

May 9, 2020

Re: Discussion and Analysis of Financial Position and Results of Operations

To: President

Stock Exchange of Thailand

Akkhie Prakam Public Company Limited (the "Company") hereby clarifies the operating performance for the balance for Quarter1, ended March 31, 2020 as detailed below:

Performance Analysis

Overall operating results for the three – Month period ended March31, 2020

Unit : Thousand Baht

Statements of income	31 Mar 20	percent	31 Mar 19	percent	Increase(decrease)	percent
Services revenue	87,930	99.24%	104,320	97.92%	(16,390)	-15.71%
Other income	673	0.76%	2,220	2.08%	(1,547)	-69.68%
Total income	88,603	100.00%	106,540	100.00%	(17,937)	-16.84%
Cost of service	(80,128)	-91.13%	(77,591)	-74.38%	(2,537)	3.27%
Gross Margin	7,802	8.87%	26,729	25.62%	(18,927)	-70.81%
Service expenses	(3,976)	-4.49%	(4,167)	-3.91%	191	-4.58%
Administrative expenses	(7,196)	-8.12%	(8,869)	-8.32%	1,673	-18.86%
Management compensation	(4,060)	-4.58%	(4,560)	-4.28%	500	-10.96%
Total Expenses	(15,232)	-17.19%	(17,596)	-16.52%	2,364	-13.43%
Ebit	(6,757)	-7.63%	11,353	10.66%	(18,110)	-159.52%
Finance costs	(1,221)	-1.38%	(416)	-0.39%	(805)	193.51%
Profit before share investment in associates	(7,978)	-9.00%	10,937	10.27%	(18,915)	-172.95%
Share of profit investment in associates	2,232	2.52%	187	0.00%	2,045	100.00%
Profit (loss) before income tax expense	(5,746)	-6.49%	11,124	10.44%	(16,870)	-151.65%
Income tax expense	(1,328)	-1.50%	(2,371)	-2.23%	1,043	-43.99%
Net profit (loss) for the period	(7,074)	-7.98%	8,753	8.22%	(15,827)	-180.82%

Remarks: 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 industrial waste disposal services for Quarter1 decreased 16.39 million Baht or 15.71 percent compared to the same period of the previous year. The revenue decreased from decreasing volume of industrial waste by 19.78 percent but the company is still able to increase the average service rate per ton increased by 2.49 percent compared to the same period of the previous year, caused by external factors affecting the amount of industrial waste, the company is currently adjusting the strategy to the situation.

Cost of Service :

Cost of industrial waste disposal services consists of variable costs including the cost of fuels used in combusting the cost of transportation and equipment and DIW benefits; and fixed costs of operation including salaries and employee benefits, depreciation of machinery and equipment. The company is currently developing the machine operation technique. To be able to save more costs.

Other income:

Other incomes derived from other services 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 variable costs according to the company's revenue.

Share of profit from investment in associates:

This is an investment in small scale power plant business, which recognises profit (loss) under the equity method, For this quarter, the profit is 2.04 million Baht.

Profit for the quarter:

According to the previous causes, the company's net loss for this quarter.

Analysis

Overall financial position as at 31 March 2020

Unit : Thousand Baht

Statement of financial position	31 Mar 20	percent	31 Dec 19	percent	increase(decrease)	percent
Total assets	672,459	100.00%	631,253	100.00%	41,206	6.53%
Total liabilities	146,039	21.72%	97,759	15.49%	48,280	49.39%
Total shareholders equity	526,420	78.28%	533,494	84.51%	(7,074)	-1.33%

Analysis of Assets

The total assets as at March 31, 2020 increased by 41.21 million Baht or 6.53 percent. In this Quarter, Caused by the company adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 As detailed in Note 3,9,10 to the interim financial statements.

Analysis of liabilities

The total liabilities as at March 31, 2020 increased by 48.28 million Baht or 49.39 percent which by the company recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments due to TFRS 16 adoption as at January 1, 2020 As detailed in Note 3,9,10 to the interim financial statements.

Analysis of shareholders

Shareholders' equity as of March 31, 2020, in the amount of 526.42 million baht, decreased by 7.07 million baht due to total operating losses.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)

President & CEO