

AJA.017/2022

 May 12th, 2022

 Subject Management Discussion and Analysis of the Consolidated Financial Statements of
 Quarter 1/2022 ([Add Information](#))

 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.5/2022 on May 12th, 2022 approved the financial statement of Quarter 1 year 2022 period ended March 31st 2022 which had the net profit attributable to owners of the parent at 10.57 million Baht increase at 32.67 million Baht or 147.83 percent. If compared with the operation result of same period last year, the Company had the net loss at 22.10 million baht.

Three-Month-Period Performance for the first quarter comparison.

Unit : million Baht	Quarter 1 2022	Quarter 1 2021	Increase (Decrease)	Change percentage
Revenue from sales of goods and rendering of services				
Revenue from sales of goods	80.48	53.81	26.67	49.56
Revenue from rendering of services	19.46	23.28	(3.82)	(16.41)
Revenue Bitcoin Mining	3.68	-	3.68	100.00
Gain on sale of cryptocurrency assets	2.34	-	2.34	100.00
Other Income	13.74	3.76	9.98	265.43
Total Income	119.70	80.85	38.85	48.05
Cost of sales	53.45	41.53	11.92	28.70
Cost of rendering services	12.05	16.34	(4.29)	(26.25)

Cost of Bitcoin Mining	3.37	-	3.37	100.00
Distribution costs	13.40	16.53	(3.13)	(18.94)
Administrative expenses	25.84	24.18	1.66	6.87
Share of profit (loss) from investments in associates and joint ventures	(0.03)	(3.80)	3.77	(99.21)
Profit (loss) for the period	11.17	(21.34)	32.51	(152.34)
Profit (loss) for the period attributable to equity holders of the Company	10.57	(22.10)	32.67	(147.83)

The Company would like to report the operation result of Quarter 1 year 2022 as of March 31st 2022 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 119.70 million Baht which increase at 38.85 million Baht or 48.05 percent when compared with same period of last year at 80.85 million Baht. Total income had changed by income categories as follows.

- Revenue from sales of goods was 80.48 million Baht, an increase at 26.67 million Baht or an increase of 49.56 percent when compared to the same period of last year was 53.81 million Baht , caused increase by electrical appliances product at 20.89 million Baht and sport sneakers product at 6.99 million Baht.
- Revenue from rendering of services was 19.46 million Baht, decrease from the same period of last year was 3.82 million Baht or 16.41 percent mainly due to the decrease in the business of providing service for Alibaba members.
- Revenue Bitcoin Mining in the amount of 2.68208975 Bitcoin, amounting at 3.68 million Baht, an increase in the whole amount or an increase of 100 percent compared to the same period of last year. Because the Company started Bitcoin mining business in early 2022.
- Gain on sale of Cryptocurrency assets was 2.34 million Baht, an increase in the whole amount or an increase of 100 percent compared to the same period last year. Because the Company started business in early 2022.

- Other Income was 13.74 million Baht an increase at 9.98 million Baht or 265.43 percent when compared to the same period of last year was 3.76 million Baht, caused Income from reversal and long - standing foreign creditors and accrued expenses long - standing at 10.06 million Baht.
- 2. Cost of sale was 53.45 million Baht or 66.41 percent of revenue from sales of goods. The ratio of cost of sales to revenue from sales decreased at 10.76 percent when compared to the same period of the last year which was 77.18 percent due to the Company has reverse allowance for declining in value of inventories at 12.42 million Baht. Because the Company's sold inventories.
- 3. Cost of Bitcoin mining was 3.37 million Baht, an increase in the whole amount or an increase of 100 percent compared to the same period last year. Because the Company started Bitcoin mining business in early 2022.
- 4. Share of loss from investment in associates and joint ventures was 0.03 million baht, decreased at 3.77 million Baht or 99.21 percent when compared to the same period of the last year, because the Company set up allowance an impairment of investment in joint ventures which has reduce operating loss.

Please be informed accordingly.

Sincerely Yours,

(Mrs. Prangthip Chanvisitsak)

Company Secretary