

AJA.004/2021

February 25th, 2021

Subject Management Discussion and Analysis of the Consolidated Financial Statements Year 2020

To Committee and Manager
 The Stock Exchange of Thailand

As the resolution of Board of Director Meeting of AJ Advance Technology Public Co., Ltd. (“Company”) No.4/2021 on February 25th, 2021 approved the financial statement for year 2020 as of December 31st, 2020 which had the net loss attributable to owners of the parent at 132.08 million Baht. If compared with the operation result of same period last year, company had the net loss at 370.24 million baht which was loss decreased at 238.17 million baht or 64.33 percent.

Company would like to report the operation result of year 2020 as of December 31st, 2020 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 363.41 million Baht which decrease at 40.33 million Baht or 9.99 percent when compared with same period of last year at 403.74 million Baht. Total income had changed by income categories as follows.

Unit : million Baht

Total income by category	2020	2019	Increase (Decrease)	Change percentage
Revenue from sales of goods	291.05	359.98	(68.93)	(19.15)
Revenue from rendering of services	59.39	32.55	26.84	82.46
Net foreign exchange gains	1.08	0.42	0.66	157.14
Investment income	0.61	3.54	(2.93)	(82.77)
Other Income	11.28	7.25	4.03	55.59
Total Income	363.41	403.74	(40.33)	(9.99)

The main reason is that Revenue from sales of goods decreased from the same period of last year at 68.93 million baht or 19.15 percent, which was affected by the impact of the economic slowdown including the market, conditions that have increased price competition, the COVID-19 situation. Affecting the company's sales decreased. For Revenue from rendering of services increased from the same period of last year at 26.84 million baht or 82.46 percent, mainly due to the increase of prepaid telephone services, prepaid phone systems, and the provision of electronic money transfer and payment services of subsidiaries (Bangkok Pay Co., Ltd.)

2. Distribution cost was 75.78 million baht or 20.85 percent of total Income, decrease at 27.99 million baht or 26.97 percent when compared to the same period of last year. Because the company has continuous control over expenses with the business in order to reduce the unnecessary expenses which able to reduce the sales expenses such as salaries and salesperson commission.

3. Impairment losses on investment was 7.89 million baht, or 2.17 percent of total income, decreased at 163.93 million baht or 95.41 percent when compared to the same period of the last year, because the Company had investments in private fund in overseas. Funds, faced with unexpected situation and high marker fluctuation which cause negative result it its performance. Therefore set up allowance for impairment of that investment.

4. Share of loss from investment in associates and joint ventures was 2.71 million baht, or 0.75 percent of total income, decreased at 35.09 million baht or 92.83 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