



No. FTE 003/2021

14 May 2021

Subject Management Discussion and Analysis for the three-month period ended 31 March 2021

Attention The President  
The Stock Exchange of Thailand

Attachment : Report and interim financial statement for the three-month period ended 31 March 2021

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 three-month period ended 31 March 2021 which the details are as follows:

Unit: million Baht	For the three-month period ended 31 March			
	2021	2020	Change	% Increase (Decrease)
Revenue from sale of goods	148.66	156.58	(7.92)	(5.06)
Revenue from project works and services	112.52	68.44	44.08	64.41
<b>Total Revenue from Sale and Services</b>	<b>261.18</b>	<b>225.02</b>	<b>36.16</b>	<b>16.07</b>
Cost of sales of goods	109.60	108.49	1.11	1.02
Cost of project works and services	93.00	59.31	33.69	56.80
<b>Total Costs of Sales and Services</b>	<b>202.60</b>	<b>167.80</b>	<b>34.80</b>	<b>20.74</b>
<b>Gross Profit</b>	<b>58.58</b>	<b>57.22</b>	<b>1.36</b>	<b>2.38</b>
Other incomes	0.46	1.16	(0.70)	(60.34)
Distribution costs	18.75	18.00	0.75	4.17
Administrative expenses	21.31	19.65	1.66	8.45
Finance costs	0.79	0.00	0.79	100.00
Impairment loss from financial assets	2.45	5.89	(3.44)	(58.40)
Tax expense	3.26	2.91	0.35	12.03
<b>Profit for the period</b>	<b>12.48</b>	<b>11.93</b>	<b>0.55</b>	<b>4.61</b>
Gross Profit Margin (%)	<b>22.43</b>	<b>25.43</b>		
Net Profit Margin (%)	<b>4.77</b>	<b>5.27</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 three-month period ended 31 March 2021, the Company's revenue from sales and services was THB 261.18 million, increased by THB 36.16 million or equivalent to 16.07 percent comparing to the same period of last year.

-Revenue from project works and services increased by THB 44.08 million. This is partially a result of the increase of project workload. In addition, during the period, the income was recognized according to the completion of the project works compared to the same period of the last year.

-Revenue from sale of goods was decreased by THB 7.92 million due to postponement of product delivery by many customers who were affected by the pandemic of the Coronavirus Disease 2019.

### **Gross Profit and Gross Profit Margin**

For the three-month period ended 31 March 2021, the Company's gross profit was THB 58.58 million or equivalent to the gross profit margin of 22.43 percent, whilst in the same period of last year, the Company's gross profit was THB 57.22 million or equivalent to gross profit margin of 25.43 percent.

The decrease in gross profit margin is a result of higher business competition in the market.

### **Other income**

For the three-month period ended 31 March 2021, the Company's other income were THB 0.46 million, decreased by THB 0.70 million or equivalent to 60.34 percent compared to the same period of last year. Decreases in such interest income decreased by THB 0.36 million.

### **Distribution costs and Administrative Expenses**

For the three-month period ended 31 March 2021, the Company's distribution costs and administrative expenses were THB 40.06 million, increased by THB 2.41 million or up 6.40 percent compared to the same period of last year.

- Distribution costs are mostly the employee expenses of the sales department, increased by THB 0.89 million.

- Most of Administrative expenses are depreciation, increased by THB 1.06 million as a result of depreciation of assets recognized by the company from lease liabilities after TFRS 16 adopted. Leases require 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.

### **Finance costs**

For the three-month period ended 31 March 2021, the Company's finance costs was THB 0.79 million. The finance costs arise from lease liabilities after TFRS 16 adopted. 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 three-month period ended 31 March 2021, the Company's Impairment loss from financial assets was THB 2.45 million, decreased by THB 3.44 million compared to the same period of last year. This is because the Company has followed up and received payment from the debtors who has already set up an allowance for doubtful accounts. 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 debtors 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 three-month period ended 31 March 2021, the Company's net profit was THB 12.48 million which was equal to the net profit margin of 4.77 percent. 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