

TRITON

(Translation)

No. 003/2018

23 February 2018

Subject: Management Discussion and Analysis for the year of 2017

To: President
The Stock Exchange of Thailand

According to Triton Holding Public Co., Ltd. and its subsidiaries ("the Company") submitting the financial statement of the year ended 31 December 2017 which was audited by the auditor, to the Stock Exchange of Thailand (the SET"), the Company hereby clarifies the change of financial performance as follows:

Financial performance in 2017

Transaction	Q1/2017	Q2/2017	Q3/2017	Q4/2017	2017	2016	Increase/(decrease)	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	%
Total revenues	69.58	157.35	199.69	514.22	940.85	193.64	747.21	385.88
Total costs	(46.29)	(138.75)	(176.72)	(485.49)	(847.25)	(145.06)	702.19	484.08
Gross profit	23.29	18.60	22.97	28.73	93.60	48.58	45.05	92.66
Net loss – the Company	(24.73)	(13.24)	(7.97)	7.13	(38.81)	(334.70)	(295.89)	(88.40)

The Company would like to announce that in 2017, the Company generated a net loss of 38.31 Million Baht, decreasing by 295.89 Million Baht (88.40% reduction) from the loss of 334.70 million Baht in 2016.

The Company is pleased to announce that in Quarter 4 of 2017 the Company turned around to announce a net profit of 7.13 million Baht.

The Main reasons which attributed to the financial results are as below:

1. Increase revenue in the Construction business - Strega Public Company ("Strega"):

List	2017	2016	Increase/(decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenues from construction services	854.67	112.85	741.82	657.33
Costs of construction services	(801.20)	(94.34)	706.86	749.28
Gross profit	93.60	48.58	45.02	92.66
Idle costs	(49.58)	(68.28)	(18.70)	(27.39)
Financial costs	(9.24)	(5.50)	3.74	68.02

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In 2017, the revenues from construction services was 854.67 million Baht which increased by 741.82 Baht or 657.33% compared to the previous year. During the year 2017, Strega, a subsidiary of the Company was awarded several projects with the largest being the Northern Fuel Pipeline Transportation (NFPT) project with a value of 3.3 billion baht. The NFPT project, alongside with other projects attributed to an increase in revenue generation for the Company. As of end 2017, the company has completed 18.8% of the project and progress is as expected.

In the meantime, in 2017 the costs of construction services increased by 749.28% and financial costs (mainly related to the construction's guarantee certificate) increased by 68.02% compared to the previous year, which is in line with the increased amount of operational work resulting as such gross profit of 93.60 million Baht, an increase of 45.02 million Baht or 92.66% compared to the previous year. Additionally, during 2017 the idle cost in 2017 was reduced due to more effective cost management.

2. Consistent revenue in the media business - Splash Media Public Company ("Splash media"):

List	2017	2016	Increase/(decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenues from media	86.18	80.79	5.39	6.67
Cost of services from media	(46.05)	(50.72)	(4.67)	(9.21)
Gross profit	40.13	30.07	10.06	33.46

In 2017, revenue of Out of Home Advertising of Splash Media increased of 5.39 million Baht or 6.67% which is in line with management view. In 2016, the decision to divest Spin Work Co., Ltd. and Media Event Design Co., Ltd. as well as discontinuing TV production and bandwidth in 2017 was to reduce the risks that would incur with a sunset industry. As such, revenue from out of home assets maintained a healthy and consistent revenue for the Company.

3. Other Income/Expenses

List	2017	2016	Increase/(decrease)	
	Million Baht	Million Baht	Million Baht	%
Other income	21.59	8.51	13.08	153.80
Expenses (excluding costs)	(111.17)	(325.36)	(214.19)	(65.83)

Other income during the year of 2017 was 21.59 million Baht, an increase of 13.08 million Baht or 153% compared to the previous year. The main reason of the increase was from investment activities and gain from disposal of partial assets.

Additionally, expenses (excluding costs) in 2017 was 111.17 million Baht (decreased by 214.19 million Baht or 65.83% compared to the previous year). In 2016, expenses included impairments of doubtful debt and losses from divestment which attributed to 325.36 million. As such, the overall result shows better improvement compared to the previous year.

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4. Profit/Loss from discontinued operations

List	2017	2016	Increase/(decrease)	
	Million Baht	Million Baht	Million Baht	%
Profit (loss) from discontinued operations	21.49	(54.79)	76.28	139.22

During 2017, the Company's Board of Directors passed a resolution to discontinue channel service and TV media business in line with the Company's strategy. The reason was because the industry was in a descending phase with 50% decreasing of service fee rate. However, the profit from the discontinued operation was mainly from reversal of fees approximately 11.40 million Baht; as a result, the Company was not within the scope of paying such fees.

5. STREGA EBITDA/Gross margin

List	Q1/2017	Q2/2017	Q3/2017	Q4/2017
EBITDA (Million Baht)	(7.88)	(7.98)	5.67	23.89
Gross margin (Million Baht)	6.89	4.36	15.02	29.21

Alongside with the increase in earnings for Strega, due to better cost management and increased revenue, EBITDA in 2017 shows significant increases from Quarter 1 to Quarter 4 of 2017. Consequently, gross margin also increased quarter on quarter in 2017.

Please be informed accordingly.

Yours sincerely,

-Signed-

Louise Taechaubol

Chief Executive Officer