

(Translation)

REF: BSM 007/2024

May 10, 2024

Subject: Management Discussion and Analysis of Operation Results for the 1<sup>st</sup> Quarter, ending March 31, 2024

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 1<sup>st</sup> Quarter, ending March 31, 2024, as follows:

1. Performance for Q1/2024, The Company and its subsidiaries had revenues from sales and services of Baht 121.01 million when included with other income, interest, gain on foreign exchange, and in this quarter, one of the subsidiary companies gained a profit of Baht 7.72 million on reclassification of investment in joint venture to other investment, resulted in net total income equal to Baht 131.25 million. Compared with the first quarter of the previous year, the company's total net income increased by Baht 17.20 million or 15.09%.

Construction Material business consisted of BuilderSmart Pcl and Alloy Solutions Asia Ltd. (changed the name from the previous name “D&W (Asia) Co., Ltd.”) Total sales of the 2 companies was Baht 100.01 million, increased by Baht 12.81 million or 14.69% compared to the first quarter of the previous year. The increase in revenue from sales and services was attributed to the resurgence of various construction projects. Both private-sector construction projects, particularly commercial real estate ventures, and public-sector initiatives, such as infrastructure investments and the refurbishment of government facilities, had contributed to this upsurge.

For Real Estate business consisted of Sansara Project and Teak Development Co., Ltd. Total sales of the 2 companies were Baht 21.00 million, which decreased by Baht 4.72 million or 18.35%. In this quarter, Teak Development Co., Ltd. gained of Baht 7.72 million on reclassification of investment in joint venture to other investment.

- I. Sansara Project is a real estate project for senior citizens located in Hua – Hin, Prachuap Khiri Khan province. Q1 sales were Baht 17.40 million, which increased from the same quarter of the previous year by Baht

10.30 million or 145.07%. This increase was attributed to the commencement of land sales and transfers in Phase 2 of the project.

II. Teak Development Co., Ltd. ("TEAK") is a developer for condominium projects in central Bangkok area; Teak-Sathorn and Teak-Ratchada. In Q1/2024, there was a profit of Baht 7.72 million on reclassification of investment in joint venture to other investment and income from the sale of condominiums totaling Baht 3.60 million, which decreased by Baht 15.02 million or 80.67% from the previous year. This downturn was attributed to the continued sluggishness in the condominium business due to adverse factors such as consumer income constraints and reduced availability of homebuyer credit stemming from high household debt. Additionally, intensified price competition to offset higher interest rates contributed to the decline. However, recent economic stimulus measures announced by the government, such as reducing the remaining property transfer registration fees to 0.01% and the remaining mortgage registration fees to 0.01% for another year, coupled with forecasts indicating a gradual decrease in interest rates, were expected to stimulate increased buying demand.

2. Cost of sales and services in Q1/2024 was Baht 80.58 million or 66.59% of sales and service income. It was lower than the first quarter of the previous year with a proportion of 72.74%. The decrease was attributed to increased sales in the construction materials distribution business, which had lower costs of sales and services compared to the real estate business.

In Q1/2024, the overall of the company's gross profit margin increased from 27.26% to 33.41% compared to the first quarter of the previous year.

3. Distribution costs and administrative expenses equal to Baht 37.53 million or 28.59% of total income. Compared to the first quarter of the previous year, which was equal to Baht 40.53 million or 35.54% of total income. If we considered separating them into distribution costs, they would increase correspond to the increased sales volume. The decrease part was a result of reduced management expenses in Q1/2024. In addition, the residential retirement project had well managed expenses, resulting in a 2.30% reduction in project management expenses as a percentage of sales and service revenue.
4. Financial costs were Baht 7.29 million, which increased by Baht 0.32 million compared to the first quarter of the previous year. This increase was primarily due to higher interest rates compared to the corresponding period of the previous year.

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5. Tax expenses were Baht 2.32 million, which increased by Baht 0.77 million compared to the first quarter of the previous year, in line with the increased profit for the corresponding period of the subsidiary company, Alloy Solutions Asia Limited.
6. For Q1/2024, the company and its subsidiaries had a net profit attributable to shareholders of the parent company equal to Baht 3.21 million, representing a net profit margin of 2.45%. Compared to the same period of the previous year, where the net loss amounted to Baht 17.76 million. Overall, this is considered a positive sign for the group of companies.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit  
Chief Executive Officer