

May 11, 2019

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 1st quarter and the accumulated balance for the three-month period ended March 31, 2019 as detailed below:

Performance Analysis

Overall operating results for the first quarter ended March 31, 2019

In Thousand Baht

Statements of Income	Quarter 1/19	percent	Quarter 1/18	percent	Increase (decrease)	percent
Services revenue	104,320	97.92%	139,833	99.57%	(35,513)	-25.40%
Other income	2,220	2.08%	608	0.43%	1,612	265.13%
Total income	106,540	100.00%	140,441	100.00%	(33,901)	-24.14%
Cost of service	(77,591)	-74.38%	(109,503)	-78.31%	31,912	-29.14%
Gross Margin	26,729	25.62%	30,330	21.69%	(3,601)	-11.87%
Cost of service	(4,167)	-3.91%	(2,791)	-1.99%	(1,376)	49.30%
Administrative expenses	(9,169)	-8.61%	(11,055)	-7.87%	1,886	-17.06%
Executive Compensation	(4,560)	-4.28%	(4,795)	-3.41%	235	-4.90%
Total expenses	(17,896)	-16.80%	(18,641)	-13.27%	745	-4.00%
Profit before finance costs and income taxes	11,053	10.37%	12,297	8.76%	(1,244)	-10.12%
Finance costs	(116)	-0.11%	(125)	-0.09%	9	-7.20%
Profit before tax	10,937	10.27%	12,172	8.67%	(1,235)	-10.15%
Income tax expense	(2,371)	-2.23%	(2,806)	-2.00%	435	-15.50%
Profit for the period	8,566	8.04%	9,366	6.67%	(800)	-8.54%

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 Q1 2019 decreased for 35.513 million baht or 25.40 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 26.39 percent while average price per ton increased by 4.10 percent compared to the same period in the previous year. Caused by external factors affecting the amount of industrial waste which the company is adjusting the strategy to suit the situation.

Cost of Service :

Cost of industry waste disposal services for Q1 2019 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. Which the company can reduce the Cost of industry waste from 78.31 percent to 74.38 percent of service revenue.

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. The company has adjusted some fixed cost strategies in marketing to be variable costs according to the company's revenue. Resulting in a reduction in service and administrative expenses of 0.754 million baht.

Profit for the period:

From causes, effects and problem solving strategies resulting in an increase in the net profit margin for the first quarter from 6.67 percent to 8.04 percent. When compared to the same quarter of the previous year with a net profit falling from the same quarter of the previous year at only 8 hundred thousand baht.

Analysis

Overall financial position as at 31 March 2019

In Thousand Baht

Statement of financial position	31-Mac-19	percent	31-Des-18	percent	increase(decrease)	percent
total asset	636,337	100.00%	639,141	100.00%	(2,804)	-0.44%
Total Liabilities	99,170	15.58%	110,540	17.30%	(11,370)	-10.29%
Total equity attributable to shareholders	537,167	84.42%	528,601	82.70%	8,566	1.62%

Analysis of Assets

The total assets as at 31 March 2019 decreased by 2.804 million baht or 0.44 percent. In this quarter, the Company invested in ordinary shares of EARTH TECH ENVIRONMENT COMPANY LIMITED ("ETC") amount of 193.713 million baht. Which is a businesses are generation and distribution of electricity from industrial waste.

Analysis of liabilities

The total liabilities as at 31 March 2019 decreased by 11.37 million baht or 10.29 percent which is the payment of normal trade creditors.

Analysis of shareholders

The equity shares as at 31 March 2019 amounting 537.167 million baht, increased from the beginning of the year in the amount of 8.566 million baht caused by the total operating profit.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)
President & CEO