



(Translation)

No. ACC6702/001

February 28, 2024

Subject: Clarification of operating results for the Annual Year 2023 (Revised)

To: The President,
The Stock Exchange of Thailand

Advanced Connection Corporation Public Company Limited “the Company” submitted the Financial Statements of the Company and subsidiaries for the Annual year 2023 ended December 31, 2023, that the Company has net loss of Baht 81.76 million, whereas net profit of Baht 161.84 million in the same period of prior year, mainly results from;

1. Revenue from sales increased by Baht 103.76 million because the Company has Revenue from sales from trading increase baht 76.61 million, Revenue form loan increasing increased by baht 15.04 million, Revenue form construction Contractor increased by baht 9.14 million, other sales increased by baht 2.11 million, totally increasing in gross profit by Baht 21.7 million.
2. Profit from disposal of investment in subsidiaries decreased by Baht 245.25 million because in the same period of the previous year, the company had a profit from the sale of investments in subsidiaries in the amount of 246.78 million baht.
3. Distribution cost increased by Baht 0.87 million.
4. Financial cost increased by Baht 2.60 million.
5. Administrative expense increased baht 21.86 million mainly resulting from Amortize costs of production Baht 23.76 million.

The main products distributed by the company through buying and selling business include:



Solar panels and equipment. the company conducts business through ACC Infra Co., Ltd., a subsidiary company, holding 100% of the shares. The company imports solar panels and equipment from China to be sold in the country based on past performance, sales of solar panels and equipment have a gross profit.

Micropiles. Advanced Connection Corporation Public Company Limited is a company that purchases micropiles from local manufacturers. Sales of micropiles: according to the past performance, the company realized gross profit from the sale of micropiles.

Fresh fruits, include fresh durians, fresh lady finger bananas, fresh coconuts, and fresh mangosteens. The company operates through ACC Global Trading Limited and holds 100% of the shares. The company purchases fresh fruits from farmers and export them to China. The export of fresh fruit is a product that has a gross operating loss. Due to the export of fresh fruits to China, the price is determined by the buyer based on the market price on the date of arrival of the goods. Resulting in significant losses in the export of fresh fruits.

In this regard, the business practices allow the group of companies to have gross profits. The company is in the process of introducing other types of products that can generate profits for distribution. Including the expansion of the business of selling electricity from solar energy in the form of PPA (Power purchase agreement) that has started business since February 2024, which has the nature of business operations. The company is the investor in installing the solar cell system to reduce the use of electricity from the electricity and the company will charge electricity according to the amount of electricity saved. After the contract ends, the company will transfer ownership of all solar panels to the customer. The normal duration of the electricity sales contract is approximately 15 -20 years.

In addition, the operating performance of the subsidiary has incurred operating losses. In order to display the expected return value of the subsidiary's capital value, the company recorded losses on impairment of subsidiary investments. According to the accounting standards as of December 31, 2023, the company has recorded impairment losses for subsidiaries, as detailed below:

Subsidiaries	Investment	Investment impairment	Impairment accumulated investment
ACC Infra Co., Ltd.	330.00	13.15	57.77
Bangpakong Solar Power Co., Ltd.	24.99	0.39	3.54
ACC Cannabis Co., Ltd.	32.00	17.93	32.00
ACC Lanmark Co., Ltd.	37.50	5.70	5.70
ACC Global Trade Co., Ltd.	200	6.72	6.72
Total	624.49	43.89	105.73

Recording impairment of investments in subsidiaries is considered appropriate. Before investing, the Audit Committee and the Board of Directors consider the investment appropriate because as of the date of investment, the company wants to expand its business to the expected growth. But due to the burden of competition and economic conditions, the operating results did not meet the set goals. However, due to competition and economic conditions, the company's operating performance did not meet the target. The management has established guidelines for expanding the business to other profitable businesses to create competitiveness

Please be clarified and publish to investors and interested parties.

Best Regards,

-- Vichien Uasanguankul--

(Mr. Vichien Uasanguankul)

Managing Director