

TRITON

No. 028/2019

14 November 2019

Subject: Management Discussion and Analysis of Quarter 3 of 2019

To: President
The Stock Exchange of Thailand

Triton Holding Public Company Limited (“Company”) hereby reports the operating results of the third quarter of 2019 ended 30 September 2019 as follows:

Million Baht

List	Q3/2019	Q3/2018	Increase (decrease)	
			Million Baht	%
Total revenues	327.35	544.17	(216.82)	(39.84)
Total expenses	323.11	503.25	(180.14)	(35.80)
Profit(loss)	3.13	48.72	(45.59)	(93.58)
Profit(loss) – the Company	2.91	45.08	(42.18)	(93.57)

In the third quarter ended 30 September 2019, the Company generated a net profit of Baht 2.91 million, a decline of Baht 42.18 million or 93.57% compared to the same accounting period of 2018 when the Company had a net profit of Baht 5.30 million from divested operation in the late 2018.

1. Revenue from construction business

Million Baht

List	Q3/2019	Q3/2018	Increase (decrease)	
			Million Baht	%
Revenue from construction business	298.75	534.17	(235.42)	(44.07)
Costs of construction services	280.05	461.67	(181.62)	(39.34)
Gross profit	18.70	72.50	(53.80)	(74.21)

The Company generated revenue from construction business of Baht 298.75 million in the third quarter ended 30 September 2019, decreased by Baht 235.42 million or 44.07% compared to the same quarter of last year due to the following reasons:

- Northern Fuel Pipeline Transportation Project (NFPT) Phase 2 is under the process of preparation and design drawing modification, resulting in an increase work value of Baht 985 million which an additional agreement for such work variation is being processed. Moreover, the Company recognizes revenue from NFPT project amounting to 69.19% of the total project value with a remaining project backlog of Baht 1,485 million.
- The Company recognized revenue of only Baht 18.03 million from Train Station and U-turn Overpass Crossing Double-track Railway Project out of the remaining project backlog of Baht 245 million.

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- Underground manhole construction and electrical conduit installation project with a project value of Baht 85 million was started with geological survey and its results will be used for drilling process, and materials and equipment procurement. The project is waiting for approval from a government agency to enter into the construction site.
- Sale of building structure, machinery and old equipment, and plant demolition project worth Baht 191 million was waiting for demolition license approval in the third quarter. However, the project has recently obtained the license. It is expected that the Company shall recognize revenue from this project in the fourth quarter of 2019.

The costs of construction services amounted to Baht 280.05 million, declined by Baht 181.62 million and were consistent with the decreasing work volume.

2. Energy Business

On 30 August 2019, Triton Power Company Limited invested in 1.6 million shares worth Baht 150 million of Nongree Power Plant Company Limited, representing 80% of the registered capital. Nongree Power Plant Company Limited operates a biogas power plant, generating electricity with a PPA capacity of 3 megawatt and already started Commercial Operation Date (COD) with Provincial Electricity Authority (PEA). The Power Purchase Agreement (PPA) is of 5 years and will be automatically extended for 5 years at a time indefinitely. Nongree Power Plant is located in Nongree sub-district, Bo Ploy District, Kanchanaburi.

In the third quarter, the Company recognized revenue generated from energy business of Baht 5.39 million, and gross profit of Baht 2.31 million.

3. Other incomes

Other incomes increased by Baht 2.88 million compared to the same quarter of 2018. Such increase was attributed to space rental service and sales of consumable supplies from construction business.

For biogas energy business acquisitions in the third quarter ended 30 September 2019, the Company recognized the difference amount between the consideration transferred and net book value of the net identifiable assets and liabilities as profit from acquisitions of business amounted to Baht 10.32 million.

Please be informed accordingly.

Sincerely yours,

(Mr. Chirdsak Kukiattinun)
Chief Executive officer