

No. B52-202002/001

17 February 2020

Subject: Management Discussion and Analysis - for the year ended 31 December 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 year ended 31 December 2019 of Baht 76.9 million, net loss decreased by Baht 242.5 million or 75.9% compared to last year which were net loss of Baht 319.4 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 801.9 million or 96.3% due following to:

Description	2019 Million Baht	2018 Million Baht	Change Million Baht	Change (%)
Revenue from real estate segment	-	800.0	(800.0)	(100.0%)
Revenue from E-Commerce segment	3.2	9.2	(6.0)	(65.2%)
Revenue from real estate rental and service related segment	2.7	23.9	(21.2)	(88.7%)
Revenue from trading of consumer products segment	25.3	-	25.3	100.0%
Total	31.2	833.1	(801.9)	(96.3%)

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 in August 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 services to the merchants. In addition, other operators started offered lower rates on settlement services causing some customers decided transfer their settlement services providing by 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 56 million or 100.9% compared to last year.

Description	2019 Million Baht	2018 Million Baht	Change Million Baht	Change (%)
Total revenue (Million Baht)	31.2	833.1	(801.9)	(96.2%)
Total cost of sales and cost of services (Million Baht)	30.7	888.6	(857.9)	(96.5%)
Gross profit (loss) (Million Baht)	0.5	(55.5)	(56.0)	(100.9%)

For the year 2018, the Company had loss from real estate rental and services related of ABC World Project of Baht 79 million, the gross loss for last year were offset against gross profit generated from the disposition of ABOVE 39 condominium project by Baht 19.1 million, which were resulted gross loss net of Baht 55.5 million in last year.

Operating losses for the year 2019 decrease when compare to last year due to 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 to be Baht 1.2 million recognized in 2019. Moreover, gross profit in 2019 received from trading of consumer products and e-business segments in totaling amount Baht 1.7 million.

3. Selling expenses for the year 2019 was Baht 3.1 million, a decrease of Baht 79.9 million or 96.3%, 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 year 2019 was Baht 78.4 million, decrease by Baht 49.4 million or 38.7% from last year due to recognition of non-monetary and non-recurring expenses i.e. share-based payment of Baht 61 million and impairment loss on assets of Baht 13.4 million recorded in last year. Compare to 2019, there were share-based payment recorded in Administrative expenses of Baht 11 million.
5. Corporate income tax decrease by Baht 22 million. Income tax payment for the year 2018 resulted from taxable profit from sales of ABOVE 39 condominium which calculated from the difference of selling price and taxable cost of investment received by way of Entire Business Transfer in 2016. Income tax for the year 2019 Baht 0.1 million has recorded base from deferred taxation accounting.

Please be informed in accordingly.

Your sincerely,

-Naravadee Waravanitcha-

(Ms. Naravadee Waravanitcha)

Chief Executive Officer

