

No. AKP-MD 017/2018

November 8, 2018

Re: Discussion and Analysis of Financial Position and Results of Operations
To: President
Stock Exchange of Thailand

Akkhie Prakarn Public Company Limited (the "Company") hereby clarifies the operating performance of the 3rd quarter and the accumulated balance for the nine-month period ended September 30, 2018 as detailed below:

Performance Analysis

Overall operating results for the second quarter ended September 30, 2018

In Thousand Baht

Statement of Income	Quarter 3/18	percent	Quarter 3/17	percent	crease(Decrease)	percent
Service revenue	136,656	96.81%	128,140	99.30%	8,516	6.65%
Other income	4,509	3.19%	898	0.70%	3,611	402.12%
Total income	141,165	100.00%	129,038	100.00%	12,127	9.40%
Cost of service	(98,906)	-72.38%	(99,007)	-77.26%	101	-0.10%
Gross margin	37,750	27.62%	29,133	22.74%	8,617	29.58%
Cost of service	(4,660)	-3.30%	(2,759)	-2.14%	(1,901)	68.90%
Administrative expenses	(8,045)	-5.70%	(9,431)	-7.31%	1,386	-14.70%
Executive compensation	(4,788)	-3.39%	(5,054)	-3.92%	266	-5.26%
Total expenses	(17,493)	-12.39%	(17,244)	-13.36%	(249)	1.44%
Profit before finance costs and i	24,766	17.54%	12,787	9.91%	11,979	93.68%
Financial cost	(125)	-0.09%	(148)	-0.11%	23	-15.54%
Profit before tax	24,641	17.46%	12,639	9.79%	12,002	94.96%
Income tax expenses	(6,067)	-4.30%	(2,825)	-2.19%	(3,242)	114.76%
Profir for the Period	18,574	13.16%	9,814	7.61%	8,760	89.26%

The ratio in the income statement is as a percentage of total revenue, except for the cost of services and gross profit that expressed as a percentage of revenues from services.

Overall operating results for the six-month period ended September 30, 2018

Statement of Income	ne-month/18	percent	nine-month/17	percent	crease(Decrease)	percent
Services revenue	414,336	98.51%	394,614	98.38%	19,722	5.00%
Other income	6,286	1.49%	6,485	1.62%	(199)	-3.07%
Total income	420,622	100.00%	401,099	100.00%	19,523	4.87%
Cost of service	(311,130)	-75.09%	(293,106)	-74.28%	(18,024)	6.15%
Gross Margin	103,206	24.91%	101,508	25.72%	1,698	1.67%
Cost of service	(10,362)	-2.46%	(7,221)	-1.80%	(3,141)	43.50%
Administrative expenses	(30,248)	-7.19%	(29,968)	-7.47%	(280)	0.93%
Executive Compensation	(15,385)	-3.66%	(15,265)	-3.81%	(120)	0.79%
Total expenses	(55,995)	-13.31%	(52,454)	-13.08%	(3,541)	6.75%
Profit before finance costs and i	53,497	12.72%	55,539	13.85%	(2,042)	-3.68%
Finance costs	(374)	-0.09%	(439)	-0.11%	65	-14.81%
Profit before tax	53,123	12.63%	55,100	13.74%	(1,977)	-3.59%
Income tax expense	(12,460)	-2.96%	(11,712)	-2.92%	(748)	6.39%
Profit for the period	40,663	9.67%	43,388	10.82%	(2,725)	-6.28%

The ratio in the income statement is as a percentage of total revenue, except for the cost of services and gross profit that expressed as a percentage of revenues from services.

Service revenue:

Revenue from industry waste disposal services for Q3 2018 increased for 8.516 million baht or 6.65 percent compared to the same period in the previous year. The revenue growth in the second quarter due to an increasing of sales volume by 17.31 percent while average price per ton decreased by 1.70 percent compared to the same period in the previous year.

Revenue from industry waste disposal services for the nine-month period increased by 19.722 million baht or 5 percent compared to the same period last year. The sales volume of industrial waste disposal increased by 17.62 percent and the average price per ton of waste decreased by 8.17 percent compared to the same period in the previous year.

Cost of Service :

Cost of industry waste disposal services for Q3 2018 and the nine-month depend on the variable costs which are the cost of fuel used in burning, the cost of transportation and equipment and DIW benefits. And there are some fixed costs of operation, which are Salaries and employee benefits, Depreciation of machinery and equipment.

Other income:

Other incomes were from other services, transportation, and interest income.

Administrative expenses, Executive Compensation and Financial costs:

Most of these expenses are the Sales Support Expenses, Salaries and employee benefits, executive compensation, and office expenses.

Profit for the period:

From the above reasons and causes, The Company's net profit for the third quarter increased by 8.76 million Baht or 89.26 percent and the profit for the nine-month period ended on 30 September 2018 decreased by 2.72 million Baht or 6.28 percent compared with the same period of the previous year.

Analysis

Overall financial position as at September 30, 2018

In Thousand Baht

Statement of financial position	30-Sep-18	perent	31-Dec-17	percent	crease(Decrease)	percent
total asset	614,156	100.00%	604,310	100.00%	9,846	1.63%
Total Liabilities	106,979	17.42%	109,516	18.12%	(2,537)	-2.32%
Total equity attributable to shareholders	507,177	82.58%	494,794	81.88%	12,383	2.50%

Analysis of Assets

The total assets as at September 30, 2018 increased by 9.85 million baht or 1.63 percent without significant changes in asset.

Analysis of liabilities

The total liabilities as at September 30, 2018 decreased by 2.54 million baht or 2.32 percent.

Analysis of shareholders

The equity shares as at September 30, 2018 amounting 507.18 increased from the beginning of the year by 12.38 million baht from operational profit for the nine-month period amounting 40.66 million baht and dividend amounting 28.28 million baht.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)
President & CEO