

AJA.033/2022

 November 11th, 2022

 Subject Management Discussion and Analysis of the Consolidated Financial Statements of
 Quarter 3/2022

 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.9/2022 on November 11th, 2022 approved the financial statement of Quarter 3 year 2022 for the nine-month period ended September 30th 2022 which had the net loss attributable to owners of the parent at 69.25 million Baht increase at 6.12 million Baht or 9.69 percent. If compared with the operation result of same period last year, the Company had the net loss at 63.13 million baht.

Nine – Month Period Performance for the third quarter comparison.

Unit : million Baht	Quarter 3 2022	Quarter 3 2021	Increase (Decrease)	Change percentage
Revenue from sales of goods and rendering of services				
Revenue from sales of goods	163.09	159.42	3.67	2.30
Revenue from rendering of services	53.47	52.74	0.73	1.38
Revenue Bitcoin Mining	22.01	-	22.01	100.00
Other Income	24.48	11.81	12.67	107.28
Total Income	263.05	223.97	39.08	17.45
Cost of sales				
Cost of rendering services	38.02	35.92	2.10	5.85
Cost of Bitcoin Mining	32.28	-	32.28	100.00

Distribution costs	31.74	46.23	(14.49)	(31.34)
Administrative expenses	62.87	77.15	(14.28)	(18.51)
Loss for impairment of crypto-currency assets	31.05	-	31.05	100.00
Share of profit (loss) from investments in associates and joint ventures	(0.19)	(4.96)	4.77	(96.17)
Profit (loss) for the period	(68.63)	(62.95)	(5.68)	9.02
Profit (loss) for the period attributable to equity holders of the Company	(69.25)	(63.13)	(6.12)	9.69

The Company would like to report the operation result of Quarter 3 year 2022 as of September 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 263.05 million Baht which increase at 39.08 million Baht or 17.45 percent when compared with same period of last year at 223.97 million Baht. Total income had changed by income categories as follows.

- Revenue from sales of goods was 163.09 million Baht, an increased at 3.67 million Baht or an decreased of 2.30 percent when compared to the same period of last year was 159.42 million Baht, caused decrease by electrical appliances product at 51.85 million Baht, increase by electric motorcycle products at 22.95 million Baht and increase in sport sneakers product at 35.57 million Baht.
- Revenue Bitcoin Mining in the amount of 23.317560160 Bitcoin, amounting at 22.01 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 24.48 million Baht an increase at 12.67 million Baht or 107.28 percent when compared to the same period of last year was 11.81 million Baht, caused Income from reversal and long - standing foreign creditors and accrued expenses long - standing at 10.98 million Baht and other at 1.69 million Baht.

2. Cost of Bitcoin mining was 32.28 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 31.74 million Baht, a decrease of 14.49 million Baht when compared to the same period of the previous year, at 46.23 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 31.05 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 4.77 million Baht or 96.17 percent when compared to the same period of the last year at 4.96 million Baht, 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