



No. FTE 002/2561

11 May 2018

Subject Management Discussion and Analysis for the first quarter ended 31 March 2018

Attention President
The Stock Exchange of Thailand

Attachment Report and interim financial statement for the first quarter ended 31 March 2018

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating results according to the Company’s consolidated financial statements of the Company and its subsidiary for the first quarter ended 31 March 2018 as per the following details:

Unit: million Baht	For 3-month period (Jan-Mar)			
	2018	2017	Change	% Increase (Decrease)
Revenue from sale of goods	153.36	158.31	(4.95)	(3.13)
Revenue from project works and services	67.18	74.41	(7.23)	(9.72)
Total Revenue from Sale and Services	220.54	232.72	(12.18)	(5.23)
Cost of sales of goods	112.99	118.73	(5.74)	(4.83)
Cost of project works and services	60.79	57.20	3.59	6.28
Total Costs of Sales and Services	173.78	175.93	(2.15)	(1.22)
Gross Profit	46.76	56.79	(10.03)	(17.66)
Other income	3.61	3.90	(0.29)	(7.44)
Distribution costs	15.70	14.81	0.89	6.01
Administrative expenses	13.80	11.80	2.00	16.95
Finance costs	0.00	0.43	(0.43)	(100.00)
Tax Expense	4.25	6.42	(2.17)	(33.80)
Net Profit - attributable to equity holders of the parent	16.62	27.23	(10.61)	(38.96)
Gross Profit Margin (%)	21.20	24.40		
Net Profit Margin (%)	7.41	11.51		

Remark: 1) Net profit margin is calculated from the net profit attributable to equity holders of the parent on consolidated financial statement.
2) Decimal numbers shown in this management discussion and analysis are likely to be different from the Company’s financial statement due to the rounding to 2-digit decimal and unit changed to million baht.

Revenue from Sales and Services

For 3-month period ended March 31, 2018, the Company’s revenue from sales and services was THB 220.54 million, decreased by THB 12.18 million or equivalent to 5.23 percent increase compared to the same period of last year.

Revenue from project works and services for the first quarter of 2018 have been decreased due to the facts that there were slightly delay in some projects.

Gross Profit and Gross Profit Margin

For 3-month period ended March 31, 2018, the Company’s gross profit was THB 46.76 million or equivalent to the gross profit margin of 21.20 percent, whilst in the same period of last year, the Company’s gross profit was THB 56.79 million or equivalent to gross profit margin of 24.40 percent.

The decrease in gross profit and gross profit margin were a consequence of the fact that the Company revenue from project works and services as mentioned earlier, while the fixed costs were increased.



Distribution Costs and Administrative Expenses

For 3-month period ended March 31, 2018, the Company's distribution costs and administrative expenses were THB 29.50 million, increased by THB 2.89 million or up 10.86 percent compared to the same period of last year. Increases in such expenses resulted from rising salesperson expenses in order to accommodate the Company's expansion including consulting fee, public relations and so on.

Finance Costs

For 3-month period ended March 31, 2018, the Company has no financial cost due to incoming cash flow from the Initial Public Offering (IPO).

Tax Expense

For 3-month period ended March 31, 2018, income tax expense varied according to the reasons mentioned earlier.

Net Profit and Net Profit Margin

For 3-month period ended March 31, 2018, the Company's net profit attributable to equity holders of the parent was THB 16.62 million which was equal to the net profit margin of 7.41 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 27.23 million which was equal to the net profit margin of 11.51 percent.

The decrease in net income for the first quarter ended March 31, 2561, was mainly due to the decrease in gross profit as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

(Mr. Taksin Tantipijit)

Managing Director

Firetrade Engineering Public Company Limited

