in Q2/2022.

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For the first 6 months period of 2022, the financial cost is 11.92 million Baht, decreased 6.01 million Baht from the same period of year earlier.

5. Tax expense was 2.37 million Baht, which increased by 2.36 million Baht compared to the second quarter of the previous year, according to the profit of the period. For the first 6 months period of 2022, the tax expense was 3.76 million Baht, increased 3.41 million Baht from the same period a year earlier, in line to the increased profit of 2022.
6. For the period of Q2/2022, the Company and its subsidiaries had a net loss attributed to Shareholders of the Company equal to 15.14 million Baht compared to the previous year same period, which had the net loss attributable to Shareholders of the Company equal to 26.11 million Baht.

For the first 6 months period of 2022, the Company and its subsidiaries had net loss attributed to Shareholders of the Company equal to 10.22 million Baht compared to the same period of the last year, net loss attributed to Shareholders of the Company equal to 36.72 million Baht. However, the company's building materials business had net profit of 13.40 million Baht or equivalent to net profit margin of 7.5%

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer