

(Translation)

REF: BSM 008/2021

May 13, 2021

Subject: Management Discussion and Analysis of Operation Results for the 1st Quarter, ending March 31, 2021

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, 2021 as follows:

1. Performance for Q1/2021, Company and its subsidiaries had revenues from sales and services of 114.36 million baht. By including other income, interest income and gain on foreign exchange, total revenue of the Company would be 115.83 million baht, decreased by 68.72 million baht or 37.2% compared to Q1/2020.

Construction Material business consisted of BuilderSmart Pcl and Alloy Solutions Asia Ltd. (changed name from the previous name “D&W (Asia) Co.,Ltd.”) Total sale of the 2 companies was 91.36 million baht, decreased by 23.66 million baht or 20.6% compared to Q1/2020.

The main reason was from the COVID-19 epidemic, affected to Thai Economic slowdown, new construction projects also slowdown and postponed, many companies had reduced budget for construction. It was affected to Company’s local sale. However, the export market, India (main export market) had opened country, the Company could be able export for some.

For Real Estate business also had been affected from the COVID-19 epidemic. Real Estate business consisted of Sansara Project and Teak Development Co.,Ltd. Total sale of the 2 companies was 22.99 million baht, decreased by 44.90 million baht or 66.1% compared to Q1/2020.

Sansara Project (Senior Living Project) had been affected because its customers mostly were foreigner not convenience entering to Thailand. That was an obstacle for both transfer and new sale units of Project. Sansara Lifestyle Service Co.,Ltd was provider management and services of Sansara common area, had also

got the impact due to less of residents, the revenue was not meet its target. The Sale of Senior Living Project in Q1/2021 was 7.80 mb, decreased 38.67 million baht or 83.2% compared to Q1/2020.

Teak Development Co.,Ltd (a developer for condominium in center point area) had got affected of the COVID-19 epidemic. Regarding their customers postponed transferring of Teak-Sathorn project, its sale had dropped. Teak's total revenue of Q1/2021 was 15.19 million baht, decreased by 6.23 million baht or 29.1% compared to Q1/2020. Currently, Teak Ratchada was on construction, expected to start recognizing revenue in Q3/2021.

2. In Q1/2021, the Company's Gross Profit Margin for overall had been increased from 21.6% to 25.3% compared to Q1 of the previous year because in Q1/2021, For Construction Material business, there was special order made to order which was higher margin than normal product.
3. The selling & administrative expenses were 33.49 million baht or equivalent to 29.3% of total revenues from sales and services, decreased comparing with Q1 last year which was 49.57 million baht, related to the decreased revenue. However, the percentage to total revenues from sales and services was increased from Q1 last year, which was 27.1%.

Percentage to total revenues from sales and services was increased due to the selling expenses of Real estate business was higher than the construction materials business, the administrative expenses amount was higher from stop recording sale gallery rental of Teak project at cost and depreciated of Sansara Project which construction has been completed and recorded as Building and Equipment. 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 in the beginning of year 2020.

4. Finance cost was 7.19 million baht, which increased by 1.25 million baht compared to Q1 of the previous year. The increasing of finance cost was resulted from the construction of Teak-Sathorn project had been finished and started transferring thus the interest expense could not be capitalized into cost of construction anymore since Q4 last year. Moreover, there was the impact of adoption of new accounting standards TFRS9 (financial instrument) and TFRS 16 (leases).
5. Tax expense was 0.35 million baht, which was a reversal of deferred tax expense. The tax expense decreased by 1.71 million baht from Q1 of the previous year .
6. From the reason above was affected to the Company and its subsidiaries had a net loss attributed to Equity holders of the Company equal to 10.6 million baht compared to the previous year same period, which had the

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net loss attributable to Equity holders of the Company equal to 16.52 million baht. However, in part of Construction Material business had still generated net profit of 6.76 million baht or equivalent to net profit margin 7.4%.

Please be informed accordingly,

Yours sincerely,

Mr. Sunchai Nuengsit
Chief Executive Officer

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