



No. FTE 002/2021

25 February 2021

Subject Management Discussion and Analysis for the year ended December 31, 2020

Attention The President
The Stock Exchange of Thailand

Attachment Report and financial statement for the year ended December 31, 2020

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, 2020 which the details are as follows:

Unit: million Baht	For the year ended December 31			
	2020	2019	Change	% Increase (Decrease)
Revenue from sale of goods	569.36	689.16	(119.80)	(17.38)
Revenue from project works and services	337.84	336.70	1.14	0.34
Total Revenue from Sale and Services	907.20	1,025.86	(118.66)	(11.57)
Cost of sales of goods	403.49	489.49	(86.00)	(17.57)
Cost of project works and services	279.00	263.70	15.30	5.80
Total Costs of Sales and Services	682.49	753.19	(70.70)	(9.39)
Gross Profit	224.71	272.67	(47.96)	(17.59)
Other incomes	6.96	12.44	(5.48)	(44.05)
Distribution costs	74.57	76.58	(2.01)	(2.62)
Administrative expenses	71.05	65.54	5.51	8.41
Finance costs	1.68	0.00	1.68	100.00
Impairment loss from financial assets	8.92	0.70	8.22	1,174.29
Tax expense	14.92	27.69	(12.77)	(46.12)
Profit for the period	60.53	114.60	(54.07)	(47.18)
Gross Profit Margin (%)	24.77	26.58		
Net Profit Margin (%)	6.62	11.04		

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, 2020, the Company’s revenue from sales and services was THB 907.20 million, decrease by THB 118.66 million or equivalent to 11.57 percent increase compared to the same period of last year. Revenue from sale of goods was decreased due to from many customers who have reported delaying the delivery of products that cannot enter the area to work due to the epidemic situation of the Coronavirus disease 2019 pandemic. Revenue from project works and services increased from preventive maintenance of fire protection equipment and related fire protection systems.

Gross Profit and Gross Profit Margin

For the year ended December 31, 2020, the Company’s gross profit was THB 224.71 million or equivalent to the gross profit margin of 24.77 percent, whilst in the same period of last year, the Company’s gross profit was THB 272.67 million or equivalent to gross profit margin of 26.58 percent. The decreased in gross profit and gross profit margin were a consequence of the fact that the Company revenue as mentioned earlier, while the other costs were increased.



Other income

For the year ended December 31, 2020, the Company’s other income were THB 6.96 million, decreased by THB 5.48 million or equivalent to 44.05 percent compared to the same period of last year. Because in 2019 and 2020, the Company using the cash received from the Initial Public Offering (IPO) to buy land for the construction a warehouse with an area of approximately 9 rai, resulting in a decreased in interest income.

Distribution costs and Administrative Expenses

For the year ended December 31, 2020, the Company’s distribution costs and administrative expenses were THB 145.62 million, increased by THB 3.50 million or up 2.46 percent compared to the same period of last year. Increases in such amortization intangible asset ERP Program, depreciation of assets recognized by the company from lease liabilities has adopted TFRS 16 Leases requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. And expenses related to the new office of the company.

Finance costs

For the year ended December 31, 2020, the Company’s finance costs was THB 1.68 million. The finance costs arise from lease liabilities has adopted TFRS 16 Leases requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Impairment loss from financial assets

For the year ended December 31, 2020, the Company’s Impairment loss from financial assets was THB 8.92 million, increased by THB 8.22 million compared to the same period of last year. The Company has set aside allowance for doubtful accounts for debtors who have tracked debt caused by the customer received Impacts of the Coronavirus 2019 (COVID-19) Outbreak Situation as a result, the debtor made more late payments. The Company has adopted revised TFRS and new TFRS which are effective for the accounting.

Net Profit and Net Profit Margin

For the year ended December 31, 2020, the Company’s net profit was THB 60.53 million which was equal to the net profit margin of 6.62 percent. Net Profit and net profit margin were decreased as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

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 (Mr. Taksin Tantipijit)
 Managing Director

Firetrade Engineering Public Company Limited

