

AJA.034/2021

November 11<sup>th</sup>, 2021

Subject Management Discussion and Analysis of the Consolidated Financial Statements of  
 Quarter 3/2021  
 To Committee and Manager  
 The Stock Exchange of Thailand

As the resolution of Board of Director Meeting of AJ Advance Technology Public Co., Ltd. (“the Company”) No.13/2021 on November 11<sup>th</sup>, 2021 approved the financial statement of Quarter 3 year 2021 for the nine-month period ended September 30<sup>th</sup> 2021 which had the net loss attributable to owners of the parent at 63.13 million Baht. If compared with the operation result of same period last year, company had the net loss at 103.62 million baht which was loss decreased at 40.49 million baht or 39.08 percent.

The Company would like to report the operation result of Quarter 3 year 2021 as of September 30<sup>th</sup> 2021 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 246.10 million Baht which increase at 44.46 million Baht or 22.05 percent when compared with same period of last year at 201.64 million Baht. Total income had changed by income categories as follows.

Unit : million Baht

Total income by category	Quarter 3 2021	Quarter 3 2020	Increase (Decrease)	Change percentage
Revenue from sales of goods	159.42	145.59	13.83	9.50
Revenue from rendering of services	74.80	45.89	28.91	63.00
Other Income	11.88	10.16	1.72	16.93
<b>Total Income</b>	<b>246.10</b>	<b>201.64</b>	<b>44.46</b>	<b>22.05</b>

Revenue from sales of goods was 159.42 million Baht, an increase of 13.83 million Baht or an increase of 9.50 percent when compared to the same period of last year was 145.59 million Baht, caused by electrical appliances product which the company expands online distribution channels and more TV channels. In accordance with the current market conditions and the COVID-19 situation that the consumer behavior of shopping online more

For Revenue from rendering of services was 74.80 million Baht, an increase from the same period of last year was 28.91 million Baht or 63.00 percent mainly due to the increase in the business of top-up services for prepaid phone and service prepaid kiosk, e-money service and accept payment via electronic method of the company subsidiary (Bangkok Pay Co., Ltd.) was 6.15 million Baht that has increased the number of top-up machine, and providing service to members relating to the access of Alibaba 's website purchase and sales of goods of a subsidiary (AJ E-Commerce Company Limited) was 22.13 million baht.

2. Cost of sale was 120.64 million Baht or 75.67 percent of revenue from sales of goods. The ratio of cost of sales to revenue from sales decreased at 9.02 percent when compared to the same period of the last year which was 84.70 percent due to the company's efficient cost management.

3. Cost of rendering services was 58.04 million Baht or 77.59 percent of revenue from revenue from rendering of services. The ratio of cost of rendering services increased at 12.70 percent when compared to the same period of the last year which was 64.89 percent due to this was due to the increase in Alibaba 's subscription share revenue with have high cost ratio.

4. Share of loss from investment in associates and joint ventures was 4.97 million baht, or 2.02 percent of total income, increased at 2.45 million Baht or 97.22 percent when compared to the same period of the last year, because the Company set up allowance an impairment of investment in associate and joint ventures which operating loss.

Please be informed accordingly.

Sincerely Yours,



(Mrs. Prangthip Chanvisitsak)

Company Secretary