

AJA.028/2022

 August 11th, 2022

 Subject Management Discussion and Analysis of the Consolidated Financial Statements of
 Quarter 2/2022

 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.7/2022 on August 11th, 2022 approved the financial statement of Quarter 2 year 2022 for the six-month period ended June 30th 2022 which had the net loss attributable to owners of the parent at 44.28 million Baht increase at 5.61 million Baht or 14.51 percent. If compared with the operation result of same period last year, the Company had the net loss at 38.67 million baht.

Six – Month Period Performance for the second quarter comparison.

Unit : million Baht	Quarter 2 2022	Quarter 2 2021	Increase (Decrease)	Change percentage
Revenue from sales of goods and rendering of services				
Revenue from sales of goods	108.57	115.25	(6.68)	(5.80)
Revenue from rendering of services	37.60	35.92	1.68	4.68
Revenue Bitcoin Mining	11.34	-	11.34	100.00
Other Income	20.60	7.87	12.73	161.75
Total Income	178.11	159.04	19.07	11.99
Cost of sales				
Cost of rendering services	24.93	23.98	0.95	3.96
Cost of Bitcoin Mining	13.00	-	13.00	100.00

Distribution costs	21.72	32.45	(10.73)	(33.07)
Administrative expenses	46.37	49.72	(3.35)	(6.74)
Loss for impairment of crypto-currency assets	32.32	-	32.32	100.00
Share of profit (loss) from investments in associates and joint ventures	(0.19)	(3.78)	3.59	(94.97)
Profit (loss) for the period	(43.26)	(38.43)	(4.83)	12.57
Profit (loss) for the period attributable to equity holders of the Company	(44.28)	(38.67)	(5.61)	14.51

The Company would like to report the operation result of Quarter 2 year 2022 as of June 30th 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 178.11 million Baht which increase at 19.07 million Baht or 11.99 percent when compared with same period of last year at 159.04 million Baht. Total income had changed by income categories as follows.

- Revenue from sales of goods was 108.57 million Baht, an decreased at 6.68 million Baht or an decreased of 5.80 percent when compared to the same period of last year was 115.25 million Baht, caused decrease by electrical appliances product at 20.70 million Baht and increase in sport sneakers product at 16.61 million Baht and other products decreased at 2.58 million Baht.
- Revenue from rendering of services was 37.60 million Baht, increase from the same period of last year was 1.68 million Baht or 4.68 percent mainly due to the increase in the business of providing service for Alibaba members and revenue from Top-up service for prepaid phone and service prepaid kiosk and others decreased at 1.52 million Baht.
- Revenue Bitcoin Mining in the amount of 9.29804041 Bitcoin, amounting at 11.34 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.
- Other Income was 20.60 million Baht an increase at 12.73 million Baht or 161.75 percent when compared to the same period of last year was 7.87 million Baht, caused Income from reversal and long - standing foreign creditors and accrued expenses long - standing at 10.06 million Baht and other at 2.70 million Baht.

2. Cost of Bitcoin mining was 13.00 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.
3. Distribution costs was 21.72 million Baht, a decrease of 10.73 million Baht when compared to the same period of the previous year, at 32.45 million Baht due to the Company's ineffective cost reduction. As a result, sales-related expenses were reduced, such as salaries and commissions for salespeople, transportation costs, advertising costs and promotional expenses.
4. Loss for impairment of crypto-currency assets was 32.32 million Baht due to impairment of coins at fair value (market price), an increase in whole amount or an increase of 100% compared to the same period of the previous year.
5. Share of loss from investment in associates and joint ventures was 0.19 million Baht, decreased at 3.59 million Baht or 94.97 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