



No.FTE 005/2021

12 November 2021

Subject Management Discussion and Analysis for the nine-month period ended 30 September 2021

Attention The President of  
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the nine-month period ended 30 September 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 nine-month period ended 30 September 2021 which the details are as follows:

Unit: million Baht	For the three-month period ended 30 September (July -Sep)			
	2021	2020	Change	% Increase (Decrease)
Revenues from sales of goods	133.63	141.37	(7.74)	(5.47)
Revenues from project works and services	117.50	79.87	37.63	47.11
<b>Total Revenues from Sales and Services</b>	<b>251.13</b>	<b>221.24</b>	<b>29.89</b>	<b>13.51</b>
Cost of sales of goods	99.66	100.46	(0.80)	(0.80)
Cost of project works and services	91.81	67.86	23.95	35.29
<b>Total Costs of Sales and Services</b>	<b>191.47</b>	<b>168.32</b>	<b>23.15</b>	<b>13.75</b>
<b>Gross Profit</b>	<b>59.66</b>	<b>52.92</b>	<b>6.74</b>	<b>12.74</b>
Other incomes	0.90	1.56	(0.66)	(42.31)
Distribution costs	17.78	18.54	(0.76)	(4.10)
Administrative expenses	21.72	18.74	2.98	15.90
Finance costs	1.21	0.62	0.59	95.16
Expected credit losses	4.97	0.56	4.41	787.50
Tax expense	3.35	3.15	0.20	6.35
<b>Profit for the period</b>	<b>11.53</b>	<b>12.87</b>	<b>(1.34)</b>	<b>(10.41)</b>
Gross Profit Margin (%)	<b>23.76</b>	<b>23.92</b>		
Net Profit Margin (%)	<b>4.57</b>	<b>5.78</b>		





**Gross Profit and Gross Profit Margin**

For the three-month period ended 30 September 2021, the Company’s gross profit was THB 59.66 million or equivalent to the gross profit margin of 23.76 percent compared to the same period of the last year, the Company’s gross profit was THB 52.92 million or equivalent to gross profit margin of 23.92 percent.

For the nine-month period ended 30 September 2021, the Company’s gross profit was THB 171.86 million or equivalent to the gross profit margin of 22.54 percent compared to the same period of the last year, the Company’s gross profit was THB 162.98 million or equivalent to gross profit margin of 24.63 percent.

Gross profit increased due to increased total sales and decrease in gross profit margin is a result of higher business competition in the market.

**Distribution Costs and Administrative Expenses**

For the three-month period ended 30 September 2021, the Company’s distribution costs and administrative expenses were THB 39.50 million, increased by THB 2.22 million or 5.95 percent compared to the same period of the last year.

For the nine-month period ended 30 September 2021, the Company’s distribution costs and administrative expenses were THB 116.93 million, increased by THB 8.39 million or 7.73 percent compared to the same period of the last year.

- Most of Distribution costs are employee expenses of the sales department, increased by THB 1.44 million, as a result of higher sales.

- Most of Administrative expenses increasing come from most loss of exchange rate, increased by THB 5.52 million from Baht depreciation against foreign currencies and depreciation assets, increased by THB 4.04 million, recognized by the Company from lease liabilities according to TFRS 16. 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 of low value.

**Finance costs**

For the three-month period ended 30 September 2021, the Company’s finance costs was THB 1.21 million, increased by THB 0.59 million or equivalent to 95.16 percent compared to the same period of the last year.

For the nine-month period ended 30 September 2021, the Company’s finance costs was THB 3.04 million, increased by THB 2.01 million compared to the same period of the last year. The finance costs arise from lease liabilities according to 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 increased by THB 1.25 million, due to interest of short-term borrowing from financial institutions type of promissory notes.





### **Expected credit losses**

For the three-month period ended 30 September 2021, the Company's expected credit losses was THB 4.97 million, increased by THB 4.41 million compared to the same period of the last year.

For the nine-month period ended 30 September 2021, the Company's expected credit losses was THB 7.49 million, decreased by THB 1.40 million compared to the same period of the last year.

Further, to the Company has followed up and received payment from the debtors who has already set up an allowance for doubtful accounts affected by Coronavirus 2019 (COVID-19) Outbreak Situation. As a result, some debtors made late payments.

### **Net Profit and Net Profit Margin**

For the three-month period ended 30 September 2021, the Company's net profit was THB 11.53 million which was equal to the net profit margin of 4.57 percent. Net profit and net profit margin decreased compared to the same period of the previous year. Due to the reasons mentioned above.

For the nine-month period ended 30 September 2021, the Company's net profit was THB 38.41 million which was equal to the net profit margin of 5.01 percent. Net profit and net profit margin decreased when compared to the same period of the previous year. Due to the reasons mentioned above.

Please be informed accordingly,

Yours sincerely,

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(Mr. TaksinTantipijit)

Managing Director

Firetrade Engineering Public Company Limited