

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020 (UNAUDITED) (REVIEWED)**

**1. GENERAL INFORMATION**

Firetrade Engineering Public Company Limited (“the Company”) was incorporated in Thailand under the Civil and Commercial Code on 2 November 1999 and became a public company limited on 8 August 2016. The Company’s principal activities are to sales of fire protection equipment and systems, design, installation, repair and maintenance the fire protection systems.

On 27 July 2017, the Company was listed on the Stock Exchange of Thailand.

On 27 April 2020, the Company changed the location of its office from 21/57-58 Soi Soonvijai, Rama 9 Road, Bangkapi Sub-distict, Huaykwang District, Bangkok to 1198/5 Rama 9 Road, Phattanakan Sub-district, Suanluang District, Bangkok.

**2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements are prepared in accordance with Thai Accounting Standard (“TAS”) No. 34, Interim Financial Reporting to provide information additional to that included in the financial statements for the year ended 31 December 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2019.

The interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the interim financial statements has been provided by translating from the Thai version of the interim financial statements.

The preparation of the interim financial statements in accordance with Thai Financial Reporting Standards (“TFRS”) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019.

## **BASIS OF PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The consolidated interim financial statements are prepared using the same basis as were used for the consolidated financial statements for the year ended 31 December 2019 and consisted of the interim financial statements of Firetrade Engineering Public Company Limited, and its subsidiary (together referred to as “the Group”) as follows:

| Subsidiary               | Located in | Business type                                                                        | Percentage of holding (%) |       |             |
|--------------------------|------------|--------------------------------------------------------------------------------------|---------------------------|-------|-------------|
|                          |            |                                                                                      | 30 June                   |       | 31 December |
|                          |            |                                                                                      | 2020                      | 2019  | 2019        |
| Fire Inspector Co., Ltd. | Thailand   | Sales, installation and provide service<br>of fire protection equipment and systems. | 99.99                     | 99.99 | 99.99       |

All significant intercompany transactions and accounts are eliminated in preparing the consolidated interim financial statements.

The preparations of the consolidated interim financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

### **Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates.

However, the Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

### **Changes in application of new and revised TFRS**

#### **New and revised TFRS that became effective in the current period**

During the period 2020, the Group has adopted revised TFRS and new TFRS which are effective for the accounting period beginning on or after 1 January 2020. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these TFRS does not have any material impact on the Group’s financial statements. However, the new standards involve changes to key principles, which are summarized belows:

## **TFRS related to financial instruments**

The set of TFRS related to financial instruments consists of five TAS, TFRS and interpretations as follows:

| <b>TAS/TFRS/TFRIC</b> | <b>Topic</b>                                                |
|-----------------------|-------------------------------------------------------------|
| TAS 32                | Financial Instruments: Presentation                         |
| TFRS 7                | Financial Instruments: Disclosures                          |
| TFRS 9                | Financial Instruments                                       |
| TFRIC 16              | Hedges of a Net Investment in a Foreign Operation           |
| TFRIC 19              | Extinguishing Financial Liabilities with Equity Instruments |

These TFRS related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost taking into account the type of financial instruments, the characteristics of the contractual cash flows and the Group's business model, calculation of impairment of financial instruments using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these accounting standards are described belows:

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables. The Group's management has considered that the recognition of credit losses does not have any material impact.

## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

These TFRS do not have any material impact on the Group's financial statements.

## **Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"**

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider forward-looking information for measurement of expected credit loss with simplified approach.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019, except for adopted these new financial reporting standards comprises:

#### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses on its financial assets which measured at amortised cost, without requiring a credit - impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

#### **Leases**

##### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

##### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

#### 4. RELATED PARTY TRANSACTIONS

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Group and those related parties.

The significant transactions with related parties for the six-month periods ended 30 June 2020 and 2019 were as follows:

|                        | Thousand Baht                     |      |                               |       |
|------------------------|-----------------------------------|------|-------------------------------|-------|
|                        | Consolidated financial statements |      | Separate financial statements |       |
|                        | 2020                              | 2019 | 2020                          | 2019  |
| Revenues from sales    |                                   |      |                               |       |
| Subsidiary             | -                                 | -    | 6,690                         | 8,647 |
| Related companies      | 397                               | 490  | 397                           | 490   |
| Revenues from services |                                   |      |                               |       |
| Subsidiary             | -                                 | -    | 1,797                         | 1,502 |
| Related companies      | -                                 | 99   | -                             | 99    |
| Dividend income        |                                   |      |                               |       |
| Subsidiary             | -                                 | -    | -                             | 5,000 |
| Interest income        |                                   |      |                               |       |
| Subsidiary             | -                                 | -    | 193                           | 397   |
| Other income           |                                   |      |                               |       |
| Subsidiary             | -                                 | -    | 326                           | 177   |
| Related companies      | 829                               | 615  | 829                           | 615   |
| Purchases of goods     |                                   |      |                               |       |
| Subsidiary             | -                                 | -    | 2,163                         | 3,746 |
| Related companies      | 648                               | 325  | 631                           | 296   |

| Thousand Baht          |                                   |      |                               |      |
|------------------------|-----------------------------------|------|-------------------------------|------|
|                        | Consolidated financial statements |      | Separate financial statements |      |
|                        | 2020                              | 2019 | 2020                          | 2019 |
| Cost of services       |                                   |      |                               |      |
| Related companies      | 298                               | 222  | 249                           | 222  |
| Service expenses       |                                   |      |                               |      |
| Related companies      | 787                               | -    | 787                           | -    |
| Interest expenses      |                                   |      |                               |      |
| Related companies      | 411                               | -    | 411                           | -    |
| Purchases of equipment |                                   |      |                               |      |
| Related companies      | 6                                 | 3    | 6                             | 3    |

### Key management personnel compensation

Key management personnel compensation for the six-month periods ended 30 June 2020 and 2019 consisted of:

| Thousand Baht            |                                   |        |                               |        |
|--------------------------|-----------------------------------|--------|-------------------------------|--------|
|                          | Consolidated financial statements |        | Separate financial statements |        |
|                          | 2020                              | 2019   | 2020                          | 2019   |
| Short-term benefits      | 10,896                            | 9,943  | 10,001                        | 9,108  |
| Post-employment benefits | 1,143                             | 1,952  | 1,012                         | 1,755  |
| Total                    | 12,039                            | 11,895 | 11,013                        | 10,863 |

The balances with related parties as at 30 June 2020 and 31 December 2019 were as follows

| Thousand Baht                          |                                   |      |                               |        |
|----------------------------------------|-----------------------------------|------|-------------------------------|--------|
|                                        | Consolidated financial statements |      | Separate financial statements |        |
|                                        | 2020                              | 2019 | 2020                          | 2019   |
| Trade and other receivables            |                                   |      |                               |        |
| Fire Inspector Co., Ltd.               | -                                 | -    | 2,736                         | 5,159  |
| Safety Factory Co., Ltd.               | 20                                | 426  | 20                            | 426    |
| S.I. Firetrade Co., Ltd.               | 4                                 | 50   | 4                             | 50     |
| Safety Online Co., Ltd.                | 60                                | 31   | 60                            | 31     |
| Investments in subsidiary (see Note 7) | -                                 | -    | 12,849                        | 12,849 |
| Other non-current assets               |                                   |      |                               |        |
| Safety Factory Co., Ltd.               | 1,475                             | -    | 1,475                         | -      |

|                                             | Thousand Baht                     |      |                               |      |
|---------------------------------------------|-----------------------------------|------|-------------------------------|------|
|                                             | Consolidated financial statements |      | Separate financial statements |      |
|                                             | 2020                              | 2019 | 2020                          | 2019 |
| Trade and other payables                    |                                   |      |                               |      |
| Fire Inspector Co., Ltd.                    | -                                 | -    | 302                           | 69   |
| Econlite Manufacturing (Thailand) Co., Ltd. | 36                                | 58   | 25                            | 48   |
| Safety Online Co., Ltd.                     | 477                               | 193  | 477                           | 193  |
| Lease liabilities                           |                                   |      |                               |      |
| Safety Factory Co., Ltd.                    | 59,832                            | -    | 59,832                        | -    |
| Other non-current liabilities               |                                   |      |                               |      |
| Fire Inspector Co., Ltd.                    | -                                 | -    | 22                            | 22   |
| Safety Factory Co., Ltd.                    | 26                                | 26   | 26                            | 26   |
| S.I. Firetrade Co., Ltd.                    | 100                               | 100  | 100                           | 100  |

#### Short-term loans to related party

Short-term loans to related party as at 30 June 2020 and 31 December 2019 consisted of:

|                          | Thousand Baht                 |        |
|--------------------------|-------------------------------|--------|
|                          | Separate financial statements |        |
|                          | 2020                          | 2019   |
| Fire Inspector Co., Ltd. | 6,000                         | 10,000 |

Movements of short-term loans to related party for the six-month periods ended 30 June 2020 and 2019 were as follows:

|                   | Thousand Baht                 |        |
|-------------------|-------------------------------|--------|
|                   | Separate financial statements |        |
|                   | 2020                          | 2019   |
| Beginning balance | 10,000                        | 20,000 |
| Decrease          | (4,000)                       | -      |
| Ending balance    | 6,000                         | 20,000 |

The Company has short-term loans to related party by issuing promissory notes, due at call, with the interest rate of 4% per annum, without collateral.

#### Significant contracts

The Company entered into the building lease and service agreements with a related party from 27 April 2020 to 26 April 2023, with rental and service charge at the rate of Baht 0.74 million per month.

## Company relationship

| Company                                     | Country  | Type of relation                  |
|---------------------------------------------|----------|-----------------------------------|
| Fire Inspector Co., Ltd.                    | Thailand | Subsidiary                        |
| Safety Factory Co., Ltd.                    | Thailand | Common shareholders and directors |
| S.I. Firetrade Co., Ltd.                    | Thailand | Common shareholders and directors |
| Econlite Manufacturing (Thailand) Co., Ltd. | Thailand | Common shareholders and directors |
| Safety Online Co., Ltd.                     | Thailand | Common shareholders and directors |

## Bases of measurement for intercompany revenues and expenses

|                                           | Pricing Policy                   |
|-------------------------------------------|----------------------------------|
| Purchases and sales of goods              | Cost plus mutually agreed margin |
| Purchases of equipment                    | Cost plus mutually agreed margin |
| Revenues from services - cost of services | Cost plus mutually agreed margin |
| Dividend income                           | As declared                      |
| Interest income                           | Negotiated agreement             |
| Other income                              | Negotiated agreement             |
| Rental and service expenses               | Negotiated agreement             |
| Interest expenses                         | Interest rate of commercial bank |

## 5. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at 30 June 2020 and 31 December 2019 consisted of:

|                                           | Thousand Baht                     |         |                               |         |
|-------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
|                                           | Consolidated financial statements |         | Separate financial statements |         |
|                                           | 2020                              | 2019    | 2020                          | 2019    |
| Trade accounts receivable                 | 198,245                           | 203,454 | 180,859                       | 196,285 |
| <b>Less</b> Allowance for impairment loss | (17,785)                          | (9,456) | (17,646)                      | (9,420) |
| Trade accounts receivable - net           | 180,460                           | 193,998 | 163,213                       | 186,865 |
| Other receivables                         |                                   |         |                               |         |
| Prepaid expenses                          | 19,173                            | 8,333   | 19,112                        | 7,820   |
| Others                                    | 4,083                             | 2,423   | 4,108                         | 2,436   |
| Trade and other receivables - net         | 203,716                           | 204,754 | 186,433                       | 197,121 |
| For the six-month periods ended 30 June   |                                   |         |                               |         |
| Impairment loss                           | 8,329                             | 279     | 8,226                         | 279     |



As at 30 June 2020 and 31 December 2019, the Group had outstanding balances of trade accounts receivable aged by number of months as follows:

|                                  | Thousand Baht                     |         |                               |         |
|----------------------------------|-----------------------------------|---------|-------------------------------|---------|
|                                  | Consolidated financial statements |         | Separate financial statements |         |
|                                  | 2020                              | 2019    | 2020                          | 2019    |
| <b>Trade accounts receivable</b> |                                   |         |                               |         |
| Current                          | 92,591                            | 114,938 | 86,058                        | 116,424 |
| Overdue                          |                                   |         |                               |         |
| Less than or equal to 3 months   | 69,273                            | 58,318  | 60,856                        | 50,123  |
| Over 3 months up to 6 months     | 13,004                            | 8,620   | 12,218                        | 8,302   |
| Over 6 months up to 12 months    | 8,595                             | 12,124  | 7,003                         | 12,017  |
| Over 12 months                   | 14,782                            | 9,454   | 14,724                        | 9,419   |
| Total                            | 198,245                           | 203,454 | 180,859                       | 196,285 |

## 6. INVENTORIES

Inventories as at 30 June 2020 and 31 December 2019 consisted of:

|                                                      | Thousand Baht                     |         |                               |         |
|------------------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
|                                                      | Consolidated financial statements |         | Separate financial statements |         |
|                                                      | 2020                              | 2019    | 2020                          | 2019    |
| Finished goods                                       | 297,692                           | 300,406 | 288,012                       | 291,650 |
| Goods in transit                                     | 44,186                            | 20,138  | 44,186                        | 18,468  |
| Total                                                | 341,878                           | 320,544 | 332,198                       | 310,118 |
| <b>Less</b> Allowance for devaluation of inventories | (10,380)                          | (9,266) | (9,843)                       | (8,747) |
| Inventories - net                                    | 331,498                           | 311,278 | 322,355                       | 301,371 |

For the six-month periods ended 30 June

|                                    |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|
| Loss on devaluation of inventories | 1,114 | 3,579 | 1,096 | 3,507 |
|------------------------------------|-------|-------|-------|-------|

## 7. INVESTMENTS IN SUBSIDIARY

Investments in subsidiary stated by using the cost method as at 30 June 2020 and 31 December 2019 consisted of:

|                          | Thousand Baht         |        | Percentage of |       | Thousand Baht |        | Thousand Baht     |       |
|--------------------------|-----------------------|--------|---------------|-------|---------------|--------|-------------------|-------|
|                          | Paid-up share capital |        | holding (%)   |       | Cost          |        | Dividend income * |       |
|                          | 2020                  | 2019   | 2020          | 2019  | 2020          | 2019   | 2020              | 2019  |
| Fire Inspector Co., Ltd. | 10,000                | 10,000 | 99.99         | 99.99 | 12,849        | 12,849 | -                 | 5,000 |

\* For the six-month periods ended 30 June 2020 and 2019

## 8. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the six-month period ended 30 June 2020 were as follows:

|                                     | Thousand Baht                        |                                  |
|-------------------------------------|--------------------------------------|----------------------------------|
|                                     | Consolidated<br>financial statements | Separate<br>financial statements |
| Net book value as at 1 January 2020 | 137,565                              | 137,474                          |
| Purchases - cost                    | 34,476                               | 34,473                           |
| Depreciation for the period         | (1,456)                              | (1,439)                          |
| Net book value as at 30 June 2020   | 170,585                              | 170,508                          |

## 9. RIGHT-OF-USE ASSETS

The movements of right-of-use assets for the six-month period ended 30 June 2020 were as follows:

|                                     | Thousand Baht                                     |
|-------------------------------------|---------------------------------------------------|
|                                     | Consolidated and Separate<br>financial statements |
| Net book value as at 1 January 2020 | -                                                 |
| Additions                           | 60,208                                            |
| Depreciation for the period         | (502)                                             |
| Net book value as at 30 June 2020   | 59,706                                            |

## 10. TRADE AND OTHER PAYABLES

Trade and other payables as at 30 June 2020 and 31 December 2019 consisted of:

|                                   | Thousand Baht                     |         |                               |         |
|-----------------------------------|-----------------------------------|---------|-------------------------------|---------|
|                                   | Consolidated financial statements |         | Separate financial statements |         |
|                                   | 2020                              | 2019    | 2020                          | 2019    |
| Trade accounts payable            | 122,348                           | 102,259 | 121,498                       | 99,394  |
| Other payables                    |                                   |         |                               |         |
| Accrued expenses                  | 16,879                            | 12,129  | 16,090                        | 11,370  |
| Payables from purchases of assets | 18,518                            | 9,005   | 18,515                        | 9,005   |
| Retention payables                | 5,263                             | 4,193   | 5,263                         | 4,193   |
| Others                            | 2,494                             | 5,773   | 2,055                         | 5,753   |
| Trade and other payables          | 165,502                           | 133,359 | 163,421                       | 129,715 |

## 11. LEASE LIABILITIES

The movements of lease liabilities for the six-month period ended 30 June 2020 were presented belows:

|                             | Thousand Baht             |
|-----------------------------|---------------------------|
|                             | Consolidated and Separate |
|                             | financial statements      |
| As at 1 January 2020        | -                         |
| Additions                   | 60,208                    |
| Payments                    | (376)                     |
| As at 30 June 2020          | 59,832                    |
| <b>Less</b> Current portion | (2,009)                   |
| Lease liabilities           | 57,823                    |

The followings were the amounts for the six-month period ended 30 June 2020 recognised in profit or loss:

|                                        | Thousand Baht             |
|----------------------------------------|---------------------------|
|                                        | Consolidated and Separate |
|                                        | financial statements      |
| Depreciation of righth-of-use assets   | 502                       |
| Interest expense on lease liabilities  | 411                       |
| Expenses relating to short-term leases | 1,865                     |
| Total                                  | 2,778                     |

The Company has lease liabilities payments as at 30 June 2020 as follows:

| Year         | Thousand Baht                                  |                   |                       |
|--------------|------------------------------------------------|-------------------|-----------------------|
|              | Consolidated and Separate financial statements |                   |                       |
|              | Present value                                  | Deferred interest | Minimum lease payment |
| 1            | 2,009                                          | 2,416             | 4,425                 |
| 2 - 5        | 8,911                                          | 8,787             | 17,698                |
| Over 5 years | 48,912                                         | 16,353            | 65,265                |
| Total        | 59,832                                         | 27,556            | 87,388                |

## 12. DIVIDEND PAYMENT

### The Company

The Board of Directors' Meeting held on 1 March 2020, a resolution was passed to propose for approval by the Ordinary General Meeting of Shareholders, to pay dividends at the rate of Baht 0.09 per share, in the total amount of Baht 54 million. Subsequently, the Board of Directors' Meeting held on 30 March 2020, a resolution was passed to postpone the Ordinary General Meeting of Shareholders for the year 2020, since the Company was unable to arrange the Ordinary General Meeting of Shareholders according to the Coronavirus disease 2019 pandemic and a resolution was passed to pay the interim dividend at the rate of Baht 0.09 per share, in the total amount of Baht 54 million, instead of the annual dividend as the Board of Directors will propose to the Ordinary General Meeting of Shareholders for approval.

## 13. INCOME TAX

The Group recognized tax expense for the six-month periods ended 30 June 2020 and 2019 based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Tax expense for the six-month periods ended 30 June 2020 and 2019 as follows:

|                                    | Thousand Baht                     |         |                               |         |
|------------------------------------|-----------------------------------|---------|-------------------------------|---------|
|                                    | Consolidated financial statements |         | Separate financial statements |         |
|                                    | 2020                              | 2019    | 2020                          | 2019    |
| <b>Current tax</b>                 |                                   |         |                               |         |
| Current period                     | 8,784                             | 15,681  | 7,299                         | 13,812  |
| <b>Deferred tax</b>                |                                   |         |                               |         |
| Movements in temporary differences | (2,372)                           | (2,273) | (2,331)                       | (2,291) |
| Tax expense                        | 6,412                             | 13,408  | 4,968                         | 11,521  |

#### 14. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Group operated 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). Its operations are in a single geographic area primarily in Thailand which consider, basing on the types of activities, the operating income and cost for the six-month periods ended 30 June 2020 and 2019 were as follows:

|              | Thousand Baht |           |                                 |           |           |           |
|--------------|---------------|-----------|---------------------------------|-----------|-----------|-----------|
|              | From sales    |           | From project works and services |           | Total     |           |
|              | 2020          | 2019      | 2020                            | 2019      | 2020      | 2019      |
| Revenues     | 285,100       | 331,667   | 155,493                         | 160,217   | 440,593   | 491,884   |
| Cost         | (200,967)     | (234,823) | (129,571)                       | (125,347) | (330,538) | (360,170) |
| Gross profit | 84,133        | 96,844    | 25,922                          | 34,870    | 110,055   | 131,714   |

#### 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 2020, the carrying value and fair value of financial liabilities were as follows:

|                                           | Thousand Baht                                  |            |
|-------------------------------------------|------------------------------------------------|------------|
|                                           | Consolidated and Separate financial statements |            |
|                                           | Fair value through                             |            |
|                                           | profit or loss                                 | Fair value |
| <b>Financial liabilities</b>              |                                                |            |
| Foreign currency forward bought contracts | (699)                                          | (699)      |

Most of financial assets are cash and cash equivalents, trade and other receivables, contract assets and most of the financial liabilities are trade and other payables and contract liabilities which are short-term. For short-term loans to related party and deposits at financial institutions under pledge carrying interest approximate to the market rate. Their fair values are not expected to be materially different from the carrying amounts presented in the statements of financial position.

#### 16. FAIR VALUE HIERARCHY

As at 30 June 2020, the Group had the financial liabilities that were measured at fair value using different levels of inputs as follows:

|                                           | Thousand Baht                                  |         |         |       |
|-------------------------------------------|------------------------------------------------|---------|---------|-------|
|                                           | Consolidated and Separate financial statements |         |         |       |
|                                           | Level 1                                        | Level 2 | Level 3 | Total |
| <b>Liabilities measured at fair value</b> |                                                |         |         |       |
| Foreing currency forward bought contracts | -                                              | (699)   | -       | (699) |

#### Valuation techniques and inputs to Level 2 valuation

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the period, there were no transfers within the fair value hierarchy.

## 17. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2020 the Company and Subsidiary had commitments as follows:

#### The Company

- 17.1 Letters of guarantee issued by banks for goods and installation of system service agreement in the amount of Baht 57.72 million.
- 17.2 Payments under office service agreements with other companies and related company and payments under warehouse rental agreements with other companies as follows:

| Period      | Rental and service (Thousand Baht) |
|-------------|------------------------------------|
| 1 year      | 5,707                              |
| 2 - 5 years | 8,210                              |

- 17.3 Payments under service agreements in the amount of Baht 91.71 million.

#### The Subsidiary

- 17.4 Letters of guarantee issued by banks for goods and installation of system service agreement in the amount of Baht 0.66 million.
- 17.5 Payments under service agreements in the amount of Baht 0.33 million.

## 18. RECLASSIFICATION

The Group has reclassified certain accounts in the statements of financial position as at 31 December 2019 to conform with the presentation of the financial statements of this period which consisted of:

|                             | Thousand Baht                     |                  |                  |
|-----------------------------|-----------------------------------|------------------|------------------|
|                             | Consolidated financial statements |                  |                  |
|                             | Before                            |                  | After            |
|                             | Reclassification                  | Reclassification | Reclassification |
| Trade and other receivables | 203,300                           | 1,454            | 204,754          |
| Contract assets             | -                                 | 113,203          | 113,203          |
| Unbilled receivables        | 112,997                           | (112,997)        | -                |
| Other current assets        | 2,703                             | (1,660)          | 1,043            |
| Trade and other payables    | 166,340                           | (32,981)         | 133,359          |
| Contract liabilities        | -                                 | 36,951           | 36,951           |
| Other current liabilities   | 3,970                             | (3,970)          | -                |

|                             | Thousand Baht                     |                  |                  |
|-----------------------------|-----------------------------------|------------------|------------------|
|                             | Consolidated financial statements |                  |                  |
|                             | Before                            |                  | After            |
|                             | Reclassification                  | Reclassification | Reclassification |
| Trade and other receivables | 195,759                           | 1,362            | 197,121          |
| Contract assets             | -                                 | 101,423          | 101,423          |
| Unbilled receivables        | 101,217                           | (101,217)        | -                |
| Other current assets        | 2,611                             | (1,568)          | 1,043            |
| Trade and other payables    | 159,618                           | (29,903)         | 129,715          |
| Contract liabilities        | -                                 | 33,858           | 33,858           |
| Other current liabilities   | 3,955                             | (3,955)          | -                |

## 19. EVENT AFTER THE REPORTING PERIOD

### The Company

The Board of Directors' Meeting held on 14 August 2020, a resolution was passed authorizing the payment of interim dividend at the rate of Baht 0.02 per share, in the total amount of Baht 12 million.

## 20. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the Company's Board of Directors on 14 August 2020.