

No. B52-201911/001

11 November 2019

Subject: Management Discussion and Analysis - for the three-month period ended 30 September 2019.

To: The President of Stock Exchange of Thailand

B-52 Capital Public Company Limited (“the Company”) would like to notify the operating results that the Company reported net loss for the three-month period ended 30 September 2019 of Baht 30.4 million, net loss decreased by Baht 31 million or 50.8% compared to the same period of last year which were net loss of Baht 61.4 million. The operating results changed over 20%, main variances due to the following reasons:

1. Revenue from sales and services decrease from prior year by Baht 6.3 million or 71% due following to:

| Description   | 3Q2019<br>Million<br>Baht | 3Q2018<br>Million<br>Baht | Change<br>Million Baht | Change<br>(%) |
|---|---------------------------|---------------------------|------------------------|---------------|
| Revenue from real estate segment                            | -                         | 800.0                     | (800.0)                | (100.0%)      |
| Revenue from E-Commerce segment                             | 0.1                       | 3.1                       | (3.0)                  | (96.8%)       |
| Revenue from real estate rental and service related segment | -                         | 5.7                       | (5.7)                  | (100.0%)      |
| Revenue from trading of consumer products segment           | 11.3                      | -                         | 11.3                   | 100.0%        |
| Total   | 11.4                      | 808.8                     | (797.4)                | (98.6%)       |

#### Real Estate segment

Revenue from this business segment decrease due to the recognition sales of the ABOVE 39 condominium project at the selling price of Baht 800 million for the 3rd quarter period of 2018.

#### E-Commerce segment

Revenue from e-commerce segment in relation to e-Payment services decreased due mainly to high business competition, especially when commercial banks began big player in offering e-payment services to the merchants. In addition, other operators started offered lower rates on settlement services causing some customers decided move to operate e-Payment services with the other operators.

#### Real estate rental and services related segment

The Company’s revenue from this business segment decreased due mainly to the cancellation of ABC World’s lease agreement, which the lease termination effective by ended January 2019. The Company cease recognized revenue from this business segment since then.

#### Trading of consumer products segment

This business segment commenced operate by the Company in June 2019.

2. Cost of sales and service decrease by Baht 827.1 million or 98.7% compared to the same period of prior year.

| Description  | 3Q2019<br>Million Baht | 3Q2018<br>Million Baht | Change<br>Million Baht | Change<br>(%) |
|--|------------------------|------------------------|------------------------|---------------|
| Total revenue (Million Baht)                               | 11.4                   | 808.8                  | (797.4)                | (98.6%)       |
| Total cost of sales and cost of services<br>(Million Baht) | 11.1                   | 838.2                  | (827.1)                | (98.7%)       |
| Gross profit (loss) (Million Baht)                         | 0.3                    | (29.4)                 | 29.7                   | 101.0%        |

As resulted from the cessation of the real estate rental and services related of ABC World Project, which the lease agreement had terminated by end of January 2019, the Company had operation loss from such business segment decreased by Baht 47.1 million compared to the same period of the previous year. In which, the company recognized gross profit from the sale of ABOVE 39 project in the amount of Baht 16.5 million in the same period of last year. As a result, the company's gross profit from operations increased by Baht 29.7 million in the current quarter.

3. Selling expenses for the period of 3Q219 was Baht 1.4 million, a decrease of Baht 57.8 million or 97.6%, mainly came from the selling expenses recorded in August 2018, from disposition of the ABOVE 39 condominium project comprised brokerage and registration fees for the transferred of assets right which responsible to pay by the Company, as the Seller.
4. Administrative expenses for the period of 3Q2019 was Baht 30.3 million, an increase of Baht 12.4 million or 69.3% from the same period of last year due to recognition of non-monetary and non-recurring expenses i.e. share-based payment of Baht 11 million for the current year.

Please be informed in accordingly.

Your sincerely,

*-Naravadee Waravanitcha-*

(Ms. Naravadee Waravanitcha)

Chief Executive Officer