

TRITON

No. 005/2019

27 February 2019

Subject: Management Discussion and Analysis for the year 2018

To: The President
The Stock Exchange of Thailand

As Triton Holding Public Company and its subsidiaries (“Company”) has submitted the Company’s Financial Statements for the year ended 31 December 2018 which has been reviewed by the auditor, the Company hereby clarifies the change of financial performance as follows:

List	2018	2017	Increase/(decrease)	
	Million Baht	Million Baht	Million Baht	%
Total revenues	2,273.38	854.67	1,418.71	165.99
Total costs	(2,119.02)	(801.20)	(1,317.81)	164.48
Gross profit	154.36	53.47	100.89	188.69
Other revenues	151.96	11.86	140.10	1,181.72
Total expenses	(183.35)	(142.29)	(41.06)	28.86
Profit (loss) before tax accounting base	122.97	(76.97)	199.93	259.77
Income tax expenses	(6.30)	(7.89)	1.59	(20.18)
Net profit (loss) – this period	154.34	(48.16)	202.50	420.44
Net profit (loss) – the Company	148.66	(38.81)	187.47	483.03

The net profit (loss) of the Company for the year ended 31 December 2018 is THB 148.66 million. The Company generates an increased net profit of THB 187.47 million or representing 483.03 percent compared to the same period of the previous year. The main reasons that attributed to the performance results are as below:

1. Revenues from construction business

List	2018	2017	Increase/decrease	
	Million Baht	Million Baht	Million Baht	%
Revenues from construction services	2,273.38	854.67	1,418.71	165.99
Costs of construction service	(2,119.02)	(801.20)	(1,317.81)	164.48
Gross profit	154.36	53.47	100.89	188.69
Idle costs	(37.69)	(49.58)	11.89	(23.99)
Financial costs	(4.34)	(3.96)	(0.38)	9.51

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The revenues from construction business for the year ended 31 December 2018 increased by THB 1,418.71 million or representing 165.99 percent compared to the same period of the previous year. The revenue recognition of the significant work completion is attributed from Northern Fuel Pipeline Transportation (“NFPT”) project with a total value of THB 3.72 billion, increasing by THB 420 million from the previous year value, representing the accumulative completed work 69.40 percent.

Costs of construction services increased by THB 1,317.81 million compared to the same period of the previous year which is in compliance with the increasing works, resulting in gross profit of THB 154.36 million which increased by THB 100.89 million or representing 188.69 percent compared to the same period of the previous year. Idle costs decreased by 23.99 percent due to the more effective machinery management.

In the meantime, financial costs increased by 9.51 percent compared to the same period of the previous year due to the fact that in 2018 the Company took on loan from financial institute to use as revolving fund for the operation.

2. Other revenues / expenses

List	2018	2017	Increase/decrease	
	Million Baht	Million Baht	Million Baht	%
Gain from sales of subsidiary	103.03	-	103.03	-
Other incomes	48.92	11.86	37.07	312.60
Administrative expenses	119.41	91.56	27.85	30.42

In 2018, the Company sell the investment in its subsidiary which operated in media business. The gain from sales of the subsidiary is THB 103.04 million. Other incomes during 2018 was THB 48.92 million, increasing by THB 37.07 million, or representing 312.60 percent compared to the previous year, resulted from the revenue recognized from renting asset and others in construction business operation in the amount of THB 38.77 million, the gain from sales of assets in the amount of THB 4.35 million, and the interest income and dividend income in the amount of THB 4.05 million.

In the meantime, administrative expenses in 2018 were THB 119.41 million, increasing from the previous year by THB 27.85 million Baht or representing 30.42 percent. The signification reason of the increase is from the increased bank guarantee fee due to the increasing in revenue recognition of the construction business, professional fees and business advisory fee to expand the operation.

3. Profit (loss) from discontinued operation

List	2018	2017	Increase/decrease	
	Million Baht	Million Baht	Million Baht	%
Profit (loss) from discontinued operation	37.66	36.69	0.97	2.66

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In 2018, the Company sold the ordinary shares of Splash Media Public Company Limited, a Company's direct subsidiary together with Splash Estate Company Limited and Splash Studio Company Limited, Company's indirect subsidiaries, resulting in the discontinued segment of media business. Thus, the Company presents the performance results regarding the media business under the topic of profit (loss) from discontinued operation in the financial statements.

Please be informed accordingly.

Sincerely yours,

(Mr. Chirdsak Kukiattinun)

Chief Executive Officer