



No. ACC6108/02

August 14, 2018

Subject: Explanation of Financial Performance for the Quarter 2/2018 ended June 30, 2018

To: President,
The Stock Exchange of Thailand

According to the Financial Statements of Advanced Connection Corporation Public Company Limited (“the Company”) and its subsidiaries for the 6-month ended June 30, 2018, appear as comprehensive operating net Profit of the Company THB 111.48 million compare with performance for the prior year appear as comprehensive operating net Profit of the Company THB 3.60 million, increase in Profit from the prior year THB 107.87 million, due to the following reasons;

1. Total incomes of the Company increase to THB 122.90 million equal to 73.59% against to the same period of last year mainly due to:
 - 1.1) Revenue from Sales increase THB 8.18 million since the Company expanded products to all Home Pro branches
 - 1.2) Revenue from selling of electricity decrease THB 0.60 million or 1.23% due to the production decreased because of the rain and cloudy sky from April to June 2018
 - 1.3) Revenue from Real Estate Development decrease THB 62.67 million due to the Quarter 2/2018 its subsidiaries cannot recognize revenue from selling of real estate.
 - 1.4) Revenue from Banqueting and Restaurant increase THB 27.33 million. Due to the subsidiary bring back the Banqueting and Restaurant business to operate by itself. Before that the subsidiary rent out to third party, making the revenue incomplete for 6 month.
 - 1.5) Revenue from renting realty decrease THB 14.74 million due to the subsidiary bring back the Banqueting and Restaurant business to operate by itself. Before that the subsidiary rent out to third party. The company sold Land and Property Factory in Bangpoo Industrial Estate since January 18, 2018.
 - 1.6) Other revenue increase THB 165.40 million due to the profitable from selling Land and Property in Bangpoo Industrial Estate.



2. The Cost of sales and services of the Company decrease THB 2.54 million or 2.67% due to;
 - 2.1) Cost of selling fan increase THB 17.23 million due to the Company reported for loss from inventory devaluation THB 9.96 million, report in cost of selling. The Gross Profit Margin has decreased due to the Company discount price of fan.
 - 2.2) Cost of renewable energy increase THB 1.22 million or 5.52%. The depreciation has increased due to the subsidiary installed additional solar panels.
 - 2.3) Cost of Real Estate Development decrease THB 35.91 million or 97.22% due to in quarter 2/2018 the subsidiary cannot recognize revenue and the subsidiary discounted price on the Townhome Project, Sattahip, Chonburi, making the selling price lower than its cost in some units. The subsidiary report the difference in the cost THB 1.03 million.
 - 2.4) Cost of Banqueting and Restaurant increase THB 24.91 million and cost of renting property decrease THB 9.65 million due to the subsidiary bring back the Banqueting and Restaurant business to operate by itself instead of rent out and the Company sold Land and Property factory in Bangpoo Industrial Estate.
3. Selling and administrative expenses increase THB 21.17 million or 57.50% due to;
 - 3.1) Selling and service expenses decrease THB 0.34 million or 4.36%.
 - 3.2) Administrative expenses increase THB 21.51 million or 74.25% due to expansion of Banqueting and Restaurant business.
4. Financial cost decrease THB 8.06 million or 26.49% due to the Company has redeemed debenture THB 600 million and issued new debenture THB 255.20 million, decrease accrued interest.

Please be clarified to announce for investors and other interested persons accordingly.

Yours Sincerely,

Ekawat Swetarat

(Mr.Ekawat Swetarat)

Deputy Managing Director