

No. AKP-MD 003/2024

February 21<sup>st</sup>, 2024

Re: Discussion and Analysis of Financial Position and Operating Results

To: Director and Manager

Stock Exchange of Thailand

Akkhie Prakarn Public Company Limited (the "Company") hereby clarifies the operating performance for the Year ended 31<sup>st</sup> December 2023 as detailed below:

### **Operating Performance Analysis**

Overall operating results for the Year ended 31<sup>st</sup> December 2023

(Unit : Baht)

<b>Statements of income</b>	<b>31-Dec-23</b>	<b>percent</b>	<b>31-Dec-22</b>	<b>percent</b>	<b>increase(decrease)</b>	<b>percent</b>
Services revenue	360,503,309	96.82%	375,144,142	97.64%	(14,640,833)	-3.90%
Other income	11,825,193	3.18%	9,049,152	2.36%	2,776,041	30.68%
Total income	372,328,502	100.00%	384,193,294	100.00%	(11,864,792)	-3.09%
Cost of service	(290,471,015)	-80.57%	(293,447,781)	-78.22%	2,976,766	-1.01%
Gross Margin	70,032,294	19.43%	81,696,361	21.78%	(11,664,067)	-14.28%
Services expenses	(5,686,683)	-1.53%	(6,136,348)	-1.60%	449,665	-7.33%
Administrative expenses	(35,057,709)	-9.42%	(36,602,831)	-9.53%	1,545,122	-4.22%
Executive compensation	(18,019,008)	-4.84%	(17,852,013)	-4.65%	(166,995)	0.94%
Total Expenses	(58,763,400)	-15.78%	(60,591,192)	-15.77%	1,827,792	-3.02%
EBIT	23,094,087	6.20%	30,154,321	7.85%	(7,060,234)	-23.41%
Finance costs	(4,146,347)	-1.11%	(4,682,793)	-1.22%	536,446	-11.46%
Profit before share investment in associates	18,947,740	5.09%	25,471,528	6.63%	(6,523,788)	-25.61%
Share of profit investment in associates	2,213,178	0.59%	9,358,151	2.44%	(7,144,973)	100.00%
Profit (loss) before income tax expense	21,160,918	5.68%	34,829,679	9.07%	(13,668,761)	-39.24%
Inome tax expense	(4,305,594)	-1.16%	(5,543,472)	-1.44%	1,237,878	-22.33%
Net profit (loss) for the period	16,855,324	4.53%	29,286,207	7.62%	(12,430,883)	-42.45%

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 the year decreased by 15 million baht or 4 percent from the same period last year, with the average service rate per ton decreasing by nearly 2 percent compared to the same period last year and the volume of industrial waste disposal decreased by 3 percent compared to the same period last year. Due to market conditions

**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 including salaries and employee benefits, depreciation of machinery and equipment, and depreciation of vehicle for transportation. The service cost rate compared to service revenue was similar to the same period previous year.

**Other income:**

Other incomes derived from other services and interest income which increased from the same period of the previous year about 3 million baht.

**Service and Administrative expenses, Executive compensation and Financial costs:**

Most of these expenses are salaries, office employee benefits, and office administrative expenses. For this year period, the expenses were similar to the same period of the prior year.

**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 Year, share of profit from investment in associates was 2 million baht.

**Profit (loss) for the Year:**

From the above reasons as a result, for the whole year the company had a net profit of 17 million baht, a decrease of 12 million baht compared to the previous year.

## **Financial Position Analysis**

Overall financial position as at 31<sup>st</sup> December 2023

(Unit : Baht)

Statement of financial position	31 Dec 23	percent	31 Dec 22	percent	Increase(decrease)	percent
Total assets	716,553,998	100.00%	727,530,877	100.00%	-10,976,879	-1.51%
Total liabilities	106,994,181	14.93%	124,203,722	17.07%	-17,209,541	-13.86%
Total shareholders' equity	609,559,817	85.07%	603,327,155	82.93%	6,232,662	1.03%

### **Analysis of asset**

The total assets as at December 31, 2023 decreased by 11 million baht due to the general operating results and there is no significant change in assets transaction.

### **Analysis of liabilities**

The total liabilities as at December 31, 2023 decreased by 17 million baht resulting from the payment of trade payables and general operating liabilities. There is no significant change in liabilities transaction.

### **Analysis of shareholders' equity**

Shareholders' equity as of December 31, 2023 increased by 6 million baht which results from operating performance.

Please be informed accordingly.

Sincerely yours,

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(Mr.Vanchai Luengviriya)

President & CEO