

AJA.010/2020

May 12<sup>th</sup>, 2020

Subject Management Discussion and Analysis of the Consolidated Financial Statements of Quarter 1/2020

To Committee and Manager  
 The Stock Exchange of Thailand

As the resolution of Board of Director Meeting of AJ Advance Technology Public Co., Ltd. (“Company”) No.10/2020 on May 12<sup>th</sup>, 2020 approved the financial statement of Quarter 1 year 2020 as of March 31<sup>st</sup>, 2020 which had the net loss attributable to owners of the parent at 34.10 million Baht. If compared with the operation result of same period last year, company had the net loss at 125.95 million baht which was loss decreased at 91.85 million baht or 72.93 percent.

Company would like to report the operation result of Quarter 1 year 2020 as of March 31<sup>st</sup>, 2020 about the change that more than 20 percent when compared with same period of last year. The main reasons are as follows.

1. Total income was 86.80 million Baht which decrease at 26.71 million Baht or 23.53 percent when compared with same period of last year at 113.51 million Baht. Total income had changed by income categories as follows.

Unit : million Baht

Total income by category	Quarter 1 2020	Quarter 1 2019	Increase (Decrease)	Change percentage
Revenue from sales of goods	64.94	105.77	(40.83)	(38.60)
Revenue from rendering of services	20.05	4.84	15.21	314.26
Other Income	1.81	2.90	(1.09)	(37.59)
<b>Total Income</b>	<b>86.80</b>	<b>113.51</b>	<b>(26.71)</b>	<b>(23.53)</b>

The main reason is that Revenue from sales of goods decreased from the same period of last year at 40.83 million baht or 38.60 percent, which was affected by the impact of the economic slowdown including the market, conditions that have increased price competition. Affecting the company's sales decreased. For Revenue from rendering of services increased from the same period of last year at 15.21 million baht or 314.26 percent, mainly due to the increase of prepaid telephone services, prepaid phone systems, and the provision of electronic money transfer and payment services of subsidiaries (Bangkok Pay Co., Ltd.)

2. The cost of sales of goods was 52.95 million Baht or 81.53 percent of the revenue from sales of goods. The ratio of cost of sales of goods per revenue from sales of goods decreased at 4.03 percent when compared with same period of last year at 90.59 million baht or 85.56 percent of the revenue from sales of goods.

3. Loss from impairment of investment was 7.54 million baht, or 8.69 percent of total income, decreased at 85.01 million baht or 91.85 percent when compared to the same period of the last year at 92.55 million baht or 81.53 percent of total income, because the Company had investments in private fund in overseas. Funds, faced with unexpected situation and high marker fluctuation which cause negative result it its performance. Therefore set up allowance for impairment of that investment.

Please be informed accordingly.

Sincerely Yours,



(Mrs. Prangthip Chanvisitsak)

Company Secretary