

May 13, 2022

Re: Discussion and Analysis of Financial Position and Operating Performance

To: Director and Manager of the Stock Exchange of Thailand

Akkhie Prakarn Public Company Limited (the "Company") hereby clarifies the operating performance for the Quarter 1, ended March 31, 2022 as detailed below:

Operating Performance Analysis

Overall operating results for the Quarter 1, ended March 31, 2022

Unit: Thousand Baht

Income Statement	31-Mar-22	percent	31-Mar-21	percent	Increase(decrease)	percent
Service revenue	75,817	96%	101,332	95%	(25,515)	-25%
Other income	3,220	4%	4,976	5%	(1,756)	-35%
Total revenue	79,037	100%	106,308	100%	(27,271)	-26%
Cost of service	(64,426)	-85%	(75,889)	-75%	11,463	-15%
Gross profit	11,391	15%	25,443	25%	(14,052)	-55%
Service expenses	(1,272)	-2%	(1,598)	-2%	326	-20%
Administrative expenses	(11,112)	-14%	(8,340)	-8%	(2,772)	33%
Executive compensation	(4,059)	-5%	(4,053)	-4%	(6)	0.15%
Total expenses	(16,443)	-21%	(13,991)	-13%	(2,452)	18%
EBIT	(1,832)	-2%	16,428	15%	(18,260)	-111%
Finance costs	(1,117)	-1%	(1,334)	-1%	217	-16%
Profit before share investment in associates	(2,949)	-4%	15,094	14%	(18,043)	-120%
Share of profit investment in associates	3,343	4%	3,180	3%	163	100%
Profit (loss) before income tax expense	394	0.50%	18,274	17%	(17,880)	-98%
Inome tax expense	12	0.02%	(3,920)	-4%	3,932	-100%
Net profit (loss) for the period	406	1%	14,354	14%	(13,948)	-97%

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

Service revenue:

Revenue from industrial waste disposal services decreased by 26 Million Baht or 25 percent compared to the same quarter of the prior year. This was because the average service fee per ton decreased by 36 percent when compared to the average service fee in the same quarter last year. In the first quarter of last year, the company disposed of certain products which were specific products, therefore, the service fee was quite high. In the first quarter of the current year, there were no such products and the amount of industrial waste disposed of was similar to the same amount of the Quarter 1 of the previous year.

Cost of service:

Cost of industrial waste disposal services consists of variable costs including the cost of fuels used in combusting, vehicle and fuel costs for transportation and mostly the compensation for the Department of Factory and fixed costs including salaries and factory employee benefits, depreciation of machinery and equipment, and mostly depreciation of vehicle for transportation. The cost rate was 85 percent of the service revenue and was accounted for 75 percent compared to the same quarter last year. The reason for the increase in cost rate was because fixed cost was still about the same amount.

Other income:

Other income derived from other services, profit from assets disposal, and interest income.

Service and administrative expenses, Executive compensation, and Financial costs:

Most of these expenses are salaries, office employee benefits, and office administrative expenses with sales expenses, administrative expenses, executive remuneration, and financial costs which in this quarter, increased by 2.24 Million Baht compared to the same quarter of the previous year. This was because there were additional financial advisory expenses of 2 Million Baht in this quarter.

Share of profit from investment in associates:

This is an investment in small scale power plant business. The company recognizes profit (loss) under the equity method. For this quarter, the company realized an increase in profit of 3.34 Million Baht.

Net profit (loss) for the year:

According to previous causes, the company had the net profit for the Quarter for 0.406 Million Baht which decreased by 14 Million Baht.

Financial Position Analysis

Overall financial position as at 31 March 2022

Unit: Thousand Baht

Statement of Financial Position	31 Mar 22	percent	31 Dec 21	percent	Increase(decrease)	percent
Total assets	718,162	100.00%	724,225	100.00%	(6,063)	-0.84%
Total liabilities	126,119	17.56%	132,588	18.31%	(6,469)	-4.88%
Total shareholders' equity	592,043	82.44%	591,637	81.69%	406	0.07%

Analysis of Asset:

The total assets at the end of the Quarter 1 decreased by 6 Million Baht due to the general operating performance and there is no significant change in assets transaction. The company has transferred the remaining liquid savings deposits to invest in a fixed deposit amounting 100 Million Baht due to higher returns.

Analysis of Liabilities:

The total liabilities at the end of the Quarter 1 decreased by 6 Million Baht resulting from the payment of trade payables and general operating liabilities with no significant change in liabilities transaction.

Analysis of Shareholders' equity:

From prior causes, shareholders' equity at the end of the Quarter increased by 0.406 million Baht due to quarterly operating results.

Please be informed accordingly.

Sincerely yours,

(Mr.Vanchai Luengviriya)

President & CEO