

ACC6708/001

August 14, 2024

Subject: Clarification of operating results for the second quarter of 2024 ended June 30, 2024 (Clarifies information on selling shares of ACC Cannabis Company Limited and other information according requested by SET)

Dear Directors and Managers
Stock Exchange of Thailand

According to Advanced Connection Corporation Public Company Limited, the “Company” has submitted the financial statements of the Company and its subsidiaries for the second quarter of 2024, ended June 30, 2024, it appears that the operating results of the mentioned period had the net loss 39.04 million baht. But in the same period of last year, there was the net loss of 23.68 million baht. The Company had the net loss increased from the same period of last year by 15.36 million baht or 64.84 % in the same period of prior year, mainly results from;

1. Revenues from sales and services decreased by Baht 17.14 million decreased 43.81 million baht or decreased 71.88 % mainly results from;
 - 1.1 Revenues from Trading amount 4.99 million baht decrease 46.13 million baht or 90.23% the company stopped exporting fresh fruit.
 - 1.2 Revenues from Construction Contractor amount 3.25 million baht or increase 1.30 million baht or 66.17% because in the second quarter of 2024, the company can recognize revenue from construction contracting.
 - 1.3 Revenues from Financing amount 8.47 million baht increase 1.82 million baht or increase 27.41% because in the second quarter of 2024, the company and loans to non-performing asset purchase increase.
2. Costs of sales and services amount 9.25 million baht decrease 48.94 million baht or 84.10% because cost of trading decrease from as the company stops exporting fresh fruits.

3. Administrative expenses amount 36.51 million baht increase 4.27 million baht or 13.23% mainly of Loss from the revaluation of real estate project inventory of 9.09 million baht.
4. In the second quarter of 2024, the Company sold its investment in ACC Cannabis Co., Ltd., resulting in a loss of 11.89 million baht, as the Company announced to the Stock Exchange on July 8, 2024.

Additional clarification as follows:

1. The company has stopped the fresh fruit export business since July 24, 2023 due to exporting fresh fruits to the People's Republic of China. The price of the product is determined by the buyer when the product is delivered to its destination based on the market price on the date the product reaches its destination result in gross loss margin. The cessation of the fruit export business resulted in the proportion of revenue from the distribution business decreasing by more than 87 percent and total sales and service income decreased by 30 percent. Gross profit increased by 319 percent. However, there is a positive impact on the overall operating results because in the past the export of fresh fruit had resulted in the distribution business being gross loss margin. In addition, the cessation of the fresh fruit export business, the Company's financial statements for the second quarter of 2024.

Nevertheless, the company has no allowance for impairment of assets from the cessation of fresh fruit export business because the company does not have assets used for business operations and there is no allowance for impairment of investments in subsidiaries item. Currently, the company's distribution businesses such as solar panels and equipment

2. The construction contracting business has gross losses because the company has increased costs from changing subcontractors and additional required equipment, As a result, the additional costs will occur immediately in second quarter of 2024, resulting in a gross loss in this period. In case of including all projects, the company still has a gross profit which is in accordance with the estimates budget of the company.

For the renewable energy business incurred a gross loss because the company sold rooftop solar power to tenants of building space within the Wincoast Industrial Park as

only one project, capacity 0.75 megawatts, in the amount of electricity sold decreased because tenants used the rented space to store products, causing electricity usage to decrease. As a result, there was a gross loss from the depreciation of solar panels and equipment. For solutions, the company has worked with Wincoast Industrial Park Public Company Limited to find for a manufacturer to replace the existing tenant and try to expand the distribution of electricity to other areas.

3. Loss from valuation of real estate project inventories of the Townline project which are all projects of the company, the project began in 2016, completed and sales in 2017. The project is located on Thetsaban 9 Road (opposite Sattahip Temple), Sattahip District, Chonburi Province. The total project value is 99.62 million baht. Currently, the project value remaining for sale is 45.60 million baht, which does not include losses from inventory appraisal. The reason for the loss from the valuation of inventories was 9.83 million baht. Because of the valuation of the independent appraiser causing the net value expected to be received to decrease. So the company plans to sell the remaining projects within 2025, However it depend on economic conditions and buyers' needs. This project is the last project of the real estate development business.

4. Sale of investment in ACC Cannabis Company Limited at a price of 34.00 million baht, of which 5.00 million baht has been paid on June 27, 2024, remaining 29.00 million baht, paid in 4 post-dated checks. Divided into 3 checks in the amount of 1.00 million baht, dated 27 September 2024, 27 December 2024 and 27 March 2025, the last one in the amount of 26 million baht, dated 27 June 2025. Before depositing a check into a bank account The company will notify the buyer before the due date. for the buyer to prepare the money. However, the company will report on the progress of receiving payments along with submitting financial statements until the company has received the full amount.

5. Advance payment of 10.88 million baht, an increase of 6.45 million baht. Important items are deposits for solar equipment and construction business in the amount of 5.96 million baht, deposit for office decoration in the amount of 1.26 million baht, deposit for financial advisor fees of 1.55 million baht, deposit for rental of 1.57 million baht. All items are payments made in the normal activity of general business. and according to approval authority.

6. The Receivables are overdue for more than 12 months, in amount of 3.33 million baht, increased by 1.68 million baht, resulting from the solar panel distribution and equipment had an impact on trade accounts receivable to have problems unable to pay on time. The company has continued to collect debts. The companies have continuously follow up on debts, according to company policy, In case of debtors is overdue for more than 60 days, the company will send a letter notifying them to repay the debt with late payment interest of 5 percent per year, 2 times. However, in case of the debtor ignores, the company delegated the law firm issue a notice. As for recording allowance for doubtful accounts for trade receivables, if trade receivables are overdue for more than 12 months, the company will record allowance for doubtful debts for overdue receivables in full.

Therefore, please be informed for this dissemination to investors and interested parties in general acknowledgement.

Best regards,

-- Vichien Uasanguankul--

(Mr. Vichien Uasanguankul)

Managing Director