



No.FTE 001/2022

25 February 2022

Subject Management Discussion and Analysis for year ended 31 December 2021

Attention The President of
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the year ended 31 December 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 year ended 31 December 2021 which the details are as follows:

Unit: million Baht	For the year ended December 31			
	2021	2020	Change	% Increase (Decrease)
Revenues from sales of goods	560.30	569.36	(9.06)	(1.59)
Revenues from project works and services	445.17	337.84	107.33	31.77
Total Revenues from Sales and Services	1,005.47	907.20	98.27	10.83
Cost of sales of goods	411.50	403.49	8.01	1.99
Cost of project works and services	364.79	279.00	85.79	30.75
Total Costs of Sales and Services	776.29	682.49	93.80	13.74
Gross Profit	229.18	224.71	4.47	1.99
Other incomes	5.45	6.96	(1.51)	(21.70)
Distribution costs	66.07	74.57	(8.50)	(11.40)
Administrative expenses	94.96	71.05	23.91	33.65
Finance costs	4.24	1.68	2.56	152.38
Expected credit losses	13.56	8.92	4.64	52.02
Tax expense	11.78	14.92	(3.14)	(21.05)
Profit for the period	44.02	60.53	(16.51)	(27.28)
Gross Profit Margin (%)	22.79	24.77		
Net Profit Margin (%)	4.35	6.62		

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.



Revenues from Sales and Services

For the year ended 31 December 2021, the Company’s revenues from sales and services was THB 1,005.47 million, increased by THB 98.27 million 10.83 percent comparing to the same period of the last year.

-Revenues from project works and services increased by THB 107.33 million, or 31.77 percent Due to the Company received project contracts with higher value. In addition, during the period, there are more project works completion compared to the same period of the last year resulted in more income recognized.

-Revenues from sales of goods was decreased by THB 9.06 million or 1.59 percent Due to the postpone of product delivery by some customers affected by the pandemic of the Coronavirus Disease 2019.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2021, the Company’s gross profit was THB 229.18 million or equivalent to the gross profit margin of 22.79 percent compared to the same period of the last year, the Company’s gross profit was THB 224.71 million or equivalent to gross profit margin of 24.77 percent.

Gross profit increased as increased total sales. The gross profit margin decrease as a result of profit of higher business competition in the market, the gross profit in the revenue from sales for this year decrease slightly.

Distribution Costs and Administrative Expenses

For the year ended 31 December 2021, the Company’s distribution costs and administrative expenses were THB 161.03 million, increased by THB 15.41 million or 10.58 percent compared to the same period of the last year.

- Distribution Costs and Administrative expenses increased by THB 15.41 million, mainly due to an increased in amortization for bad debts of THB 3.49 million, An allowance is made for obsolete and slow-moving inventories was THB 4.19 million including recognize the surplus from share-based payments for EJP Project was THB 1.30 million by the according to TFRS 2. Share – Based Payments.

Finance costs

For the year ended 31 December 2021, the Company’s finance costs was THB 4.24 million, increased by THB 2.56 million or 152.38 percent compared to the same period of the last year.

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. unless, and increased by THB 1.81 million, due to interest of short-term loan from financial institutions type of promissory notes.





Expected credit losses

For the year ended 31 December 2021, the Company had an expected credit losses of THB 13.57 million, increased by THB 4.64 million compared to the same period of the last year.

Further to the epidemic situation of Coronavirus 2019 (COVID-19). As a result, some debtors delayed their payments.

Net Profit and Net Profit Margin

For the year ended 31 December 2021, the Company's net profit was THB 44.02 million which was equal to the net profit margin of 4.35 percent. Net profit and net profit margin decreased 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)

Chief Executive Officer

Firetrade Engineering Public Company Limited