



AC6305/006

May 14, 2020

Subject Clarification of the operating results for the quarter 1/2020 ended March 31, 2020  
To Director/ Managing Director  
The Stock Exchange of Thailand

According to Advanced Connection Corporation Public Company Limited (“the Company”) has received financial relief from the Company and subsidiaries for 3 months approval for the year ended 31 March 2020. It appears that the operating results with a net loss of Baht 22.51 million but in the same period of the previous year there was a net profit of Baht 5.21 million. There was net loss increased Baht 27.72 million from the same period last year. The Company would like to clarify the reasons as follows:

1. The total revenues of the Group for the Quarter 1/2020, amount Baht 44.30 million, decrease by Baht 23.92 million or 35.06 percent when compared to the same period of the previous year because
  - 1.1) Sales revenue, amount Baht 2.02 million, decrease by Baht 1.61 million or 44.44 percent because the Company’s inventories, ceiling fans and lamps and plans, are obsolete products and are not in current demand of the market. The Company plans to cancel the sale of ceiling fans in the future.
  - 1.2) Revenue from electricity sales, amount Baht 25.15 million, decrease by Baht 0.94 million or 3.60 percent because the inappropriate weather condition due to high dust density.
  - 1.3) Revenue from the banquet rooms and restaurant, amount Baht 16.14 million, decrease by Baht 13.65 million or 45.83 percent because of the impact of Corona Virus (COVID-19) causing the tourism industry drops throughout the quarter.
  - 1.4) Revenue from rentals the real estate, amount Baht 0.036 million, decrease Baht 0.015 million or decreased 29.41 percent due to less tenant.
  - 1.5) Other Incomes, amount Baht 0.97 million, decrease Baht 7.70 million or 88.85 percent because in the last year the Company had a major other income transaction from selling 4 units of Country Complex condominium, net gain from selling was Baht 7.46 million.



2. The costs of goods sold and services of the Group, amount Baht 26.91 million, decrease by Baht 7.20 million or 71.36 percent compared to the same period of the previous year due to the reasons as follows:
  - 2.1) Costs of fans sold, amount Baht 1.57 million, increase by Baht 0.53 million or 51.59 percent because the last year costs of fans sold included the reversal of provision for obsolescence, so the cost of fans sold in last year seems to be low.
  - 2.2) Costs of renewable energy, amount Baht 8.14 million, decrease by Baht 2.12 million or 20.66 percent because the decrease in depreciation of solar cells and machines used in electricity production after having the allowance for impairment following the accounting standards.
  - 2.3) Costs from the banquet rooms and restaurant, amount Baht 17.15 million, decrease by Baht 5.59 million or 24.57 percent due to drop in sales.
  - 2.4) Costs of rental real estate, amount Baht 0.05 million, decrease Baht 0.02 million or 35.00 percent due to decline in electricity cost.
3. The Group had the selling and administrative expenses, amount Baht 34.08 million, increase by Baht 13.29 million or 64.15 percent due to the main reason as follows:
  - 3.1) Lawyer expenses, amount Baht 15.46 million, because the Company has filed a lawsuit against the previous authorized director, who approved the purchase of land areas in Koh Sirey Land, Phuket Province and the extensions and improvements to the Pub Pla building, the photo gallery of “Jao Nai Muang Nueng” and Loi Kathong’s dock of C.E.I (Chiang Mai) Company Limited. This is a criminal case to the Phra Khanong criminal court, a Black Case number 269/2563 (detailed in Note to the Financial Statements No.26)
4. Financial costs, amount Baht 4.80 million, decrease Baht 2.40 million or 33.26 percent because the Company has redeemed the debentures, Baht 100 million. Thus, the debentures were declined causing interest expenses to drop. Currently, the Company has a net balance of debentures amount Baht 155.20 million.

Therefore, to clarify in order to disseminate to investors and interested parties in general

Best Regards,

--Angoon Phimphkorn--

(Mr.Angoon Phimphkorn)

Assistant Managing Director