

TRITON

No. TRITN-SET 017/2020

June 25, 2020

Subject: Notification of Acquisition and Disposition of Assets of Listed Company

To: President

The Stock Exchange of Thailand

Triton Holding Public Company Limited (Company) hereby to notify the Stock Exchange of Thailand (SET) that in accordance to the company investment strategy to increase revenue and seek sustainable profit and competitiveness. The board of directors meeting no.7/2020 which held on June 25, 2020 has passed a resolution to approve Triton Engineering Construction Public Company Limited (TTEC) (a subsidiary of the Company in the proportion of 93.68% of the paid-up capital) to invest in Trans Thai Railway (TTR). TTR is a specializes "Rail" company operating in the business of construction, signaling systems, electrical systems in the railway, design and maintenance, etc. The business of TTR has advantages which can be used to create a value added for the Company as follows;

1. TTR has expertise in signaling systems and electrical systems for train operation, design and maintenance of machinery related to railway works.
2. Shareholders, Directors and Executives have over 5 years of working experience in the said business with many potential teams which able to accept works directly or can be subcontracted.
3. Currently, the government supports a lot of projects regarding the railway such as the long-distance intercity railway system and large transportation systems which make the market in this field very large with a rapid growth rate, therefore TTR has a high chance of getting a job.
4. TTR is a leader in this field of business and having a highly competitive advantage which is a good opportunity for TTR to generate more incomes.

More importantly, TTR is one of the local market leaders in providing rail services. These specialized services are operating in a niche market with limited competitors and existing shareholders, executives considered as expertise in their field.

The acquisition is strategically in-line with the Company's long-term sustainability objectives and will complement TTEC's business in specialized engineering services and provides a unique opportunity to create an immediately presence in the expanding rail industry in Thailand.

T R I T O N

The investment is made by purchasing ordinary shares of TTR from the existing shareholders in the amount of 65,000 shares at the par value of 100 per share or equivalent to 65% of the registered capital amounting to 28,000,000 Baht. Additionally, TTEC will purchase ordinary shares of a capital increase of TTR in the proportion of shareholding at 260,000 shares, at the par value of Baht 100 per share amounting to 26,000,000 Baht. The total amount of this investment is 54,000,000 Baht. The payment is divided into 2 periods as follows

- a. Initial Investment by shares acquisition from existing shareholders is amount of baht 28,000,000 to the existing shareholders, divided in to 2 installments
 - TTEC will pay TTR in amount of baht 7,000,000 in the date of shares transfer from the existing of shareholders.
 - TTEC will pay TTR in amount of baht 21,000,000 within 3 days starting from the date that TTEC has completed Due Diligence of TTR.
- b. The second installment by purchasing of ordinary shares of a capital increase of TTR amounting to 13,000,000 Baht. Another 13,000,000 Baht will be paid in the second capital increase of TTR.

Details of the above transaction are described as follows:

- The above transactions are not considered a connected transaction of the listed companies pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551(2008) Re: Rules on entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2546 (2003), because the contractual parties are not related persons and do not have relationship with the management, directors, major shareholders and controlling persons of the Company and its subsidiaries.
- The above transactions are considered an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551(2008) Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) and amended version. In the calculation of the acquisition transaction size based on the value of considerations basis, the size is 8.13 in accordance with net profit from operations (based on the latest consolidated financial statement ended 31 March 2020). During the previous 6 months, the Company has entered into 2 transactions which the highest size was equal to 5.57 in accordance with the calculation based on total value of consideration paid or received. The total size is 10.88 net profit from operations. Therefore, the Company is not required to disclose information pursuant to the Notification of Capital Market Supervisory Board No.Tor Chor. 20/2551 (2008).

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- The above transactions are considered as the transactions of a listed company or its subsidiary involving to the asset acquisition of other companies which causes other companies will be close down their business as the subsidiary of listed company or as their own. Therefore, the Company is required to disclose information to the Stock Exchange of Thailand pursuant to Regulation of the Stock Exchange of Thailand Bor.Jor./Por.11-00 Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2560 (2017) with details as follows:

1. Date of Transaction

July 1, 2020 which is TTEC and TTR will sign the contract mutually and transfer shares.

2. Parties involved and/or Relationship with the Company

Purchaser: Triton Engineering and Construction Public Company Limited (“TTEC”)

Seller:

1. A.M.Expert Company Limited (Seller 1)
2. Tris Consultant Company Limited (Seller 2)
3. KPS Trading Company Limited (Seller 3)

Relationship: Shareholders of TTR with details as follows:

Shareholders	Number of shares (shares)	Shareholder proportion (%)	Number of sales (shares)	Sale proportion (%)
A.M.Expert Co.,Ltd	22,500	22.500%	9,375	9.375
Tris Consultant Co.,Ltd	40,625	40.625%	40,625	40.625
KPS Trading Co.,Ltd	15,000	15.000%	15,000	15.000

Seller 1 has Important information as follows:

Name: A.M.Expert Company Limited

Address: 2 Ngamwongvarn 18 Section 10, Bangkok, Mueng-Nontaburi, Nontaburi

Registered Capital: 1,000,000 Baht

Number of shares: 10,000 shares at a par value of 100 Baht

Director: Mr. Disapol Phadungkul

Authorized Signatories: A signature and company seal is required for validation.

Shareholder: 1. Mrs. Chanthanee Herapad Phadungkul holding 4,000 shares

2. Mr. Disapol Phadungkul holding 5,000 shares

3. Mr. Lee Miawbob holding 1,000 shares

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Seller 2 has Important information as follows:

Name: Tris Consultant Company Limited
Address: 200/41 Lapawan17 village, Moo 5, Ratchapuek Road, Bangraknoi,
Mueng-Nintaburi, Nonthaburi
Registered Capital: 1,000,000 Baht
Number of shares: 10,000 shares at a par value of 100 Baht
Director: 1. Mr. Disapol Phadungkul
2. Mrs. Kedsaraporn Kangsamut
Authorized Signatories: A signature and company seal is required for validation.
Shareholder: 1. Mr. Disapol Phadungkul holding 4,000 shares
2. Mr. Jarin Rattana holding 1,500 shares
3. Mr Somkit Kullabut holding 1,500 shares
4. Mr. Patchaya prompolmeung holding 1,000 shares
5. Mrs. Kedsaraporn Kangsamut holding 1,500 shares

Seller 3 has Important information as follows:

Name: KPS Trading Company Limited
Address: 26/6 Moo 3, Wang Taku, Muang-Nakornpathom, Nakornpathom
Registered Capital: 3,000,000 Baht
Number of shares: 3,000 shares at a par value of 1,000 Baht
Director: 1. Mr. Kitti Chouwitoonkit
2. Ms. Patcharee Chouwitoonkit
3. Mr. Saksri Chouwitoonkit
Authorized Signatories: A signature and company seal is required for validation.
Shareholder: 1. Mr. Kriangdetch Tangsawipan holding 250 shares
2. Mrs. Pannipa Tangsawipan holding 2,749 shares
3. Ms. Nuananong Wattanasri holding 1 share

Relationship between purchaser and seller: TTEC and seller 1 to seller 3 including directors, executives and shareholders of seller 1 to seller 3 are not connected person pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551(2008) Re: Rules on entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2546 (2003).

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General Characteristics of Transaction

TTEC shall follow the resolution passed by the Board of Directors meeting no.7/2020 by purchasing ordinary shares of TTR from existing shareholders amounting to 65,000 shares at the value at 100 per share or equivalent to 65% of the registered capital which is amount of 28,000,000 Baht. Additionally, TTEC will purchase ordinary shares of a capital increase of TTR in the proportion of shareholding at 260,000 shares at the par value of baht 100 per share amounting to 26,000,000 Baht. The total amount of this investment is 54,000,000 baht. The payment is divided into 2 periods as follows;

- a. Initial Investment by shares acquisition from existing shareholders is amount of baht 28,000,000 to the existing shareholders, divided in to 2 installments
 - TTEC will pay TTR in amount of baht 7,000,000 in the date of shares transfer from the existing of shareholders.
 - TTEC will pay TTR in amount of baht 21,000,000 within 3 days starting from the date that TTEC has completed Due Diligence of TTR.
- b. The second installment by purchasing of ordinary shares of a capital increase of TTR amounting to 13,000,000 Baht. Another 13,000,000 Baht will be paid in the second capital increase of TTR.

Therefore, TTEC expects to compete the investment in TTR by purchasing shares from existing shareholders and purchasing of ordinary shares of a capital increase 2 times within August 2020.

After transfer of shares has been completed, TTR will become a direct subsidiary of TTEC and an indirect subsidiary of the Company which will have three directors from TTR or the Company namely, (1) Ms. Louise Taechaubol, (2) Mr. Chirdsak Kukiattinun, and (3) Mrs. Narumol Chattawan.

Type of Transaction

Such transactions are considered an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company concerning the Acquisition and Disposition of Assets, B.E. 2547 (2004) and amended version. In the calculation of the acquisition transaction size based on the value of considerations basis, the size is 8.13 according to basis of net profit from operations (based on the latest consolidated financial statement ended 31 June 2020). During the previous 6 months,

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the Company has entered into 2 transactions that the highest size was equal to 5.57 in accordance with the calculation based on total value of consideration paid or received. The total size is 10.88 in accordance with net profit from operations. Therefore, the Company is not required to disclose information pursuant to the Notification of Capital Market Supervisory Board No.Tor Chor. 20/2551 (2008).

Transaction Size

The calculation of transaction size as 4 bases as follows;

Order	Basis of transaction size calculation	Calculation formula (Unit: Thousand Baht)	Transaction size
1	Calculation based on the value of net tangible assets (NTA)	(NTA* of investment in the company x Proportion of assets acquired or disposed) x / NTA of the listed company = 6,815 x 0.75/1,539,393 = 32,081,602 x 0.65 / 1,524,237,222	1.37%
2	Calculation based on net operating profits	(Net operating profits of the investment x Buying or selling ratio/ Net operating profits of the listed company = 4,480,400 x 0.65 / 35,810,492	8.13%
3	Calculation based on total value of consideration paid or received	Value of transaction paid or received/ Total assets of listed company = 54,000,000 / 2,899,002,579	1.86%
4	Calculation based on value of equity shares issued for the payment of assets ¹	Equity shares issued for the payment of assets/Paid-up shares of the company	N/A

The Calculation Basis

The calculation basis which used in consideration is a calculation based on total value of consideration paid or received

¹ Cannot be calculated based on the value of securities basis since the Company did not issue shares to pay for asset

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Summary of Financial Information for calculation

(Unit: Thousand Baht)	March 31, 2020 (Reviewed) TRITN	December 31, 2019 (Audited) TTR
Total assets	2,899,003	203,699
Intangible assets	57,466	26
Total liabilities	1,254,255	171,591
Non-controlling interests	63,044	-
Value of net tangible assets (NTA)	1,524,237	32,082
Net profit	35,810	4,480

3. Details of the Assets Being Acquired

Company name : Trans Thai Railway Company Limited
Company incorporation : May 28, 2013
with Juristic Person Registration No.0125556012694
Location : 200/47, Muban Lapawan 17, Mu 5, Ratchaphruek Road
Bang Rak Noi, Mueng Nontaburi, Nontaburi
Registered capital : 10,000,000 Baht
Number of shares and share value: 100,000 shares at a par value of Baht 100 per share

Nature of business

TTR operates in all types of railway systems, such as signaling systems, electrical system for train operation, design and maintenance of machinery related to railway works which are business operations that require a specialized expertise and high level of experiences to conduct the said businesses. Moreover, TTR is a leader in this field of business and has a highly competitive advantage in the market.

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Shareholding Structure and Management dated June 22, 2020

TTR's shareholders	Before transaction		After transaction (Acquisition of shares from existing shareholders)		After transaction (Initial Purchasing of ordinary shares of a capital increase 200,000 shares)		After transaction (second purchasing of ordinary shares of a capital increase 200,000 shares)	
	No. (shares)	Proportion %	No. (shares)	Proportion %	No. (shares)	Proportion %	No. (shares)	Proportion %
Mr. Anuphol Sonpuag	10,063	10.063	10,063	10.063	30,189	10.063	50,315	10.063
Mrs. Katesaraporn Kangsamut	11,812	11.812	11,812	11.812	35,463	11.812	59,060	11.812
A.M.Expert Company Limited	22,500	22.500	13,125	13.125	39,375	13.125	65,625	13.125
Tris Consultant Company Limited	40,625	40.625	-	-	-	-	-	-
KPS Trading Company Limited	15,000	15.000	-	-	-	-	-	-
TTEC	-	-	65,000	65.000	195,000	65.000	325,000	65.000
Total	100,000	100.000	100,000	100.00	300,000	100.00	500,000	100.00

Name of Directors

Before Transaction	After Transaction
<ol style="list-style-type: none"> 1. Mr. Anuphol Sonpuag 2. Mrs. Katesaraporn Kangsamut 	<ol style="list-style-type: none"> 1. Ms. Louise Taechaubol 2. Mr. Chridsak Kukiattinun 3. Mrs. Narumol Chattawan 4. Mr. Anuphol Sonpuag 5. Mrs. Katesaraporn Kangsamut

Powers of Directors

Before transaction	After transaction
Two signatures and company seal are required for validation.	Ms. Louise Taechaubol or Mr. Chridsak Kukiattinun or Mrs. Narumol Chattawan, two signatures from three directors with Mr. Anuphol Sonpuag or Mrs. Katesaraporn Kangsamut one of two directors and company seal are required for validation.

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Financial Statements and Operating Results

The Financial Statements and Operating Results in accordance with the Financial Statements from Audit are as follows;

TTR (Unit : Thousand Baht)	31 Dec 2017 (Audited)	31 Dec 2018 (Audited)	31 Dec 2019 (Audited)
Total assets	71,371	152,888	203,699
Total Liabilities	52,190	125,261	171,591
Registered capital	5,000	10,000	10,000
Paid-up capital	5,000	10,000	10,000
Shareholders' equity	19,181	27,627	32,108
Total revenues	100,577	148,853	183,311
Total expenses	89,630	144,385	177,560
Profit (loss) before tax expense	10,947	4,468	5,751
Net profit (loss)	8,697	3,446	4,480
Book value per share	383.63	276.28	321.08

4. Total value and the measurement of total value

The total value of consideration that TTEC required to pay to enter into this investment amounting to 54,000,000 baht. The payment is divided into 2 periods as follows

- a. Initial Investment by shares acquisition from existing shareholders is amount of baht 28,000,000 to the existing shareholders, divided in to 2 installments
 - TTEC will pay TTR in amount of baht 7,000,000 in the date of shares transfer from the existing of shareholders.
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5. Basis for determining the value of consideration paid or received

Regarding the basis for determining the total value of the transaction size, the determination of the purchase price of ordinary shares of TTR is a determination and agreement between TTEC and the group of shareholders. In which, the Company considers the appropriate purchase price of shares which is beneficial to both parties by Business Development Department of TTEC as an internal department to perform financial data analysis and evaluate the business value of TTR.

The business valuation methodology of TTR which TTEC uses to calculate the consideration of the value of shares in determining the purchase price, the business development department uses the following 4 bases which are;

1. Net Asset Value (NAV)
2. Price to Earnings (P/E)
3. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)
4. Discounted Cash Flow (DCF)

6. Expected Benefits for the Company

The acquisition of shares in TTR will strengthen and increase the potential of the construction business to become more diverse in accordance with investment strategies of the Company's group that wants to generate incomes. TTEC has clear business plans which desires to create a difference and increase the potential of the business that operates from the original capacity such as oil pipelines laying, underground manhole construction under the Chao Phraya River or general construction with the creation of specialized in engineering. Therefore, TTEC decided to invest in TTR and expects to gain benefit from this investment in many parts so that the Company will have more new businesses and has a highly ability to compete against competitors in the market and able to generate incomes and profits for the Company's group which will return in the form of dividends for shareholders in the future.

7. Sources of Funds

The Company will use currently funds which is a Company's working capital

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8. Opinion of the Board of Directors regarding the transaction

The Board of Directors is of the opinion that entering into the said transaction will benefit the Company because it will make the Company have more specialized business and help increasing the potential of the Company's core business in accordance with the investment strategies that the Company set targets which benefit to Company's business operations.

9. Opinion of the Audit Committee which differ from Board of Directors in article 8

-None-

Please be informed accordingly,

Sincerely yours,

(Mr. Chirdsak Kukiattinun)

Chief Executive Officer