

(Translation)

REF: BSM 008/2022

November 10, 2022

Subject: Management Discussion and Analysis of Operation Results for the 3rd Quarter, ending September 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 3rd Quarter, ending September 30, 2022, as follows:

1. Performance for Q3/2022, the Company and its subsidiaries had revenues from sales and services of 161.55 million Baht. By including other income, interest income and gain on foreign exchange, the total net income of the Company would be 171.74 million Baht, decreased by 12.96 million Baht or 7.02% compared to Q3/2021.

Construction Material business consisted of BuilderSmart.,Pcl. and Alloy Solutions Asia.,Ltd. (Changed name from “D&W (Asia) Co.,Ltd.”).The total sales of the both companies was 95.89 million Baht, increased by 29.60 million Baht or 44.6% compared to Q3/2021, which showing a good sign of returning of the business after the spread of COVID-19 pandemic cause majority of the businesses for more than 2 years

For Real Estate business consisted of Sansara Project and Teak Development Co.,Ltd. Total sales of the both companies was 65.67 million Baht, increased by 189.8% compared to revenue from units transferred in Q3/2021 (exclude revenue from land sales in Q3/2021), which also showing a good sign of returning of the business after the spread of COVID-19 pandemic cause majority of the businesses for more than 2 years.

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. Due to the limitation of international travel abroad, this created obstacles for transferring of property and new sales units of the project. For Sansara Lifestyle Services, Ltd., the property manager of Sansara Project and service provider to residents of the project, had been facing the same situation. However, Thailand re-opening its borders to foreigners helps Sansara business starting to be back to normal. The total revenue

from Sansara in Q3/2022 was 25.06 million Baht, increased by 8.50 million Baht or 51.3% 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 customers and potential customers are residents living in Bangkok, where the work from home policy, no leaving their residents. This caused the delay in property transfer. For Q3/2022, Teak has 2 projects ready to sell and transfer; Teak-Sathorn and Teak-Ratchada, and has total sales revenue from units transferred of 40.61 million Baht, a lot better than only 1 unit transferred from Teak-Sathorn in Q3/2021.

For the 9 months period of 2022, the Company and its subsidiaries had total sales of 587.52 million Baht, including other income, interest income, gain/loss on exchange rate, the total net income equal to 604.14 million Baht. When compared to the first 9 months period of the previous year, the Company's total net income increased 211.36 million Baht, which included selling Land plot of Teak amount of 139 million Baht in Q1/2022

2. In Q3/2022, the Company's and its subsidiaries had cost of sales amounted 127.92 million Baht or equivalent to 79.2% of revenue from sales and services, decreased from Q3/2021 which was 96.6% because of the rising in land costs. However, cost of sales of Real Estate business was high at 86.1% while cost of sales of Construction materials business was 74.4%. Therefore, the Company's Gross Profit Margin for overall equal to 20.8%, increased from 3.4% in Q3 of the previous year. For the 9 months period of 2022, The Company had gross profit margin of 19.5%, increased from 12.2%, when compared in the same period of previous year.
3. The selling & administrative expenses were 41.12 million Baht or equivalent to 25.5% of total revenues from sales and services, close to Q3 of the previous year which was 44.63 million Baht, or 24.1% of total revenues from sales and services due to the group of the company had strictly plan for controlling costs and expenses since the firstly spread of COVID-19 epidemic.

For the 9 months period of 2022, the selling & administrative expenses were 123.12 million Baht or equivalent to 20.9% of the total revenues, decreased from amount of 109.69 million Baht or 28.3% of the total revenues from the same period of previous year.

4. Financial cost was 7.63 million Baht, which decreased by 1.26 million Baht compared to Q3 of the previous year due to Loan repayment to bank, mainly in real estate business from release mortgage and transfer both in Sansara and Teak project.

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For the 9 months period of 2022, the financial cost is 19.54 million Baht, decreased 7.27 million Baht from the same period the previous year.

5. Tax expense was 1.47 million Baht, which increased by 1.49 million Baht compared to Q3 of the previous year, For the 9 months period of 2022, the tax expense was 5.23 million Baht, increased 4.90 million Baht from the same period a year earlier, in line with the increased revenue and profit of 2022
6. For the period of Q3/2022, the Company and its subsidiaries had a net loss attributed to Equity holders of the Company equal to 7.15 million Baht compared to the same period of the previous year, which had the net loss attributable to Equity holders of the Company equal to 48.01 million Baht.

For the 9 months period of 2022, the Company and its subsidiaries had net loss attributed to Equity holders of the Company equal to 17.38 million Baht compared to the same period of the previous year, net loss attributed to Equity holders of the Company equal to 84.73 million Baht, which showing signs of good returns and back in normal of real estate business in the near future, and adding profit value to the group of company, as building materials business obtained even during economic crisis.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer

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