

AJA.011/2023

 May 11th, 2023

 Subject Management Discussion and Analysis of the Consolidated Financial Statements of
 Quarter 1 Year 2023

 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.4/2023 on May 11th, 2023 approved the financial statement of Quarter 1 year 2023 for the Three-month period ended March 31st 2023 which had the net loss attributable to owners of the parent at 5.38 million Baht loss increase at 15.95 million Baht or 150.90 percent. If compared with the operation result of same period last year, the Company had the net profit at 10.57 million baht.

Three – Month Period Performance for the third quarter comparison.

Unit : million Baht	Q.1 Year 2023	Q.1 Year 2022	Increase (Decrease)	Change percentage
Revenue from sales of goods and rendering of services				
Revenue from sales of goods	47.31	80.43	(33.21)	(41.18)
Revenue from rendering of services	4.21	5.95	(1.74)	(29.24)
Revenue Bitcoin Mining	0.75	3.68	(2.93)	(79.62)
Other Income - Reversal loss of impairment of cryptocurrency assets	14.30	-	14.30	100.00
Other Income	3.44	14.61	(11.17)	(76.45)
Total Income	70.01	104.67	(34.66)	(33.11)
Cost of sales	32.76	53.34	(20.58)	(38.58)
Cost of rendering services	3.42	4.18	(0.76)	(18.18)

Cost of Bitcoin Mining	9.83	3.37	6.46	191.69
Distribution costs	9.76	11.44	(1.68)	(14.69)
Administrative expenses	17.91	22.46	(4.55)	(20.26)
Profit (loss) for the period	(5.35)	11.17	(16.52)	(147.90)
Profit (loss) for the period attributable to equity holders of the Company	(5.38)	10.57	(15.95)	(150.90)

The Company would like to report the operation result of Quarter 1 year 2023 as of March 31 2023 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 70.01 million Baht which decrease at 34.66 million Baht or 33.11 percent when compared with same period of last year at 104.67 million Baht. Total income had changed by income categories as follows.

- Revenue from sales of goods was 47.31 million Baht, an decreased at 33.12 million Baht or an decreased of 41.18 percent when compared to the same period of last year was 80.43 million Baht, caused decrease by electrical appliances product at 63.19 million Baht, increase by electric motorcycle products at 6.95 million Baht and increase in sport sneakers product at 19.74 million Baht.
- Revenue Bitcoin Mining in the amount of 0.91383582 Bitcoin, was 0.75 million Baht, an decrease of 79.62 percent when compared to the same period of last year. Because the Company opened some bitcoin mining machines. The reason is that the price of bitcoin has decreased a lot. and the cost of electricity is increased.
- Other Income - Reversal loss of impairment of cryptocurrency assets was 14.30 million Baht , an increasing in the whole amount. When compared to the same period of the last year because the fair value price is measured from the closing price at the end of the period on March 31, 2023 is higher than the closing price at the end of the last period.

2. Cost of sales was 32.76 million Baht, an decrease of 20.58 million Baht or 35.58 percent when compared to the same period of the previous year, at 53.34 million Baht which decreased in proportion to the decrease in revenue from sales of goods.

3. Cost of Bitcoin Mining was 9.83 million Baht, an increase of 6.46 million Baht or 191.69 percent when compared to the same period of the previous year, at 3.37 million Baht. The main reason for the increase is the depreciation of bitcoin mining machine. Since the Company started mining bitcoin mining business in beginning of 2022 by gradually purchasing and installing bitcoin mining machines complete in the quarter 3/2022.

4. Administrative expenses was 17.91 million Baht, decrease of 4.55 million Baht or 20.26 percent when compared to the same period of the previous year, at 22.46 million Baht. Because the Company adjusted the reversal of the allowance for the loss of the debtor in the amount of 3.56 million baht and the reversal of the impairment loss of the deposit in the amount of 1.13 million baht.

Please be informed accordingly.

Sincerely Yours,

(Mrs. Prangthip Chanvisitsak)

Company Secretary