

No. AKP-MD 013/2561

August 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 2nd quarter and the accumulated balance for the six-month period ended June 30, 2018 as detailed below:

Performance Analysis

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

In Thousand Baht

Statements of Income	Quarter 2/18	percent	Quarter 2/17	percent	Increase (decrease)	percent
Services revenue	137,846	99.16%	137,931	96.45%	(85)	-0.06%
Other income	1,169	0.84%	5,078	3.55%	(3,909)	-76.98%
Total income	139,015	100.00%	143,009	100.00%	(3,994)	-2.79%
Cost of service	(102,720)	-74.52%	(95,645)	-69.34%	(7,075)	7.40%
Gross Margin	35,126	25.48%	42,286	30.66%	(7,160)	-16.93%
Cost of service	(3,533)	-2.54%	(2,459)	-1.72%	(1,074)	43.68%
Administrative expenses	(10,525)	-7.57%	(10,055)	-7.03%	(470)	4.67%
Executive Compensation	(5,801)	-4.17%	(5,618)	-3.93%	(183)	3.26%
Total expenses	(19,859)	-14.29%	(18,132)	-12.68%	(1,727)	9.52%
Profit before finance costs and income tax	16,436	11.82%	29,232	20.44%	(12,796)	-43.77%
Finance costs	(125)	-0.09%	(128)	-0.09%	3	-2.34%
Profit before tax	16,311	11.73%	29,104	20.35%	(12,793)	-43.96%
Income tax expense	(3,587)	-2.58%	(5,583)	-3.90%	1,996	-35.75%
Profit for the period	12,724	9.15%	23,521	16.45%	(10,797)	-45.90%

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 June 30, 2018

Statements of Income	six-month /18	percent	six-month/17	percent	Increase (decrease)	percent
Services revenue	277,680	99.36%	266,474	97.95%	11,206	4.21%
Other income	1,777	0.64%	5,587	2.05%	(3,810)	-68.19%
Total income	279,457	100.00%	272,061	100.00%	7,396	2.72%
Cost of service	(212,223)	-76.43%	(194,100)	-72.84%	(18,123)	9.34%
Gross Margin	65,457	23.57%	72,374	27.16%	(6,917)	-9.56%
Cost of service	(6,324)	-2.26%	(4,462)	-1.64%	(1,862)	41.73%
Administrative expenses	(21,580)	-7.72%	(20,537)	-7.55%	(1,043)	5.08%
Executive Compensation	(10,596)	-3.79%	(10,211)	-3.75%	(385)	3.77%
Total expenses	(38,500)	-13.78%	(35,210)	-12.94%	(3,290)	9.34%
Profit before finance costs and i	28,734	10.28%	42,751	15.71%	(14,017)	-32.79%
Finance costs	(250)	-0.09%	(291)	-0.11%	41	-14.09%
Profit before tax	28,484	10.19%	42,460	15.61%	(13,976)	-32.92%
Income tax expense	(6,394)	-2.29%	(8,888)	-3.27%	2,494	-28.06%
Profit for the period	22,090	7.90%	33,572	12.34%	(11,482)	-34.20%

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 Q2 2018 decreased for 0.085 million baht or 0.06 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 18.06 percent while average price per ton decreased by 14.97 percent compared to the same period in the previous year.

Revenue from industry waste disposal services for the six-month period increased by 11.206 million baht or 4.21 percent compared to the same period last year. The sales volume of industrial waste disposal increased by 17.78 percent and the average price per ton of waste decreased by 11.27 percent compared to the same period in the previous year.

Cost of Service :

Cost of industry waste disposal services for Q2 2018 and the six-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 Vehicles to transport. The significant cost increased in Q2 is from cost of fuel which increased 11.47 million baht or 66.69 percent when compared to the same period of the previous year.

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 second quarter decreased by 10.80 million Baht or 45.90 percent and the profit for the six-month period ended on 30 June 2018 decreased by 11.48 million Baht or 34.20 percent compared with the same period of the previous year.

Analysis

Overall financial position as at 30 June 2018

In Thousand Baht

Statement of financial position	30-Jun-18	percent	31-Dec-17	percent	increase(decrease)	percent
total asset	596,546	100.00%	604,310	100.00%	(7,764)	-1.28%
Total Liabilities	107,942	18.09%	109,516	18.12%	(1,574)	-1.44%
Total equity attributable to shareholders	488,604	81.91%	494,794	81.88%	(6,190)	-1.25%

Analysis of Assets

The total assets as at 30 June 2018 decreased by 7.76 million baht or 1.28 percent without significant changes in asset.

Analysis of liabilities

The total liabilities as at 30 June 2018 decreased by 1.57 million baht or 1.44 percent.

Analysis of shareholders

The equity shares as at 30 June 2018 amounting 488.6 decreased from the beginning of the year by 6.19 million baht from operational profit for the six-month period amounting 22.09 million baht and dividend amounting 28.28 million baht.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)
President & CEO