

# TRITON

No. 006/2563

February 27, 2020

Subject: Management Discussion and Analysis of the year 2019

To: President

The Stock Exchange of Thailand

Triton Holding Public Company Limited (“Company”) hereby reports the operating results of the year 2019 ended December 31, 2019 as follows:

*Unit: Million Baht*

List	Q3/2019	Q3/2018	Increase (decrease)	
			Million Baht	%
Total revenues	1,275.42	2,425.33	(1,149.91)	(47.41)
Total expenses	1,234.22	2,302.37	(1,068.14)	(46.39)
Profit(loss)	38.52	154.34	(115.81)	(75.04)
Profit(loss) – the Company	32.36	148.66	(116.30)	(78.23)
Profit from continuing operations	32.36	110.99	(78.63)	(70.65)
Profit from discontinued operations	-	37.66	(37.66)	(100.00)

In the year ended December 30, 2019, the Company generated a net profit of Baht 32.36 million, a profit decline of Baht 116.30 million or 78.23% compared to the same accounting period of 2018 when the Company had a net profit of Baht 103.04 million and Baht 37.66 million respectively with details as follows:

## 1. Revenue from construction business

*Unit: Million Baht*

List	Q3/2019	Q3/2018	Increase (decrease)	
			Million Baht	%
Revenue from construction business	1,150.23	2,273.38	(1,123.15)	(49.40)
Costs of construction services	1,054.25	2,119.02	(1,064.77)	(50.25)
Gross profit	95.98	154.36	(58.38)	(37.82)

The Company generated revenue from construction business of Baht 1,150.23 million ended December 31, 2019, decreased by Baht 1,123.15 million or 49.40% compared to the same as last year (2018) but the gross profit margin of the year 2019 is 8.34% which is higher than the year 2018 and equal to 6.79% due to the reason as follow:

- Northern Fuel Pipeline Transportation Project (NFPT) Phase 2 is under the process of preparation and design drawing modification, resulting in an increase work value in the year 2019 of Baht 1,095.43 million. In this additional section, the work has been completed at Baht 110.43 million. The additional increase work value is Baht 985 million has completed the

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contract in January 2019. The company also extended the construction period by another 6-12 months. Depends on the approval of the change in construction. The Company has recognized the revenue of the Northern Oil Transportation System Expansion Project (NFPT) in a total of 76.40 percent of the project value. Value of work remaining Baht 1,136 million.

- The Company recognized revenue of 37.38 percent from Train Station and U-turn Overpass Crossing Double-track Railway Project out of the remaining project backlog of Baht 220 million.
- Underground manhole construction and electrical conduit installation project with a project value of Baht 85 million. The Company recognized income equal to 14.4 percent of the project value. The remaining work value is 73.18 million baht. The Company has ordered the equipment and prepare to proceed with the construction. Currently, the Company is pending approval to enter the area from government agencies and expected to enter the area for construction in the 1st quarter of 2020
- Sale of building structure, machinery and old equipment, and plant demolition project is currently receiving demolition licenses and recognizing all revenue in the 4th quarter of year 2019

The costs of construction services amounted to Baht 1,054.25 million, declined by Baht 50.25 million when compared to the same accounting period in 2018 which corresponds to the reduced workload.

## 2. Energy Business

On August 30, 2019, Triton Power Company Limited invested in 1.6 million shares worth Baht 150 million of Nongree Power Plant Company Limited in Kanchanaburi (Nongree Power Plant), 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.

Ending December 31, 2019, the Company recognized revenue generated of September - December 2019 from energy business of Baht 21.49 million, and gross profit of Baht 8.83 million.

## 3. Other incomes

Other incomes increased by Baht 44.46 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 2019, the Company recognized the difference amount between the consideration transferred and net book value of the net identifiable assets and liabilities as net profit from acquisitions of business amounted to Baht 10.32 million.

In addition, during January 2020, the Company undertook the construction of electrical conduit project in the underground on Highway 304, Pak Kred District - Government Center, an additional project worth Baht 334 million baht. The Company will be able to recognize a revenue in the first quarter of 2563

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Including in February 2020, Triton Power Company Limited, a subsidiary of the Company invested in the shares of the biogas power plant business of Akkarawat Renewable Energy Power Plant Company Limited with a total investment value of Baht 134.47 million. The Company expects to start recognizing revenue in the 4th quarter of 2020.

Please be informed accordingly.

Sincerely yours,

(Mr. Chirdsak Kukiattinun)  
Chief Executive Officer