

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

1. GENERAL

Firetrade Engineering Public Company Limited (“ the Company”) (formerly Firetrade Engineering Company Limited) was incorporated as a limited company under the Civil of Thailand on November 2, 1999 and has its registered office at 21/57-58 Soi Soonvijai, Rama 9 Road, Bangkapi District, Huaykwang Sub-district, Bangkok 10310.

On August 8, 2016, the Company was registered the legal transformation of juristic person from being limited company under the Civil and Commercial Code to limited public company under the Limited Public Company Act B.E. 2535 and the Company was registered as the listed entity in the Stock Exchange of Thailand (“SET”) on July 27, 2017.

The Company is engaged in sales of fire protection equipment and systems, design, installation, repair and maintenance the fire protection systems.

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL INFORMATION

The accompanying interim financial information are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2016) “Interim Financial Reporting” including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), and the applicable rules and regulations of the Securities and Exchange Commission.

The interim financial information are prepared to provide an update on the financial statements for the year ended December 31, 2016. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2016.

The consolidated interim financial information, comprised of the financial statements of the Company and its subsidiary (hereinafter referred to as “the Group”). The Company’s subsidiary, i.e. Fire Inspector Co., Ltd., was incorporated in Thailand on May 11, 2007 to be engaged in sales, installation and provide service for all types of fire protection equipment and systems. The Company has the controlling power and the percentage of shareholding in such company at 99.99%.

Significant intra-group transactions between the Company and its subsidiary are eliminated in the preparation of the consolidated financial statements.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

FAP has revised Thai Financial Reporting Standards (Thai Accounting Standards, Thai Accounting Standard Interpretations, Thai Financial Reporting Standards and Thai Financial Reporting Interpretations) which become effective for the period beginning on or after January 1, 2017. The adoption of these Thai Financial Reporting Standards does not have significant impact on the Group’s financial information.

Accounting policies and methods of computation applied in the interim financial information for the three-month and six-month periods ended June 30, 2017 and 2016 are consistent with those applied in the financial statements for the year ended December 31, 2016.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY**
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)

3. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties controlled by the Group or have power control over the Group, directly or indirectly, or have significant influence over the financial or operating policies of the Group.

Significant transactions with related parties for the three-month periods ended June 30, 2017 and 2016 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues from sales of goods	241	155	2,262	1,228
Revenues from services	-	-	473	550
Interest income	-	-	308	-
Other income	326	276	408	330
Purchase of goods	706	97	1,572	2,121
Engineering and warehousing charge	-	9	49	493
Interest expense	-	387	-	339
Remunerations of key management				
- Short-term benefits	3,588	3,135	3,192	2,818
- Post-employment benefits	288	237	263	217
Total	3,876	3,372	3,455	3,035

Significant transactions with related parties for the six-month periods ended June 30, 2017 and 2016 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues from sales of goods	292	232	7,955	2,835
Revenues from services	-	-	1,282	1,067
Dividend income	-	-	18,978	-
Interest income	-	-	554	-
Other income	659	541	828	661
Purchase of goods	873	166	3,951	2,599
Purchase of assets	-	4	-	4
Engineering and warehousing charge	-	9	200	1,463
Interest expense	-	1,127	-	1,003

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Remunerations of key management				
- Short-term benefits	7,101	6,297	6,214	5,595
- Post-employment benefits	567	473	517	433
Total	7,668	6,770	6,731	6,028

Balances with related parties as at June 30, 2017 and December 31, 2016 were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Trade and other accounts receivable				
- Trade accounts receivable				
Fire Inspector Co., Ltd.	-	-	2,378	16,835
Safety Factory Co., Ltd.	258	257	258	257
Total	258	257	2,636	17,092
- Other accounts receivable				
S.I. Firetrade Co., Ltd.	29	58	29	58
Econlite Manufacturing (Thailand) Co., Ltd.	24	-	24	-
Fire Inspector Co., Ltd.	-	-	13	45
Safety Factory Co., Ltd.	6	23	6	23
Total	59	81	72	126
Total trade and other accounts receivable	317	338	2,708	17,218

The trade accounts receivable are aged as follows:

Current	247	257	2,327	16,290
Overdue:				
- Not over 3 months	11	-	309	802
Total	258	257	2,636	17,092

Short-term loans to and interest receivable

Fire Inspector Co., Ltd.				
- Short-term loans to	-	-	25,000	24,800
- Interest receivable	-	-	82	83
Total short-term loans to and interest receivable	-	-	25,082	24,883

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Trade and other accounts payable				
- Trade accounts payable				
Fire Inspector Co., Ltd.	-	-	929	3,330
Safety Factory Co., Ltd.	730	71	730	71
Econlite Manufacturing (Thailand) Co., Ltd.	9	8	9	8
S.I. Firetrade Co., Ltd.	2	-	-	-
Total	<u>741</u>	<u>79</u>	<u>1,668</u>	<u>3,409</u>
- Other accounts payable				
Fire Inspector Co., Ltd.	-	-	-	196
Safety Factory Co., Ltd.	-	2	-	2
Total	<u>-</u>	<u>2</u>	<u>-</u>	<u>198</u>
Total trade and other accounts payable	<u>741</u>	<u>81</u>	<u>1,668</u>	<u>3,607</u>
Other current liabilities				
- Refundable deposits				
S.I. Firetrade Co., Ltd.	100	100	100	100
Safety Factory Co., Ltd.	26	26	26	26
Fire Inspector Co., Ltd.	-	-	22	22
Total	<u>126</u>	<u>126</u>	<u>148</u>	<u>148</u>

Movements during the six-month periods ended June 30, 2017 and 2016 of short-term loans to related party and short-term loans from related persons were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term loans to				
Balance as at January 1	-	-	24,800	-
Increase	-	-	9,000	-
Decrease	-	-	(8,800)	-
Balance as at June 30	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Short-term loans from				
Balance as at January 1	-	82,821	-	70,261
Increase	-	3,500	-	-
Decrease	-	(86,321)	-	(70,261)
Balance as at June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

4. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS

As at June 30, 2017 and December 31, 2016, the Group had outstanding balance of trade and other accounts receivable – others, were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
- The trade accounts receivable were aged as follows:				
Current	137,619	115,085	128,111	90,697
Overdue:				
- Not over 3 months	43,213	63,552	36,084	62,053
- Over 3 months to 6 months	19,832	4,520	18,228	4,520
- Over 6 months to 12 months	827	4,965	827	3,844
- Over 12 months	3,027	4,319	2,967	4,149
Total	<u>204,518</u>	<u>192,441</u>	<u>186,217</u>	<u>165,263</u>
Less allowance for doubtful accounts	<u>(4,427)</u>	<u>(7,364)</u>	<u>(4,367)</u>	<u>(6,414)</u>
Net	<u>200,091</u>	<u>185,077</u>	<u>181,850</u>	<u>158,849</u>
- Other accounts receivable				
Advances paid to installation contractors	1,365	2,670	1,365	2,670
Other prepaid expenses	10,070	7,363	10,040	7,299
Other receivables	2,068	1,011	1,799	576
Total	<u>13,503</u>	<u>11,044</u>	<u>13,204</u>	<u>10,545</u>
Total trade and other accounts receivable	<u>213,594</u>	<u>196,121</u>	<u>195,054</u>	<u>169,394</u>

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

5. INVESTMENT IN SUBSIDIARY ACCOUNTED FOR USING THE COST METHOD

As at June 30, 2017 and December 31, 2016, the details of investment in subsidiary in the separate financial statements were as follows:

	In Thousand Baht		%		In Thousand Baht		In Thousand Baht	
	Authorized and paid-up share capital		Percentage of shareholding		Cost method		Dividend income	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	June 30, 2016
Fire Inspector Co., Ltd.	2,000	2,000	99.99	99.99	4,849	4,849	18,978*	-

*See Note 11.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

6. CREDIT FACILITIES WITH FINANCIAL INSTITUTIONS

As at June 30, 2017 and December 31, 2016, the Group has credit facilities with several local financial institutions as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Bank overdrafts	61,000	31,000	61,000	31,000
Short-term loans	98,000	68,000	98,000	68,000
Letters of guarantee	53,000	42,900	50,000	39,900
Foreign currency forward contracts	14,390	14,390	14,390	14,390
Total	<u>226,390</u>	<u>156,290</u>	<u>223,390</u>	<u>153,290</u>

As at June 30, 2017, credit facilities are guaranteed by two directors and pledged a fixed deposit at bank of the Company and fixed deposits and a savings account at banks of a director as collateral.

Bank overdrafts bear interest at the rates of the pledged fixed deposits and savings account plus 0.75% to 2.0% per annum.

Short-term loans consist of promissory notes bear interest at the rate of pledged savings account plus 0.75% and 1.0% per annum, and trust receipts bear interest at the rates of MLR and MMR.

7. TRADE AND OTHER ACCOUNTS PAYABLE - OTHERS

As at June 30, 2017 and December 31, 2016, the Group had outstanding balance of trade and other accounts payable – others, were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Trade and other accounts payable				
- Trade accounts payable	<u>89,313</u>	<u>63,117</u>	<u>83,011</u>	<u>57,335</u>
- Other accounts payable				
Advances received from project customers	9,385	19,319	8,865	18,118
Accrued commissions	5,888	5,807	5,072	5,254
Accrued expenses	7,792	3,966	7,458	3,792
Other payables	5,351	2,286	5,216	1,958
Total	<u>28,416</u>	<u>31,378</u>	<u>26,611</u>	<u>29,122</u>
Total trade and other accounts payable	<u>117,729</u>	<u>94,495</u>	<u>109,622</u>	<u>86,457</u>

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

Work in progress

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Progress billings	9,435	23,280	8,915	22,060
Less project work in progress	(50)	(3,961)	(50)	(3,942)
Advance received from project customers	<u>9,385</u>	<u>19,319</u>	<u>8,865</u>	<u>18,118</u>

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Project work in progress	218,943	156,492	211,327	120,384
Less progress billings	(160,278)	(103,872)	(155,778)	(93,399)
Unbilled project work in progress	58,665	52,620	55,549	26,985
Less allowance for doubtful accounts	(1,311)	(1,311)	(1,311)	(1,311)
Unbilled project work in progress - net	<u>57,354</u>	<u>51,309</u>	<u>54,238</u>	<u>25,674</u>

8. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

Revenues from sales of goods, revenues from project works and services, other income, costs of sales of goods, costs of project works and services, other expenses, and profit / loss before income tax expense are significant financial and core information of the Group that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Group operates in two main business segments, namely sales of fire protection equipment and systems and project works and services (design, installation, repair and maintenance of fire protection systems).

In addition, the Group operates its business in Thailand. The management therefore considers that the Group has one geographical segment.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

The following information classified by business segments for the three-month periods ended June 30, 2017 and 2016;

	Consolidated financial statements (In Thousand Baht)					
	2017			2016		
	Revenues from sales of goods	Revenues from project works and services	Total	Revenues from sales of goods	Revenues from project works and services	Total
Revenues	150,896	64,131	215,027	152,846	42,360	195,206
Costs	(109,364)	(47,009)	(156,373)	(116,309)	(35,767)	(152,076)
Gross profit	41,532	17,122	58,654	36,537	6,593	43,130

	Separate financial statements (In Thousand Baht)					
	2017			2016		
	Revenues from sales of goods	Revenues from project works and services	Total	Revenues from sales of goods	Revenues from project works and services	Total
Revenues	147,666	58,171	205,837	152,056	38,234	190,290
Costs	(108,224)	(43,055)	(151,279)	(115,900)	(32,674)	(148,574)
Gross profit	39,442	15,116	54,558	36,156	5,560	41,716

The following information classified by business segments for the six-month periods ended June 30, 2017 and 2016;

	Consolidated financial statements (In Thousand Baht)					
	2017			2016		
	Revenues from sales of goods	Revenues from project works and services	Total	Revenues from sales of goods	Revenues from project works and services	Total
Revenues	309,209	138,538	447,747	321,924	75,565	397,489
Costs	(228,093)	(104,205)	(332,298)	(242,067)	(64,260)	(306,327)
Gross profit	81,116	34,333	115,449	79,857	11,305	91,162

	Separate financial statements (In Thousand Baht)					
	2017			2016		
	Revenues from sales of goods	Revenues from project works and services	Total	Revenues from sales of goods	Revenues from project works and services	Total
Revenues	302,322	118,861	421,183	312,351	65,785	378,136
Costs	(225,913)	(91,355)	(317,268)	(235,319)	(57,973)	(293,292)
Gross profit	76,409	27,506	103,915	77,032	7,812	84,844

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

9. COMMITMENTS

As at June 30, 2017, the Company had several office buildings and warehouses lease agreements with various terms whereby the last agreements will end on May 31, 2018. The Company is committed to pay lease under such agreements totalling approximately Baht 2.1 million.

10. CONTINGENT LIABILITY

As at June 30, 2017, the Group had contingent liabilities for letters of guarantee issued by several local financial institutions in favor of several counterparties for commercial purposes totalling Baht 21.85 million.

11. DIVIDEND PAYMENT

- Firetrade Engineering Public Company Limited.

At the extraordinary shareholders' meeting No. 1/2016 held on January 28, 2016, the shareholders approved the dividend payment from net profit for the year 2012 at the rate of Baht 19.36047 per share, totalling Baht 3,872,094.95. The dividend was paid to the shareholders in March 2016.

At the general shareholders' meeting of 2017 held on March 10, 2017, the shareholders approved the dividend payment from net profit for the year 2016 at the rate of Baht 0.14 per share, totalling Baht 63,000,000.00. The dividend was paid to the shareholders in March 2017.

At the Board of Directors' meeting No. 2/2017 held on May 12, 2017, the Board of Directors approved an interim dividend payment from operation of the 1st quarter of 2017 at the rate of Baht 0.042 per share, totaling Baht 18.9 million. The dividend was paid to the shareholders in May 2017.

- Fire Inspector Company Limited. ("the subsidiary")

At the general shareholders' meeting of 2017 of the subsidiary held on March 21, 2017, the shareholders approved the dividend payment from net profit for the year 2016 of the subsidiary at the rate of Baht 949 per share, totalling Baht 18,980,000.00. The dividend was paid to the shareholders of the subsidiary on March 31, 2017.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Condensed Notes to Financial Statements (Continued)
June 30, 2017 and 2016 (Unaudited/Reviewed)
and December 31, 2016 (Audited)**

12. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting of the Company No. 3/2017 held on August 11, 2017, the Board of Directors acknowledged the following :

- a) Registered paid-up share capital of the Company from Baht 225,000,000 to Baht 300,000,000 with the Ministry of Commerce on July 25, 2017, and
- b) The Stock Exchange of Thailand's Board of Governors accepted the Company's common shares as the listed securities in SET and has started to buy and sell in SET since July 27, 2017.

13. APPROVAL OF INTERIM FINANCIAL INFORMATION

The accompanying interim financial information has been approved for dissemination by the Board of Directors' meeting of the Company on August 11, 2017.