



No. FTE 002/2020

2 March 2020

Subject Management Discussion and Analysis for the year ended December 31, 2019

Attention The President  
The Stock Exchange of Thailand

Attachment Report and financial statement for the year ended December 31, 2019

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating result according to the Company’s consolidated financial statement of the Company and its subsidiary for the year ended December 31, 2019 which the details are as follows:

| Unit: million Baht   | For the year ended December 31 |                 |                |                       |
|--|--------------------------------|-----------------|----------------|-----------------------|
|  | 2019                           | 2018            | Change         | % Increase (Decrease) |
| Revenue from sale of goods                                       | 689.16                         | 653.89          | 35.27          | 5.39                  |
| Revenue from project works and services                          | 336.70                         | 364.47          | (27.77)        | (7.62)                |
| <b>Total Revenue from Sale and Services</b>                      | <b>1,025.86</b>                | <b>1,018.36</b> | <b>7.50</b>    | <b>0.74</b>           |
| Cost of sales of goods   | 489.49                         | 456.91          | 32.58          | 7.13                  |
| Cost of project works and services                               | 263.70                         | 277.74          | (14.04)        | (5.06)                |
| <b>Total Costs of Sales and Services</b>                         | <b>753.19</b>                  | <b>734.65</b>   | <b>18.54</b>   | <b>2.52</b>           |
| <b>Gross Profit</b>  | <b>272.67</b>                  | <b>283.71</b>   | <b>(11.04)</b> | <b>(3.89)</b>         |
| Other incomes  | 12.44                          | 10.60           | 1.84           | 17.36                 |
| Distribution costs   | 76.58                          | 70.18           | 6.40           | 9.12                  |
| Administrative expenses  | 66.24                          | 61.07           | 5.17           | 8.47                  |
| Tax expense  | 27.69                          | 32.85           | (5.16)         | (15.71)               |
| <b>Profit for the period</b>                                     | <b>114.60</b>                  | <b>130.21</b>   | <b>(15.61)</b> | <b>(11.99)</b>        |
| <b>Net Profit - attributable to equity holders of the parent</b> | <b>114.60</b>                  | <b>130.21</b>   | <b>(15.61)</b> | <b>(11.99)</b>        |
| Gross Profit Margin (%)  | <b>26.58</b>                   | <b>27.86</b>    |                |                       |
| Net Profit Margin (%)  | <b>11.04</b>                   | <b>12.65</b>    |                |                       |

**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 the year ended December 31, 2019, the Company’s revenue from sales and services was THB 1,025.86 million, increased by THB 7.50 million or equivalent to 0.74 percent increase compared to the same period of last year.

Revenue from sale of goods was increased due to a growing customer base compared to the same period of last year,

Revenue from project work and services decreased. Because such income depends on value of fire fighting contractor projects each year.

**Gross Profit and Gross Profit Margin**

For the year ended December 31, 2019, the Company’s gross profit was THB 272.67 million or equivalent to the gross profit margin of 26.58 percent, whilst in the same period of last year, the Company’s gross profit was THB 283.71 million or equivalent to gross profit margin of 27.86 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 other costs were increased.





**Distribution costs and Administrative Expenses**

For the year ended December 31, 2019, the Company’s distribution costs and administrative expenses were THB 142.82 million, increased by THB 11.57 million or up 8.82 percent compared to the same period of last year.

Increases in such expenses resulted from rising salesperson and management expenses in order to accommodate the Company’s expansion and the Company has set aside Employee benefit obligations in accordance with severance payment as the labor law which entitled retired employee within work service year in various rates as the Labor Protection Act (No. 7) B.E. 2562 and has set aside loss on devaluation of obsolete, defective and slow-moving inventories so on.

**Net Profit and Net Profit Margin**

For the year ended December 31, 2019, the Company’s net profit attributable to equity holders of the parent was THB 114.60 million which was equal to the net profit margin of 11.04 percent. Whilst, in the same period of last year, the Company’s net profit attributable to equity holders of the parent was THB 130.21 million which was equal to the net profit margin of 12.65 percent.

The decrease in net income for of the year ended December 31, 2019 was as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

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(Mr. Taksin Tantipijit)  
Managing Director

Firetrade Engineering Public Company Limited