



No. FTE 002/2562

20 February 2019

Subject Management Discussion and Analysis for the year ended December 31, 2018

Attention The President
The Stock Exchange of Thailand

Attachment Report and financial statement for the year ended December 31, 2018

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, 2018 which the details are as follows:

Unit: million Baht	For the year ended December 31			
	2018	2017	Change	% Increase (Decrease)
Revenue from sale of goods	653.89	655.72	(1.83)	(0.28)
Revenue from project works and services	364.47	319.62	44.85	14.03
Total Revenue from Sale and Services	1,018.36	975.34	43.02	4.41
Cost of sales of goods	456.91	474.59	(17.68)	(3.73)
Cost of project works and services	277.74	241.24	36.50	15.13
Total Costs of Sales and Services	734.65	715.83	18.82	2.63
Gross Profit	283.71	259.51	24.20	9.33
Other incomes	10.60	11.41	(0.81)	(7.10)
Distribution costs	70.18	63.66	6.52	10.24
Administrative expenses	61.07	47.53	13.54	28.49
Finance costs	0.00	1.56	(1.56)	(100.00)
Tax expense	32.85	27.52	5.33	19.37
Profit for the period	130.21	130.65	(0.44)	(0.34)
Net Profit - attributable to equity holders of the parent	130.21	130.65	(0.44)	(0.34)
Gross Profit Margin (%)	27.86	26.61		
Net Profit Margin (%)	12.65	13.24		

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, 2018, the Company’s revenue from sales and services was THB 1,018.36 million, rose by THB 43.02 million or equivalent to 4.41 percent increase compared to the same period of last year. Revenue from sale of goods was decreased, revenue from project works and services were increased by THB 44.85 million or equivalent to 14.03 percent increase compared to the same period of last year, from those on-going projects in 2017 and the Company and its subsidiary its establishment to obtain more projects in 2018.

Gross Profit and Gross Profit Margin

For the year ended December 31, 2018, the Company’s gross profit was THB 283.71 million or equivalent to the gross profit margin of 27.86 percent, whilst in the same period of last year, the Company’s gross profit was THB 259.51 million or equivalent to gross profit margin of 26.61 percent. A higher in gross profit and gross profit margin were a consequence of the fact that driven mainly by Thai Baht appreciation. As a result, the costs of purchase decline compared to the same period of last year.



Distribution costs and Administrative Expenses

For the year ended December 31, 2018, the Company's distribution costs and administrative expenses were THB 131.25 million, increased by THB 20.06 million or up 18.04 percent compared to the same period of last year. Increases in such expenses resulted from rising salesperson and management expenses in order to accommodate the Company's expansion including consulting fee, public relations and the Company has set aside allowance for doubtful accounts. For debtors who have tracked debt and overdue debt so on.

Finance costs

For the year ended December 31, 2018, the Company has no financial cost due to incoming cash flow from the Initial Public Offering (IPO) and the performance.

Net Profit and Net Profit Margin

For the year ended December 31, 2018, the Company's net profit attributable to equity holders of the parent was THB 130.21 million which was equal to the net profit margin of 12.65 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 130.65 million which was equal to the net profit margin of 13.24 percent.

The decrease in net income for of the year ended December 31, 2018 was as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

(Mr. Taksin Tantipijit)
Managing Director

Firetrade Engineering Public Company Limited

