

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY**
Notes to Financial Statements
December 31, 2017 and 2016

1. GENERAL AND BUSINESS RESTRUCTURING

General

Firetrade Engineering Public Company Limited (“the Company”) was incorporated as a limited company under the Civil and Commercial Code 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.

Business Restructuring

On July 28, 2016, the Company took its increase share capital 47,500 ordinary shares to swap with the investment in 19,998 ordinary shares of Fire Inspectors Co., Ltd. (“the subsidiary”), 99.99% of shareholding as if it was a business combination of entity under common control which considered as the Company is the parent company of the subsidiary, 95% of shareholding, before January 1, 2016. Consequently, the Company prepared the consolidated financial statements which included the financial statements of the subsidiary before January 1, 2016. Such presentation reflects the economic substances of the entities in the group which are under common control throughout the related time as though the entities in the group operated as one economic unit before January 1, 2016, although the legal form of the relationship between the Company and the subsidiary incurred later. The difference between the net book value of net assets of the subsidiary as at business restructuring date and cost of business restructuring under common control amounted to Baht 0.10 million was presented under “Share premium on business restructuring under common control” under shareholders’ equity in the consolidated financial statements (see Note 16).

Net book value of assets and liabilities of the investment in ordinary shares of the subsidiary as at the business restructuring under common control and the swap of Company’s increase share capital 47,500 ordinary shares at Baht 100 par value with the subsidiary’s 19,998 ordinary shares from the existing shareholders of the subsidiary as discussed above were as follows:

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Net book value of assets and liabilities as of the business restructuring date

| | <u>In Thousand Baht</u> |
|--|-------------------------|
| Cash and cash equivalents | 10,445 |
| Trade and other accounts receivable | |
| - Related parties | 2,075 |
| - Others | 11,367 |
| Unbilled project works in progress | 1,730 |
| Inventories | 7,401 |
| Other current assets | 236 |
| Deposits at financial institutions under pledge | 355 |
| Equipment | 108 |
| Deferred tax assets | 235 |
| Other non-current assets | 27 |
| Trade and other accounts payable | |
| - Related parties | (1,745) |
| - Others | (24,531) |
| Income tax payable | (20) |
| Other current liabilities | (2,661) |
| Liability for post-employment benefits | (173) |
| Total net assets of the subsidiary | 4,849 |
| Less: 47,500 ordinary shares at Baht 100 par value | (4,750) |
| Share premium on business restructuring under common control | 99 |

2. BASIS FOR FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which is the core functional currency, and in the Thai language in conformity with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

The consolidated financial statements, 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% (see Notes 1, 8 and 16).

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

Except as otherwise disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Group disclosed information for the year ended December 31, 2016, for comparative propose, in the financial statement for the year ended December 31, 2017 in the form of corresponding figures.

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 the above mentioned purposes.

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Starting from January 1, 2017, the Group had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), revised and newly issued by FAP, which became effective from the accounting period starting on or after January 1, 2017. The aforesaid adoption of new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Group.

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette during 2017 regarding the revision of aforesaid TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2018 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

| | |
|------------------------|--|
| TAS 1 (revised 2017) | Presentation of Financial Statements |
| TAS 2 (revised 2017) | Inventories |
| TAS 7 (revised 2017) | Statement of Cash Flows |
| TAS 8 (revised 2017) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2017) | Events after the Reporting Period |
| TAS 11 (revised 2017) | Construction Contracts |
| TAS 12 (revised 2017) | Income Taxes |
| TAS 16 (revised 2017) | Property, Plant and Equipment |
| TAS 17 (revised 2017) | Leases |
| TAS 18 (revised 2017) | Revenue |
| TAS 19 (revised 2017) | Employee Benefits |
| TAS 20 (revised 2017) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2017) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2017) | Borrowing Costs |
| TAS 24 (revised 2017) | Related Party Disclosures |
| TAS 26 (revised 2017) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2017) | Separate Financial Statements |
| TAS 28 (revised 2017) | Investments in Associates and Joint Ventures |
| TAS 29 (revised 2017) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (revised 2017) | Earnings per Share |
| TAS 34 (revised 2017) | Interim Financial Reporting |
| TAS 36 (revised 2017) | Impairment of Assets |
| TAS 37 (revised 2017) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2017) | Intangible Assets |
| TAS 40 (revised 2017) | Investment Property |
| TAS 41 (revised 2017) | Agriculture |
| TFRS 2 (revised 2017) | Share-based Payment |
| TFRS 3 (revised 2017) | Business Combinations |
| TFRS 4 (revised 2017) | Insurance Contracts |
| TFRS 5 (revised 2017) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (revised 2017) | Exploration for and Evaluation of Mineral Resources |
| TFRS 8 (revised 2017) | Operating Segments |
| TFRS 10 (revised 2017) | Consolidated Financial Statements |
| TFRS 11 (revised 2017) | Joint Arrangements |
| TFRS 12 (revised 2017) | Disclosure of Interests in Other Entities |
| TFRS 13 (revised 2017) | Fair Value Measurement |

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| | |
|-------------------------|--|
| TSIC 10 (revised 2017) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (revised 2017) | Operating Leases - Incentives |
| TSIC 25 (revised 2017) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
| TSIC 27 (revised 2017) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 29 (revised 2017) | Service Concession Arrangements: Disclosures |
| TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| TSIC 32 (revised 2017) | Intangible Assets - Web Site Costs |
| TFRIC 1 (revised 2017) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (revised 2017) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (revised 2017) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (revised 2017) | Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies" |
| TFRIC 10 (revised 2017) | Interim Financial Reporting and Impairment |
| TFRIC 12 (revised 2017) | Service Concession Arrangements |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 14 (revised 2017) | TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 17 (revised 2017) | Distributions of Non-cash Assets to Owners |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |
| TFRIC 20 (revised 2017) | Stripping Costs in the Production Phase of a Surface Mine |
| TFRIC 21 (revised 2017) | Levies |

Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial statements of the Group upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

Significant intercompany transactions between the Company and its subsidiary included in the consolidated financial statements have been eliminated.

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Subsidiary

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiary was necessarily transformed for uniformity with the Company's policies.

The Company accounts for its investment in subsidiary in the separate financial statements by the cost method and stated such investment at cost net of allowance for impairment (if any).

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and deposits at financial institutions. Cash equivalents are highly liquid short-term investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction in use or being collateralized and that are subject to an insignificant risk of change in value.

Cash at banks which have restrictions in use or being collateralized are presented separately as "Deposits at financial institutions under pledge" under non-current assets in the statement of financial position.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable is stated at invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed based on analysis of payment histories, monitoring on the current status of debtors, and future expectations of debtors' payments. Bad debts are written-off when incurred.

Inventories

Inventories are stated at the lower of cost, first-in first-out method, net of allowance for diminution in value, and net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated incremental costs necessary to sales.

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Allowance for diminution in value is made for obsolete and slow-moving inventories.

Land and Equipment

Owned assets

Land not used is stated at cost less allowance for impairment (if any). Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by means of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment (if any). Lease payments are apportioned between the financial charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial charges are charged directly to the statement of comprehensive income.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the useful lives of each part of an item separately for each significant part of the assets. The useful lives are as follows:

| | Years |
|------------------|----------|
| Furniture | 5 |
| Office equipment | 5 and 10 |
| Fixtures | 5 |
| Tools | 5 |
| Vehicle | 5 |

No depreciation is charged on land and assets under construction or installation.

Depreciation methods, useful lives and residual values of the assets are reviewed at each financial year-end and adjusted if appropriate.

Computer Software (other non-current assets)

Computer software is stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line basis over the useful lives of 3 years, 5 years and 10 years.

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Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each of the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of an asset's fair value less cost to sell or value in use) are estimated. The review is made for individual asset or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying amount of the asset to be at its recoverable amount and recognizes in the statement of comprehensive income. The reversal of impairment losses, recognized in prior years, is recorded as part of other income when there is an indication that such impairment losses no longer exist or are decreased. The reversal of any impairment loss shall not exceed the asset's carrying amount, net of depreciation or amortization, that would have been determined had no impairment loss been recognized for the asset in prior years.

Trade and Other Accounts Payable

Trade and other accounts payable are stated at cost.

Employee Benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as expenses upon their occurrences and on accrual basis.

Obligation on defined contribution plan which is the provident fund, is recognized as an expense in the statement of comprehensive income when contribution is made to the fund on an accrual basis.

Obligation in respect of post-employment benefits, which is compensation under labor protection acts, which will be settled to the employees upon retirement or termination, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method, by a qualified actuary by estimating the amount of future benefits that each employee has earned in return for his or her services in the prior and current periods. Expenses from the estimated liability for post-employment benefits, which are recognized as expenses in the statement of comprehensive income, comprise past service cost (if any), current service cost and interest cost which are recognized as profit or loss item. Actuarial gain/loss on measurement is recognized as other comprehensive income item. This employee benefit plan is unfunded and has no any incurrence of plan asset.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

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Estimate installation project costs

The Company estimates costs of each installation projects based on details of the installation design, and calculate quantity and costs of material, labour and others which used to complete the projects and accompany with determine the trend of change in that costs. Estimate costs are reviewed regularly and whenever actual costs are significant difference from the estimate costs.

Provision for loss on installation project

Management exercise judgement to estimate the probable loss of each installation project, based on estimates the probable costs by determine progress of installation, actual costs together with change in costs of materials and labour and current situation.

Provision for Warranty

A provision for warranty is recognized when the goods were sold or services were rendered to the customers. Provision is determined based on historical warranty payment experience couple with a review of the possibility factors on incurrence of such damage.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

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Revenues

Revenues exclude value added tax and are presented at amount net of trade discount.

Revenues from sales of goods

Revenues from sales of goods are recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenues from project works

Revenues from project works include the initial amount agreed in the contract plus any variations in project works, claims and incentive payments if revenue is probable incurred and reliable measure. When project works are reliable estimated, revenue and cost of project works are recognized in the statement of comprehensive income in proportion of the stage of completion of project work.

The stage of completion of project work is estimated by reference to the proportion of project work cost is incurred for work performed upto date and estimate of total project work cost.

If the estimate of project work is unreliable, revenue from project work will be recognized not excess the project work cost is incurred and probably recoverable.

When it is probable that total project work costs will be exceed total revenue from project work, the expected loss of project work will be recognized in the statement of comprehensive income.

The part of completed project work, which has not yet been delivered for acceptance and billing, is recorded as unbilled project work in progress.

Rental income

Rental income under operating leases is recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Service income

Service income is recognized when the services were rendered to customers.

Interest, other income and dividend income

Interest and other income are recognized on an accrual basis.

Dividend income is recognized on the date that the right to receive dividend income is established.

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Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Contingent rentals are charged to the statement of comprehensive income in the accounting period of incurrence.

Finance costs

Interest expense and similar costs are charged to the statement of comprehensive income in the period of incurrence, except for the extent that they are capitalized as being directly attributable to the acquisition, construction or installation of an asset which necessarily takes a substantial period of time to be prepared until readiness for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Use of Estimates

In order to prepare financial statements in conformity with the financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for doubtful accounts of trade accounts receivable
- Allowance for diminution in value of inventories and determine impairment of assets
- Useful lives and residual values of equipment
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments

Foreign Currency Transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

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Non-monetary assets and liabilities, measured at cost, denominated in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Derivative Financial Instruments

Derivative financial instruments are used, in the appropriate time, to manage exposure to foreign exchange and interest rate risks arising from operating and financing activities. Derivative financial instruments are not intended to use for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, they are remeasured at fair value. Gain or loss on remeasurement to fair value is recognized as profit or loss item in the statement of comprehensive income.

Income Tax

Income tax expense for the year comprises current tax and deferred tax.

Current tax is the amount of income tax payable or recoverable in respect of the taxable profit or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the applicable laws that have been enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Group, directly or indirectly able to control the Group, or having significant influence to govern the financial or operating policies of the Group.

The related parties consisted of:

| Party's Name | Type of Business | Relationship |
|--------------------------|---|-------------------------------|
| Fire Inspector Co., Ltd. | Sales, installation and provide service for all types of protection equipment and systems | Subsidiary |
| Safety Factory Co., Ltd. | Sales of security instruments and equipment and provide all types of security engineering service | Co-shareholders and directors |

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| Party's Name | Type of Business | Relationship |
|---|--|--|
| Econlite Manufacturing (Thailand) Co., Ltd. | Produce and sales of lighten equipment, warning light and all types of emergency generator | Co-shareholders and directors |
| S.I. Firetrade Co., Ltd. | Sales of printer, printing ink, spare parts, component of packaging printer, installation, maintenance and lease printer and packaging printer | Co-shareholders and directors |
| Khun Taksin Tantipijit | - | The Company's shareholder and director |
| Khun Pattamaporn Tantipijit | - | The Company's shareholder and director |
| Khun Sukkamol Wutthimetha | - | The Company's shareholder |

The pricing policies for particular types of transactions were as follows:

| Type of Transaction | Pricing Policies |
|---|---|
| Revenues from sales of goods | Cost plus mutually agreed margin |
| Revenues from services | Cost plus mutually agreed margin |
| Rental and other income | Negotiated agreement |
| Gain on disposals of equipment | Market price and mutually agreed amount |
| Purchases of goods | Cost plus mutually agreed margin |
| Engineering and warehousing service charges | Cost plus mutually agreed margin |
| Short-term loans to and short-term borrowings from | Mutually agreed interest rate |
| Guarantees the Company's credit facilities by directors and directors' assets | No guarantee charge |

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Significant transactions with related parties for the years ended December 31, 2017 and 2016 were as follows:

| | In Thousand Baht | | | |
|---|----------------------|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Revenues from sales of goods | 1,144 | 698 | 15,828 | 22,263 |
| Revenues from services | - | - | 2,714 | 3,050 |
| Dividend income | - | - | 27,513 | - |
| Interest income | - | - | 984 | 132 |
| Gain on sales of equipment | - | 477 | - | 477 |
| Other income | 1,327 | 1,144 | 1,661 | 1,408 |
| Purchases of goods | 1,136 | 285 | 6,160 | 11,714 |
| Engineering and warehousing service charges | 31 | 19 | 217 | 2,093 |
| Interest expense | - | 1,184 | - | 1,060 |
| Remuneration of key management | | | | |
| - Short-term benefits | 15,305 | 12,499 | 13,664 | 11,021 |
| - Post-employment benefits | 1,159 | 955 | 1,047 | 871 |
| Total | 16,464 | 13,454 | 14,711 | 11,892 |

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

| | In Thousand Baht | | | |
|---|----------------------|------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Trade and other accounts receivable | | | | |
| - <i>Trade accounts receivable</i> | | | | |
| Fire Inspector Co., Ltd. | - | - | 4,113 | 16,835 |
| Safety Factory Co., Ltd. | 411 | 257 | 411 | 257 |
| Total | 411 | 257 | 4,524 | 17,092 |
| - <i>Other accounts receivable</i> | | | | |
| Fire Inspector Co., Ltd. | - | - | 16 | 45 |
| S.I. Firetrade Co., Ltd. | 5 | 58 | 5 | 58 |
| Safety Factory Co., Ltd. | 3 | 23 | 3 | 23 |
| Econlite Manufacturing (Thailand) Co., Ltd. | 12 | - | 12 | - |
| Total | 20 | 81 | 36 | 126 |
| Total trade and other accounts receivable | 431 | 338 | 4,560 | 17,218 |

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| | In Thousand Baht | | | |
|---|----------------------|------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| The trade accounts receivable were aged as follows: | | | | |
| Current | 410 | 257 | 4,269 | 16,290 |
| Overdue: | | | | |
| - Not over 3 months | 1 | - | 255 | 802 |
| Total | 411 | 257 | 4,524 | 17,092 |
| Short-term loans to and interest receivable | | | | |
| <i>Fire Inspector Co., Ltd.</i> | | | | |
| - Short-term loans to | - | - | 19,000 | 24,800 |
| - Interest receivable | - | - | 65 | 83 |
| Total short-term loans to and interest receivable | - | - | 19,065 | 24,883 |
| Trade and other accounts payable | | | | |
| <i>- Trade accounts payable</i> | | | | |
| Fire Inspector Co., Ltd. | - | - | - | 3,330 |
| Safety Factory Co., Ltd. | 159 | 71 | 159 | 71 |
| Econlite Manufacturing (Thailand) Co., Ltd. | 7 | 8 | 3 | 8 |
| S.I. Firetrade Co., Ltd. | 3 | - | 2 | - |
| Total | 169 | 79 | 164 | 3,409 |
| <i>- Other accounts payable</i> | | | | |
| Fire Inspector Co., Ltd. | - | - | - | 196 |
| Safety Factory Co., Ltd. | 2 | 2 | 2 | 2 |
| Total | 2 | 2 | 2 | 198 |
| Total trade and other accounts payable | 171 | 81 | 166 | 3,607 |
| Other current liabilities | | | | |
| <i>- Refundable deposits</i> | | | | |
| S.I. Firetrade Co., Ltd. | 100 | 100 | 100 | 100 |
| Safety Factory Co., Ltd. | 26 | 26 | 26 | 26 |
| Fire Inspector Co., Ltd. | - | - | 22 | 22 |
| Total | 126 | 126 | 148 | 148 |

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Movements during the years ended December 31, 2017 and 2016 of short-term loans to and short-term borrowings from related parties 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 | 24,800 |
| Decrease | - | - | (14,800) | - |
| Balance as at December 31 | - | - | 19,000 | 24,800 |
| Short-term borrowings from | | | | |
| Balance as at January 1 | - | 82,821 | - | 70,261 |
| Increase | - | 27,500 | - | 24,000 |
| Decrease | - | (110,321) | - | (94,261) |
| Balance as at December 31 | - | - | - | - |

5. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS

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

| | In Thousand Baht | | | |
|--|----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| - <i>The trade accounts receivable were aged as follows:</i> | | | | |
| Current | 111,178 | 115,085 | 101,091 | 90,697 |
| Overdue: | | | | |
| - Not over 3 months | 88,954 | 63,552 | 81,802 | 62,053 |
| - Over 3 months to 6 months | 8,806 | 4,520 | 8,806 | 4,520 |
| - Over 6 months to 12 months | 5,344 | 4,965 | 5,125 | 3,844 |
| - Over 12 months | 3,123 | 4,319 | 3,063 | 4,149 |
| Total | 217,405 | 192,441 | 199,887 | 165,263 |
| Less allowance for doubtful accounts | (4,117) | (7,364) | (4,057) | (6,414) |
| Net | 213,288 | 185,077 | 195,830 | 158,849 |

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
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| | In Thousand Baht | | | |
|---|----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| - <i>Other accounts receivable</i> | | | | |
| Retention receivables | 8,220 | 804 | 6,106 | 371 |
| Advances paid to installation contractors | 721 | 2,670 | 721 | 2,670 |
| Other prepaid expenses | 5,206 | 7,363 | 5,095 | 7,299 |
| Other receivables | 1,129 | 207 | 401 | 205 |
| Total | 15,276 | 11,044 | 12,323 | 10,545 |
| Total trade and other accounts receivable | 228,564 | 196,121 | 208,153 | 169,394 |

6. INVENTORIES

| | In Thousand Baht | | | |
|--|----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Merchandise | 218,958 | 175,525 | 211,856 | 165,782 |
| Goods in transit | 38,906 | 20,425 | 32,924 | 16,828 |
| Total | 257,864 | 195,950 | 244,780 | 182,610 |
| <u>Less</u> allowance for diminution in value of obsolete and slow-moving inventories | (6,477) | (6,237) | (6,000) | (5,678) |
| Total | 251,387 | 189,713 | 238,780 | 176,932 |

7. DEPOSITS AT FINANCIAL INSTITUTIONS UNDER PLEDGE

As at December 31, 2017, the Group and the Company had fixed deposits with two local banks amounting to Baht 4.5 million and Baht 4.4 million, respectively (2016 : Baht 4.5 million and Baht 4.3 million, respectively) which are pledged as collateral for the credit facilities with these local banks (see Note 11).

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
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Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

8. INVESTMENT IN SUBSIDIARY ACCOUNTED FOR USING THE COST METHOD

As at December 31, 2017 and 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 | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Fire Inspector Co., Ltd. | 2,000 | 2,000 | 99.99 | 99.99 | 4,849 | 4,849 | 27,513 | - |

Note : See Note 16 and 24.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
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Notes to Financial Statements (Continued)
December 31, 2017 and 2016

9. EQUIPMENT

Consolidated financial statements (In Thousand Baht)

| | Furniture | Office Equipment | Fixtures | Tools | Vehicle | Total |
|----------------------------------|-----------|---------------------|----------|-------|---------|---------|
| Cost | | | | | | |
| Balance as at January 1, 2016 | 2,902 | 7,356 | 1,260 | 3,300 | 16,248 | 31,066 |
| Additions | 394 | 1,422 | 11 | 685 | 4,102 | 6,614 |
| Deductions | (328) | (2,077) | (465) | (356) | (2,292) | (5,518) |
| Balance as at December 31, 2016 | 2,968 | 6,701 | 806 | 3,629 | 18,058 | 32,162 |
| Additions | 49 | 795 | 86 | 209 | 1,171 | 2,310 |
| Deductions | (4) | (8) | - | (512) | - | (524) |
| Balance as at December 31, 2017 | 3,013 | 7,488 | 892 | 3,326 | 19,229 | 33,948 |
| Accumulated depreciation | | | | | | |
| Balance as at January 1, 2016 | 2,231 | 5,248 | 658 | 2,262 | 11,877 | 22,276 |
| Depreciation charge for the year | 236 | 734 | 160 | 450 | 1,116 | 2,696 |
| Deductions | (300) | (1,966) | (465) | (314) | (2,227) | (5,272) |
| Balance as at December 31, 2016 | 2,167 | 4,016 | 353 | 2,398 | 10,766 | 19,700 |
| Depreciation charge for the year | 252 | 848 | 171 | 468 | 1,615 | 3,354 |
| Deductions | (4) | (8) | - | (512) | - | (524) |
| Balance as at December 31, 2017 | 2,415 | 4,856 | 524 | 2,354 | 12,381 | 22,530 |
| Net book value | | | | | | |
| As at December 31, 2016 | 801 | 2,685 | 453 | 1,231 | 7,292 | 12,462 |
| As at December 31, 2017 | 598 | 2,632 | 368 | 972 | 6,848 | 11,418 |

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
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Notes to Financial Statements (Continued)
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Separate financial statements (In Thousand Baht)

| | Furniture | Office Equipment | Fixtures | Tools | Vehicle | Total |
|----------------------------------|-----------|---------------------|----------|-------|---------|---------|
| Cost | | | | | | |
| Balance as at January 1, 2016 | 2,861 | 7,236 | 1,260 | 3,268 | 16,248 | 30,873 |
| Additions | 388 | 1,400 | 11 | 682 | 4,102 | 6,583 |
| Deductions | (328) | (2,069) | (465) | (356) | (2,292) | (5,510) |
| Balance as at December 31, 2016 | 2,921 | 6,567 | 806 | 3,594 | 18,058 | 31,946 |
| Additions | 41 | 791 | 86 | 209 | 1,171 | 2,298 |
| Deductions | (4) | (8) | - | (512) | - | (524) |
| Balance as at December 31, 2017 | 2,958 | 7,350 | 892 | 3,291 | 19,229 | 33,720 |
| Accumulated depreciation | | | | | | |
| Balance as at January 1, 2016 | 2,224 | 5,201 | 658 | 2,252 | 11,877 | 22,212 |
| Depreciation charge for the year | 228 | 712 | 160 | 443 | 1,116 | 2,659 |
| Deductions | (300) | (1,962) | (465) | (314) | (2,227) | (5,268) |
| Balance as at December 31, 2016 | 2,152 | 3,951 | 353 | 2,381 | 10,766 | 19,603 |
| Depreciation charge for the year | 242 | 823 | 171 | 461 | 1,615 | 3,312 |
| Deductions | (4) | (8) | - | (512) | - | (524) |
| Balance as at December 31, 2017 | 2,390 | 4,766 | 524 | 2,330 | 12,381 | 22,391 |
| Net book value | | | | | | |
| As at December 31, 2016 | 769 | 2,616 | 453 | 1,213 | 7,292 | 12,343 |
| As at December 31, 2017 | 568 | 2,584 | 368 | 961 | 6,848 | 11,329 |

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The gross carrying amount of fully depreciated equipment of the Group which are still in use as at December 31, 2017 and 2016 were as follows:

| | In Million Baht | | | |
|--|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Gross carrying amount of fully depreciated equipment | 14.8 | 13.8 | 14.7 | 13.8 |

10. LAND NOT USED IN OPERATION

As at December 31, 2017 and 2016, land not used in operation were as follows:

| | In Thousand Baht | | | |
|---------------------------------------|----------------------|-------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Cost | 4,241 | 4,241 | 4,241 | 4,241 |
| Less Allowance for impairment of land | (334) | (334) | (334) | (334) |
| Total | 3,907 | 3,907 | 3,907 | 3,907 |

11. CREDIT FACILITIES WITH FINANCIAL INSTITUTIONS

As at December 31, 2017 and 2016 the Group has credit facilities with various local banks were as follows:

| | In Thousand Baht | | | |
|-----------------------|----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Bank overdrafts | 1,000 | 31,000 | 1,000 | 31,000 |
| Short-term borrowings | 38,000 | 68,000 | 38,000 | 68,000 |
| Letters of guarantee | 53,000 | 42,900 | 50,000 | 39,900 |
| Forward contracts | 14,390 | 14,390 | 14,390 | 14,390 |
| Total | 106,390 | 156,290 | 103,390 | 153,290 |

As at December 31, 2017, the credit facilities are guaranteed by two directors and pledged a fixed deposit at bank of the Company and various fixed deposits at banks of a director as collateral.

Bank overdrafts bear interest at the rates of the pledged fixed deposits as collateral plus 2.0% per annum.

Short-term loans consist of promissory notes and trust receipts bear interest at the rates of MLR and MMR.

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**12. BANK OVERDRAFT AND SHORT-TERM LOANS
FROM FINANCIAL INSTITUTIONS**

| | In Thousand Baht | | | |
|----------------------------------|----------------------|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Bank overdraft | - | 17,386 | - | 17,386 |
| Promissory notes | - | 30,000 | - | 30,000 |
| Liabilities under trust receipts | - | 6,228 | - | 6,228 |
| Total | - | 53,614 | - | 53,614 |

13. TRADE AND OTHER ACCOUNTS PAYABLE - OTHERS

As at December 31, 2017 and 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 | |
| | 2017 | 2016 | 2017 | 2016 |
| Trade and other accounts payable | | | | |
| - <i>Trade accounts payable</i> | 87,838 | 63,117 | 80,506 | 57,335 |
| - <i>Other accounts payable</i> | | | | |
| Advance received from project works | 3,543 | 19,319 | 3,543 | 18,118 |
| Accrued commission | 6,840 | 5,807 | 6,345 | 5,254 |
| Accrued expenses | 4,080 | 3,966 | 3,835 | 3,792 |
| Other accounts payable | 5,878 | 2,286 | 5,783 | 1,958 |
| Total | 20,341 | 31,378 | 19,506 | 29,122 |
| Total trade and other accounts payable | 108,179 | 94,495 | 100,012 | 86,457 |

Work in progress

| | In Thousand Baht | | | |
|---|----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Progress billings | 8,050 | 23,280 | 8,050 | 22,060 |
| Less project work in progress | (4,507) | (3,961) | (4,507) | (3,942) |
| Advance received from project customers | 3,543 | 19,319 | 3,543 | 18,118 |

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| | In Thousand Baht | | | |
|---|--------------------------------------|-----------|----------------------------------|----------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Project work in progress | 303,229 | 156,492 | 289,354 | 120,384 |
| Less progress billings | (242,769) | (103,872) | (232,228) | (93,399) |
| Unbilled project work in progress | 60,460 | 52,620 | 57,126 | 26,985 |
| Less allowance for doubtful accounts | (1,311) | (1,311) | (1,311) | (1,311) |
| Unbilled project work in progress - net | 59,149 | 51,309 | 55,815 | 25,674 |

14. OTHER CURRENT LIABILITIES

| | In Thousand Baht | | | |
|---|--------------------------------------|-------|----------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Revenue Department payable | 8,374 | 2,393 | 7,029 | 2,324 |
| Employees' deposit for damage guarantee | 2,646 | 2,059 | 2,345 | 1,803 |
| Others | 370 | 226 | 392 | 248 |
| Total | 11,390 | 4,678 | 9,766 | 4,375 |

15. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2017 and 2016 were as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|-------|----------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Liability for post-employment benefits - as at January 1, | 5,078 | 3,800 | 4,877 | 3,667 |
| Current service cost | 1,493 | 1,158 | 1,404 | 1,095 |
| Interest cost | 160 | 120 | 153 | 115 |
| Expenses recognized as profit or loss in the statement of comprehensive income | 1,653 | 1,278 | 1,557 | 1,210 |
| <i>Item recognized as other comprehensive income in the statement of comprehensive income</i> | | | | |
| Actuarial loss on measurement | 1,194 | - | 1,137 | - |
| Liability for post-employment benefits - as at December 31, | 7,925 | 5,078 | 7,571 | 4,877 |

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Significant assumptions used in calculation of liability for post-employment benefits for the years ended December 31, 2017 and 2016 were as follows:

| Description | Assumptions | |
|-------------------------|---------------------------|---------------------------|
| | 2017 | 2016 |
| Discount rate | 2.73% and 2.93% per annum | 3.14% and 3.51% per annum |
| Salary escalation rate | 8.0% per annum | 8.0% per annum |
| Employee turnover rates | 0% to 33% per annum | 0% to 30% per annum |

16. SHARE CAPITAL

At the extraordinary shareholders' meeting held on July 28, 2016, the shareholders approved the following matters:

- a) Increase the Company's authorized share capital from Baht 20 million to Baht 225 million by newly issued share capital amounted to Baht 205 million (divided into 2,050,000 ordinary shares at Baht 100 par value). The allocations of the increasing shares are as follows:
 1. Allocated and offered increasing 2,002,500 ordinary shares to the existing shareholders according to the proportion of shareholding, and
 2. Allocated increasing 47,500 ordinary shares for purchase Fire Inspector Co., Ltd's 19,998 ordinary shares from its shareholders.

And modify the Company's Memorandum of Association in order to conform with the increase in authorized share capital. The Company registered the above increasing share capital with the Ministry of Commerce on August 1, 2016,

- b) Approve to purchase 19,998 ordinary shares of Fire Inspector Co., Ltd. from its shareholders and pay by increasing 47,500 ordinary shares of the Company. The result from this purchase, Fire Inspector becomes the Company's subsidiary (see Note 1),
- c) Approve to transform the limited company to public limited company and list the Company on the Stock Exchange of Thailand including initial public offering (IPO) and modify the Company's Memorandum of Association in order to conform with the transform the limited company to public limited company,
- d) Change the par value of authorized share from Baht 100 per share to Baht 0.50 per share,
- e) Increase the Company's authorized share capital from Baht 225 million by newly issued share capital amounted to Baht 75 million (divided into 150 million ordinary shares at Baht 0.50 par value) with totalling authorized share capital Baht 300 million (divided into 600 million ordinary shares at Baht 0.50 par value) and allocate the increasing shares for initial public offering (IPO).

The Company registered the change in par value of ordinary shares, and increase in share capital with the Ministry of Commerce on August 8, 2016,

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- f) Modify the Company's Articles of Association in order to conform with the transform the limited company to public limited company, and
- g) Approve to list the Company's ordinary shares on The Stock Exchange of Thailand.

On July 25, 2017, the Company received the proceeds from sell of its initial public offering of ordinary shares of Baht 442.5 million (newly issued 150 million ordinary shares at the price of Baht 2.95 per share) which was separately recorded as its share capital of Baht 75 million and premium on shares approximately Baht 346.5 million (net of expense on offering of ordinary shares totalling approximately Baht 21 million) as the separate item under "Shareholders' equity" in the statement of financial position as at December 31, 2017.

The Company had registered the increase in paid-up share capital with the Ministry of Commerce on July 25, 2017 and the Company's ordinary shares were accepted as the listed securities by The Stock Exchange of Thailand on July 27, 2017.

17. RESERVES

Share Premium

The share premium is set up under the provision of Section 51 of the Public Companies Act B.E. 2535, which requires that a company shall set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). The share premium is not available for dividend distribution.

Legal Reserve

The legal reserve is set up under the provisions of Section 116 of the Public Companies Act B.E. 2535, Section 116, which requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any) to a reserve account ("legal reserve") until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

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18. INCOME TAX

Income tax recorded as expense for the years ended December 31, 2017 and 2016 consists of:

| | In Thousand Baht | | | |
|---|--------------------------------------|--------|----------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Current tax computed from accounting profit regarding the announced income tax rate | 37,024 | 21,889 | 33,655 | 17,116 |
| Effects from non-deductible expenses | (20) | 501 | 151 | 287 |
| Effects from additional deductible expenses | (9,746) | (452) | (9,736) | (442) |
| Current tax on taxable profit | 27,258 | 21,938 | 24,070 | 16,961 |
| Income tax attributable to other comprehensive income | 239 | - | 227 | - |
| Decrease (increase) in deferred tax assets | 23 | (553) | (177) | (341) |
| Income tax presented in profit or loss | 27,520 | 21,385 | 24,120 | 16,620 |

Movements in deferred tax assets during the years ended December 31, 2017 and 2016 were as follows:

| | Consolidated financial statements (In Thousand Baht) | | | |
|--|--|------------------------------------|---|----------------------------|
| | For the year ended December 31, 2017 | | | |
| | At January 1, 2017 | Recognized in profit or loss | Recognized in other comprehensive income | At December 31, 2017 |
| Allowance for doubtful accounts | | | | |
| - trade accounts receivable | 1,474 | (649) | - | 825 |
| Allowance for diminution in value of inventories | 1,248 | 47 | - | 1,295 |
| Liability for post-employment benefits | 1,014 | 331 | 239 | 1,584 |
| Allowance for doubtful accounts | | | | |
| - unbilled project work in progress | 262 | - | - | 262 |
| Allowance for impairment of land | 67 | - | - | 67 |
| Provisions of fine for delay delivery | 36 | (36) | - | - |
| Other | - | 45 | - | 45 |
| Total | 4,101 | (262) | 239 | 4,078 |

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| | Consolidated financial statements (In Thousand Baht) | | | |
|---|--|------------------------------------|---|----------------------------|
| | For the year ended December 31, 2016 | | | |
| | At January 1, 2016 | Recognized in profit or loss | Recognized in other comprehensive income | At December 31, 2016 |
| Allowance for doubtful accounts | | | | |
| - trade accounts receivable | 1,303 | 171 | - | 1,474 |
| Allowance for diminution in value of inventories | 1,420 | (172) | - | 1,248 |
| Liability for post-employment benefits | 758 | 256 | - | 1,014 |
| Allowance for doubtful accounts | | | | |
| - unbilled project work in progress | - | 262 | - | 262 |
| Allowance for impairment of land | 67 | - | - | 67 |
| Provisions of fine for delay delivery | - | 36 | - | 36 |
| Total | 3,548 | 553 | - | 4,101 |

| | Separate financial statements (In Thousand Baht) | | | |
|--|--|------------------------------------|---|----------------------------|
| | For the year ended December 31, 2017 | | | |
| | At January 1, 2017 | Recognized in profit or loss | Recognized in other comprehensive income | At December 31, 2017 |
| Allowance for doubtful accounts | | | | |
| - trade accounts receivable | 1,284 | (471) | - | 813 |
| Allowance for diminution in value of inventories | 1,135 | 64 | - | 1,199 |
| Liability for post-employment benefits | 975 | 312 | 227 | 1,514 |
| Allowance for doubtful accounts | | | | |
| - unbilled project work in progress | 262 | - | - | 262 |
| Allowance for impairment of land | 67 | - | - | 67 |
| Other | - | 45 | - | 45 |
| Total | 3,723 | (50) | 227 | 3,900 |

| | Separate financial statements (In Thousand Baht) | | | |
|---|--|------------------------------------|---|----------------------------|
| | For the year ended December 31, 2016 | | | |
| | At January 1, 2016 | Recognized in profit or loss | Recognized in other comprehensive income | At December 31, 2016 |
| Allowance for doubtful accounts | | | | |
| - trade accounts receivable | 1,303 | (19) | - | 1,284 |
| Allowance for diminution in value of inventories | 1,279 | (144) | - | 1,135 |
| Liability for post-employment benefits | 733 | 242 | - | 975 |
| Allowance for doubtful accounts | | | | |
| - unbilled project work in progress | - | 262 | - | 262 |
| Allowance for impairment of land | 67 | - | - | 67 |
| Total | 3,382 | 341 | - | 3,723 |

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19. 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 rendering of 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 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.

The following information classified of the Group business segments for the years ended December 31, 2017 and 2016;

| Consolidated financial statements (In Thousand Baht) | | | | | | |
|--|------------------------|---|-----------|------------------------|---|-----------|
| 2017 | | | 2016 | | | |
| | Revenues from sales | Revenues from project works and services | Total | Revenues from sales | Revenues from project works and services | Total |
| Revenues | 655,717 | 319,619 | 975,336 | 628,412 | 194,150 | 822,562 |
| Costs | (474,583) | (241,242) | (715,825) | (468,410) | (150,284) | (618,694) |
| Gross profit | 181,134 | 78,377 | 259,511 | 160,002 | 43,866 | 203,868 |

| Separate financial statements (In Thousand Baht) | | | | | | |
|--|------------------------|---|-----------|------------------------|---|-----------|
| 2017 | | | 2016 | | | |
| | Revenues from sales | Revenues from project works and services | Total | Revenues from sales | Revenues from project works and services | Total |
| Revenues | 642,894 | 280,471 | 923,365 | 615,057 | 145,154 | 760,211 |
| Costs | (471,498) | (214,895) | (686,393) | (465,219) | (121,630) | (586,849) |
| Gross profit | 171,396 | 65,576 | 236,972 | 149,838 | 23,524 | 173,362 |

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20. EXPENSES BY NATURE

Significant expenses by nature were as follows:

| | In Thousand Baht | | | |
|---|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Changes in merchandise | (43,432) | 22,174 | (46,074) | 20,606 |
| Purchases of merchandise | 628,340 | 505,722 | 611,173 | 484,312 |
| Employee expenses | 102,379 | 88,102 | 97,938 | 84,426 |
| Contractor charges | 87,419 | 60,602 | 78,190 | 51,300 |
| Rental and office service charges | 6,605 | 6,298 | 6,580 | 6,270 |
| Transportation - out expenses | 7,091 | 5,840 | 6,792 | 5,436 |
| Depreciation and amortization expenses | 3,943 | 3,051 | 3,887 | 3,013 |

21. PROVIDENT FUND

The Group has established contributory provident fund for its employees. Membership to the fund is on a voluntary basis. The provident funds are registered with the Ministry of Finance as juristic entities under the Provident Fund Act B.E. 2530 and are managed by licensed Fund Manager. Contributions are made monthly by the employees and the Group at the rates as follows:

| Description | 2017 | 2016 |
|-----------------------------|---|--|
| The employees' contribution | 3%-15% of employees basic salaries on a voluntary basis | 3%-5% of employees basic salaries and working life |
| The Group's contribution | 3%-5% of employees basic salaries and working life | 3%-5% of employees basic salaries and working life |

The Group's contributions to the fund in 2017 and 2016 were as follows:

| | In Thousand Baht | | | |
|---------------------------|--------------------------------------|-------|----------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Contributions to the fund | 1,797 | 1,542 | 1,690 | 1,453 |

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22. FINANCIAL INSTRUMENTS

Financial risk and related instrument management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates, from non-performance of contractual obligations by counterparties, and from financial liquidity. The Group does not have any policy to use or issue derivative financial instruments for trading purposes. The Group did not change any significant management policies relating to financial risks and related financial instruments during 2017 and 2016.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to operations and cash flow of the Group. The Group's management believes that the interest risk is minimal because the Group's short-term borrowings bear interest at or approximated the floating market interest rates.

Foreign currency risk

The Group has trade accounts payable denominated in foreign currencies, giving rise to the exposure on market risk from changes in exchange rates. The Group had entered into certain forward exchange contracts to manage its foreign exchange risk. The Group, however, is exposing to currency risk for those without forward exchange contracts.

As at December 31, 2017, the Group has financial liabilities denominated in significant foreign currencies were as follows:

| | In Thousand Currency | |
|-----------|-------------------------------------|---------------------------------|
| | Consolidated financial statement | Separate financial statement |
| US Dollar | 1,768 | 1,508 |

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requesting trade credit from the Group. The Group's management believes that there were no significant concentrations of credit risk and exposure to credit risk shall not exceed the amount of allowance for doubtful accounts (if any) recorded in the statement of financial position.

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Liquidity risk

The Group manages its liquidity risk by maintaining the level of cash and cash equivalents deemed adequate to finance the Group's operations and investments and to mitigate the effects of fluctuations in cash flows with leaning to cash flows from operating activities and financing activities.

Fair value measurement of financial assets and liabilities

The Group used the Level 2 inputs of fair value hierarchy, which are other information observable for the asset or liability, either directly or indirectly, to measure the fair value of financial assets and liabilities which were as follows:

Cash and cash equivalents, trade and other accounts receivable - the carrying amounts approximate their fair values due to the relatively short-term maturity of these financial instruments.

Deposits at financial institutions under pledge - the carrying value approximates their fair value because these deposits bear interest at approximate market rates.

Bank overdraft and short-term borrowings from financial institutions, trade and other accounts payable - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investment in subsidiary cannot be calculated for its fair values without excessive costs.

23. CAPITAL MANAGEMENT

The Group's significant objectives on capital management are to ensure that it has the appropriate financial and capital structure as well as to maintain the financial liquidity and ability to continue its business as a going concern. The Group did not change any significant policies relating to its capital management during 2017 and 2016.

As at December 31, 2017 and 2016, the Group's and the Company's debt-to-equity ratios were as follows:

| | Ratio | | | |
|----------------------|----------------------|----------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| Debt-to-equity ratio | 0.19 : 1 | 0.52 : 1 | 0.17 : 1 | 0.52 : 1 |

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24. 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 extraordinary shareholders' meeting No. 2/2016 held on July 28, 2016, the shareholders approved the dividend payment from net profit for the year 2012 – 2015 at the rate of Baht 1,395.74 per share, totalling Baht 279,148,000.00. The dividend was paid to the shareholders in July and December 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 million. 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, totalling Baht 18.9 million. The dividend was paid to the shareholders in May 2017.

At the Board of Directors' meeting No. 4/2017 held on November 8, 2017, the Board of Directors approved the second interim dividend payment from operation for the six-month period ended June 30, 2017 at the rate of Baht 0.07 per share, totalling Baht 42 million. The dividend was paid to the shareholders on December 7, 2017.

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

At the Board of Directors' meeting No. 2/2016 held on July 1, 2016, the Board of Directors approved an interim dividend payment from net profit since start the operation to 2015 and some part of net profit for the year 2016 at the rate of Baht 1,097.50 per share, totalling Baht 21,950,000.00 and appropriated additional legal reserve amounting to Baht 76,496.46, totalling legal reserve was 10% of the subsidiary's authorized share capital. The dividend was paid to the subsidiary's shareholders in November and December 2016.

At the general shareholders' meeting of 2017 of the subsidiary held on March 21, 2017, the subsidiary's 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 18.98 million. The dividend was paid to the subsidiary's shareholders on March 31, 2017.

At the Board of Directors' meeting No. 3/2017 of the subsidiary held on December 1, 2017, the Board of Directors approved an interim dividend payment from the nine-month operation of the year 2017 of the subsidiary at the rate of Baht 426.78 per share, totalling Baht 8.54 million. The dividend was paid to the subsidiary's shareholders on December 28, 2017.

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25. COMMITMENTS

As at December 31, 2017, the Company had various forward exchange contracts (buy) with a local bank totalling approximately U.S. Dollar 0.5 million against Baht 16.56 million. The fair value of such forward exchange contracts as at December 31, 2017 is totalling approximately Baht 16.33 million.

26. CONTINGENT LIABILITIES

As at December 31, 2017, the Group had contingent liabilities for letters of guarantee issued by two local banks in favor of several counterparties for commercial purposes totalling Baht 26.2 million.

27. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 20, 2018, the Board of Directors has passed the resolution to propose the annual general meeting of shareholders to approve the following matters:

1. An appropriation net profit for the year 2017 for legal reserve amounting to Baht 7.3 million, and
2. Payment of dividends from operation for the period from July 1, 2017 to December 31, 2017 at the rate of Baht 0.126 per share, totalling Baht 75.6 million.

However, the above matters are subject to the final approval of the shareholders in the annual general shareholders' meeting of 2018.

28. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for dissemination by the Board of Directors' meeting of the Company on February 20, 2018.