



**FIRETRADE**  
ENGINEERING PUBLIC COMPANY LIMITED

# Annual Registration Statement/Annual Report 2022 (Form 56-1 One Report)



**Firetrade Engineering Public Co., Ltd.**

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**Message from the Chairman and Chief Executive Officer**

Dear Shareholders,

This is the third year of the COVID-19 pandemic which has affected all sectors. The whole world has to deal with and adapt to many changes. For our company, in addition to dealing with economic conditions that affect business operations, it is important to take care of and protect the health of employees in the organization so that the Company can get through this crisis together. The Board of Directors and the management team have closely monitored and are aware of the situation. The Company emphasizes main factors such as the rising price of raw materials, fluctuating exchange rates, the delay in receiving debt from the company's customers who have been affected by the COVID-19 situation, etc. Anyway, the Company continues to operate continuously and has satisfactory performance.

After COVID-19 relief measures, the Thai government has opened the country for tourists to travel to Thailand since the middle of the year affecting the recovery of the domestic economy and investment in construction projects in the public and private sectors to return to a better trend. This has a positive effect on the business operations of the Company. The Company expects that the economic recovery will support the Company's overall performance in 2022 to be better than in 2021.

For 2023, the Company is determined to have a better performance than in 2022. Currently, the Company has backlog orders of Baht 470 Million and there are projects that the Company will participate in bidding and auction of more than Baht 800 Million. Finally, on behalf of the Chairman and Chief Executive Officer, I would like to all shareholders, customers, partners, and business alliances for their trust in the Company and most importantly, all employees who together lead the Company to grow up to the present. Please be confident that the Company will conduct business based on honesty, transparency, and responsibility for society and all stakeholders by the principles of good corporate governance for the sustainable growth of the Company.



Mr. Pornsak Limboonyaprasert

Chairman



Mr. Taksin Tantipijit

Chief Executive Officer



## **Part 1 Business Operations and Performance**

### **1. Structure and Operations of the Group**

#### **1.1 Policy and business overview**

##### **History and current business operations of the Company**

Firetrade Engineering Public Company Limited (“the Company” or “FTE”), formerly known as Firetrade Engineering Company Limited, was established by Mr. Taksin Tantipijit who is knowledgeable and experienced in firefighting equipment and fire extinguishing system design. The Company was registered on November 2<sup>nd</sup>, 1999 with registered capital and paid-up capital of Baht 2,000,000.00 to operate a full-service import and distribution business of firefighting equipment. Separated by product group, it can be divided into 5 product groups as follows: 1) Firefighting equipment product group and fire protection equipment such as fire protection valve, grooved coupling and fitting, fire hose cabinet and various accessories, portable fire extinguisher, and fire pump, 2) Fire suppression system product group, such as water-based system, foam system, clean agent extinguishing system, gaseous system, and water mist system, 3) Fire Alarm System product groups which have 4 main components: detection device, fire alarm equipment, system control cabinet, and alarm device, and 4) Uninterruptible power supply (UPS) and data center, 5) Personal Safety and Safety Equipments. It also provides design services and supplies of firefighting equipment and systems related to firefighting on-site, such as residential condominium buildings, office buildings, shopping centers, hotels, hospitals, computer data center rooms, high voltage power stations, power plants, and industrial plant. The Company has an experienced team with dedication and this enables the Company to deliver quality products and services to customers satisfactorily. The Company has been growing continuously and it is trusted by brand owners of firefighting equipment and fire extinguishing systems to appoint the Company to be the distributor of new products or more new brands. In addition, the Company has built a strong service team and can expand the services related to the fire extinguishing system comprehensively and completely from design, distribution, procurement, installation, repair, service, inspection, and maintenance of firefighting equipment and fire suppression systems to provide services completely.

The Company has one subsidiary, Fire Inspector Company Limited, which operates the business of importing and distributing automatic fire suppression systems including services related to fire extinguishing systems only for brands that the Company has been appointed as a distributor of 3 brands at present, which are automatic fire extinguishing systems with clean substances and smoke detectors.

#### **1.1.1 Vision, Mission, and Operational Strategy**

##### **Vision**

The Company operates in the business of importing and distributing equipment for fire fighting systems, various types of automatic fire suppression systems, fire alarm system, and fire pump by focusing on selling quality products with standards that meet the needs of customers, including providing comprehensive services by a team of skilled engineers who have been continuously developed and trained to be a leader in the fire fighting business.

##### **Mission**

The Company's main mission is to create customer satisfaction and commit to testing products and services with good quality according to international standards, provide fast after-sales service including creating an organization that grows sustainably by considering the best interests of all stakeholders such as shareholders, employees, society, and the environment.



### Operational strategy

The Company sets the policy and operation method for achieving the goals according to the business plan to create profits and grow sustainably as follows:

- Maintain the Company's existing customer base by focusing on increasing share of wallet from this group of customers through continuous development of customer relationships and satisfaction with the Company's products and services.
- Expand the market steadily and continuously by focusing on markets with high growth opportunities, such as infrastructure projects, manufacturing sector, service industry sectors, etc., including improving and expanding the scope of the Company's engineering services and expanding into regional markets and other countries in the ASEAN region.
- Cooperate with product suppliers or business partners to study and understand the needs of customers including various relevant international standards, improving product costs and logistics to be able to deliver to customers reliable, cost-effective, quality products and services that respond quickly to customers.
- Develop personnel continuously that is the Company's most valuable resource to have knowledge and expertise.
- Use information for analysis, improvement, and development of internal operations of the Company.

### Future business plans

The Company and its subsidiary have business plans for sustainable growth in the future. The growth strategies in key markets have been defined as follows:

- Key Accounts such as the Electricity Generating Authority of Thailand (EGAT), major construction contractors, and infrastructure projects focus on expanding the share of wallet from this group of customers.
- A government sector is a large group of customers with a need for quality products according to standards.
- An industrial sector is a group of customers who expect high growth from the expansion following the policy of developing industrial zones in the eastern region, the revival of the petroleum and petrochemical industry, including legal requirements.
- Service business development to meet the needs of customers more comprehensively which is an engineering service related to the Company's existing business, such as auditing and evaluating the efficiency of fire suppression systems, maintenance, and repair of fire extinguishing equipment and systems, training related to the operation of equipment and fire suppression systems, etc.
- Market Expansion into ASEAN region and countries to enhance the Company's service level. In addition, the Company also seeks opportunities to expand its business into ASEAN countries such as Myanmar, Laos, etc., together with its business partners and business alliances.
- Datacenter group: the Company considers that the IT group will play a very important role in the future and it also needs fire extinguishing systems in such special areas.
- Warehouse Group: the Company has good experience in installing fire suppression systems in warehouses. The design follows the international standards and the introduction of products that the Company is a distributor to install completely, including maintenance work after installation work, etc. At present, warehouses are expanding more according to the market demand which the Company realizes such need.

### 1.1.2 Key milestones of the Company

The Company was listed Company and started trading commencement in The Stock Exchange of Thailand on July 27<sup>th</sup>, 2017

#### Key change and development in the past from Company establishment to present

Year	Details
1999	<ul style="list-style-type: none"> <li>Established Firetrade Engineering Co., Ltd. on November 1999 with registered capital of Baht 2 million, Mr. Taksin Tantipijit group had shareholding of 85.50%.</li> <li>The Company distributed the fire protection products and equipment, fire suppression system, designing and sourcing services in fire protection equipment systems, fire suppression systems and fire alarm systems and head office located on No. 19/ 20- 22, Soi Soonvijai, Bangkapi Sub- district, Huaykwang District, Bangkok 10310.</li> </ul>
2000	<ul style="list-style-type: none"> <li>On February 2000, the Company increased capital to Baht 10 million for investment and use as working capital to business expansion.</li> </ul>
2001	<ul style="list-style-type: none"> <li>On April 2001, the Company increased capital to Baht 20 million for investment and use as working capital to business expansion.</li> <li>The Company had appointed to the distributor of automatic fire suppression system (foam) for industrial building, so the Company had to expand the customer base to industrial group and oil refinery.</li> </ul>
2002	<ul style="list-style-type: none"> <li>The Company moved its head office to No.21/56, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310 with large useful space for supporting business growth.</li> </ul>
2004	<ul style="list-style-type: none"> <li>The Company hired additional office area at No.21/57, Soi Soonvijai, Rama 9 Road, Bangkapi Sub- district, Huaykwang District, Bangkok 10310 for supporting business growth and increasing service line staffs of installing fire protection system projects.</li> </ul>
2007	<ul style="list-style-type: none"> <li>Mr.Taksin Tantipijit established F.T. Contractor Co., Ltd. on May 11<sup>th</sup>, 2007, with registered capital of Baht 1 million and Mr. Taksin Tantipijit group had shareholding of 100% and its head office located on No.21/ 56, Soi Soonvijai, Rama 9 Road, Bangkapi Sub- district, Huaykwang District, Bangkok 10310 to import and distribute clean agent fire suppression system to be more alternatives for customers.</li> </ul>
2009	<ul style="list-style-type: none"> <li>F. T. Contractor Co., Ltd. was change its Company name to Fire Inspector Co., Ltd. ("FIS") on December 16, 2009 and increased its registered capital to Baht 2 million. Mr. Taksin Tantipijit group bought 9,000 newly issued shares and Mr.Krisada Lehavanich who appointed to be sale executive of FIS bought 1,000 newly issued shares then Mr. Taksin Tantipijit group had shareholding of 95% while Mr.Krisada Lehavanich had shareholding of 5%.</li> <li>FIS moved its office to No.26/ 1, Soi Soonvijai 2, New Phetchaburi Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310.</li> </ul>
2011	<ul style="list-style-type: none"> <li>The Company granted certificate management system by ISO standard 9001:2008 from SGS (Thailand) Limited under United Kingdom Accreditation Service (UKAS) and National Accreditation Council (NAC) from Ministry of Industry.</li> </ul>
2014	<ul style="list-style-type: none"> <li>Lease term of No.21/56 area of head office expired then the Company moved its head office to No.21/57-58, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310.</li> </ul>

Year	Details
	<ul style="list-style-type: none"> <li>The Company hired to produce in Original Equipment Manufacturer (OEM) and marketing under the brand “TOTAL FIRE”. All products passed the standard quality from product quality tester in Malaysia along with British Standard (BS). The Company also hired manufacturer in Thailand to produce portable fire extinguisher and marketing under brand “TOTAL FIRE” and obtained Thai Industrial Standard (TIS) from Ministry of Industry.</li> </ul>
2016	<ul style="list-style-type: none"> <li>FIS moved its office to to No.21/57-58, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310.</li> <li>On January 28, 2016, the Extraordinary General Meeting of Shareholders No. 1/2016 held the shareholders approved the dividend payment from net profit for the year 2012 at the rate of Baht 19.36047 per share, totaling Baht 3,872,094.95.</li> <li>On July 28, 2016, the Extraordinary General Meeting of Shareholders No.2/2016 passed resolutions detail as follows:               <ul style="list-style-type: none"> <li>The interim of the year 2016 was paid dividend to the existing shareholder of share 200,000 ordinary the dividend payment from net profit for the year 2012 - 2015 at the rate of Baht 1,395.74 per share, totaling Baht 279,148,000.00.</li> <li>Increase the Company’s authorized share capital to Baht 225 million issued share and Allocated and offered increasing 2,002,500 ordinary shares to the existing shareholders according to the proportion of shareholding, and also offered 47,500 remaining ordinary shares to swap with Fire Inspector Co., Ltd’s 19,998 ordinary shares from its shareholders in order to restructure the group of business to avoid the conflict of interest in the future then the Company hold FIS proportion of 99.99 % of paid-up capital.</li> <li>Approve to transform the limited Company to public limited Company rename to Firetrade Engineering Public Company Limited.</li> <li>The Company Change the par value of authorized share from Baht 100 per share to Baht 0.50 per share with totaling authorized share capital 450 million ordinary shares.</li> <li>Increase the Company’s authorized share capital newly issued share capital amounted to Baht 75 million with totaling authorized share capital Baht 300 million. In addition, 150 million ordinary shares with the par value of Baht 0.50 per share will be allocate for initial public offering (IPO).</li> </ul> </li> </ul>
2017	<ul style="list-style-type: none"> <li>At the general shareholders’ meeting of 2017 held on March 10<sup>th</sup>, 2017, resolved to approved the dividend payment from net profit for the year 2016 to shareholders of 450 million ordinary shares at the rate of Baht 0.14 per share, totaling Baht 63.00 million.</li> <li>At the Board of Directors’ meeting No. 2/2017 held on May 12<sup>th</sup>, 2017, the Board of Directors approved an interim dividend payment from operation of the 1st quarter of 2017 at the rate of Baht 0.042 per share, totaling Baht 18.90 million.</li> <li>The Company’s ordinary shares were accepted as the listed securities by The Stock Exchange of Thailand on July 27, 2017.</li> <li>At the Board of Directors’ meeting No. 4/2017 held on November 8, 2017, the Board of Directors resolved to approve the interim dividend payment to the shareholder of share 600 million ordinary shares at the rate of Baht 0.07 per share, totaling Baht 42.00 million.</li> </ul>
2019	<ul style="list-style-type: none"> <li>On February 21, 2019, FIS increase authorized share capital to Baht 10 million, for use as investment and working capital for business expansion. In which the Company exercised the right to purchase 99.99% of the increased shares and the Company exercised the right to purchase the increased shares from the directors</li> </ul>



Year	Details
	<p>requesting not to exercise the right to subscribe for the increased shares, totaling 8,000,000 shares.</p> <ul style="list-style-type: none"> <li>• At the general shareholders' meeting of 2019 held on March 28<sup>th</sup>, 2019, resolved to approve the dividend payment from net profit for the year 2018 to shareholders of 600 million ordinary shares at the rate of Baht 0.11 per share, totaling Baht 66.00 million.</li> <li>• On August 5, 2019, the Company has been certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) from Thai Institute of Directors in the second quarter of 2019.</li> <li>• At the Board of Directors' meeting No. 4/2019 held on August 8<sup>th</sup>, 2019, the Board of Directors resolved to approve the interim dividend payment to the shareholder of share 600 million ordinary shares at the rate of Baht 0.07 per share, totaling Baht 42.00 million.</li> </ul>
2020	<ul style="list-style-type: none"> <li>• On April 27, 2020, the Company and FIS moved its office to to No. 1198/5 Rama 9 Road, Phatthanakan, Suanluang, Bangkok 10250, with large useful space for supporting business growth.</li> </ul>
2022	<ul style="list-style-type: none"> <li>• The Annual General Meeting of Shareholders for the year 2022 held on April 20<sup>th</sup>, 2022 resolved to approve the Company's registered capital increase of Baht 30.00 Million from the registered capital of Baht 300.00 Million to a registered capital of 330.00 million baht by increasingly issuing 60.00 Million ordinary shares at par value of Baht 0.50 per share to support the share dividend payment.</li> <li>• The Annual General Meeting of Shareholders for the year 2022 held on April 20<sup>th</sup>, 2022 resolved to approve the amendment of Clause 3 of the Company's Memorandum of Association by adding five clauses of the Company's objectives: Clause 36 to 40. Therefore, there are 40 clauses as follows:              Clause 36. To operate the business, order goods to sell in the country and export to foreign countries that are the equipment for personal safety and all types of the safety equipment, rescue tools, safety shoes, chemical resistant gloves, chemical protective suits, chemical masks, fire protection clothing, helmets, safety and traffic signs, gas measuring instrument as well as register spare parts and equipment for all types of such goods              Clause 37. To operate the business of safety engineering services including providing advice on safety management in all types of factories and buildings              Clause 38. To operate in the business of manufacturing, ordering to manufacture, and selling electrical equipment and emergency lighting              Clause 39. To operate the business of distributing batteries with equipment for assembling and installing all types of batteries              Clause 40. To operate the business of installing emergency lights, emergency exit lights, and equipment related to all types of electricity</li> </ul>

**1.1.3 Use of capital increase**

In 2022, the company increased the registered capital of Baht 30 Million to be used as working capital in the business and expanded product groups for personal safety and safety equipment

**1.1.4 General Information**

<b>Company's name in English</b>	: Firetrade Engineering Public Company Limited
<b>Symbol</b>	: FTE
<b>Registered Number</b>	: 0107559000397
<b>Type of Business</b>	: Importer and distributor of products related to full range of fire protection services comprise of: 1) fire protection equipment systems 2) fire suppression system 3) fire alarm system 4) UPS and Data center 5) Personal Safety and Safety Equipment including designing, selling, sourcing, installing, examining, repairing and maintaining of fire protection equipment systems and related fire protection systems.
<b>Head Office</b>	: No. 1198/5 Rama 9 Road, Phatthanakan Sub-district, Suanluang District, Bangkok 10250
<b>Tel.</b>	: 02-026-0470-92
<b>Fax.</b>	: 02-026-0499
<b>Website</b>	: <a href="http://www.firetrade.co.th">www.firetrade.co.th</a>
<b>Industry</b>	: Service
<b>Sector</b>	: Commerce
<b>First Trading Date</b>	: 27 July, 2017
<b>Authorized share capital</b>	: Baht 300,000,000.00 (Three hundred Thirty million baht only)
<b>Issued and paid-up share capital</b>	: Baht 329,999,962.00 (Three hundred and twenty-nine million nine hundred and ninety-nine thousand nine hundred and sixty-two baht only)
<b>Ordinary shares</b>	: 659,999,924 million ordinary shares
<b>Par value</b>	: Baht 0.50 per share

**1.2 Nature of business**

The Company engages in the business of importing and selling entirely fire fighting equipment, fire suppression system and fire alarm system UPS and Data Center, Personal Protective Equipment and Safety Equipment, including design services, procurement, installation, repair, inspection and maintenance of fire suppression equipment and systems related to fire fighting in various locations inside and outside the buildings, vertical or horizontal buildings and industrial factories by a team of engineers and technicians with expertise of the Company.

Nowadays, the Company is a distributor of fire fighting equipment products and fire suppression systems from leading companies that are world-renowned and have internationally recognized standards. There are more than 9,000 different products from more than 35 brands, both as an Exclusive Distributor in Thailand and General Distributor.

The Company will continue to focus on recruiting for other new products or businesses. During the year 2020, the Company has been appointed as a Premiere Partner under the brands "DELTA" and "EATON" to help meet the needs of customers completely. To meet the needs of the UPS product group (Uninterruptable Power System) and digital data centers (Data Center). Which is the need of the decade that is growing rapidly, according to the advancement of communication technology in the 5G and the amount of data used that is increasingly traffic on the online world.

The growing trend of data usage will grow enormously. Not just in the consumer sector but in the manufacturing sector as well. The machine will be equipped with an Internet of Things device, making the necessity of Critical Equipment such as UPS and Data Center and further the Company's future growth.

In 2022, the Company added product groups for personal safety and safety equipment to expand the market by selling to existing customers and new customers

The Company is committed to being a complete distributor of fire fighting equipment, different types of fire suppression systems, design providers, contractor to install an automatic fire suppression system and fire alarm system. The important policy is to deliver products and services related to fire suppression systems and fire alarm systems quickly. There are safety standards that are accepted and are diverse according to the needs of customers.

### **1.2.1 Revenue structure of the Company**

Revenue of the Company and its subsidiary get revenue from business operation that could separate into 2 types such as:

- 1) Revenue from sales: this comes from selling products related to fire protection comprises of:

- 1.1 Fire Protection Equipment and Fire Fighting Equipment Components.

- 1.2 Products of Fire Suppression Systems such as water fire suppression system, fire extinguishing system with foam, fire extinguishing system with gas and fire extinguishing system with clean agent fire suppression system.

- 1.3 Products of fire alarm system such as smoke detector, heat detector, and alarm systems.

- 1.4 Uninterruptible power supply (UPS) and data center equipment

- 1.5 Personal Protective Equipment and Safety Equipment

- 2) Revenue from services: it can be divided into two types as follows:

- 2.1 Revenue from project works: it is the consultation, design, and installation of fire suppression systems and fire alarm systems.

The Company and its subsidiary provide services from consultation and design to the installation of automatic fire suppression systems and fire alarm systems according to the aforementioned product groups. The engineering team of the Company and its subsidiary will be the coordinator with contractors or project owners to recommend fire extinguishing system products that are suitable for the needs and customer budget then the sub-contractors will be employed to work with the engineering team of the Company and its subsidiary to install systems related to firefighting, including testing and commissioning of automatic fire suppression systems and fire alarms before actual use after the installation is completed (Testing and Commissioning) to ensure that the Company and its subsidiary have delivered effective fire extinguishing systems that are ready for use according to the requirements or safety standards for customers.

- 2.2 Revenue from services: it is a service to inspect and maintain firefighting equipment and systems related to firefighting (Preventive Maintenance).

In addition to consulting services, design, and installation of fire extinguishing systems mentioned above, fire extinguishing systems and systems related to firefighting must be inspected to ensure that the equipment and systems are ready for use regularly. Therefore, the Company and its subsidiary have added services to inspect and maintain after-sales fire extinguishing system equipment by the engineering team of the Company and its subsidiary to facilitate customers.



**The structure of Company and its subsidiary' revenue for the year 2020-2022**  
(Unit: In Million Baht)

Type of Revenue	2020		2021		2022	
1. Revenue from sales	569.36	62.76%	560.29	55.72%	703.21	64.57%
2. Revenue from project works and services						
2.1) Revenue from project works	309.65	34.13%	414.50	41.23%	347.95	31.95%
2.2) Revenue from services	28.19	3.11%	30.67	3.05%	37.93	3.48%
<b>Total Revenues from sales and services</b>	<b>907.20</b>	<b>100.00%</b>	<b>1,005.46</b>	<b>100.00%</b>	<b>1,089.09</b>	<b>100.00%</b>
Other Revenue	6.96		5.45		5.24	

## 1.2.2 Product Types

### 1)Product and Services

Product details classified by product groups can be divided into 5 product groups as follows:

#### Group 1: Fire Protection Products and fire extinguishing system accessories

- 1.1 Fire Protection Valve** products are devices for installation in fire protection systems. The valves used in fire protection systems must be certified by UL (Underwriters Laboratories) and /or FM (Factory Mutual) with the capability of withstanding a working pressure of not less than 175 psi and / or 300 psi (pound per square inch) and consist of the following valve types:



*Gate Valve*



*Butterfly Valve*



*Check Valve*



*Ball Valve*



*Strainer Valve*



*Automatic Airvent Valve*

**1.2 Grooved Coupling and Fitting** are used as joints for welding pipes in fire fighting systems without the need for an electric welding machine to weld pipes. They are designed to be able to move and to turn directions for supporting the expansion or contraction or the movement of pipes and buildings.



*Coupling*



*Fitting*

### 1.3 Fire Hose Cabinet and internal accessories

- 1.3.1 Fire Hose Cabinet is a cabinet looks like a red cabinet. The front of the cabinet is a glass that can be opened or broken to bring rescue equipment to be used in an emergency. The Company sells this type of product under the brand "TOTAL FIRE" of the Company itself and the Company is also a distributor of fire extinguishers in other brands as well.



*Fire Hose Cabinet*



*Fire Hose Reel*



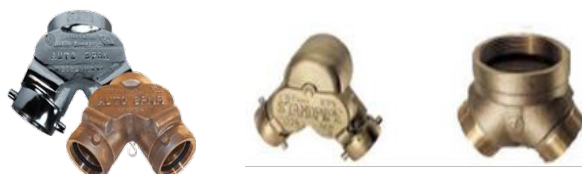
*Fire Hose Rack*

- 1.3.2 Hose Valve is a valve to distribute water from the pipe system to the outside.



*Hose Valve*

- 1.3.3 Fire Department Connection is a device to receive water from outside the building or fire truck to pay into the fire fighting system inside the building.









*Fire Department Connection*











- 1.4 Portable Fire Extinguisher** is a fire extinguisher that is installed inside the building or outside the building together with other fire fighting systems to use for basic fire fighting while the fire starts to burn. The Company distributes the fire extinguishers under its brand "TOTAL FIRE" and is also a distributor of fire extinguishers in other brands as well to meet the needs of each customer.

The portable fire extinguisher is classified according to the types of chemicals contained in a fire extinguisher into 6 types as follows;



1.4.1	Multi-Purpose Dry Chemical is contained in a red tank, consisting of chemicals that are compressed by pressure. It can extinguish the fire of type A, B, C or may extinguish the fire of type D if it contains special chemical agent. This chemical is cheap and easy to find. It is used in general areas such as residential buildings or offices, etc.	
1.4.2	Carbon dioxide (CO2) is contained in a red tank. The end of the hose has a cone. The gas that is injected into cold vapour looks like dry ice. It is used to reduce the heat of the fire and does not leave stains. It can extinguish the fire of type B and C and suitable for use in the machine room, product groups in various industries or electrical room, etc.	
1.4.3	Water is contained in a stainless steel tank. It can extinguish the fire of type A and suitable for outdoor fire fighting that does not have conductive media in the fire protection area.	
1.4.4	Foam is contained in a stainless steel tank. When it is injected, foam bubbles will cover the surface of the combustible fuel. Therefore, it can extinguish the fire of type A and B, but it cannot be used to extinguish the fire of type C because it has electrical conductivity. In general, this agent is suitable for industrial fire fighting or fire fighting of thinner and volatile combustible substances.	
1.4.5	Wet Chemical is contained in a stainless steel tank and can extinguish the fire of type K. It is suitable for use in the kitchen because it can extinguish the fire caused by frying oil.	
1.4.6	Halotron-1 is contained in a red or green color tank. Inside the tank is the clean agent or Halotron-1 when it is sprayed, it will evaporate in the air. It does not leave stains and could extinguish the fire of type A, B and C and suitable for use in the computer room, clean room, electrical room, and electronic equipment storage room.	

The table of the types of fire extinguishing chemicals

Types of fire	Symbols	Characteristics
<b>TypeA</b>	 	It can extinguish the fire caused by combustible solids such as firewood, rubber, wood, paper, plastic, animal skin.
<b>TypeB</b>	 	It can extinguish the flames caused by flammable liquids and gases, all types of oil, thinner gas, alcohol, asphalt and all kinds of flammable gases.
<b>TypeC</b>	 	It can extinguish all types of fires caused by fuels with an electric current.
<b>TypeD</b>	 	It can extinguish the fire caused by the burning of combustible metal.
<b>TypeK</b>	 	It can extinguish the fires caused by difficult combustible oils such as cooking oils and flammable animal fats.

Source: FIRE EQUIPMENT MANUFACTURERS' ASSOCIATION

## 1.5 Switch

1.5.1 Flow Detector is a device in the pipe fire extinguishing system. It sends signals to the fire alarm system control panel when the equipment detects that water flows in the pipelines from the operation of the fire sprinkler or when having the use of the fire hose.

1.5.2 The pressure switch is used to detect the pressure in the fire hose system by sending a signal to the fire alarm system control panel when the pressure in the fire hose system is changed.

1.5.3 Alarm Bell is used for voice alarm when a fire occurs with the ability to sound an alarm when a fire occurs by using the water flow as the mechanical drive.



*Flow Detector*



*Pressure Switch*



*Alarm Bell*

**1.6 Fire Pump** is used to control the pressure and flow rate of the water sufficient for the used fire suppression system. The used pump must be certified for fire fighting following the standards of UL / FM and/or NFPA 20.



*Fire Pump*

**1.7 Pressure Gauge** is used to show the pressure value. It has the unit in pounds per square inch (PSI) and kilograms per square centimeter (kg / cm<sup>2</sup>).



*Pressure Gauge*

**Group 2 : Group of various fire suppression systems** such as fire suppression system with water, fire suppression system with foam, fire suppression system with gas and fire suppression system with clean fire extinguishing agents.

**2.1 Water-based System** uses the **Sprinkler System** to protect the property and life from fire. It is an effective fire suppression system to control fires and is installed widely throughout the world. It can control the fire immediately while the fire is still small and causes the fire to stop expanding and spread. Its result causes less smoke and limited the fire area.



*Automatic Sprinkler*



*Concealed Sprinkler*



*Nozzle*



For choosing fire suppression systems for open areas and the need for avoiding the use of fire extinguishing agents with certain gases that may be harmful to humans and the environment including the need for low maintenance costs, therefore, the technology of fire suppression systems with water is developed to be a fire extinguishing system using water mist fire protection system that the said system is a system that uses water as a fire extinguishing medium through a high-pressure nozzle system in which the water will be reduced to the smallest spray size to arrange the water droplets to have more surface to exchange heat and causes all water droplets to absorb heat energy. The evaporation of water droplets also causes oxygen metabolism that makes it able to extinguish the fire quickly.



*Water Mist Fire Protection System*

The fire extinguishing system with water can be divided into 4 main types consisting of:

2.1.1 Wet Pipe System is suitable for the fire protection area at ambient temperature, not causing the water in the pipe to harden. Water from the fire extinguisher will spray out to extinguish the fire as soon as the fire occurs.



2.1.2 The Dry Pipe System is suitable for fire protection areas where temperatures are generally below the freezing point that may cause water hardening in the pipeline. In the pipeline system, compressed air will be used instead of water and suitable for countries with extremely cold climates or may be used in cold storage.



2.1.3 The Pre-action System is suitable for the protected areas that want to avoid the operation of the fire extinguisher that may fail and cause damage to property or high-value equipment such as the computer room, library, museum, etc.



2.1.4 The Deluge System is suitable for special fire protection areas that require a large amount of fire extinguishing water from all the open sprinklers at the same time and it is a wet pipe system that is widely used in Thailand.



Design and installation of fire sprinkler systems for any building must be designed to have at least one reliable fire suppression system that can deliver the water in sufficient amount and pressure to control the fire by using an automatic fire fighting pump connected to a water source, water tank, pressure water tank or public main pipe with sufficient pressure and flow at all times. Besides, the water supply must be calculated for fire suppression of the fire distribution system by using the occupied area of the building to calculate and must classify the area to be suitable for the type and amount of fuel materials available in that area.

**2.2 Foam System** is the fire extinguishing system (Foam System) is a system that combines water and foam concentrate to extinguish the fire by using foam principles or creating the surface of the foam on a flammable liquid to block oxygen from the fuel. The extinguishing foam system has important equipment such as;

2.2.1 Bladder Tank is used to contain extinguishing foam that can extinguish flames caused by oil or flammable liquids.



*Bladder Tank*



*Foam Extinguisher*

#### 2.2.2 Foam Concentrate

a) Aqueous Film Forming Foam is a foam solution used for extinguishing fires caused by hydrocarbon such as crude oil, gasoline, fuel oil, etc., but not suitable for extinguishing fires caused by polar solvent solutions with water as a solvent such as a thinner and alcohol.

b) Alcohol Resistant Aqueous Film Forming Foam is a foam solution used for extinguishing fires caused by hydrocarbon and polar solvents that dissolve in non-polar solutions in which the foam solution causes the molecular pole disconnection.

2.2.3 Nozzles and other joints such as foam injection devices, control valves, etc.

**2.3 Clean Agent Extinguishing System** is a Total Flooding System for fire extinguishing systems with clean agents and suitable for fire fighting in protective areas where electrical equipment and electronic equipment are installed or in the areas with flammable liquids that want to protect the high-value property or important property for business operations by using Halocarbon Agent which can be divided into 3 types as follows;

2.3.1 FM-200 (Heptafluoropropane / HFC 227ea) Fire Suppression System

2.3.2 NOVEC 1230 Fire Suppression System

2.3.3 NAF-S125 (HF125) Fire Suppression System



**2.4 Gaseous System** is a Total Flooding System for fire extinguishing. While the fire injection system works, fire protection areas must be well enclosed to prevent the gas leaking out of the protection areas and the property of the extinguishing gas must be certified by the trusted institution and can be used for fire fighting in areas where there are workers without harm to life when using in the right amount. It does not destroy the ozone in the atmosphere (Zero Ozone Depletion Potential). No effect causes global warming (Environmentally-Friendly) and must not cause damage to equipment and property installed in the fire protection areas that use fire extinguishing gas. The fire extinguishing system with gas can be divided into 2 types as follows;

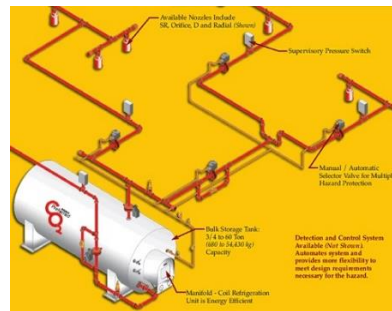
2.4.1 Carbon Dioxide Fire Suppression System (CO<sub>2</sub>) is the use of carbon dioxide in the air for fire fighting.

Carbon Dioxide System will not cause damage to the property and used for protection in areas where there are no workers in which carbon dioxide is contained in two pressure-resistant cylinders as follows;

1. High-Pressure CO<sub>2</sub> Cylinder for use at the room temperature.



## 2. Low-Pressure CO<sub>2</sub> Cylinder for use with constant temperature control.



### 2.4.2 Inert Gas Agent fire extinguishing system which uses inert gas in nature to fire as follows;

- Nitrogen Gas Fire Suppression System (N<sub>2</sub>)
- Inergen IG-541 Fire Suppression System
- Argon IG-01 Fire Suppression System
- Argonite Fire Suppression System



### Group 3: Fire Alarm System product group

The fire alarm system is a system for detecting smoke or heat or flame occurring in the desired area that will send an alarm and an automatic fire alarm so that those who live in that area can be aware of the fire immediately and can extinguish the fire before the fire spreads and evacuates to a designated safety spot.

The fire alarm system has 4 main components; 1) Detection equipment 2) Fire alarm equipment 3) System control cabinet and 4) Alarm equipment by connecting each part with an electrical wire.



**3.1 Product details of the fire alarm system** are as the following;

**3.1.1 Detection Equipment Fire smoke detection equipment** can be divided into 2 types as follows;

- a) Spot type of smoke detector can be divided into 2 types: 1) Photoelectric Type that can detect smoke only and 2) Combined Type that can detect both smoke and heat.
- b) Linear type of smoke detector can be divided into 2 types: 1) transmitting-receiving devices included in the same set and 2) separate receiving-sending devices.

*Spot Type**Linear Type*

**3.1.2 Heat detector** can be divided into 3 types as follows;

- a) Fixed temperature type is heat detection at a constant temperature. The device will work as soon as it detects that the heat in the detected area increases to that temperature.
- b) The rate of rising type is the detection of temperature changes in the area. The device will work as soon as it detects a temperature rise of 8 degrees Celsius within 1 minute.
- c) Combined Type is heat detection which combines the principle of heat detection in both fixed temperature type and rate of rising type into the same device.

*Heat Detector**Explosion Proof Type*

**3.2 Fire alarm equipment** is used for sending the fire alarm to the control cabinet. When people see a fire incident, they can report the fire by using their hands. There are 2 types of fire alarm equipment which are push-type and pull-type.

*Push-type of fire alarm equipment**Pull-type of fire alarm equipment*

**3.3 Fire alarm control panels** used for receiving signals from automatic and / or manual fire alarm systems. When the fire alarm control panel receives the signal, it will process and send the signal to alarm devices. The selection of the type of fire alarm control panel will be considered based on the suitability of space and usage.



*Fire alarm control panel*

**3.4 Fire alarm equipment** is divided into 3 types; 1) Audible alarm: using for installation within general use areas 2) Strobe light alarm: can be installed in areas with machinery or noisy areas that are not suitable for audible alarm, and 3) Audible and strobe light alarm combined in the same device



*Audible alarm*



*Audible and light alarm*

#### **Group 4: Uninterruptible power supplies (UPS) and data centers product group**

The use of digital information is likely to grow with the increasing rate of information technology equipment utilization. Together with Internet of Things technology that will connect all devices to the Internet. Cause demand for use Data Center and Uninterruptible Power Systems (UPS). To support the data collection of large quantities and must be accessible anytime, anywhere from the Internet. Product details of the Uninterruptible power supplies (UPS) and data centers product group are as the following;

**4.1 Uninterruptible power supplies (UPS)** that the Company distributes can be divided into 2 types;

- 4.1.1 Line-Interactive UPS, an automatic high or low voltage protection (Stabilizer) to prevent power problems, the eliminates UPS the need to supply backup power from the battery every time there is a power failure or overload. Suitable for personal computer equipment (PC) both home and office. But it is not suitable for use with electrical equipment that is sensitive to high electrical quality such as a medical device, computer equipment and factory machinery, etc.



*Line-Interactive UPS*

- 4.1.2 Online Double Conversion UPS, a reserve power with high potential. By relying on the working principle of an electric current (Charger) and an inverter, which works all the time. Regardless of the power quality It can supply power to electrical equipment (Load) normally, making it possible to prevent electrical problems in all cases, such as power outages, power cuts, overloads or any interference, and also increases the quality of electricity even further for this reason. Therefore, this type of UPS is more expensive than other UPS types.



Online Double Conversion UPS

**4.2 Data Center** acts as a center for storing electronic data that must be highly secure. Able to access the stored information at any time. Through channels that meet the standards in accordance with international requirements. In general, the data center consists of the following key elements:

4. 2. 1 Uninterruptible power systems ( UPS) to prevent data corruption and data inaccessibility in the event of a mains power failure.

4. 2. 2 Precision Air Conditioner System to maintain suitable environment for various electronic devices. Contained in the data center.

4.2.3 Fire Protection System to prevent and prevent fires that may arise in a timely manner. Damage to property and information to a minimum or none at all.

4. 2. 4 Storage of information equipment (Rack and Cabinet) is like a home for various information technology equipment such as a processor (CPU), network equipment rack (Server Rack), etc. so that the data center can pack various equipment. Full potential as designed.



*Data Center*

### **Product Group 5: Personal Safety and Safety Equipment**

5.1 Safety shoes are necessary equipment for work in factories or areas that are at risk. Safety shoes will be a protective device for protect the feet of the wearer.



*Safety Shoes*

5.2 Chemical pallets are necessary devices for factories or places where hazardous chemicals are stored. The pallets that supported the chemicals act as a base for placing the hazardous chemical tanks. If those dangerous chemical storage tanks leak because of various accidents, the chemical will be stored within those pallets in order not to spread widely and cause danger.



*Spill Pallet*

5.3 Chemical absorbents are devices necessary for factories or places where chemicals are stored or where chemicals are used for work. Chemical absorbents are material available for absorbing, wiping, or cleaning in case of chemicals spilling or leaking onto the work site or down to various water sources.



*Absorbents*



**Product quality requirements**

Thailand has many laws related to fire protection system such as the Building Control Act B.E. 2522, Ministerial Regulation No.33 of B.E. 2535 regarding the determination of structures and equipment that are components of tall and extra-large buildings and Ministerial Regulation No. 39 of B.E. 2537 regarding the formulation of methods regarding the installation of fire protection system, lighting and ventilation systems to control the construction of tall buildings to be safe from fire.

Various products assembled in the fire protection system directly affects the life and property of users or residents, therefore they must have quality and be tested following accepted international standards. The Company and its subsidiary then realize the importance of the sold products' qualities and they must be certified according to international standards such as UL (Underwriters Laboratories), FM (Factory Mutual), BS (British Standard) standards, etc.

Besides, the fire extinguishing system design and installation of the Company also have been certified for Quality Management System following ISO 9001:2015 by SGS, under the United Kingdom Accreditation Service (UKAS) and National Accreditation Council (NAC) from the Ministry of Industry to comply with various regulations and to assure the customers for the quality and safety of the various products that the Company is a distributor.

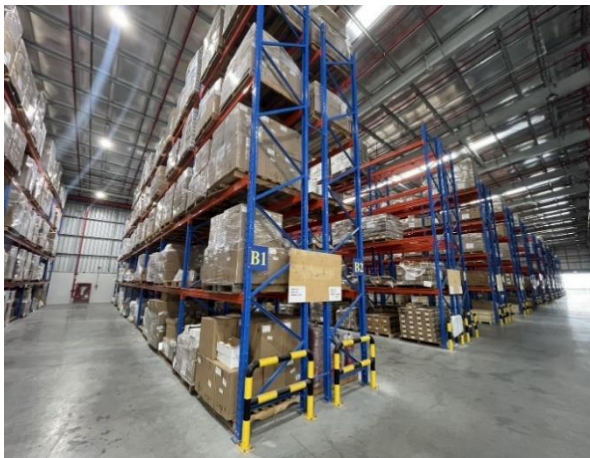
**Warranty for products or services for periodic checks**

The Company and its subsidiary guarantee all products of full fire extinguishing system equipment, fire pumps, valves, and accessories of fire suppression systems that have been damaged or errors caused by defects in the manufacturing process from the factory for at least one year, depending on the type of products.

The Company and its subsidiary have a warranty for project work after installation of fire extinguishing system and fire alarm system according to the Company's warranty for 1-2 years following the terms of the contract stipulated in the document specifying the scope of work (Term of Reference: TOR), which the Company will consider the appropriateness of the warranty conditions to comply with the value and warranty of the manufacturer of the product that has the warranty on products sold to the Company as well.

### Warehouse and Shipping

The Company and its subsidiary have a warehouse located at No. 688, Pracha Phatthana Road, Thap Yao Sub-district, Lat Krabang District, Bangkok with a total area of 9 rai 1 ngan 43.4 square wa for use as a storage area for products and various equipment.



The Company's products will be transported with no additional cost to the customer if the product is delivered in the designated area (Bangkok and perimeter). If there is a delivery to areas other than the specified conditions, the Company will notify the customer and incur additional freight charges as mutually agreed upon.

In this regard, the Company will employ an outsource transport operator that has no involvement with major shareholders, directors, executives of the Company, and its subsidiary which has been selected and checked by the Company to be responsible for transporting products to the project or dealer shop. The Company has insurance for all transport vehicles for products transported in the country to cover damages or loss from accidents or incidents during the movement of products and transportation.

**2) Marketing and Competition****2.1 Business strategy**

The Company and its subsidiary have specified the business strategy as follows;

**2.1.1 Marketing strategy****A) Business development with key customers**

The key accounts of the Company currently include the Electricity Generating Authority of Thailand (EGAT) with a goal to maintain market share in the firefighting system installation project of the Electricity Generating Authority of Thailand (EGAT) at least 50%.

In addition, the Company will aim to expand and maintain market share (Share of Wallet) among major construction contractors and contractors of Infrastructure Development Projects as well as other key customers such as the Metropolitan Electricity Authority, Provincial Electricity Authority, Airport Authority of Thailand, etc.

Business development with these key customers, the Company will focus on developing relationships with customer personnel involved at all levels through various marketing promotion activities, such as training to educate customer's personnel including support and having participation in the customer's project process throughout the process (Entire-process Involvement) to ensure customers that the fire extinguishing system design and use of products in fire extinguishing system following the standards and can complete the installation project according to customer needs.

**B) Business development with industrial customers**

An industrial customer is a group of customers that are expected to have high growth. Both from the expansion according to the policy from the expansion of the Eastern Economic Corridor (EEC), in the eastern industrial zone of 3 provinces (Chachoengsao, Chonburi and Rayong), from the recovery of Petroleum Petrochemical Industry and government measures that push for prevention and fire suppression systems for buildings and industrial factories. Besides, the duration of the fire extinguishing system installation project for industrial customers is generally takes only 3-6 months, which is not very long and revenue recognition for projects and services of the Company has been also shortened.

**C) Business development with customer group of government agencies and state enterprises**

Customer group of government agencies and state enterprises is a large group of customers that needs standard quality products and there are many government buildings and state enterprises that still lack a standard fire suppression system.

Business development with customer group of government agencies and state enterprises. The Company will allocate personnel to perform duties in explaining the standard requirements and recommend products that are suitable for fire extinguishing systems within buildings of government agencies and state enterprises. The government agencies and state enterprises that the Company will focus on are Ministry of Defense, Ministry of Public Health, and Ministry of Justice etc. Because it is an organization that has plans and allocated budgets to improve fire fighting equipment already.

In addition, the Company will develop and update the Company's documents for the submission of tenders with government agencies and enterprises. To have a standard format and conforms to the regulations for the preparation of documents submitted to government agencies and state enterprises as well.

**D) Service business development**

The Company commits to continue responding to the needs and providing entirely services to the customers. The Company's fire fighting engineering services include



inspecting and evaluating the effectiveness of fire extinguishing systems, maintenance and repair of fire fighting equipment and fire extinguishing systems, training related to fire fighting equipment and fire extinguishing systems, etc.

Expanding revenue from the Company's service business will focus on offering to exist customers of the Company that is plentiful and a bundle selling along with the distribution of fire fighting equipment and fire extinguishing systems to customers of the Company entirely.

**E) Development of distribution channels to the household sector and online marketing**

Customers in the household sector include houses, commercial buildings, and small office buildings. It is another group of customers that the Company is interested to develop distribution channels. As there are no competitors to actively market in this sector, the product line that is likely to gain interest from this customer sector is hand-held fire extinguishers, other basic fire alarm and suppression equipment, etc.

Moreover, the changing behavior of the purchasers, they also learn and access more product information through the online marketing channel. The Company therefore will study and develop an online marketing channel to be the communicative channel between the Company and purchasers. It allows purchasers to more access and study Company information, including details of the Company's products conveniently and quickly. It may also be another channel for distributing products and services to retail consumers in the future.

**F) Business development with data center group**

At present, communication and data collection use more internet and the need to store more data is higher. The data center business is considered a growing business and it expands higher. The fire suppression system and the fire alarm system are considered an important part in securing property, personnel, and important information within the data center. With the experience of the Company that has installed the system in the Data Center for a long time, it will help the Company to meet the needs of customers well. Moreover, the Company also has modern technology to support the electrical equipment in the Data center to prevent damage as well.

**G ) New products and business**

The Company continues to focus on sourcing new products or other businesses that will help the Company to meet the needs of customers completely. It is an extension of the growth of the Company in the future which is a new product that the Company has started as a distributor in the year 2018- 2022 that consists of:

- Fire sprinklers inside the fire hose cabinet under the brand “Huacheng” are products from China that have received international certification standards for the market that focuses on price that there are more kinds of imported products, so the Company has imported them as an alternative product for customers.
- The handheld fire sprinklers and foam portable fire extinguishers under the “NewAge” brand are Indian products with an international quality and price level that can compete with products under the existing brands in the market. The Company plans to offer these products as an alternative to customers.
- The Water Mist Fire Suppression System under the "Danfoss" brand from Denmark is a special firefighting system suitable for Data Center or machinery spaces such as electric generators, transformers, etc.
- The electric cables under the “Prysmian” brand and “MCI Draka” brand are one of the best quality brands in the market, in particular, 'fire-resistant electric cables' used



in emergency circuits such as fire alarm systems, etc. The Company will focus on supplying fire-resistant electrical cables and general electrical cables for the group of contractors who are customers of the Company by offering bundle selling and firefighting equipment and firefighting system distributing in addition to the use of these wires in projects that the Company sells its products with installation services.

- The uninterruptable power supply (UPS) and equipment for data center under "DELTA" brand and "EATON" brand.
- The assembly of fire pump package: the Company studied the opportunity to assemble fire pumps for general buildings and industrial factories in 2019 with the objective to reduce costs and time for production and delivery (lead time) to customers and this will increase an opportunity to expand the Company's fire pump market to customers in the group of contractors and owners of general building and industrial factory projects.
- Product groups for personal safety and safety equipment such as:
  - Safety shoes are devices that are necessary for work within the factory or areas where there are risks that will cause danger to workers. Safety shoes are devices that protects the feet of the wearer.
  - Chemical pallets are necessary devices for factories or places where hazardous chemicals are stored. The pallets that supported the chemicals act as a base for placing the hazardous chemical tanks. If those dangerous chemical storage tanks leak because of various accidents, the chemical will be stored within those pallets in order not to spread widely and cause danger.
  - Chemical absorbents are devices necessary for factories or places where chemicals are stored or where chemicals are used for work. Chemical absorbents are material available for absorbing, wiping, or cleaning in case of chemicals spilling or leaking onto the work site or down to various water sources.

### 2.1.2 Operational Strategy

#### A) Purchasing and Sourcing

- Determination of price comparison results in quality and low-cost products
- Project cost management by increasing product groups to procure by itself instead of buying through sub-contractors
- Cost management of products purchased domestically by analyzing historical purchasing data that will focus on the group of project materials that are repeatedly procured and has a high overall purchase value. Then the Company will determine the purchasing strategy for each type of product, such as finding new sellers to compare, issuing blanket orders, and further discussing with key vendors.

#### B) Logistics Management

The key logistics management strategy of the Company is to manage the cost of shipping with the aims to reduce the Company's shipping costs and delivery services to be more efficient that will focus on transportation management in 2 main areas as follows;

- Management of Truck Utilization of the Company to the highest value by planning the shipping routes and collecting data to assess the usage rate of the Company's trucks.
- Use of Outsourced Trucks will be collecting data on shipping costs and shipping routes, seeking new carriers that have acceptable capabilities and reduced costs.

#### C) Engineering management

To manage the control of the installation project of the engineering department to be more efficient, the Company, therefore, has established measures for managing sub-

contractors. In addition to being prepared "Contractor Manual" for the contractors that work for the Company to study, understand, comply including to be the highest standard in working together and to prevent the practice or understanding that do not match. Besides the Company will evaluate and classify sub-contractors according to their capabilities and potentials of receiving installation work in projects of various sizes.

In addition, the Company will seek subcontractors with additional capabilities and potential in both the central and regional areas. To support the growth of the Company in the future

**D) Human resource management**

- Performance evaluation and giving compensation: The form of performance evaluation has been adjusted by considering both the performance of the main mission of each department in parallel with the work practices of employees according to the organization's values of '3FTE', such as a salary increase, Annual bonus, etc., in accordance with the assessment results.
- The Company encourages the supervisors to assess performance as well as providing suggestions for improvements and work development for the team periodically, such as a quarterly review, which will be an opportunity to review the work plan of both the supervisor and the team to be in the same way.
- The Company will consider adjusting the structure and conditions of compensation or special reward for the performance that exceeds the target such as reward, sales incentives, compensation for engineering personnel, etc.
- Personnel development and training will focus on the development of potentials and knowledge of personnel in various departments through a variety of human resource development processes. Such as internal and external training seminars On-the-job Training, one-on-one Discussion, etc.

**2.2 Competition in the market**

The business of importing and distributing products of fire extinguishing systems and fire alarm systems is regarded as a highly competitive business because there are a large number of entrepreneurs in the country who have the potential to distribute fire fighting equipment and systems and be the business with low entry barrier. Since there are no specific rules or regulations, there is no need to obtain special permission from the government agency and it relies on funds to distribute fire fighting equipment is not a high amount. Currently, more than 40 business operators are importing and distributing products in the fire extinguishing system and fire alarm system in Thailand.

However, products of the fire extinguishing system and fire alarm system are products that need to be considered for quality and safety. Used Products must be inspected and certified for international standards. Most have to be imported from foreign countries and there are a few operators in Thailand that have been appointed to be distributors from brand owners abroad. Moreover, the globally accepted products are in a limited amount and most brand owners have the policy to distribute through an Exclusive Distributor or the Limited Distributors for agents that have good performance and reliability.

If considering market sector ation according to the product quality level, we can classify it to be the market with demand for quality products that meet high standards or "Premium Sector ", which accounts for approximately 80% of the total market size. This is because the Engineering Institute of Thailand ( EIT) which has a role in setting engineering standards in Thailand has set standards for products in fire extinguishing systems and fire alarm systems by reference to international standards such as UL. , FM, VDS, etc. Also, the standard requirements for the design, installation, testing, maintenance, etc. have international standards as specified, such as NFPA, EN, etc. The upper market of this fire extinguishing system products is worth around Baht 5 Billion and there are

approximately 20 importers and distributors of products considered to be the leading brands and providing design and installation services for fire fighting equipment and fire suppression system.

Besides, the Company is a distributor of fire pump under the brand "SPP" which helps the Company to meet the needs of customers to be more complete. The market of fire pump and other equipment (Accessories) in Thailand is worth about Baht 3 Billion, divided into 2 major parts which are the market for fire pump that is certified according to UL / FM (UL / FM Listed Fire Pump) that accounts for around 20 % of overall fire pump market and the fire pump market following NFPA (Non-UL / FM Listed Fire Pump) standards that accounts for about 80% of overall fire pump market.

### **2.3 Analysis of environmental factors that affect business operations**

2.3.1 The impact of the recent global epidemic of the new coronavirus (COVID-19) affects global economic conditions but now the situation has been resolved and will be a driving force for investment in the manufacturing sector of many industrial groups such as the tourism industry, industrial factories, and investment in real estate development projects and commercial buildings recovered.

2.3.2 The Electricity Generating Authority of Thailand (EGAT) high-voltage power station construction project has many projects in the future but there is slightly higher price competition in bidding for new projects. As a result, the gross profit from the construction of a high-voltage power station project of the Electricity Generating Authority of Thailand tends to decrease. The Company has adjusted strategies to reduce project costs by purchasing lower cost products.

### **3) Product and service procurement**

Product procurement is a key strategy of the Company and its subsidiary according to the vision that customers can use a variety of products. Over the past 22 years, the Company was appointed to be a distributor of equipment and fire extinguishing systems from foreign brand owners which has been recognized at the international level continuously. In addition, the Company has a team of executives and employees with knowledge and expertise in fire extinguishing systems which is the team that considers selecting products to be sold to customers. This ensures that customers will receive quality products with international standards at reasonable prices.

In the process of product procurement, the Company and its subsidiary will coordinate with the brand owners abroad to plan the purchase order and manage the storage of products to meet the needs of customers by considering along with the trend in future demand for products and trends in the quantity and prices of manufacturers in the market which the procurement method of products varies according to the nature of the acquisition of products. The details are as follows:

#### **3.1 Products procurement from abroad**

The Company has ordered most products from many foreign brand owners which the Company has been appointed to be a distributor for the exclusive distributor and general distributor (information of the contract for appointing a product distributor is in Part 1 (4) Business Assets). The Company and its subsidiary have the policy to focus on selling a variety of products that meet the needs of customers and international standards. The Company is an importer and distributor of products in each category as follows:

Product category	Brand	The distributor company	Brand owner country
1. Valve products include sluice valves., butterfly valves, ball valves, inlet and outlet nozzles, water volume adjustment valve, pressure reducing valve, joints and fasteners	<ul style="list-style-type: none"> <li>- NIBCO</li> <li>- DIXON POWHATAN</li> <li>- GRINNELL</li> <li>- POTTER ROEMER</li> <li>- CLA-VAL</li> <li>- AGF</li> </ul>	<p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p>	<p>USA</p> <p>USA</p> <p>USA</p> <p>USA</p> <p>USA</p> <p>USA</p>
2. Fire extinguishing system equipment includes automatic sprinkler heads, fire hose cabinet, retractable and coiled fire sprinkler hoses, various types of fire extinguishers, flow rate testers, fire pumps	<ul style="list-style-type: none"> <li>- BADGER</li> <li>- TYCO</li> <li>- MOYNE ROBERTS</li> <li>- SRI</li> <li>- OSW</li> <li>- 5ELEM</li> <li>- GIACOMINI</li> <li>- DIXON POWHATAN</li> <li>- NEWAGE</li> <li>- HUACHENG</li> <li>- GVI</li> </ul>	<p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p>	<p>USA</p> <p>USA</p> <p>Ireland</p> <p>Malaysia</p> <p>Germany</p> <p>China</p> <p>Italy</p> <p>USA</p> <p>India</p> <p>China</p> <p>USA</p>
3. Clean fire extinguishing system, gas fire extinguishing system, kitchen fire suppression system, special fire suppression system, and foam fire extinguishing system	<ul style="list-style-type: none"> <li>- KIDDE</li> <li>- NATIONAL FOAM</li> <li>- LPG by JOHNSON CONTROL</li> <li>- PYROCHEM</li> <li>- DANFOSS</li> <li>- JANUS</li> <li>-FIKE</li> </ul>	<p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The subsidiary company</p> <p>The Company</p>	<p>USA</p> <p>USA</p> <p>USA</p> <p>USA</p> <p>Denmark</p> <p>USA</p> <p>USA</p>
4. Fire alarm devices include heat detectors, smoke detectors, fire alarm equipment, and system control cabinet	<ul style="list-style-type: none"> <li>- SECURITON</li> <li>- NOTIFIER</li> <li>- SYSTEM SENSOR</li> <li>- FIKE SIGNIFIRE</li> <li>- FFE</li> </ul>	<p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The Company</p> <p>The subsidiary company</p>	<p>Switzerland</p> <p>USA</p> <p>USA</p> <p>USA</p> <p>U.K.</p>
5. Fire water pump	<ul style="list-style-type: none"> <li>- SPP PUMPS</li> <li>- KIRLOSKAR</li> <li>- SYNCROFLO</li> </ul>	<p>The Company</p> <p>The Company</p> <p>The Company</p>	<p>USA</p> <p>India</p> <p>USA</p>
6. Signal switch	<ul style="list-style-type: none"> <li>- SYSTEM SENSOR</li> </ul>	<p>The Company</p>	<p>USA</p>
7. Uninterruptible power supply (UPS)	<ul style="list-style-type: none"> <li>- DELTA</li> <li>- EATON</li> </ul>	<p>The Company</p> <p>The Company</p>	<p>Taiwan</p> <p>USA</p>



Product category	Brand	The distributor company	Brand owner country
8.Safety Enquipment such as chemical protective suits, absorbents, spill pallets, emergency eye wash sink, chemical storage cabinets, Safety Shoes	- LAKELAND	The Company	USA
	- BRADY	The Company	USA
	- ROMOLD	The Company	U.K.
	- ENLIGHTENING	The Company	China
	- ESNICO	The Company	China
	- SAI-U	The Company	China
	- WHALE-SHIELD	The Company	China

### 3.2 Local product procurement and sub-contractor procurement

The Company and its subsidiary can also purchase some kinds of products from local manufacturers or distributors. If such products have distributors in Thailand but products still have to meet international standards as specified by The Company in terms of employing sub-contractors for installation of fire systems, the Company and its subsidiary will contact the sub-contractors to directly submit the quotation or bidding, as the case may be according to the policy set by the Company. However, the Company and its subsidiary will have an engineer to control the installation work of the Company and the engineer will act as a responsible person for every installation project.

In this regard, The Company has insurance contracts for the operation of various projects to protect damages that may occur from the installation of the system by considering conditions and suitability of insurance from the nature of each work, such as insurance against property damages in the event of the fire suppression system installation, the product insurance, and the insurance for products and assets stored in the warehouse, the asset insurance for operation, the insurance for damages while shipping, etc. The Company has the warranty for all products or devices that are still under warranty or according to the period of service contract specified with the customer. If there are any damaged products or equipment, the Company will coordinate with foreign distributors to claim products. The warranty period with the manufacturer is one year from the date that products leave the port of the supplier's country or are delivered to the customer.

#### 4) Business Assets

##### 4.1 Main characteristics of main fixed assets that the Company used in business operations

As of December 31<sup>st</sup>, 2022, the Company and its subsidiary have main fixed assets used in business operations as follows:

Type	Proprietary nature	Net Value (Million Baht) as of December 31 <sup>st</sup> , 2022	Obligation	Utilization of property
1. Land	The Company	122.70	- None -	To be used for warehouse construction
2. Buildings and building improvement	The Company	102.81	- None -	To be used in the Company's offices and warehouses
3. Office equipment and supplies	The Company and its subsidiary	4.21	- None -	To be used in the Company's offices and warehouses
4. Decoration materials	The Company	0.36	- None -	To be used in the Company's offices and warehouses
5. Tools	The Company and its subsidiary	2.17	- None -	To be used in the business of the Company
6. Vehicles	The Company	6.82	- None -	To be used in the business of the Company
<b>Total net worth</b>		<b>239.07</b>		

**4.2 Details of leased land and buildings for business operations**

As of December 31st, 2022, the Company and its subsidiary have office buildings that are leased from a related business. They are related to shareholders, directors, and executives of the Company and warehouses leased from third parties who are not related to shareholders, directors, and executives of the Company. Details of the leased assets for business operations as of December 31st, 2022 can be summarized as follows:

**4.2.1 Headquarter building**

The Company has leased the building space from shareholders, directors, and executives of the Company to use as headquarter. The essence of the Agreement can be summarized as follows:

1) Important details of the Building Lease Agreement and Service Agreement at Pattamaporn Building	
Contracting parties	Safety Factory Co., Ltd. as the lessor and central service provider
The execution date of Agreement	January 30 <sup>th</sup> , 2020, and annexed memorandum of June 22 <sup>nd</sup> , 2020
Agreement type	<ul style="list-style-type: none"> <li>- Space Lease Agreement: the space is located at No. 1198/5 Rama 9 Road, Phatthanakan Sub-district, Suan Luang District, Bangkok 10250, 2<sup>nd</sup> floor, 4<sup>th</sup> floor, and 5<sup>th</sup> floor, with a total area of 2,107.00 square meters to be used as the headquarter of the Company.</li> <li>- Central service Agreement in which Safety Factory Co., Ltd. is responsible for caring for the parking area and the utility of Pattamaporn Building. However, such service does not include the maintenance within the lessee's leased area.</li> </ul>
Agreement period	Start from April 27 <sup>th</sup> , 2020 and expire on April 26 <sup>th</sup> , 2023
Rental rate	The rental rate is Baht 368,725.00 per month, the service fee is Baht 284,445.00 per month, and the common service fee is Baht 84,280.00 per month (excluding VAT).
Renewal of Agreement	The lessee must notify the lessor in writing not less than 30 days before the expiration of the lease. If the Company extends the lease further, the lessor and the lessee will agree on a new rental rate based on the prevailing economic conditions as the basis for determining the rental rate. However, if the Lease Agreement is terminated, it shall be deemed to terminate the Service Agreement as well.

For the Lease Agreement of New Office Building, the Company is recognized as “right-of-use assets” under lease liabilities according to financial reporting standards No.16: Lease Agreement that determines the lessee to recognize assets and liabilities for all Lease Agreement with a lease term of more than 12 months, unless the underlying asset is of low value. As of December 31<sup>st</sup>, 2022 there are right-of-use assets of Baht 52.17 Million.

**4.3 Intangible assets**

As of December 31<sup>st</sup>, 2022, the Company and its subsidiary had net intangible assets of Baht 10.42 Million which are computer programs.

**4.4 Business license**

The Company and its subsidiary are licensed to register the import and manufacture of chemical FM-200, which is a hazardous substance type III with the name of a hazardous substance: HFC-227ea, chemical formula  $C_3HF_7$  with a ratio greater than or equal to 98%. Such chemical is the only hazardous substance that the Company has and is licensed to possess, import and produce at 20 metric tons per year. It is used in packing in production for the purpose of use in the firefighting procedure.

**Details of the registration certificate and license for the import and manufacture of chemical FM-200**

List type	Licensee	Period	Storage location
1. Registration of the Chemical FM-200	The Company/ Its subsidiary	January 1 <sup>st</sup> , 2017 - December 31 <sup>st</sup> , 2022	• No. 1198/5, Rama 9 Road, Phatthanakan Sub-district, Suan Luang District, Bangkok 10250
	The Company	January 23 <sup>rd</sup> , 2018 - December 31 <sup>st</sup> , 2023	• No. 1198/5, Rama 9 Road, Phatthanakan Sub-district, Suan Luang District, Bangkok 10250
2. Import the Chemical FM-200	The Company/ Its subsidiary	January 1 <sup>st</sup> , 2017 - December 31 <sup>st</sup> , 2022	• No. 688, Pracha Phatthana Road , Thap Yao Sub-district, Lat Krabang District, Bangkok 10520
	The Company	October 18 <sup>th</sup> , 2018 - October 17 <sup>th</sup> , 2023	• No. 688, Pracha Phatthana Road, Thap Yao Sub-district, Lat Krabang District, Bangkok 10520
3. Registration (Production License) of the Chemical FM-200	The Company	January 1 <sup>st</sup> , 2017 - December 31 <sup>st</sup> , 2022	• No. 1198/5, Rama 9 Road, Phatthanakan Sub-district, Suan Luang District, Bangkok 10250
4. Production of the Chemical FM-200	The Company	August 4 <sup>th</sup> , 2021 – December 31 <sup>st</sup> , 2022	• No. 688 , Pracha Phatthana Road , Thap Yao Sub-district, Lat Krabang District, Bangkok 10520
5. Possession of the Chemical FM-200	The Company (possessing and accepting to take care of the chemical of its subsidiary)	August 2 <sup>nd</sup> , 2021 – December 31 <sup>st</sup> , 2022	• No. 688, Pracha Phatthana Road, Thap Yao Sub-district, Lat Krabang District, Bangkok 10520

In this regard, the Company received a certificate of Quality Management System ISO 9001:2015 from SGS accredited by the United Kingdom Accreditation Service (UKAS) and the National Accreditation Council (NAC) from the Ministry of Industry.



## 4.5 Important contracts involved in business operations

### 4.5.1 Distributor Agreement

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
NIBCO	FTE	- Fire suppression system - Valve products	General	20 years	2000	5 years	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be an agent every 2 years (due on August 24 <sup>th</sup> , 2024)
DIXON POWHATAN	FTE	- Valve products - fire hose	General	12 years	2008	1 year	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be a distributor every 3 years (due date December 31 <sup>st</sup> , 2022)
POTTER ROMER	FTE	- Valve products - Signal switch	General	13 years	2007	3 years	1-2 years	- There are no specific territories for the right of being a distributor. - There is no time limit for the expiration of being a distributor.
TYCO	FTE	- Valve products	General	18 years	2002	1-10 years	1-2 years	- Right to be a distributor in Thailand only

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
		- Fire sprinkler head						- Received an extension of the right to be a distributor every 1 year (due on January 5 <sup>th</sup> , 2024)
MOYNE	FTE	- Fire hose - Hand-held fire extinguisher	General	20 years	2000	1 year	1-2 years	- There are no specific territories for the right of being a distributor. - Received an extension of the right to be a distributor every 3 years (due on October 9 <sup>th</sup> , 2022)
SRI	FTE	- Valve products - Fire hose	General	20 years	2000	1 year	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be a distributor every 1 years (due on January 13 <sup>th</sup> , 2023)
OSW	FTE	- Fire hose	Single	12 years	2008	1 year	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be a distributor every 3 years

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
5 ELEM	FTE	- Fire hose	General	10 years	2010	1 year	1-2 years	(due on September 4 <sup>th</sup> , 2025) - There are no specific territories for the right of being a distributor. - Received the right to be a distributor for 15 years since 2010 - There is no time limit for the expiration of being a distributor.
HD FIRE	FTE	- Fire sprinkler head - Fire sprinkler head - Foam bladder tank - Narrow angle spray nozzle	General	13 years	2007	2 years	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be a distributor every 1 year - The warranty period for products with customers is according to agreed project conditions and term of reference (TOR) for foam bladder tank (due on December 30 <sup>th</sup> , 2022).
GRINNELL	FTE	- Joints and fasteners	General	9 years	2011	10 years	1-2 years	- Right to be a distributor in Thailand only

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
BADGER	FTE	- Hand-held fire extinguisher	General	20 years	2000	6 years	1-2 years	<ul style="list-style-type: none"> <li>- Received an extension of the right to be a distributor every 1 year (due on January 17<sup>th</sup>, 2023)</li> <li>- Right to be a distributor in Thailand only</li> <li>- Received an extension of the right to be a distributor every 1 year (due on December 31<sup>st</sup>, 2023)</li> </ul>
NOTIFIER	FTE	- Fire alarm system	General	18 years	2002	3 years	1-2 years	<ul style="list-style-type: none"> <li>- There are no specific territories for the right of being a distributor.</li> <li>- Received an extension of the right to be a distributor every 1 year (due on December 31<sup>st</sup>, 2021) and it is in process.</li> <li>- The warranty period for products with customers is according to agreed</li> </ul>



Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
SYSTEM SENSOR	FTE / FIS	- Fire alarm system	General	20 years	2000	3 years	1-2 years	<p>project conditions and term of reference (TOR).</p> <ul style="list-style-type: none"> <li>- There are no specific territories for the right of being a distributor.</li> <li>- Received an extension of the right to be a distributor every 1 year (due on December 31<sup>st</sup>, 2021) and it is in process.</li> <li>- The warranty period for products with customers is according to agreed project conditions and term of reference (TOR).</li> </ul>
KIDDE	FTE	- Clean Agent Fire Suppression system	General	5 years	2015	1 year and a half	1-2 years	<p>Right to be a distributor in Thailand only</p> <ul style="list-style-type: none"> <li>- The warranty period for products with customers is according to agreed project conditions and term of reference (TOR).</li> </ul>

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
LPG	FTE	- Inert gas fire suppression system	General	19 years	2002	1 year and a half	1-2 years	<ul style="list-style-type: none"> <li>- Right to be a distributor in Thailand only</li> <li>- Received an extension of the right to be a distributor every 1 year (due on December 7<sup>th</sup>, 2022)</li> <li>- The warranty period for products with customers is according to agreed project conditions and term of reference (TOR).</li> </ul>
SECURITON	FTE	<ul style="list-style-type: none"> <li>- Smoke detector</li> <li>- Heat detector</li> </ul>	General	9 years	2011	2 years	1-2 years	<ul style="list-style-type: none"> <li>- Right to be a distributor in Thailand only</li> <li>- Received an extension of the right to be a distributor every 2 years (due in 2023)</li> <li>- The warranty period for products with customers is according to agreed</li> </ul>

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
PROTECTOWIRE	FTE	- Heat detector	General	10 years	2010	1 year	1 year	<p>project conditions and term of reference (TOR).</p> <ul style="list-style-type: none"> <li>- There are no specific territories for the right of being a distributor.</li> <li>- There is no time limit for the expiration of being a distributor.</li> <li>- There is no penalty fee if the conditional sale is not met.</li> </ul>
NATIONAL FOAM	FTE	- Foam concentrate	General	13 years	2007	1 year	1-2 years	<ul style="list-style-type: none"> <li>- Right to be a distributor in Thailand only</li> <li>- Received an extension of the right to be a distributor every 2 years (due on November 09th, 2023)</li> <li>- The warranty period for products with customers is according to agreed project conditions and term of reference (TOR).</li> </ul>

Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
FIERRE	FTE	- Foam bladder tank	General	9 years	2011	1 year	1-2 years	<ul style="list-style-type: none"> <li>- Right to be a distributor in Thailand only</li> <li>- Received an extension of the right to be a distributor every 1 year (due on January 04<sup>th</sup>, 2024)</li> <li>- The warranty period for products with customers is according to agreed project conditions and term of reference (TOR).</li> </ul>
PYROCHEM	FTE	- kitchen fire suppression system	General	18 years	2002	1 year	1-2 years	<ul style="list-style-type: none"> <li>- Right to be a distributor within Thailand only</li> <li>- Received an extension of the right to be a distributor every 1 year (due on January 10<sup>th</sup>, 2023)</li> <li>- The warranty period for products with customers is according to agreed project conditions and term of reference (TOR).</li> </ul>



Brand	The appointed company	Product type that has been appointed as a distributor	Characteristics of being a distributor	Period that the Company has been appointed as a distributor	Year of first appointment	Warranty period from the owner of the brand	Warranty period for such brand with customers	Other conditions
FIKE SIGNIFIRE	FTE	- Smoke detector - security camera	General	4 years	2016	1 year	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be an agent every 1 year (due on January 3 <sup>rd</sup> , 2024)
JANUS	FIS	- Fire suppression system with clean substance and gas	General	11 years	2009	1 year	1-2 years	- Right to be a distributor in Thailand only - There is no time limit for the expiration of being a distributor.
FFE	FIS	- Smoke detector	General	4 years	2016	1 year	1-2 years	- Right to be a distributor in Thailand only - Received an extension of the right to be a distributor every 2 years (due on January 4 <sup>th</sup> , 2024)




Note: - The Company determines the price for the sale of products and services. There is no regulation in setting the standard price from the brand owner (Principal) in any way.

- All brands do not have a minimum order amount per year and there is no condition to set the fine with the Company if the Company fails to achieve its annual sales targets (No Sales Targets).

- The Company does not receive any compensation for recommending its brand to other distributors or users from the brand owner.

#### 4.6 Trademark

Nowadays, the Company and its subsidiary currently have trademarks and brands for the sale of products of the Company (Brand Logo), which are products that employ domestic and international firefighting equipment manufacturers to produce products under the brand of the Company (Original Equipment Manufacturer: OEM) for three products: hand-held fire extinguisher, fire hose, and fire hose cabinet under the brand “TOTAL FIRE”.

Trademark	Ownership	Note
	The Company	Execute the registration of trademarks and services completely on October 8 <sup>th</sup> , 2018.
	The subsidiary	Execute the registration of trademarks and services. completely on October 8 <sup>th</sup> , 2018.
	The Company	In the process of registering new trademarks and services

### 1.3 Shareholding structure of the Company group

#### 1.3.1 Shareholding structure of the Company Group



##### Firetrade Engineering Public Company Limited

Authorized share capital: Baht 330,000,000.00

Issued and paid-up share capital: Baht 329,999,962.00

Par value: Baht 0.50 per share

**Business operation:** Importer and distributor of products related to full range of fire protection services comprise of;

1) Fire protection equipment systems 2) Fire suppression systems 3) Fire alarm systems 4) UPS and Data Center 5) Personal Safety and Safety Equipment including designing, selling, sourcing, installing, examining, repairing, and maintaining of fire protection equipment and related fire protection systems.

99.99 %



##### Fire Inspector Company Limited

Authorized share capital: Baht 10,000,000.00

Issued and paid-up share capital: Baht 10,000,000.00

Par value: Baht 100.00 per share

**Business operation:** Importer and distributor of fire suppression systems including designing, selling, sourcing, installing, examining, repairing, and maintaining of system works related fire protection systems specific to 3 product brands the Company nominated to be distributor at present.

#### Investment Policy in the subsidiary

The Company will carefully aware the return on investment, risks and financial liquidity of the Company. It will consider investing in the subsidiary that has the potential to support and be the benefit for the Company's business operations. Each investment project must be considered by the Board of Directors and/or the shareholders' meeting according to the scope of the approval authority which the Company has a policy to send directors and/or the Company's executives to become directors in proportion to their shareholding in the said subsidiary to control the direction and important management policies of such subsidiary according to the Company's policy.

**The subsidiary**  
**Fire Inspector Company Limited (“FIS”)**

	Details
<b>Founding date</b>	: May 11 <sup>th</sup> , 2007
<b>Office address</b>	: No.1198/5, Rama 9 Road, Phatthanakan Sub-district, Suan Luang District, Bangkok 10250
<b>Nature of business</b>	: Importer and distributor of automatic fire suppression systems including design, distribution, procurement, installation, inspection, repair and maintenance of systems related to specific branded fire suppression systems that the Company has been appointed as a distributor of 3 brands at present.
<b>Issued and paid-up capital</b>	: Baht 10,000,000.00
<b>Par value per share</b>	: Baht 100.00 per share
<b>Company directors</b>	: Mr. Taksin Tantipijit, Mrs. Pattamaporn Tantipijit, Mr. Krisada Lehavanich, and Miss Pen Yodkliang The authorized directors are Mr. Taksin Tantipijit or Mrs. Pattamaporn Tantipijit, signing together with Mr. Krisada Lehavanich or Miss Pen Yodkliang, totaling 2 persons with the Company's seal affixed.
<b>Relationship with the Company</b>	: FIS is the subsidiary of the Company. The Company holds 99,998 shares, representing 99.99 percent of the registered capital of FIS. There are joint company directors: Mr. Taksin Tantipijit, Mrs. Pattamaporn Tantipijit, and Miss Pen Yodkliang.



**1.3.2 Shareholder**

Top 10 of major shareholder lists appeared in Book of shareholders' registration on book record date on December 30, 2022 were as follows:

No.	Name	Number of shares	% Shareholding
1.	<b>Mr. Taksin Tantipijit's group</b>	427,872,480	64.83
	1.1 Mr. Taksin Tantipijit	254,031,769	38.49
	1.2 Miss Paphanan Tantipijit <sup>/1</sup>	72,724,529	11.02
	1.3 Mrs. Pattamaporn Tantipijit <sup>/2</sup>	51,592,640	7.82
	1.4 Mr. Piyawach Tantipijit <sup>/1</sup>	49,523,542	7.50
2.	Mr. Banpote Jumroonrojana	29,400,000	4.50
3.	Miss Naruemon Charoenkitpan	5,500,000	0.83
4.	Mr. Ittipol Lertphong	5,367,890	0.81
5.	Mr. Sophon Viraseranee	5,000,000	0.76
6.	Mr. Sa-nga Jirawatthana	4,179,450	0.63
7.	Mr. Kosin Phobaikul	4,046,680	0.61
8.	Miss Walaiporn Wuthimetha	3,917,030	0.59
9.	Miss Malinee Charoenkitpan	3,560,590	0.54
10.	Mrs. Churairat Rattanasiriwilai	3,477,030	0.53
11.	Others	167,678,774	25.37
<b>Total</b>		<b>659,999,924</b>	<b>100.00</b>

Remark : <sup>/1</sup> Miss Paphanan Tantipijit and Mr.Piyawach Tantipijit were children of person no.1.1 and no. 1.3

<sup>/2</sup> Mrs. Pattamaporn Tantipijit was spouse of person no.1.1

**Shareholding structure of Fire Inspector Co., Ltd as at December 31, 2022 were as follows:**

No.	Name	Number of shares	% Shareholding
1.	Firetrade Engineering Public Company Limited	99,998	99.99
2.	Mr.Taksin Tantipijit	1	<0.01
3.	Mr.Krisada Lehavanich	1	<0.01
<b>Total</b>		<b>100,000</b>	<b>100.00</b>

## 1.4 Shareholding Structure

### Registered capital and paid-up capital

Firetrade Engineering Public Company Limited was the listed Company of the Stock Exchange of Thailand (SET). FTE details of registered capital and paid-up capital as at December 31<sup>st</sup>, 2022 were as follows:

Registered and paid-up capital : Baht 330,000,000.00 is the paid-up capital of Baht 329,999,962.00 consisting of 659,999,924.00 ordinary shares. The par value is Baht 0.50 per share.

Fire Inspector Company Limited (subsidiary Company) details of registered capital and paid-up capital as at December 31<sup>st</sup>, 2022 were as follows:

Registered and paid-up capital : Baht 10,000,000.00 comprising 100,000 ordinary shares with the par value at Baht 100.00 per share.

## 1.5 Issuance of other securities

-None-

## 1.6 Dividend Policy

The Company has a dividend policy of no less than 40 percent of net profit, after the deduction of all legal reserves based on Separated Financial Statement as required by the law. Dividend payout may be subject to changes, depending on cash flow, investment plan, legal conditions. The Company considers all related factors and needs in the future to ensure that dividend payout does not affect normal business operations. The resolution of the Board of Directors on dividend payment must be submitted to shareholders' meeting for approval, except for interim dividend payout which must be approved by the Board of Directors and then reported in the next shareholders' meeting.

The subsidiary Company would consider dividend policy proposed by the Board of Directors by regarding its performance and other factors.

Dividend Information		Year 2020	Year 2021	Year 2022
Interim dividend	Million Baht	12.00	-	19.80 <sup>/1</sup>
Additional dividend	Million Baht	24.00	33.34	39.60 <sup>/2</sup>
Total dividend	Million Baht	36.00	33.34	59.40
Dividend payout ratio after deducting legal reserves	%	71.48	93.81	74.85
(Separate Financial Statements)				
Par Value	Baht per share	0.50	0.50	0.50
Totalling ordinary shares	Million shares	600	600	660

Note : - <sup>/1</sup> The Board of Directors' Meeting No. 5/2022 on November 12<sup>th</sup>, 2022 resolved to approve the interim dividend payment from the half year 2022 operating results.

- <sup>/2</sup> The Board of Directors' Meeting No. 1/2023 on February 27<sup>th</sup>, 2023 approved to propose to the 2023 Annual General Meeting of Shareholders to consider approving the dividend payment for the year 2022.

## **2. Risk Management**

### **2.1 Risk Management Policy and Plan**

The Company gives priority to risk management including intending to resolve risk of Company continually. The investor should consider risk factors and other details appeared in this document carefully before decides to invest. Risk factors specified in this document are referred from present information and prediction in the future as could be specified. Some significant risk factors could affect negatively to Company's share value. Risk factors specified in this document are not the whole remaining risk factors. Maybe there are some unknown risk factors and maybe some risk factors are considered by the Company as insignificant factors at the present but they could be significant risk factors affected significantly to revenue, profit, asset, and liquidity, source of investment funds and business opportunity of the Company in the future. Then the investor should have discretion to consider information carefully.

Moreover, messages as future prediction, estimation, intention or purpose of the Company as appeared in this document such as "plan", "intend", "want", "predict", "deem that", "believe that", "estimate", "may" or any words or messages likewise that are words or messages to indicate something would be happened in the future with uncertainty and the actual results would be different from those predicted.

### **2.2 Risk in business operation**

#### **Risk from employing subcontractors to install products**

Besides the Company distributed fire protection equipments and fire suppression systems, it also worked for project installing fire protection equipments and fire suppression systems such as high voltage sub-station project and sky train project. In order to work for projects, the Company must employ subcontractors to install products of customers and this may be risk to control quality of installing following Company's standard. However, the Company considered that risk as well.

However, to protect that risk, the Company had plan to control quality of work from selecting subcontractors, designing systems to controlling installation by having Company's engineers to check quality of installation and work in every steps thoroughly before handing over work to the customers. The customers must check and evaluate all works with Company's engineers once again before handing over to make the customers confident the quality of Company's works. For selecting subcontractors for installation, the Company must select standard subcontractors and used old subcontractors that the Company was confident with and clear contract would be written for each project. Moreover, the Company also did insurance before working every project. The Company never faced any complaints from customers about products or equipment installation and fire suppression systems.

#### **Risk from exchange rate**

Most of products were imported from foreign countries and must be paid by foreign currency but whole revenue of the Company and its subsidiary were in Thai baht. Orders from foreign countries of the Company and its subsidiary were about 60% - 70% of yearly total orders. Foreign exchange rate was always fluctuated so the Company and its subsidiary may get risk from exchange rate fluctuation that would affect Company's revenue and operation.

The Company had considered effect from risk and had policy to prevent risk from exchange rate. The Company got support from financial institutes to use financial tools such as opening Forward Contract that was financial limit able to cover debt of foreign account payable in some period. The Company had considered using that financial tool appropriately and the Company had financial limit of Forward Contract from financial institute that was enough for preventing risk from exchange rate for each period of ordering products from foreign countries. In order that the Company believed exchange rate for each period of foreign orders, then the Company was believed that exchange rate fluctuation won't affect to revenue and cost but affected to Company's operation significantly.

### **Risk from management**

#### **Risk from major shareholder influent to set administrative policy**

The business had Mr. Taksin Tantipijit's group, the major shareholder, holding total shares about 64.83% of total paid-up shares (After Initial Public Offering had done.). Then minor shareholders may have risk from major shareholder influent to set administrative policy. Major shareholder was one of the Board of Directors influent to resolution of shareholders' meeting because its group had over half of total shares except resolution that must be approved from shareholders over three-fourths of issued and paid-up shares.

However, the Company had Audit Committee comprised 3 independent directors from all of 7 Board of Directors. This mechanism was good balance of power caused the Company to have potential to manage and had transparency to manage through mechanism of internal control system including the Company had set authority and table of authorities to be several levels following appropriate range or financial limit. Moreover, the Company considered important policy about Principles of Good Corporate Governance by setting methods to do good corporate governance effectively and these methods must be followed strictly

#### **Risk of product stock that may be outdated, obsolete, and deteriorated**

Because the Company has the policy to order products to support the needs of customers fully, therefore, there may be a chance that some products will become outdated, obsolete, or deteriorated if they have been stored for a long time. Then the executives reduce the risk by assigning product managers who have knowledge and expertise to take care of each other. Each group of products, in regards to the number of purchase requests or a channel to sell products. The Company uses the program to help in configuring the minimum and maximum for the point of purchase.

#### **The risk from incomplete project cost estimation**

Because the bidding for the sale of the project is a lump sum bidding. If the bidder is inexperienced, the amount of material may be removed and wages can be unpaid. This can affect the profit of The Company, therefore, the executives have the tools by creating a cost sheet template as a model to help reduce the chance of errors. In addition, the executives at the manager and supervisor level have to check the work of the team members according to the approval authority manual in another step.

#### **Risk of default**

The Covid-19 pandemic has affected almost all businesses. Many customers delayed payment of the debt which may result in the Company's lack of financial liquidity. The executives and debt collection team are therefore cautious and take care of customers closely in terms of follow-up and demand as well as being more cautious in giving credit lines in sales. However, to solve the problem that is predicted that in 2023, the situation will improve overall, so the Company requests an emergency credit line from financial institutions to prevent such risk.

### **3 Business Driving for Sustainability**

#### **3.1 Sustainability Management Policy and Goals**

The Company focuses on performance under ethical framework and good corporate governance, having transparency and verifiable following methods of social responsibilities of Company specified by SET that are 8 principles such as: operation with fairness, anti-corruption, respect for human rights, fair treatment to labor, responsibilities for consumer, taking care for environment, community development, providing innovation and publicizing innovation from social, environmental and stakeholder responsibility operation.

##### **(1) Fair Business Practices**

1.1. The Company intends to operate business with honesty and runs business with social responsibilities both law, code of conduct and intends to make merit to person,

community, society and environment and runs business by having standard of operation and good control with using ability with carefulness, adequate information and having referable evidences including performing following law and related regulations strictly.

1.2.Serving for the customer: the Company will serve for trade partner fairly, not call for or receive any unjust benefits. If the Company can't follow any conditions, please inform the trade partners in advance to find problem solving together.

1.3.Serving for the trade competitor: the Company will serve for trade competitor within regulation framework of good competition and not search for confidential information of the trade competitor with unfair methods.

## **(2) Anti-Corruption**

2.1.Not to propose compensation, pay bribe, call for or agree or receive bribe from others or other organizations directly or indirectly to have compensation that are benefits for each other or hope for benefits related to Company's works.

2.2.Not to do improperly transaction related to government officer, person or other organization directly or indirectly.

2.3.Not to donate or pay some money to facilitate or give some supporting money to any person or organization for being channel to pay bribe.

2.4.Not to support money or other benefits directly or indirectly to political parties, political group to receive benefits in running business or benefits of themselves or their relatives.

2.5.The Company has been certified as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) from Thai Institute of Directors held on August 5, 2019, in the second quarter of 2019.

## **(3) Respect for Human Rights**

The Company realizes to respect for lives and human dignity of everyone so it provides methods to support and urge staffs to act following basic principles of the human rights that everyone has equal right regardless differences of gender, race, religion, skin color, position, political belief and other belief. The Company focuses on respect for human rights of every committee and staffs in organizations and gives staffs a chance to show their opinions and complains about individual piracy.

## **(4) Fair Treatment of Labor**

The Company sets method of treatment to staff by the Executive Committee must treat to labor fairly, manage works without bias, support creating potential of progress and increase staff's effectiveness of working, provide welfare to staff suitably, serve staff frankly, listen to opinion and recommendation reasonably. Moreover, the Company provides channel to get recommendation or complaints from the staffs and provides steps and procedures of considering complaints fairly.

## **(5) Responsibility to consumer**

The Company assigns the Executive Committee and staff of the Company to treat customers as ethical-business regulations set strictly, takes care and be responsible for customers in the aspects of product quality and good service with standard, keeps secret of the customers, focuses on fair and equal price setting under Company's policy of price setting.

## **(6) Environmental Protection**

The Company sets methods to take care for environment inside office and warehouse including focuses on and be responsible to community near the Company, runs business carefully and must not affect to nearby community's environment.

## **(7) Community Development**

The Company will act or control to have act following law and related regulations and social responsibility including cooperating, helping, supporting and volunteering to do beneficial activities for community and society both in nearby communities and other communities.



## **(8) Creation and Promotion of Innovation Deriving from Operations with Society, Environment and Stakeholder Responsibility**

The Company will support to provide innovation both in level of working procedure in organization and level of cooperation between organization that means doing things with new methods and also means changing in thought and manufacturing to increase value. Target of innovation is positive changing to make things better and causes increasing products to create highest benefits to society.

### **3.2 Managing impact on stakeholders in the business value chain**

#### **3.2.1 Business value chain**

The Company operates a comprehensive business of importing and distributing firefighting equipment which the value chain of the Company can be divided into 2 types according to operating activities as follows:

##### **3.2.1.1 Main Activities**

1. Inbound Logistics: the Company orders products directly from the manufacturer to obtain quality products that meet the standards because products of the Company are products about fire suppression systems. The quality of the product is therefore important.

2. Marketing and Sales: the Company has sales staff with knowledge and expertise in the Company's products that can create the confidence to customers that they will receive quality products which meet the needs of the most use.

3. Services: the Company focuses on customer services during trading and after trading. The delivery team can deliver products to customers all over the country within the time the customer wants. In addition, the after-sales service team is another department that provides advice on product usage and maintenance, etc.

##### **3.2.1.2 Support activities**

The Company has departments to support the main activities of the value chain to be carried out effectively as follows:

1. Purchasing Department (Procurement) plans to procure products and bring in products to keep up with the needs of customers.

2. Accounting and Financial Department conducts financial activities that support the business of the Company to be successful in sales and purchases to be appropriate and sufficient.

#### **3.2.2 Analysis of stakeholders in the business value chain**

The Company had started to analyze the expectations of stakeholders concretely in 2022 by dividing stakeholders into 6 groups: 1) Shareholders 2) Customers 3) Suppliers and/or business partners 4) Employees 5) Society and environment, and 6) Regulatory agencies. Then, the Company defined the management to communicate with stakeholders in the business value chain as follows:

<b>Stakeholders</b>	<b>Expectation</b>	<b>Methods</b>	<b>Communication channel</b>
1. Shareholders	- Good and consistent returns from investing in company shares - Transparent business operations that could be checked	- To run the business to grow continuously - To honestly disclose operating results to shareholders every quarter in every channel that	- Website of the Stock Exchange of Thailand - Company website - Company Facebook page - Annual registration statement/annual report (Form 56-1 Report)

	- Reputation/good image of the organization	shareholders can follow	- Activities of listed companies meeting investors (Opportunity Day), Analyst Meeting - Phone and email - Various press releases
2. Customers	- To receive good products and/or services with good quality and standard - Fast delivery - The satisfied price of the product - To have a product warranty	- To provide fast customer service (offering price, delivery of goods and/or services) - Prices of goods and/or services are satisfactory to customers. - Quality products: there is a standard to support - Good after sales service	- Company website - Company Facebook page - Phone and email - Various press releases - Annual satisfaction survey
3. Suppliers and/or business partners	- To work together to do business with transparency and accuracy - The fair price of the traded products	- To select suppliers and/or business partners with fairness - Do not share commercial information without permission. - To operate the business together with transparency, accuracy, and straightforwardness	- Company website - Company Facebook page - Phone and email - Various press releases - New vendor or service provider selection form - Annual product seller or service provider assessment form
4. Employees	- Fair compensation - Good welfare at work - Advancement and stability in the work field - Work safety and good health in career - Working happily	- To determine fair and appropriate remuneration for employees - To have appropriate welfare - To encourage employees to develop their potential for career advancement - To promote a good and safe working environment for employees	- Line Official FTE Group - HR email - Comment box - Monthly internal meeting
5. Society and environment	- To help, promote, and give back to society including not destroying and	- To support activities of communities in the vicinity of the	- Company website - Company Facebook page - Phone and email

	preserving the environment	Company and warehouse	- Company Personnel Department
6. Regulatory agencies	- To operate the business according to rules and regulations related - To operate activities to engage with relevant regulatory bodies	- To obey the law and regulations strictly related	- Company Facebook page - Phone and email - Company Secretary - Investor Relations

### 3.3 Sustainability management in environmental dimensions

#### 3.3.1 Environmental policies and practices

The Company emphasizes on reducing energy consumption within the organization by installing solar panels on the roof of the building which will save electricity costs including helping to reduce global warming because the solar cell system will convert solar energy into electric charge without burning. No greenhouse gas emissions are released into the atmosphere that causes global warming. The Company also instills in employees the importance of saving energy which all employees cooperate very well. Now, the energy consumption of the Company is reduced and the cost of The Company is also reduced.

#### 3.3.2 Environmental Performance

Around the middle of 2022, the Company installed solar cells at Lat Krabang warehouse with the size of 36.63 kilowatts.

Month	Electricity fee (Baht)	Electricity fee (Unit)	
		Before installing solar panels	After installing solar panels
September	45,260.70	8,000.00	
October	41,040.61	8,000.00	
November	20,829.92		4,000.00
December	22,260.00		4,000.00





### 3.4 Sustainability management in social dimensions

#### 3.4.1 Social policies and practices

The Company focuses on rewards society along with business growth. The Company will conduct social activities annually

#### 3.4.2 Social Performance

Due to the epidemic situation of COVID-19, outings to attend activities of all employees which the Company organizes every year must be refrained. But the Company is still aware of supporting and giving back to society.

For the year 2022, the Company by the Chief Executive Officer, Mr. Taksin Tantipijit and representatives of the executives donated scholarships and gave electrical appliances to Wat Charoen Sukharam School, Na Khok Sub-district, Mueang District, Samut Sakhon Province and Ban Na Khok School (Na Kluea Sampan), Na Khok Sub-district, Mueang District, Samut Sakhon Province. In addition, the Company also supported the Children's Day activities for Samarn Samakki School which was a school located in the area close to the Company's warehouse.





#### 4. Management Discussion and Analysis: MD&A

##### 4.1 Overview of past operations

The Company operates in the business of importing and distributing a full range of fire fighting equipment, automatic fire extinguishing, and fire alarm system including providing design, distribution, procurement, contractor installation, repair, inspection, and maintenance of fire equipment and systems related to fire fighting in various locations inside and outside the building according to high-rise or horizontal buildings and industrial plants by a team of engineers and technicians specialized in the Company's work. While the subsidiaries operate the business of importing and distributing automatic fire suppression systems including providing services related to fire suppression systems. The total revenue of the Company and its subsidiaries consisted of revenue from sales, revenue from project works and services which can be summarized as follows:

1) Revenue from sales is the revenue generated from the sale of a complete range of fire extinguishing equipment, components of the fire suppression system, various types of automatic fire suppression systems, and fire alarm systems that are sold to 3 groups of customers, namely: (1) fire protection system designers and contractors, (2) project owners or direct users, and (3) shops or distributors.

2) Revenue from project works and services can be divided into 2 types:

2.1) Revenue from project works is from providing a full range of services for contractors to install fire protection systems for customers such as providing design, distribution, procurement, contractor installation, commissioning test, etc.

2.2) Revenue from other services such as inspection, repair, and maintenance of fire protection systems for customers, etc.

Revenue from sales and services of the Company and its subsidiaries are in line with the domestic economy and construction industry that is a result of government and private construction, investment, and industrial growth trends. For 2020, 2021, and 2022, the Company and its subsidiaries had revenue from sales and services of Baht 907.20 Million, Baht 1,005.46 Million, and Baht 1,089.09 Million respectively. The revenue is divided into revenue from sales of Baht 569.36 Million, Baht 560.29 Million, and Baht 703.21 Million respectively, and the revenue from project works and services (Revenue from project works and revenue from other services) equal to Baht 337.84 Million, Baht 445.17 Million, and Baht 385.88 Million respectively.

##### **Total revenues**

The Company and its subsidiaries have total revenue in 2020, 2021, and 2022 equal to Baht 914.16 Million, Baht 1,010.91 Million, and Baht 1,094.33 Million respectively. The revenue is divided into revenue from sales, revenue from project works and services, and other revenue as follows:

Revenue structure	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales	569.36	62.76%	560.29	55.72%	703.21	64.57%
2. Revenue from project works and services						
2.1) Revenue from project works	309.65	34.13%	414.50	41.23 %	347.95	31.95%
2.2) Revenue from Service	28.19	3.11%	30.67	3.05%	37.93	3.48%
Total revenue from sales and services	<b>907.20</b>	<b>100.00%</b>	<b>1,005.46</b>	<b>100.00%</b>	<b>1,089.09</b>	<b>100.00%</b>
Other revenue	6.96		5.45		5.24	

### **Revenue from sales**

The Company and its subsidiaries have revenue from sales in 2020, 2021, and 2022 equal to Baht 569.36 Million, Baht 560.29 Million, and Baht 703.21 Million, or representing 62.76 %, 55.72 %, and 64.57 % of revenue sales and services in each year respectively.

In 2020, the Company and its subsidiaries had revenue from sales of Baht 569.36 Million or 62. 76 % of revenue from sales and services, decreased from 2019 by Baht 119.80 Million or 17.38 % due to in 2020, many customers have notified of the delay of the delivery of goods that cannot enter the area to work due to the pandemic situation of the COVID-19.

In 2021, the Company and its subsidiaries had revenue from sales of Baht 560.29 Million or 55.72 % of revenue from sales and services, which decreased from 2020 by Baht 9.06 Million or 1.59 %. Because in 2021, many customers were notified of the delay in delivery of goods that cannot enter the area to work due to the pandemic situation of COVID-19.

In 2022, the Company and its subsidiaries had revenue from sales equal to Baht 703.21 Million or 64.57 % of revenue from sales and services. An increase from 2021 equal to Baht 142.92 Million or 25.51 % due to the pandemic situation of COVID-19 has been greatly resolved so the construction work shall be developed. Both new construction and ongoing construction work to speed up work completion.

### **Revenue from project works and services**

Revenue from project works and services can be divided into 2 types:

1) Revenue from project works born from providing a full range of services for the installation of fire protection systems for customers. From designing, selling, procuring, installing, commissioning, etc., the Company and its subsidiaries will recognize revenue

according to the percentage of completion which is a standard for revenue recognition for contract work. The Company's engineers will assess the progress of each project every month to send the progress assessment data to the accounting department of the Company to be used to record revenue under the contract.

2) Revenue from other services such as inspection, repair, and maintenance of fire protection systems for customers, etc. The Company and its subsidiaries will recognize revenue when providing services to customers. Most of them are customers that the Company or its subsidiaries are contractors for installation in projects or sellers of fire fighting equipment or fire fighting systems. The Company and its subsidiaries provide maintenance services and maintain the fire extinguishing system after the installation is completed for 1 year or according to the terms of the project (Term of Reference: TOR) to maintain the fire extinguishing system to be complete according to safety standards. This group of customers trusts the Company and its subsidiaries to maintain the fire protection system on a yearly contract basis. Because he saw that the Company is an expert in fire suppression systems and has the expertise, and understanding of the installed fire suppression system.

The Company and its subsidiaries had revenue from projects and services in 2020, 2021, and 2022 equal to Baht 337.84 Million, Baht 445.17 Million, and Baht 385.88 Million or representing 37.24 %, 44.28 %, and 35.43 % of revenue from sales and services each year respectively. The increase and decrease of the revenue from projects and services depend on the number of projects and the value of contractors for the installation of firefighting systems each year.

In 2020, revenue from project works and services increased 2019 by 0.34 % from Baht 336.70 Million to Baht 337.84 Million because, in 2020, the Company recognized revenue from providing inspection and maintenance services for fire fighting equipment and firefighting-related systems (Preventive Maintenance) equal to Baht 8.09 Million, an increase of 3.86 Million Baht from project works due to provide services from related projects as the Company has adopted new financial reporting standards in practice in 2019. For revenue from project works in 2020 decreased from 2019 by 2.11 % equal to Baht 6.67 Million and the progress of the fire suppression system installation. But during the year, the Company continued to install from the high-voltage power station project of the Electricity Generating Authority of Thailand at various power stations such as Chatuchak, Kabinburi, Prachinburi, Pluak Daeng, Saraburi, Khon Kaen, Tha Li, Chiang Mai, Chom Bueng, Bang Saphan and Phuket, etc. There were also sugar factory projects including work in the private sector, etc.

In 2021, revenue from project works and services increased from 2020 31.77 % Baht from 337.84 Million to Baht 445.17 Million because, in 2021, the Company recognized revenue from providing inspection and maintenance services for fire fighting equipment and firefighting-related systems (Preventive Maintenance) amounted to Baht 30.67 Million, an increase of Baht 2.48 Million from project works that was due to be put into service. As for the

revenue from project works in 2021, an increase of 33.85 % from the year 2020, equal to Baht 104.85 Million, such revenue will depend on the value of the fire protection system installation contractor project and the progress of the fire suppression system installation. But during the year, the Company continued to install from the high-voltage power station project of the Electricity Generating Authority of Thailand at various power stations including private sector work, etc.

In 2022, revenue from project works and services decreased from 2021 by 13.32 % from Baht 445.17 Million to Baht 385.88 Million due to higher competition. The Company will accept work that has costs within the specified criteria, and turned to focus on project cost management by adding a group of products to procure outsourced instead of purchasing through subcontractors. This makes the Company more profitable from project works.

### **Other revenue**

In 2020, 2021, and 2022, the Company and its subsidiaries had other revenue equal to Baht 6.96 Million, Baht 5.45 Million, and Baht 5.24 Million respectively which other revenue consisted of interest revenue from financial institutions, compensation, profit from the sale of assets, and other revenue, etc.

### **Cost of sales and services and gross profit**

#### **Cost of sales and services**

In 2020, 2021, and 2022, the Company and its subsidiaries had the cost of sales and services equal to Baht 682.49 Million, Baht 776.29 Million, and Baht 800.59 Million or representing 75.23 %, 77.24 %, and 73.51 % of the revenue from sales and services each year respectively which consisted of cost of sales, projects and services corresponded to the type of revenue as follows:

	2020		2021		2022	
	Million Baht	Cost rate	Million Baht	Cost rate	Million Baht	Cost rate
Cost of sales	403.49	70.87%	411.50	73.44%	497.26	70.71%
Cost of project works and services	279.00	82.58%	365.14	82.03%	303.33	78.61%
<b>Total cost</b>	<b>682.49</b>		<b>776.64</b>		<b>800.59</b>	

#### **Cost of sales**

In 2020, 2021, and 2022, the Company and its subsidiaries had a cost of sales equal to Baht 403.49 Million, Baht 411.50 Million, and Baht 497.26 Million, with the ratio of cost of sales to revenue from sales equal to 70.87 %, 73.44 %, and 70.71 % respectively. The cost of sales consisted of the cost of sold fire fighting equipment, import duty, expenses for picking the stuff, product insurance, and wages for assembling products, etc.

In 2020, the Company and its subsidiaries had the cost of sales decrease from the same period of 2019 equal to Baht 86.00 Million or a decrease of 17.57 % due to the outbreak of COVID-19. Many customers have notified delivery delays of products that cannot enter the area to work.

In 2021, the Company and its subsidiaries had an increase in the cost of sales from the same period of 2020 equal to Baht 8 Million or an increase of 1.99 % due to the increasing price of the steel.

In 2022, the Company and its subsidiaries had an increase in the cost of sales from the same period of 2021 equal to Baht 85.76 Million or an increase of 20.84 %, in line with increased sales. But at the same time, for managing product costs, there was a stock of products before the price adjustment of foreign suppliers causing the cost-of-sales ratio to decrease.

### **Cost of project works and services**

In 2020, 2021, and 2022, the Company and its subsidiaries had the cost of project works and services equal to Baht 279.00 Million, Baht 365.14 Million, and Baht 303.33 Million respectively, with the ratio of cost to revenue from project works and services equal to 82.58 %, 82.03 %, and 78.61 % respectively. The cost of project works and services consisted of the cost of fire extinguishing equipment installed for project works, cost of outsourced labor, engineering and design department salary, expenses for repair and maintenance of fire protection systems, maintenance insurance premiums, and project works wages, etc.

In 2020, the Company and its subsidiaries had the cost of project works and services increase from the same period of 2019 equal to Baht 15.30 Million or an increase of 5.80 % depending on the value of the work and the type of fire protection system installation contractor project including subcontractor costs, and other increased costs.

In 2021, the Company and its subsidiaries had the cost of project works and services increase from the same period of 2020 equal to Baht 86.14 Million or an increase of 30.87 %. The cost increased due to more sales as the value of work and the success of work in that period increased compared to the same period last year.

In 2022, the Company and its subsidiaries had the cost of project works and services decrease from the same period of 2021 by Baht 61.81 Million or 16.93 % decreased due to the decrease in project and service revenue. Moreover, the Company managed the cost by adding product groups to procurement instead of purchasing through a subcontractor and this could reduce costs.



### Gross Profit and Gross Profit Margin

	2020		2021		2022	
	Million Baht	Profit rate	Million Baht	Profit rate	Million Baht	Profit rate
Gross profit from sales	165.87	29.13%	148.79	26.56%	205.95	29.29%
Gross profit from services	58.84	17.42%	80.03	17.98%	82.55	21.39%
<b>Total gross profit</b>	<b>224.71</b>	<b>24.77%</b>	<b>228.82</b>	<b>22.76%</b>	<b>288.50</b>	<b>26.49%</b>

The Company and its subsidiaries had the gross profit in 2020, 2021, and 2022 equal to Baht 224.71 Million, Baht 228.82 Million, and Baht 288.50 Million, or accounted for a gross profit margin of 24.77 %, 22.76 %, and 26.49 % of revenue from sales and services each year respectively.

In 2020, 2021, and 2022, the Company and its subsidiaries had gross profit from sales of Baht 165.87 Million, Baht 148.79 Million, and Baht 205.95 Million, or accounted for the gross profit margin from sales of 29.13 %, 26.56 %, and 29.29 % respectively.

In 2020, the gross profit margin from sales increased from 2019 as a result of the gross profit per sale of products, and the importing costs of the firefighting equipment at the time that was sold during the year.

In 2021, the gross profit margin from sales decreased from 2020 as a result of the business competition, which caused the gross profit in the revenue from sales this year to decrease.

In 2022, the gross profit margin from sales increased from 2021 as a result of the product cost management, there was a stock of products before the price adjustment of foreign suppliers.

In 2020, 2021, and 2022, the Company and its subsidiaries had gross profit from services of Baht 58.84 Million, Baht 80.03 Million, and Baht 82.55 Million respectively, or accounted for the gross margin from services equal to 17.42%, 17.98%, and 21.39 % respectively.

The gross margin from services in 2020 decreased from 2019 because the decrease in the revenue from project works and services depended on the value of the work and the type of installation of fire suppression systems and the progress of the fire suppression system installation. In addition, there was the result from the event that the Company brought the new financial reporting standards to practice in 2019, including the increase of the sub-contractor costs and other costs.

As for the gross profit margin from services in 2021, it increased from 2020 due to the revenue from project works and services depended on the value of the work and the type of installation of fire suppression systems and product cost management.

As for the gross profit margin from services in 2022, it increased from 2021 due to product cost management by adding product groups to procurement instead of purchasing through a subcontractor.

### **Distribution costs and administrative expenses**

	2020		2021		2022	
	Million Baht	% per revenue	Million Baht	% per revenue	Million Baht	% per revenue
Distribution costs	74.57	8.16%	66.07	6.54%	76.43	6.98%
Administrative expenses	71.05	7.77%	89.30	8.83%	94.84	8.67%
Total	<b>145.62</b>		<b>155.37</b>		<b>171.27</b>	

The Company and its subsidiaries had distribution costs and administrative expenses in 2020, 2021, and 2022 equal to Baht 145.62 Million, Baht 155.37 Million, and Baht 171.27 Million, or accounted for 16.05%, 15.45%, and 15.73% of total sales and service revenues respectively with details of changes in distribution costs and administrative expenses as follows:

### **Distribution costs**

The Company and its subsidiaries had distribution costs in 2020, 2021, and 2022 equal to Baht 74.57 Million, Baht 66.07 Million, and Baht 76.43 Million, or accounted for 8.16%, 6.54%, and 6.89% of total revenues for each year respectively. Major distribution costs were salaries and benefits for sales and warehouse employees, commission fees, freight fees, fuel fees, travel expenses, etc. The distribution costs increased in line with the growth of sales revenue. Moreover, the Company and its subsidiaries increased sales staff to support the business expansion in the future, this caused the Company to have additional expenses for staff salaries and expenses related to sales personnel.

In 2020, the cost of distribution decreased in line with the decrease in total sales and service revenue. Due to the COVID-19 pandemic, many customers have delayed the delivery of products that cannot enter the area to work.

In 2021, the cost of distribution decreased due to the classification of expenses of the warehouse department, which are salaries and employee benefits, etc., resulting in a decrease in employee salary expenses and expenses related to sales personnel.

In 2022, the cost of distribution increased in line with the increase in total sales and service income, such as commissions, transportation costs, employee salaries, and sales personnel expenses.

### **Administrative expenses**

The Company and its subsidiaries had administrative expenses in 2020, 2021, and 2022 equal to Baht 71.05 Million, Baht 89.03 Million, and Baht 94.84 Million or accounted for 7.77%, 8.83%, and 8.67% of total revenues for each year respectively. The main administrative expenses consisted of salaries and benefits for employees, office utilities, property depreciation, amortization of intangible assets, warehouse rental fee, office rental fee, etc.

In 2020, administrative expenses increased from 2019 by Baht 5.51 Million, or an increase of 8.41% mainly from expenses related to the new office of the Company, amortization of intangible assets, ERP program, asset depreciation recognized by the Company under the Lease Agreement following the financial reporting standards No.16 on leases which determined that a lessee is required to recognize assets and liabilities for all leases with a lease term of more than 12 months unless the underlying asset is of low value.

In 2021, administrative expenses increased by Baht 18.25 Million. Most of them were an increase in bad debt write-off, an allowance for obsolete and slow-moving inventory, losses on the exchange rate, administrative expenses, property depreciation, amortization of assets, etc.

In 2022, administrative expenses increased by Baht 5.54 Million. Most of them were an allowance for diminution in product value caused by the stock of products to complete the cycle that may cause some products to move slowly and become obsolete.

### **Financial cost**

For 2020, the financial cost of 1.68 Million Baht was caused by the liabilities under the lease by Thai Financial Reporting Standard No. 16 on the Lease Agreements which specifies that lessees are required to recognize assets and liabilities for all leases with a lease period of more than 12 months unless the underlying asset is of low value.

For 2021, the aforementioned financial costs of 4.24 Million Baht arose from lease liabilities according to the Financial Reporting Standard No. 16 on Lease Agreements and Interest Expenses at Financial Institutions.

For 2022, the financial cost of 5.89 Million Baht arose from lease liabilities according to the Financial Reporting Standard No. 16 on Lease Agreements and Interest Expenses at Financial Institutions.

### **Expected credit losses**

In 2020, 2021, and 2022, the Company and its subsidiaries had a expected credit losses to 8.92 Million Baht, 18.86 Million Baht, and 14.90 Million Baht or representing 0.98%, 1.88%, and 1.37% of total revenues for each year respectively. Expected credit losses were considered lists for setting up an allowance for doubtful accounts. The Company and its subsidiaries had the policy to consider setting up an allowance for doubtful accounts of 100% from the balance of trade accounts receivable that are overdue for more than 1 year or those that were likely to be unable to pay their debts or trade debtor according to judgment including the use of

calculations using a Simplified Model method according to Thai Financial Reporting Standards No. 9 on Financial Instrument.

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

In 2020, 2021, and 2022, the net profit attributable to the parent company was 60.53 Million Baht, 44.02 Million Baht, and 80.67 Million Baht, representing a net profit margin of 6.62%, 4.35%, and 7.37% of total revenue each year respectively.

In 2020, profitability decreased from 2019 to the amount of 54.07 Million Baht or decreased by 47.18% due to the situation of the spread of COVID-19. Several customers were notified of to delay in the goods delivery on-site due to the closure of the work area. There were also expenses related to the new office of the Company, the amortization of intangible assets, ERP program, and the Company had set up additional expected credit losses for debtors who were expected to be unable to collect money due to customers affected by the pandemic situation of COVID-19, resulting in more delayed payments including the depreciation of the assets that the Company recognized under the Lease Agreements as a result of the Company's adoption of new financial reporting standards, etc.

In 2021, profitability decreased from 2020 by 16.51 Million Baht or a decrease of 27.28% due to the outbreak of COVID-19, resulting in more late payments. The Company had set up an additional expected credit loss for debtors who are expected to be unable to collect money and an allowance for the value of deteriorated and slow-moving goods

In 2022, profitability increased from 2021 in the amount of 36.65 Million Baht or an increase of 83.26% due to the pandemic situation of COVID-19 has been greatly resolved so the construction work shall be developed. Both new construction and ongoing construction work to speed up work completion.

### **Asset**

The total assets of the Company and its subsidiaries as of December 31st, 2020, 2021, and 2022 were 1,045.26 Million Baht, 1,086.39 Million Baht, and 1,183.59 Million Baht respectively with significant changes in assets as follows:

#### **Current assets**

The Company and its subsidiaries had current assets as of December 31st, 2020, 2021 and 2022 equal to 691.16 Million Baht, 728.74 Million Baht, and 829.26 Million Baht or representing 66.12%, 67.08%, and 70.06% of total assets each year respectively. The details of important items are as follows:

##### **- Cash and cash equivalents**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had cash and cash equivalents equal to 37.30 Million Baht, 17.41 Million Baht, and 33.18 Million Baht respectively.

Decrease in cash and cash equivalents at the end of 2020 due to the Company's cash received from the initial public offering (IPO) for warehouse construction which was ready for use at the end of December 2020, including investing in improvements to the Company's new office building to have more space to support business growth.

Decrease in cash and cash equivalents at the end of 2021 because the Company used cash and cash equivalents in the working capital of the business.

Increased cash and cash equivalents at the end of 2022 because customers gradually repaid their debts.

#### **- Trade and other receivables**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had trade and other receivables of 246.28 Million Baht, 234.63 Million Baht, and 269.86 Million Baht respectively with details of the trade and other receivables as follows:

(Unit: Million Baht)	December 31 <sup>st</sup> , 2020	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2022
<b>Trade receivable</b>			
Not yet due	127.38	121.63	165.93
Overdue payment			
Less than or equal to 3 months	70.43	76.39	64.42
More than 3 to 6 months	25.21	16.64	12.33
More than 6 to 12 months	7.68	18.14	24.07
More than 12 months	14.34	21.40	23.65
<b>Total trade receivable</b>	<b>245.04</b>	<b>254.20</b>	<b>290.40</b>
Less allowance for expected credit losses	(17.12)	(28.27)	(33.40)
<b>Total trade receivables - net</b>	<b>227.92</b>	<b>225.93</b>	<b>257.00</b>

(Unit: Million Baht)	December 31 <sup>st</sup> , 2020	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2022
<b>Other receivables</b>			
Prepaid expenses	14.15	5.99	9.82
Other	5.25	6.10	6.43
<b>Total other receivables</b>	<b>19.40</b>	<b>12.09</b>	<b>16.25</b>
Less allowance for expected credit losses	(1.04)	(3.39)	(3.39)
<b>Total other receivables - net</b>	<b>18.36</b>	<b>8.70</b>	<b>12.86</b>
<b>Total trade and other receivables</b>	<b>246.28</b>	<b>234.63</b>	<b>269.86</b>



**Trade receivable**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had net trade receivable of Baht 227.92 Million, Baht 225.93 Million, and Baht 257.00 Million respectively. The Company and its subsidiaries had the policy to provide credit terms to customers approximately 30 - 90 days from the delivery date of products or services. In 2022 the trade receivable increased because of the increase in sales and it was in the process of collecting checks following the billing and receipt of checks of each account receivable which usually will not exceed 2-4 weeks from the billing due date. The Company and its subsidiaries had the policy to suspend credit sales to trade receivable overdue for more than 12 months if it was determined that trade receivable were likely to be unable to pay their debts and strictly follow up on debt repayment.

The Company had the policy to consider setting up an allowance for doubtful accounts at 100% from the balance of trade receivable that were overdue for more than 1 year, or trade receivable that were likely to be unable to pay debts, the Company and its subsidiaries set aside an allowance for expected credit losses equal to Baht 17.12 Million, Baht 28.27 Million, and Baht 33.40 Million respectively.

**Other receivables**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had net other receivables equal to Baht 18.36 Million, Baht 8.70 Million, and Baht 12.85 Million respectively. Other accounts receivable include advance payments for installation labor to sub-contractors who install the Company's projects, other prepaid expenses, unpaid input tax, purchase tax waiting for a tax invoice, etc.

**- Contract assets**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had contract assets. The aforementioned lists were the value of completed works but unbilled equal to Baht 60.29 Million, Baht 86.58 Million, and Baht 85.74 Million respectively. The value of the completed work but unbilled occurred from the recognition of project work income according to the stage of work completion (Percentage of Completion), but not reach the set conditions that can be invoiced for collection.

**- Inventory**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries represented the value of inventory at weighted average cost or net realizable value, whichever is lower. Net realizable value was the selling price in the ordinary course of business less marketing and distribution costs necessary to sell products with product details as of December 31st, 2020, 2021, and 2022 as follows:

(Unit: Million Baht)	December 31 <sup>st</sup> , 2020	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2022
Finished goods	331.65	373.31	437.31
Goods in transit	24.44	30.66	29.14
Work in process		0.50	0.21
<b>Total</b>	<b>356.09</b>	<b>404.47</b>	<b>466.66</b>
Less allowance for devaluation inventories	(10.02)	(14.93)	(26.72)
<b>Total inventories - net</b>	<b>346.07</b>	<b>389.54</b>	<b>439.94</b>

The Company and its subsidiaries had inventory net as of December 31st, 2020, 2021, and 2022 equal to, Baht 346.07 Million, Baht 389.54 Million, and Baht 439.94 Million respectively. To adequately support the needs of the sales department according to the target, the Company and its subsidiaries shall have inventory sufficient to cover the increased value of firefighting equipment sales and firefighting system projects.

Inventory included finished product inventory and products in transit that were in the process of being shipped from the manufacturer to the Company and its subsidiaries' warehouses. The Company set aside the allowance for diminution in the value of products as follows:

1. Set up a reserve for defective products with an allowance for inventory at a rate of 100%.
2. Set aside obsolete and slow-moving inventory and non-moving inventory by considering the product life span of more than 3 years from the date of purchase to the end of the period and the product turnover per year is less than 10 percent of the number of inventories in that particular list. An allowance for inventories will be made at a rate of 100%. The Company and its subsidiaries divided products into categories such as obsolete products, slow-moving products, etc. according to each product group to reflect the physicality of products as accurately as possible.

#### **- Other current assets**

The Company and its subsidiaries had other current assets as of December 31st, 2020, 2021, and 2022 equal to Baht 1.22 Million, Baht 0.58 Million, and Baht 0.53 Million respectively. Other current assets were other deposits, etc.

#### **Non-current assets**

The Company and its subsidiaries had other non-current assets as of December 31st, 2020, 2021, and 2022 equal to Baht 354.10 Million, Baht 357.65 Million, and Baht 354.33 Million or accounted for 33.88%, 32.92%, and 29.94% of total assets for each year respectively with details of each important lists as follows:

**- Investment Property**

As of December 31st, 2022, the Company had investment property which was non-operating land equal to Baht 4.76 Million. The transaction consisted of 5 plots of land that the Company has owned since it was established that shareholders transferred the ownership of the said land for payment of common shares in 2015 and one plot from the transfer of the customer to pay for the debt because of lack of financial liquidity. The Company recorded an impairment of two plots of land of Baht 0.85 Million, which was a result of the low value of the land based on the appraised value of the property appraiser. The value of land not used in operations was therefore reduced to Baht 3.91 Million.

**- Land, buildings, and equipment**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had land, buildings, and equipment equal to Baht 242.89 Million, Baht 243.33 Million, and Million 239.07 Baht respectively. The land lists were for the construction of a warehouse with an area of approximately 9 rai using investment funds from the cash received from the initial public offering (IPO). Building lists and building improvements were the lists of warehouses that were constructed completely and ready for use at the end of December 2020. The lists of improvements to the new office building of the Company was such as air conditioning and ventilation systems, power and communications systems, meeting rooms inside the building, etc. The equipment list consisted of office equipment, office appliance, furnishings, tools, and vehicles. However, the Company and its subsidiaries had the policy to depreciate equipment by using the straight-line method throughout the benefits of assets.

**- Right-of-use assets**

As of December 31st, 2021, 2022, and 2023, the Company had right-of-use assets equal to Baht 58.19 Million, Baht 55.18 Million, and Baht 52.17 Million respectively. It was a New Office Building Lease Contract of the Company that the Company recognized as an asset under the lease liability according to financial reporting standards No.16 on leases which determined that a lessee is required to recognize assets and liabilities for all leases with a lease term of more than 12 months unless the underlying asset is of low value.

**- Intangible assets**

As of December 31st, 2020, 2021, and 2022, the Company had intangible assets of Baht 10.04 Million, Baht 5.24 Million, and Baht 10.42 Million respectively. The Company's intangible assets included various computer programs. In 2019, the Company invested in ERP software to use in internal management for supporting the expansion of the Company according to the structure that was wanted to grow faster and the contract was renewed in 2022.

**Liabilities**

Total liabilities of The Company and its subsidiaries as of December 31st, 2020, 2021, and 2022 equal to Baht 315.80 Million, Baht 335.61 Million, Baht 375.16 Million, or accounted for 30.21%, 30.89%, and 31.70 of total assets each year respectively. Changes in significant liabilities are as follows:

**Current liabilities**

The Company and its subsidiaries had current liabilities as of December 31st, 2020, 2021, and 2022 equal to Baht 234.60 Million, Baht 251.66 Million, Baht 288.62 million or accounted for 22.45%, 23.16%, and 24.39% of total assets for each year respectively. Details of each important list were as follows:

**- Short-term loans from financial institutions**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had total credit facilities with various financial institutions of Baht 327.00 Million and 1.60 million united states Dollar for use as working credit lines in the business. As of December 31st, 2020, 2021, and 2022, the Company remained liabilities of short-term loans from financial institutions as promissory notes equal to Baht 6.15 Million, Baht, 51.71 Million, and Baht 58.14 Million respectively.

**- Trade and other payables**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had trade and other payables equal to Baht 196.43 Million, Baht 157.35 Million, and Baht 142.96 Million respectively. Details of trade and other payables were as follows:

(Unit: Million Baht)	December 31 <sup>st</sup> , 2020	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2022
Trade payable	137.36	127.36	102.66
Other payables			
Accrued expenses	14.20	15.26	18.56
Payables from the purchase of assets	27.51	1.68	8.64
Retention payable	11.93	8.95	6.10
Other	5.53	4.10	7.00
<b>Total other payables</b>	<b>59.07</b>	<b>29.99</b>	<b>40.30</b>
<b>Total trade and other payables</b>	<b>196.43</b>	<b>157.35</b>	<b>142.96</b>

**Trade payable**

Trade payable included domestic trade payable and foreign trade payable incurred from purchases of products used in sales and projects of the Company and its subsidiaries for trade payable to related parties arising from the purchase of Personal Protection Equipment (PPE) to bring to be sold together with the sales of firefighting equipment and for use in the projects of the Company and its subsidiaries. Because customers requested the Company and its subsidiaries to be a provider. As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had trade payable equal to Baht 137.36 Million, Baht 127.36 Million, and Baht 102.66 Million respectively. The Company and its subsidiaries average sales periods in 2020, 2021, and 2022 were 63 days, 61 days, and 52 days respectively.

**Other payables**

Most of the Company's other payables were accrued commission, accrued expenses, payable from the purchase of assets, retention payable, and other payables, such as withholding tax payable, creditors of the Revenue Department, accrued dividends, etc. As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had other payables equal to Baht 59.07 Million, Baht 29.99 Million, and Baht 40.30 Million respectively.

**-List of liabilities that arising from contracts**

As of December 31 st, 2020, 2021, and 2022, the Company and its subsidiaries had contract liabilities equal to Baht 25.60 Million, Baht 36.90 Million, and Baht 43.45 Million respectively. Lists of liabilities that arose from the contract were the obligation of the Company to transfer products or services to customers for which the Company had received (or the amount entitled to claim) compensation from customers, i.e. income received in advance.

**-Non-current liabilities**

The Company and its subsidiaries had non-current liabilities as of December 31st, 2020, 2021, and 2022, equal to Baht 81.20 Million, Baht 83.95 Million, and Baht 86.54 Million or accounted for 7.76 %, 7.73% and 7.31% of total assets for each year respectively. Details of each important list were as follows:

**- Lease liabilities**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had lease liabilities equal to Baht 56.79 Million, Baht 54.65 Million, and Baht 52.43 Million respectively. Lease liabilities due within one year of 2020, 2021, and 2022, were Baht 2.05 Million, Baht 2.83 Million, and Baht 2.95 Million respectively. They are listed under current liabilities, as for liabilities under the Lease Agreement, it was the Lease Agreement of the new office building of the Company that was recognized as liabilities under the Lease Agreement following the financial reporting standards No.16 about the Lease Agreement.



**- Provisions for employee benefits**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had provisions for employee benefits equal to Baht 21.00 Million, Baht 25.66 Million, and Million 29.99 Million respectively. For the employee benefit provisions, the Company and its subsidiaries had set the estimate of employee benefits after retirement according to the severance payment under the Labor Law, which offered the right to the employee that retired and worked in a specified period according to the Labor Protection Act (No. 7) B.E. 2562 and financial reporting standards No. 19 on employee benefits.

**- Other non-current liabilities**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had other non-current liabilities of Baht 3.41 Million, Baht 3.64 Million, and Baht 4.12 Million respectively. Other non-current liabilities of The Company and its subsidiaries were security deposits and damage insurance.

**Shareholders' equity**

Shareholders' equity of The Company as of December 31st, 2020, 2021, and 2022, were equal to Baht 729.46 Million, Baht 750.78 Million, and Baht 808.43 Million or 69.79%, 69.11% and 68.30% of total assets for each year respectively. Change lists of major shareholders' equity were as follows:

**Registered and paid-up capital**

On July 25th, 2017, the Company received money from the initial public offering (IPO) of Baht 442.50 Million (150 Million newly issued ordinary shares sold at the price of 2.95 Baht per share), recorded as a share capital of Baht 75.00 Million and premium on the share of Baht 346.48 Million (net of expenses for the issuance of ordinary shares of approximately Baht 21 Million). The Company registered the increase of paid-up capital with the Ministry of Commerce on July 25th, 2017. As a result, the registered and fully paid-up capital was Baht 300.00 Million, and the Stock Exchange of Thailand issued an order accepting ordinary shares of the Company as listed securities on July 27th, 2017.

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had the registered and paid-up capital of Baht 300.00 Million, issued and paid-up ordinary shares equal to 600,000,000 shares with a par value of 0.50 Baht per share.

In 2022, the Company had a registered and paid-up capital of 330 Million baht with the number of issued and paid-up ordinary shares equal to 659,999,924 shares, at a par value of 0.50 Baht per share, the proportion increased because on April 20th , 2022, the Annual General Meeting of Shareholders resolved to approve the increase of the registered capital of the Company in the amount of 30.00 Million Baht from the registered capital of 300.00 Million

Baht to the registered capital of 330.00 Million baht by the issuance of 60.00 Million new ordinary shares with a par value of 0.50 Baht per share to support the stock dividend payment.

### **Retained earnings**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had retained earnings as the legal reserve of Baht 30.00 Million, Baht 30.00 Million, and Baht 33.00 Million respectively, and also had unappropriated retained earnings of Baht 52.88 Million, Baht 72.90 Million and Baht 97.44 Million respectively.

In 2020, the Board of Directors Meeting No. 2/2020 on March 30th, 2020 approved the additional interim dividend payment from the 2019 operating results of 54.00 Million. Such dividends were paid to shareholders on April 29th, 2020 and the Board of Directors' meeting of Company No. 4/2020 on August 14th, 2020 had the resolution to approve the interim dividend payment to shareholders of Baht 12.00 Million. The aforementioned dividend was paid to shareholders on September 11th, 2020. Consequently, this would result in a decrease in unallocated retained earnings and cash of Baht 66.00 Million from the such dividend payment.

In 2021, the Annual General Meeting of Shareholders for the year 2021 on April 5th, 2021 had the resolution to approve the dividend payment from the 2020 operating results of Baht 24.00 Million on April 30th, 2021. Consequently, this would result in a decrease in unallocated retained earnings and cash of Baht 24.00 Million from the such dividend payment.

In 2022, the Board of Directors Meeting No. 5/2022 held on November 12th, 2022 resolved to approve the interim dividend payment from the operating results for the period from January 1st, 2022 to June 30th, 2022 in the amount of Baht 19.80 Million. The dividend was paid to shareholders on December 9th, 2022 and the Board of Directors Meeting No. 1/2023 held on February 27th, 2023 resolved to approve to propose to the Annual General Meeting of Shareholders for the year 2023 to approve the dividend payment from the year 2022 operations in the amount of Baht 39.60 Million. The dividend has been scheduled to be paid to shareholders on May 9th, 2023. Therefore, it will result in the unallocated retained earnings and cash total decrease in the amount of Baht 59.40 Million from the dividend payment.

### **Structure ratios**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had a debt-to-equity ratio of 0.43 times, 0.45 times, and 0.46 times respectively.

The ratio of 2020 increased from the year 2019 because in 2020 the Company's liabilities increased from the warehouse construction payable. The Company recorded the liabilities under the Lease Agreement according to financial reporting standards No.16 on leases which determined that a lessee is required to recognize assets and liabilities for all leases with a lease term of more than 12 months unless the underlying asset is of the low value.

The ratio of 2021 increased slightly from 2020 because the Company had short-term loans from financial institutions to settle trade payables and liabilities arising from the advance

payment contracts that had not yet been serviced. In addition, the Company had increased unallocated retained earnings.

The ratio of 2022 increased slightly from 2021 because the Company had short-term loans from directors and financial institutions to settle trade payables and liabilities arising from the advance payment contracts that had not yet been serviced. In addition, the Company had increased unallocated retained earnings as well.

### **Liquidity**

As of December 31st, 2020, 2021, and 2022, the Company and its subsidiaries had current assets of Baht 691.16 Million, Baht 728.74 Million, and Baht 829.26 Million respectively. While current liabilities were Baht 234.60 Million, Baht 251.66 Million, and Baht 288.62 Million respectively. It was found that the Company had liquidity ratios of 2.95 times, 2.90 times, and 2.87 times respectively. If considering the quick liquidity ratios, they were 1.47 times, 1.35 times, and 1.35 times respectively.

In 2020, the liquidity ratio and the quick ratio decreased due to the slower payment of the debt from customers and the Company's warehouse construction by using the cash received from the initial public offering (IPO) to increase competitiveness including supporting the expansion of The Company according to the structure that wanted to grow faster and had the sustainable growth.

In 2021, the liquidity ratio and the quick-current ratio decreased due to the slower payment of debt from customers due to the COVID-19 pandemic, some debtors delayed their payments.

In 2022, the liquidity ratio decreased because the Company had more current liabilities from the director's loan for use as circulation in the business.

Based on the cash cycle ratios for 2020, 2021, and 2022, it was found that the Company and its subsidiaries had cash cycle ratios of 227 days, 218 days, and 248 days respectively because of the sales of firefighting equipment, fire suppression system accessories, and automatic fire suppression systems, including the service of projects for the installation of firefighting systems and fire alarm systems with a long delivery period and stocking products with above reason. As a result, the average sales period was high. However, the company's average debt collection period has decreased from the previous year respectively, 2020, 2021, and 2022, equal to 123 days, 115 days, and 118 days. Moreover, the Company has a short-term loan from financial institutions to reserve for working capital in the business.

### **Cash flow**

Cash flow from operating activities

In 2020, 2021, and 2022, there were cash flows from (used in) operating activities equal to Baht 70.88 Million, Baht (3.92) Million Baht, and Baht 18.31 Million respectively. In

2022, the Company's operating cash flow increased from the previous year due to the situation of pandemic of COVID-19, and debtors gradually repaid more debts.

#### Cash flow from investing activities

In 2020, the net cash flow used in investing activities was Baht 87.27 Million which was the warehouse construction that was completed and ready for use at the end of December 2020. Such investment funds were the cash received from the initial public offering (IPO) to increase competitiveness including supporting the expansion of the Company and sustainable growth the Company had invested in the renovation of the Company's new office building to provide more usable space to support business growth.

In 2021, the net cash flow used in investing activities was Baht 32.11 Million which was the construction of factory buildings, some warehouse construction, and purchasing tools and equipment to support business growth.

In 2022, the net cash flow used in investing activities was Baht 5.68 Million due to the purchase of pickup trucks, installing solar panels, and investing in computer software.

#### Cash flow from financing activities.

In 2020, there was a net cash flow used in financing activities equal to Baht 62.80 Million. In 2021, there was a net cash flow of Baht 16.14 Million and in 2022, there was a net cash flow of Baht 3.15 Million. During the year, the Company requested a credit line from a financial institution as a type of promissory note loan and low-interest loans from directors. Moreover, the Company paid annual dividends to shareholders.

In 2020, 2021, and 2022, there was a net decrease in cash and cash equivalent of Baht (79.19) Million, Baht (19.89) Million, and Baht 15.77 Million respectively, according to the reason mentioned above.

## 4.2 Financial position and operating results

### 4.2.1 Important financial information

#### 1. Opinion of the auditor

The auditor's opinion on the consolidated and separate financial statements of Firetrade Engineering Public Company Limited for the fiscal year 2020, 2021, and 2022 can be summarized as follows:

Financial statement period	Auditor	Opinion of the auditor
12-month period ended as of December 31st, 2020	Mr. Prawit Viwanthananut, Certified Public Accountant No. 4917 from PV Audit Company Limited (an auditor approved by the SEC)	Correct statement of financial position as of December 31st, 2020 in the essence according to the financial reporting standards
12-month period ended as of December 31st, 2021	Mr. Prawit Viwanthananut, Certified Public Accountant No. 4917 from PV Audit Company Limited (an auditor approved by the SEC)	Correct statement of financial position as of December 31st, 2021 in the essence according to the financial reporting standards
12-month period ended as of December 31st, 2022	Mr. Prawit Viwanthananut, Certified Public Accountant No. 4917 from PV Audit Company Limited (an auditor approved by the SEC)	Correct statement of financial position as of December 31st, 2022 in the essence according to the financial reporting standards



**2. Financial Position and Operating Result**

(Unit : In Million Baht)

Summarize statements of financial position	Consolidated financial statements		Consolidated financial statements		Consolidated financial statements	
	"Audited"		"Audited"		"Audited"	
	2020	%	2021	%	2022	%
Cash and cash equivalents	37.30	3.57%	17.41	1.60%	33.18	2.80%
Trade and other receivables	246.28	23.56%	234.63	21.60%	269.86	22.80%
Contract assets	60.29	5.77%	86.58	7.97%	85.74	7.24%
Inventories	346.07	33.11%	389.54	35.86%	439.95	37.17%
Other current assets	1.22	0.11%	0.58	0.05%	0.53	0.05%
<b>Total Current Assets</b>	<b>691.16</b>	<b>66.12%</b>	<b>728.74</b>	<b>67.08%</b>	<b>829.26</b>	<b>70.06%</b>
Deposits at financial institutions	4.30	0.41%	4.30	0.40%	-	-
Under pledge						
Investment property	3.91	0.37%	3.91	0.36%	3.91	0.33%
Property, plant and equipment	242.89	23.24%	243.33	22.40%	239.07	20.20%
Right-of-use assets	58.19	5.57%	55.18	5.08%	52.17	4.41%
Intangible assets	10.04	0.96%	5.24	0.48%	10.42	0.88%
Deferred tax assets	14.71	1.41%	19.92	1.83%	26.17	2.21%
Other non-current assets	20.06	1.92%	25.77	2.37%	22.59	1.91%
<b>Total Non-Current Assets</b>	<b>354.10</b>	<b>33.88%</b>	<b>357.65</b>	<b>32.92%</b>	<b>354.33</b>	<b>29.94%</b>
<b>Total Assets</b>	<b>1,045.26</b>	<b>100.00%</b>	<b>1,086.39</b>	<b>100.00%</b>	<b>1,183.59</b>	<b>100.00%</b>
Short-term borrowings from financial institutions	6.15	0.59%	51.71	4.76%	58.14	4.91%
Trade and other payables	196.43	18.79%	157.35	14.48%	142.96	12.08%
Contract liabilities	25.60	2.45%	36.90	3.40%	43.45	3.67%
Current portion of lease liabilities	2.05	0.20%	2.83	0.26%	2.95	0.25%
Short-term borrowings from Related parties	-	-	-	-	30.00	2.54%
Corporate income tax payable	4.37	0.42%	2.87	0.26%	11.12	0.94%
<b>Total Current Liabilities</b>	<b>234.60</b>	<b>22.45%</b>	<b>251.66</b>	<b>23.16%</b>	<b>288.62</b>	<b>24.39%</b>
Lease liabilities	56.79	5.43%	54.65	5.03%	52.43	4.43%
Provisions for employee benefits	21.00	2.01%	25.66	2.36%	29.99	2.53%
Other non-current liabilities	3.41	0.32%	3.64	0.34%	4.12	0.35%
<b>Total Non-Current Liabilities</b>	<b>81.20</b>	<b>7.76%</b>	<b>83.95</b>	<b>7.73%</b>	<b>86.54</b>	<b>7.31%</b>
<b>Total Liabilities</b>	<b>315.80</b>	<b>30.21%</b>	<b>335.61</b>	<b>30.89%</b>	<b>375.16</b>	<b>31.70%</b>

Summarize statements of financial position	Consolidated financial statements		Consolidated financial statements		Consolidated financial statements	
	"Audited"		"Audited"		"Audited"	
	2020	%	2021	%	2022	%
Authorized share capital	300.00		300.00		330.00	
Issued and paid-up share capital	300.00	28.70%	300.00	27.61%	330.00	27.88%
Premium on share capital	346.48	33.15%	346.48	31.89%	346.48	29.27%
Surplus from business combination under common control	0.10	0.01%	0.10	0.01%	0.10	0.01%
Surplus from share-based payments	-	-	1.84	0.17%	4.15	0.35%
Appropriated to legal reserve	30.00	2.87%	30.00	2.76%	33.00	2.79%
Unappropriated	-	-	(0.54)	(0.04)%	(2.74)	(0.23)%
Treasury Shares	52.88	5.06%	72.90	6.71%	97.44	8.23%
<b>Total Shareholders' Equity</b>	<b>729.46</b>	<b>69.79%</b>	<b>750.78</b>	<b>69.11%</b>	<b>808.43</b>	<b>68.30%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,045.26</b>	<b>100.00%</b>	<b>1,086.39</b>	<b>100.00%</b>	<b>1,183.59</b>	<b>100.00%</b>

(Unit : In Million Baht)

Summarize statements of comprehensive income	Consolidated financial statements		Consolidated financial statements		Consolidated financial statements	
	"Audited"		"Audited"		"Audited"	
	2020	%	2021	%	2022	%
Revenues from sales	569.36	62.76%	560.29	55.73%	703.21	64.57%
Revenues from project works and services	337.84	37.24%	445.17	44.27%	385.88	35.43%
<b>Revenues from sales and service</b>	<b>907.20</b>	<b>100.00%</b>	<b>1,005.46</b>	<b>100.00%</b>	<b>1,089.09</b>	<b>100.00%</b>
Costs of sales of goods	403.49	44.48%	411.50	40.93%	497.26	45.66%
Costs of project works and services	279.00	30.75%	365.14	36.31%	303.33	27.85%
<b>Costs of sales and services</b>	<b>682.49</b>	<b>75.23%</b>	<b>776.64</b>	<b>77.24%</b>	<b>800.59</b>	<b>73.51%</b>
<b>Gross profit</b>	<b>224.71</b>	<b>24.77%</b>	<b>228.82</b>	<b>22.76%</b>	<b>288.50</b>	<b>26.49%</b>
Other income	6.96	0.76%	5.45	0.54%	5.24	0.48%
<b>Profit before Expenses</b>	<b>231.67</b>	<b>25.34%</b>	<b>243.27</b>	<b>23.17%</b>	<b>293.74</b>	<b>26.84%</b>
Distribution costs	74.57	8.16%	66.07	6.54%	76.43	6.98%
Administrative expenses	71.05	7.77%	89.30	8.83%	94.84	8.67%
<b>Profit from operating activities</b>	<b>86.05</b>	<b>9.41%</b>	<b>78.90</b>	<b>7.80%</b>	<b>122.47</b>	<b>11.19%</b>
Finance costs	1.68	0.18%	4.24	0.42%	5.89	0.54%
Expected credit losses	8.92	0.98%	18.86	1.88%	14.90	1.36%
<b>Profit before income tax</b>	<b>75.45</b>	<b>8.25%</b>	<b>55.80</b>	<b>5.52%</b>	<b>101.68</b>	<b>9.29%</b>
Tax expense	14.92	1.63%	11.78	1.17%	21.01	1.92%
<b>Profit for the year</b>	<b>60.53</b>	<b>6.62%</b>	<b>44.02</b>	<b>4.35%</b>	<b>80.67</b>	<b>7.37%</b>

(Unit : In Million Baht)

Summarize statements of cash flows	Consolidated	Consolidated	Consolidated
	financial	financial	financial
	statements	statements	statements
	"Audited"	"Audited"	"Audited"
	2020	2021	2022
Cash flows from operating activities:			
Profit before income tax	75.45	55.80	101.68
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities			
Expected Credit losses	8.92	18.86	14.90
Loss on devaluation of inventories	0.75	4.92	11.79
Depreciation and amortization	10.62	15.52	15.25
Gain on disposal of assets	(0.45)	(0.08)	(0.16)
Impairment loss of assets	-	-	0.52
Unrealized (gain) loss on exchange rate	(1.49)	0.25	(1.96)
Unrealized loss on fair value adjustment	0.70	0.05	0.13
Provisions for employee benefits	4.52	4.66	5.31
Share based payment expenses	-	1.84	2.31
Interest income	(0.65)	(0.12)	(0.11)
Interest expense	1.68	4.24	5.89
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>100.05</b>	<b>105.94</b>	<b>155.55</b>
Change in operating assets (increase) decrease			
Trade and other receivables	(48.74)	(7.08)	(43.46)
Contract assets	52.70	(26.35)	(4.00)
Inventories	(35.55)	(48.38)	(62.09)
Other current assets	(0.05)	0.74	0.05
Deposits at financial institutions under pledge	-	-	4.30
Other non-current assets	(4.81)	(5.80)	0.03
Change in operating liabilities increase (decrease)			
Trade and other payables	41.09	(16.01)	(19.11)
Contract liabilities	(11.35)	11.30	6.55
Payments for provisions for employee benefits	-	-	(0.98)
Other non-current liabilities	0.22	0.22	0.48
<b>Cash generated from operations</b>	<b>93.56</b>	<b>14.56</b>	<b>37.32</b>
Income tax paid	(22.68)	(18.48)	(19.01)
<b>Net cash provided by(used in) operating activities</b>	<b>70.88</b>	<b>(3.92)</b>	<b>18.31</b>
Cash flows from investing activities:			
Purchases of assets	(87.93)	(29.04)	(2.46)
Proceeds from disposal of assets	0.56	0.26	0.35
Purchases of intangible assets	(0.56)	(3.45)	(3.69)
Interest received	0.66	0.12	0.12
<b>Net cash provided by (used in) investing activities</b>	<b>(87.27)</b>	<b>(32.11)</b>	<b>5.68</b>

(Unit : In Million Baht)

Summarize statements of cash flows	Consolidated financial statements	Consolidated financial statements	Consolidated financial statements
	"Audited"	"Audited"	"Audited"
	2020	2021	2022
Cash flows from financing activities:			
Proceeds from short-term borrowings from financial institutions	12.38	130.32	218.63
Repayments of short-term borrowings from financial institutions	(6.23)	(84.76)	(212.20)
Increase in short-term borrowings from related parties	-	-	30.00
Repayments of lease liabilities	(1.37)	(1.36)	(2.11)
Interest paid	(1.68)	(3.43)	(5.90)
Dividend paid	(65.90)	(24.09)	(23.08)
Payments for treasury shares	-	(0.54)	(2.20)
<b>Net cash provided by (used in) financing activities</b>	<b>(62.80)</b>	<b>16.14</b>	<b>3.14</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(79.19)</b>	<b>(19.89)</b>	<b>(15.77)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>116.49</b>	<b>37.30</b>	<b>17.41</b>
<b>Cash and cash equivalents at end of the year</b>	<b>37.30</b>	<b>17.41</b>	<b>33.18</b>



### 3. Key Financial Information

Financial Ratios		2020	2021	2022
<b>Liquidity Ratios</b>				
Liquidity Ratio	times	2.95	2.90	2.87
Quick Ratio	times	1.47	1.35	1.35
Average Collection Period (Including value of unbilled receivable)	days	123	115	118
Average Holding Period	days	167	164	182
Payable Conversion Period	days	63	61	52
Cash Cycle	days	227	218	248
<b>Profitability Ratios</b>				
Gross Profit Margin	%	24.77%	22.79%	26.49%
Operating Profit Margin	%	9.49%	7.85%	11.25%
Net Profit Margin	%	6.62%	4.35%	7.37%
Return on Equity	%	8.27%	5.95%	10.35%
<b>Efficiency Ratios</b>				
Return on Assets	%	6.12%	4.13%	7.11%
Return on Fix Assets	%	26.28%	16.73%	26.94%
Assets Turnover	times	0.92	0.95	0.96
<b>Financial Policy Ratios</b>				
Debt to Equity Ratio	times	0.43	0.45	0.46
Interest Coverage Ratio	times	55.69	4.09	6.34
Dividend Payout /1	%	71.48%	93.81%	74.85%

**5. General Information and Referred persons****5.1 General Information**

Company's name in English	: Firetrade Engineering Public Company Limited
Symbol	: FTE
Registered Number	: 0107559000397
Type of Business	: Importer and distributor of products related to full range of fire protection services comprise of: 1) Fire protection equipment systems 2) Fire suppression system 3) Fire alarm system including designing, selling, sourcing, installing, examining, repairing and maintaining of fire protection equipment systems and related fire protection systems 4) Uninterruptible power supplies and data centers 5) Personal safety equipment and safety equipment including providing design, distribution, procurement, contractor installation, inspection, repair and maintenance of fire equipment, and systems related to fire fighting
Head Office	: No. 1198/5 Rama 9 Road, Phatthanakan Sub-district, Suanluang District, Bangkok 10250
Tel.	: 02-026-0470-92
Fax.	: 02-026-0499
Website	: <a href="http://www.firetrade.co.th">www.firetrade.co.th</a>
Industry	: Service
Sector	: Commerce
First Trading Date	: 27 July, 2017
Authorized share capital	: Baht 330,000,000.00 (Three hundred Thirty million baht only)
Issued and paid-up share capital	: Baht 329,999,962.00 (Three hundred and twenty-nine million nine hundred and ninety-nine thousand nine hundred and sixty-two baht only)
Ordinary shares	: 659,999,924.00 ordinary shares
Par value	: Baht 0.50 per share

Its subsidiary information

Company's name in Thai  
Company's name in English  
Registered Number  
Type of Business

: Fire Inspector Company Limited  
: Fire Inspector Company Limited  
: 0105550050195  
: Importer and distributor of automatic fire suppression systems including designing, selling, sourcing, installing, examining, repairing and maintenance services related to firefighting system and the Company has been appointed as a distributor of 3 brands at present.

Head Office

: No. 1198/5 Rama 9 Road, Phatthanakan Sub-district, Suanluang District, Bangkok 10250

Tel.

: 02-026-0493-94

Fax.

: 02-026-0499

Authorized share capital

: Baht 10,000,000.00 (Ten million baht only)

Issued and paid-up share capital

: Baht 10,000,000.00 (Ten million baht only)

Ordinary shares

: 100,000 ordinary shares

Par value per share

: Baht 100.00 (One hundred baht only)

## 5.2 Referred persons:

### Auditor

: PV Audit Company Limited  
No.46/8,10thFloor,RungrojthanakulBuilding,  
Ratchadaphisek Road, Huaykwang District, Bangkok  
10310  
Tel. 02-645-0080  
Fax. 02-645-0020

### Internal Auditor

: IVL Auditing Company Limited  
No. 35, Wachiratham Sathit 36,Sukhumvit 101/1 Road,  
Bang Chak , Phra Khanong District, Bangkok 1060  
Tel. 02-746-4861-3  
Fax. 02-746-4569

### Securities Registrar

: Thailand Securities Depository Co., Ltd.  
1st floor of The Stock Exchange of Thailand building,  
Tower B, No.93 , Ratchadaphisek Road, Dindaeng Sub-  
district, Dindaeng District, Bangkok, 10400  
Tel. 02-009-9000  
Fax. 02-009-9991  
TSD Call center : 02-009-9999

## 5.3 Legal dispute

As of December 31st, 2022, the Company and its subsidiary had no legal dispute that would significantly affect the business operations and assets of the Company and its subsidiary for more than 5% of the shareholders' equity.

## **Part 2 Corporate Governance**

### **6. Corporate Governance Policy**

The company focuses on the good corporate governance to grow sustainably in the long term. It can create the value for the business and the trust among investors including the good relationship with all involved parties. Therefore, the good corporate governance policy was established as a practice for the Board of Directors, executives and all employees as details in Appendix 5. Moreover, the Securities and Exchange Commission issued the Good Corporate Governance Principles for Listed Companies in 2017 (CG Code) , the Company therefore applied such principles to the Company's business context which the Board of Directors will review every year for adjusting to suit the current situation as details shown in Appendix 5.

#### **6.1 Overview of Corporate Governance Policy and Practice**

The Board of Directors emphasizes the great importance on the good corporate governance by setting the goals of the corporate governance policy and important strategies of the company, monitoring, and examining the management's performance according to policies and strategies for the best interests of shareholders including assessing the performance of the business compared to the planned work plan.

In addition, the Board of Directors attaches the great importance to the disclosure of sufficient information to shareholders, investors, and all related parties. The disclosed information must be accurate, complete, transparent, thorough and timely, including financial reports, performance, other related information as well as information that affect the company's property price following principles of the good corporate governance. The information and news for shareholders, investors, and related parties were disseminated to use in making decision for the investment through various channels such as delivery of documents by post, disclosure through the company website, and information systems of the Stock Exchange of Thailand.

#### **6.2 Business ethics**

The Board of Directors established the principles of business ethics according to the highest ethical standards for other stakeholders. It is important to enhance the image and reputation of the Company. The Board of Directors set up a code of conduct for the Board of Directors, executives, and employees to use as the guideline with responsibility, honesty, fairness, confidentiality, professional morality, and compliance with rules and regulations to create the trust and confidence to all groups of stakeholders and related persons as details in Appendix 5 , including the disclosure of compliance with the aforementioned guideline that was disclosed in the Company website : <http://www.firetrade.co.th>.

#### **6.3 Major changes and developments in the policy, guideline, and corporate governance in the past year**

##### **6.3.1 Major changes and developments in the policy review, practice, and corporate governance system or charter of the Board of Directors in the past year**

During the past year, the Board of Directors held a meeting to review principles of the good corporate governance for listed companies in 2017 (CG Code). The Company has been applied the eight principles of practice with the business context of the Company. However, there were some principles that have not yet been implemented, for example, the Board of Directors has not set a policy for independent directors to be in the position for not more than 9 years because the Board of Directors considered that the Audit Committee of the Company had all qualifications following the Audit Committee Charter of the Company and according to the rules of the SEC and SET. The Audit Committee was the expert with competency and could perform duties as an independent director with the Board of Directors



and the executives efficiently and independently. For the best interest of the Company, the Board of Directors agreed that that independence did not depend on the number of years in the position but based on the knowledge and ability to perform duties independently. In addition, the experiences from holding the position will make you understand the business operation of the Company better. In addition, the Board of Directors assigned the executives to implement the recommendations of the Thai Institute of Directors Association (IOD) from the Corporate Governance Assessment (CGR).

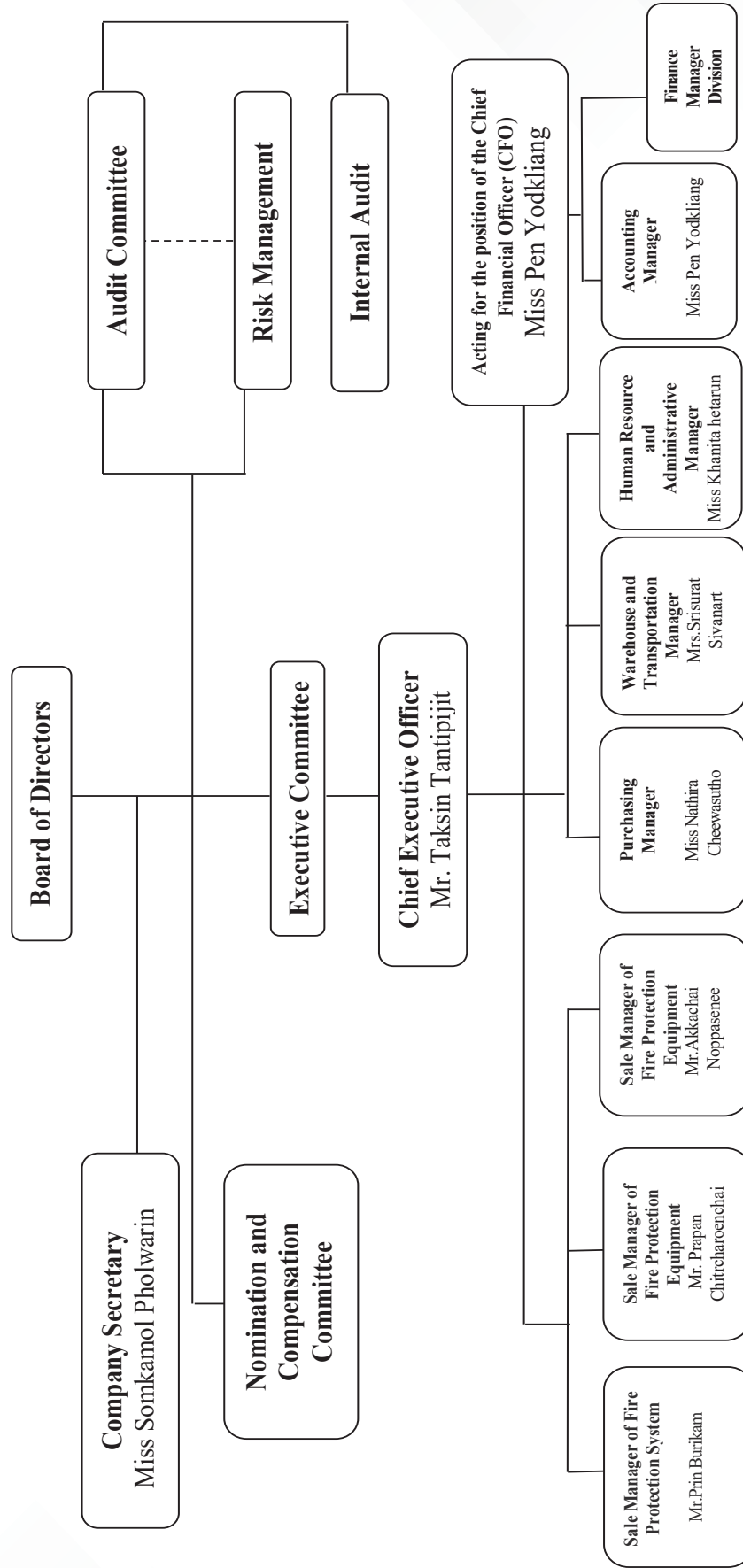
#### **6.3.2 Other practice according to principles of the good corporate governance**

The Company was assessed by the Thai Investors Association in organizing the Annual General Meeting of Shareholders for the year 2022 or the AGM Checklist and received an appraisal result of 99.00% . In which the Company has not yet performed or performed incorrectly, it was notified by The Thai Investors Association to conduct an audit to prepare for amendments to the next year's shareholders' meeting.

## 7. Corporate governance structure and key information about committees, sub-committee, executives, employees and others

### 7.1 Management Structure

Organization Chart as December 31st, 2022



**Remark:** All were the Board of Directors according to the Announcement of committee, the Securities and Exchange Commission except company secretary and Finance Manager Division  
: The Company appointed IVL Auditing Company Limited to be the internal auditor (as details appeared in Appendix 3).

**7.2 Factors of the Board of Directors****7.2.1 The Board of Directors must have factors as follows;**

1. The Board of Directors must consist of not less than 5 persons and not less than half of all committee must live in Kingdom of Thailand.
2. The Board of Directors must consist of independent directors at least one-third and not less than 3 persons. The qualification of independent director must be following standard of SET.
3. The Company's directors selected one director from committee who isn't executive to be Chairman of the Board of Directors.
4. The Board of Directors selected one person to work as the Board of Directors' secretary and he/she could also be director or not.

As of December 31<sup>st</sup>, 2022, the Company's Board of Directors consisted of 7 members: 4 non-executive directors and 3 independent directors.

**7.2.2 Information of the Board of Directors and the Company's controllers individually****➤ Board of Directors**

As of December 31<sup>st</sup>, 2022, the Company's Board of Directors consists of 7 members as follows:

No.	Name	Position
1.	Mr. Pornsak Limboonyaprasert	Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director / Nomination and Compensation Committee
2.	Mr. Taksin Tantipijit	Vice Chairman of the Board of Directors / Nomination and Compensation Committee / Chairman of the Risk Management Committee / Managing Director
3.	Mr. Sirichai Towiriyawate	Director / Audit Committee / Independent Director / Chairman of the Nomination and Compensation Committee
4.	Mr. Worapon Lopansri	Director / Audit Committee / Independent Director
5.	Mrs. Pattamaporn Tantipijit	Director
6.	Miss Nathira Cheewasutho	Director / Risk Management Committee
7.	Miss Pen Yodklang	Director

The Company Secretary is Miss Somkamol Pholwarin.

**Authorized Directors**

Authorized Directors who shall sign on behalf of the Company with the Company's seal affixed are Mr.Taksin Tantipijit or Mrs.Pattamaporn Tantipijit with the signature of Miss Pen Yodklang or Miss Nathira Cheewasutho

**7.2.3 Duties and Responsibilities of the Board of Directors**

1. Work with responsibility, carefulness, honesty and consider benefits of the Company carefully and perform following laws, objectives and regulations of the Company including shareholder's resolution.
2. Have duty on setting vision, policy and operation of the Company including supervise the Executive Committee to operate along specified policy effectively with effectiveness to add highest economic values to shareholders and also sustainable growth.

3. Be always responsible for shareholders. Operate business to maintain benefits of shareholders. Reveal important information to the investors correctly, completely with standard and transparency.
4. The Company's Board of Directors must be knowledgeable and have experiences that would be benefits for running business and are also interested in their Company's operation truly.
5. Evaluate work performance and set compensation of committee and Executive Committee.
6. Be responsible for turnover and performance of the Executive Committee to have intention and work carefully.
7. Control to have clear business target setting that could be measured to be method to set target in operation by considering probability and rationale.
8. Control to run business and operation ethically.
9. Control the Executive Committee to have system to manage risk appropriately and effectively.
10. Consider and judge in important cases such as mega project's policy and business plan, administrative authority and others as specified by law. In case of decision about the acquisition and disposition of assets or related lists, the Board of Directors must follow notification, regulation and/or related rules of the Securities and Exchange Act, notification of the Securities and Exchange Commission and notification of the Stock Exchange of Thailand except that transaction must be approved by shareholder's meeting, the Board of Directors couldn't approve that transaction.
11. Set authority and level of approval in transaction and operating related to Company's work to the group or person appropriately and legally by doing manual of authority and it must be revised at least 1 time per year.
12. Set accounting system of financial report and accounting audit reliably including provide procedure to evaluate suitability of internal control.
13. Appoint auditors and consider yearly audit fees to propose shareholders to consider and nominate.
14. Report responsibility of the Board of Directors in doing financial report by showing it with auditor report in annual report including important matters following code of conduct for Board of Directors of listed company of SET.
15. Control sub-committee performance to work consistent with charter specified.
16. The Board of Directors must evaluate performance by themselves and also evaluate overview of performance.

However, the committee who has gain and loss or conflict of interest or any benefits with the Company, he/she can't vote in that case.

### **The Board of Director Nomination and Term of Holding**

The election of the Board of Directors must be done in shareholder's meeting following regulation as follows:

- 1) One share equals one vote.
- 2) Vote for a director or several directors could be used in election of the Board of Directors as the shareholder's meeting think fit. In each vote, the shareholders must vote with their all vote according to the clause 1 and they can't divide their vote to several candidates. The shareholder can't separate their vote in election according to Section 70 Paragraph 1 of Public Limited Companies Act B.E. 2535 (Non-cumulative vote only).
- 3) Majority vote is used in voting the Board of Directors. If the vote is equal, the Chairman will have casting vote.
- 4) The Board of Directors will hold the positions for 3 years. One year period is from the date of shareholder's ordinary meeting that the Board of Directors is nominated to the date of shareholder's ordinary meeting in next year. The directors who vacate could be re-elected. Besides retiring by rotation, the directors must retire when;  
(A) Die

- (B) Resign
  - (C) Be lack of qualification or having qualification prohibited by Public Limited Companies Act.
  - (D) The meeting votes to retire
  - (E) The court orders to retire
- 5) When some directors resign, they could submit their letter of resignation to the office registrar as well.
  - 6) The Board of Directors who would be the director of other company must be approved from the Company's Board of Directors.

### **The Meeting of the Board of Directors**

The Meeting of the Board of Directors is as follows:

- 1) The Board of Directors must hold meeting to be informed the Company's operation at least every 3 months. The directors must show their opinions and use discretion independently. The directors should participate in every meeting, besides there is some force majeure that must be informed to the secretary of the Board of Directors in advance, the Company must report the frequency of meeting attending of each director in annual report. The schedule of meeting must be informed in advance and the secretary of the Board of Directors must send invitation letter to all directors to know details of meeting date and agenda. Invitation letter must be sent in advance at least 7 days and the secretary must collect related documents from directors and managing department to send to directors and those documents must give enough information to help the Board of Directors to decide and use discretion independently. The secretary of the Board of Directors must be recorder of the meeting to do the meeting report with complete contents within 15 days the meeting finished to propose to the Chairman of the Company to sign. The good storage system must be provided for easy finding and confidentiality.
- 2) The Board of Directors who has gain and loss in some agenda couldn't vote for that agenda.
- 3) Majority vote must be used in the Board of Directors' meeting. In case that the vote is equal, the Chairman must have casting vote. However, the opinion of other director that disagrees with resolution must be noted in meeting report.

## **7.3 Information about sub-committees**

### **7.3.1 The structure of the Board of Directors comprises**

The structure of the Board of Directors comprises 4 of Sub-Committees groups such as Audit Committee, Executive Committee, Risk Management Committee and Nomination and Remuneration Committee.

### **7.3.2 Sub-Committees**

#### **➤ Audit Committee**

As of December 31st, 2022, the Audit Committee consists of 3 Directors as follows:

No	Name	Position
1.	Mr.Pornsak Limboonyaprasert	Chairman of Audit Committee / Independent Director
2.	Mr.Sirichai Towiriyawate	Audit Committee / Independent Director
3.	Mr.Worapon Lopansri	Audit Committee / Independent Director

Remark: - Audit committee with knowledge and experience in verifying reliability of financial statement is Mr.Pornsak Limboonyaprasert who graduated from Faculty of Commerce and Accountancy, Chulalongkorn University.  
- Secretary of Audit Committee is Miss Somkamol Pholwarin.



### Terms for holding office of the Audit Committee

- (1) The Audit Committee will hold a position for 3 years. One year period is from the date of shareholder's ordinary meeting that the Audit Committee is nominated to the date of shareholder's ordinary meeting in next year. The committee who vacate could be re-elected. Besides retiring by rotation, the committee must retire when;
  - a) Die
  - b) Resign
  - c) Be lack of qualification of Audit Committee according to charter or regulation of SET
  - d) Terminate from being the Company's committee
- (2) The Audit Committee who wants to resign must submit letter of resignation to the Chairman of the Board of Directors in advance at least 1 month with reason and the Board of Directors must be persons who approve. The Company will inform SET to know with copy of letter of resignation. In case that all Audit Committee retire, the retired Audit Committee must act for original positions until new Audit Committee will be in position.
- (3) In case that Audit Committee position vacates because other reasons except retire by rotation. The Company's Board of Directors must appoint person with complete qualification to be new Audit Committee within 90 days to fulfill the amount of the Audit Committee completely as the Company's Board of Directors specified and replaced person must be in position only in the left period of the old Audit Committee has.

### ➤ Executive Committee

As of December 31st, 2022, the Executive Committee consists of 6 Directors as follows;

No.	Name	Position
1.	Mr. Taksin Tantipijit	Chairman of the Executive Committee
2.	Mr. Prapan Chitcharoenchai	Executive Committee
3.	Miss Khanita Khetarun	Executive Committee
4.	Miss Pen Yodkliang	Executive Committee
5.	Miss Nathira Cheewasutho	Executive Committee
6.	Mr. Prin Burikam*	Executive Committee

Remark : \* Mr. Prin Burikam was appointed on May 14th, 2022

### Duties and Responsibilities of the Executive Committee

- (1) Control managing of the Company following policy set by the Board of Directors and report performance to the Board of Directors. To run the Executive Committee's meeting, it must have committee to join not less than a half of Executive Committee and resolution of the Executive Committee must be voted by majority of the meeting.
- (2) Consider annual budget and steps of budget expense to propose to the Company's Board of Directors and control budget according to budget approved by the Company's Board of Directors.
- (3) Consider to adjust Company's business plan appropriately for Company's benefits.
- (4) Consider to approve investment and set investment budget according to the authority in manual of authority.
- (5) Consider doing contract binding company as authority in manual of authority.

- (6) Be responsible to provide key information of company adequately to use in making decision of the Company's Board of Directors, shareholders including doing reliable financial report according to good standard and transparency.
- (7) Consider profit and loss of the Company and propose annual dividend to the Company's Board of Directors.
- (8) Consider to start new business or cancel business for submitting to the Company's Board of Directors.
- (9) Control to provide steps for operator to report event or unusual performance or illegal action to the Executive Committee promptly and in case that event has significant impact that must be reported to the Board of Directors to resolve in reasonable time.
- (10) Do something for supporting above performance or following Board of Directors' opinion or following authority assigned from the Board of Directors.
- (11) Some cases that are proposed to the meeting of Executive Committee and get resolutions and/or approval from the Executive Committee must be reported to the Executive Committee in the next meeting of the meeting of the Board of Directors. However, the Executive Committee can't approve transactions that he or person who may have conflict has gain and loss or has conflict of interest in other characters with the Company and its subsidiary.

#### **Terms for holding office of the Executive Committee**

The Executive Committee will hold a position for 3 years and hold by rotation of being committee and/or holding a position of company executive. The committee who vacate could be re-elected.

#### **➤ Risk Management Committee**

As of December 31st, 2022, the Risk Management Committee consists of 4 members as follows:

No.	Name	Position
1.	Mr. Taksin Tantipijit	Chairman of the Risk Management Committee
2.	Mr. Prapan Chitcharoenchai	Risk Management Committee
3.	Miss Nathira Cheewasutho	Risk Management Committee
4.	Mr. Prin Burikam*	Risk Management Committee

Remark : \* Mr. Prin Burikam was appointed on May 14th, 2022

#### **Duties and Responsibilities of the Risk Management Committee**

- (1) Set and revise policy and frame of organization's risk management.
- (2) Control and support to perform about organization's risk management consistent with strategy and business aim including changing situation.
- (3) Consider to report result of organization's risk management and give opinion about risk that could be occurred including methods to set control measure or relief and develop organization's risk management system effective continually.
- (4) Report result of organization's risk management to the committee to know and in case there are key factors or events that could affect to the Company significantly, they must be report to the Board of Directors to know and consider fastest.
- (5) Join meeting of Risk Management Committee at least 1 time per 3 months.
- (6) Perform other duties as the Board of Directors assign.

### Terms for holding office of the Risk Management Committee

The Risk Management Committee will hold a position for 3 years and hold by rotation of being committee and/or holding a position of company executive. The committee who vacate could be re-elected.

#### ➤ Nomination and Remuneration Committee

As of December 31st, 2022, the Nomination and Remuneration Committee consists of 3 members as follows:

No.	Name	Position
1.	Mr.Sirichai Towiriyawate	Chairman of the Nomination and Remuneration Committee
2.	Mr.Pornsak Limboonyaprasert	Nomination and Remuneration Committee
3.	Mr.Taksin Tantipijit	Nomination and Remuneration Committee

### Duties and Responsibilities of the Nomination and Remuneration Committee

- (1) Select person deserved to propose as new committee or nomination managing director by setting regulations or nomination methods and select with criteria and transparency to propose to the meeting of the Board of Directors and/or the meeting of shareholders to approve.
- (2) Consider methods/set remuneration to the committee and managing director by providing criteria or methods to set fair and reasonable remuneration to propose to the Board of Directors and/or the meeting of the shareholders to approve.
- (3) Perform other duties as the Board of Directors assign.

The Nomination and Remuneration Committee has responsible for the Board of Directors directly following duties and responsibilities assigned and the Board of Directors still have responsible for performance of the Company to outsider.

## 7.4 Information about the Executives

### 7.4.1 Management Team

As of December 31st, 2022, the Company's Management Team consists of 8 members as follows:

No.	Name	Position
1.	Mr.Taksin Tantipijit	Managing Director
2.	Mr. Prin Burikam	Sale Manager of Fire Protection System
3.	Mr. Prapan Chitcharoenchai	Sale Manager of Fire Protection Equipment
4.	Mr. Akkachai Noppasenee	Sale Manager of Fire Protection Equipment
5.	Miss Nathira Cheewasutho	Purchasing Manager
6.	Mrs. Srisurat Sivanart	Warehouse and Transportation Manager
7.	Miss Khanita Khetarun	Human Resource and Administrative Manager
8.	Miss Pen Yodkliang	Accounting Manager

**7.4.2 Remuneration Policy, Executive Directors, and Executives**

The Company had a clear and transparent compensation process. The Nomination and Remuneration Committee was responsible for determining the rate of remuneration of the Board of Directors and chief executives to present and seek the approval from the Board of Directors' meeting and request the approval from the shareholders' meeting. The guideline for determining the remuneration of the Board of Directors and chief executives was the consider of appropriateness in determining the committees' remuneration based on the Company's financial status, the scope of duties, responsibilities of committees or each executive to be at a level that can motivate and retain knowledgeable and competent directors to perform their duties with the Company. The remuneration could be comparable with the directors' remuneration in the same or similar industry. All directors understood their duties and responsibilities as the Company's committees. They were ready to express their opinions independently and keep themselves up-to-date all the time including performing their duties with honesty, caution, and prudence with taking into account the best interests of the Company and being fair to all shareholders. In addition, all the Company's committees devoted their time to fully and adequately perform their duties according to their responsibilities in attending the Board of Directors' meeting unless it was necessary.

**7.4.3 Total remuneration of committees and executives****➤ The Board of Directors****Meeting Allowance**

<b>Position</b>	<b>Meeting Allowance (Baht/Meeting)</b>	
Chairman of the Board of Directors	15,000.00	Baht
Vice Chairman of the Board of Directors / Director	10,000.00	Baht
Chairman of the Audit Committee	15,000.00	Baht
Audit Committee	10,000.00	Baht
Nomination and Remuneration Committee	5,000.00	Baht (Independent Director only)

Board of Directors and Board Committees have received the meeting allowance and bonus, as follow:

(Unit : Baht)

<b>No.</b>	<b>Name</b>	<b>Year 2022</b>				<b>Total</b>
		<b>Board of Directors</b>	<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Bonus</b>	
1.	Mr.Pornsak Limboonyaprasert	75,000	60,000	5,000	240,000	380,000
2.	Mr. Taksin Tantipijit	50,000	-	-	120,000	170,000
3.	Mr. Sirichai Towiriyawate	50,000	40,000	5,000	240,000	335,000
4.	Mr. Worapon Lopansri	50,000	40,000	-	240,000	330,000
5.	Mrs. Pattamaporn Tantipijit	50,000	-	-	120,000	170,000
6.	Miss Nathira Cheewasutho	50,000	-	-	120,000	170,000
7.	Miss Pen Yodklang	50,000	-	-	120,000	170,000
<b>Total</b>		<b>375,000</b>	<b>140,000</b>	<b>10,000</b>	<b>1,200,000</b>	<b>1,725,000</b>

(Unit : Baht)

No.	Name	Year 2021				Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Bonus	
1.	Mr.Pornsak Limboonyaprasert	75,000	60,000	5,000	240,000	380,000
2.	Mr. Taksin Tantipijit	50,000	-	-	120,000	170,000
3.	Mr. Sirichai Towiriyawate	50,000	40,000	5,000	240,000	335,000
4.	Mr. Worapon Lopansri	50,000	40,000	-	240,000	330,000
5.	Mrs. Pattamaporn Tantipijit	50,000	-	-	120,000	170,000
6.	Miss Suwanee Chenchitkhachorn*	10,000	-	-	30,000	40,000
7.	Miss Nathira Cheewasutho**	30,000	-	-	90,000	120,000
8.	Miss Pen Yodkliang	50,000	-	-	120,000	170,000
<b>Total</b>		<b>365,000</b>	<b>140,000</b>	<b>10,000</b>	<b>1,200,000</b>	<b>1,715,000</b>

Remark : \*Miss Suwanee Chenchitkhachorn resigned from the company effective April 6th, 2021

\*\*Miss Nathira Cheewasutho was appointed on April 6th, 2021

#### ➤ Meeting allowance

The Annual General Meeting of Shareholders for the year 2022 held on April 20th, 2022 approved the remuneration to the Board of Directors in the total amount not exceeding 2,500,000.00 Baht per annum by setting the payment of meeting allowance according to the position.

#### ➤ Bonus

Board of Directors and Audit Committee will receive as appropriate and depends on the performance. The Nomination and Remuneration Committee propose to the Board of Directors for approval. The Chairman of the allocation of bonus to directors of the Company and member of the Audit Committee.

#### ➤ Executives Remuneration

Executive Remuneration	Year 2021		Year 2022	
	Executives (person)	Million Baht	Executives (person)	Million Baht
Salary, Commission and Bonus	9	16.84	8	14.14
Social Security	9	0.06	8	0.06
Provident Fund and Employee Joint Investment Program ("EJIP")	9	0.93	8	0.91
<b>Total</b>	<b>9</b>	<b>17.83</b>	<b>8</b>	<b>15.11</b>

Remark : - The Company established a provident fund for its employee since on December 1, 2007 and the fund is managed by BBL Asset Management Co., Ltd. Contributions are made monthly at the rate of 3% - 5% of their basic salaries and working life.

- The Company established employee joint investment program ("EJIP") on 13



September 2018, the Company will pay contributions to the project at the rate that is equivalent to the accumulated amount of employees participating in the project. but not more than 5%

- The Company established employee joint investment program (“EJIP”) No.2 on 1 October 2021, the Company will pay contributions to the project at the rate that is equivalent to the accumulated amount of employees participating in the project. but not more than 5%

## 7.5 Information about Employees

### ➤ Number of Employees

The Company and its subsidiary - Fire Inspector Company Limited (FIS) have number of employee as follows:

Category/Department/Division	Total (Person)			
	December 31st, 2021		December 31st, 2022	
	FTE	FIS	FTE	FIS
Executives	9	-	8	-
The company Secretary	1	-	1	-
Employees				
Purchasing	6	-	7	-
Accounting and Finance	23	-	23	-
Human Resource and				
Administrative	6	-	6	-
Information and Technology	3	-	3	-
Sale of Fire Protection System	30	6	29	6
Sale of Fire Protection Equipment	24	-	27	-
Sale of Personal Protective				
Equipment	-	-	7	-
Warehouse and Transportation	23	-	23	-
Engineering - Design	14	-	15	-
Engineering - Project	29	-	23	-
Engineering - Service	42	-	43	-
<b>Total</b>	<b>210</b>	<b>6</b>	<b>215</b>	<b>6</b>

### ➤ Significant change in the number of employees or having a labor dispute (in the past 3 years)

-None-

### ➤ Total remuneration and the characteristics of remuneration given to employees

The Company and its subsidiaries had a policy to pay employees the remuneration that took into account the appropriateness and fairness according to the knowledge, capability and performance of each employee and related labor laws, etc. It must also be suitable for the expansion of the business. However, the employee remuneration was linked to the performance measurement of employees at all levels in the form of performance indicator (KPI), which was required by each employee. The evaluation to the supervisor by increasing the annual salary and annual bonus payments shall base on the performance according to the Company's annual KPI evaluation. There was a policy to pay the remuneration to employees in short-term and long-term forms, such as salaries, bonuses, retirement contributions, provident fund contributions, group insurance premiums, overtime payment, and other remuneration, etc.

### Employee Remuneration

The Company and its subsidiary - Fire Inspector Company Limited (FIS) have employee remuneration obligations as follows:

Employee Remuneration	(Unit : Million Baht)			
	Year 2021		Year 2022	
	FTE	FIS	FTE	FIS
Salary, Commission, Allowance, Overtime pay, and Bonus	117.15	4.53	119.22	4.94
Social Security	1.21	0.03	1.32	0.04
Provident Fund and Employee Joint Investment Program ("EJIP")	3.72	0.25	4.48	0.25
<b>Total</b>	<b>122.08</b>	<b>4.81</b>	<b>125.02</b>	<b>5.23</b>

**Remark :** - The Company established a provident fund for its employee since on December 1, 2007 and the fund is managed by BBL Asset Management Co., Ltd. Contributions are made monthly at the rate of 3% - 5% of their basic salaries and working life.

- The Company established employee joint investment program ("EJIP") on 13 September 2018, the Company will pay contributions to the project at the rate that is equivalent to the accumulated amount of employees participating in the project. but not more than 5%
- The Company established employee joint investment program ("EJIP") No.2 on 1 October 2021, the Company will pay contributions to the project at the rate that is equivalent to the accumulated amount of employees participating in the project. but not more than 5%

#### ➤ Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E.2530. This consisted of the employees' contributions and the Company's contributions. At present, this provident fund is managed by BBL Asset Management Co., Ltd. and will pay employees in the event of resignation according to regulations on the company's funds.

## 7.6 Other Key Information

### 7.6.1 List of persons assigned to be responsible for the following duties:

#### ➤ Company Secretary

The Company's Board of Directors. The No.6/2016 meeting of Company's Board of Directors had resolution on July 8, 2016 to appoint Miss Somkamol Pholwarin to be the Company secretary and had duties and responsibilities as follows:

- 1) Do and restore documents as follows:
  - a) The registration of committee
  - b) The invitation letter to make an appointment with the Board of Directors, meeting report of committee and Company's annual report
  - c) The invitation letter to make an appointment with the shareholders and meeting report of shareholders
- 2) Keep documents of gain and loss reported by the Board of Directors or Executive Committee.
- 3) Send copy documents of gain and loss following Section 89/14 to notify Chairman of

the Board of Directors and Chairman of Audit Committee within 7 days from the date the Company has received those documents. The Company must provide document storage system or related evidences that show information and take care to provide storage correctly, completely and verifiably within not less than 10 years from the date the document or information done.

- 4) Act others as the Capital Market Supervisory Board, the Securities and Exchange Commission specified.

### **The performance principle of company secretary**

The Company secretary must work with responsibility, carefulness, and honesty including performing following law, objectives, regulation of the Company, resolution of the Board of Directors and resolution of the shareholders by:

- 1) The decision must be made on sufficiently reliable information.
- 2) The decision is made by the secretary with no gain and loss directly or indirectly in that decided case.
- 3) Perform honestly for highest benefits of the Company
- 4) Perform with legal and appropriate objectives and do not perform be in conflict significantly with the Company
- 5) Do not seek any benefits from using information of the Company except that is information publicly available or use assets or business chances of the Company to violate rules or general principles as specified by the Capital Market Supervisory Board.
- 6) Do not make any agreement or contract that may cause of conflict of interest with company, staff or Company's customers and this action is opposed to secretary's performance.

### **In Case the Company Secretary has retired or can't work**

The methods are set in case that the Company secretary has retired or can't work are as follows:

- 1) The Board of Directors must appoint new company secretary within 90 days from the date the old company secretary has retired or can't work.
- 2) The Board of Directors could give authority to one of the director to act as company secretary in the period that the Company secretary has retired or can't work.
- 3) The Chairman of the Board of Directors must inform the name of company secretary to the Securities and Exchange Commission within 14 days from the date new responsible person is provided.
- 4) To inform the Securities and Exchange Commission to know document storage place according to the duties and responsibilities of the Company secretary

#### **➤ Persons assigned to be directly responsible for overseeing bookkeeping**

The accounting supervisor of the Company is Miss Pen Yodkliang, the Accounting Manager. The position has been effective since January 1st, 2015 as details appeared in Appendix 1.

#### **➤ Person holding the position of Head of Internal Audit of the Company**

The Company appointed IVL Auditing Company Limited to be the Company's internal auditor which was an independent agency from outside, with Miss Waldee Siboonrueng as the primary responsible for performing internal audit duties. The Audit Committee considered qualifications of IVL Auditing Company Limited and the team of internal auditors, it appeared that they were knowledgeable and skillful as details appeared in Appendix 3.

### 7.6.2 List of Head of Investor Relations

Mr. Taksin Tantipijit is responsible for investor relations, please contact No. 0-2026-0470-92.

### 7.6.3 Audit Fee

The Company paid the Audit fee and / or review financial statements to the Auditors as follows:

#### FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED

		Year 2021	Year 2022
1.	Annual audit fee Baht	900,000.00	900,000.00
2.	Interim Financial Review audit fee Baht	525,000.00	525,000.00
<b>Total</b>		<b>1,425,000.00</b>	<b>1,425,000.00</b>

#### FIRE INSPECTOR COMPANY LIMITED

		Year 2021	Year 2022
1.	Annual audit fee Baht	220,000.00	235,000.00
2.	Interim Financial Review audit fee Baht	90,000.00	90,000.00
<b>Total</b>		<b>310,000.00</b>	<b>325,000.00</b>

- Other Non-Audit Fee  
-None-

- Types and scope of services other than audit services (Non-audit service)  
-None-

## 8. Report on key performance in the corporate governance

### 8.1 Summary of the performance of the Board of Directors in the past year

Terms and Attendance Record of the Board of Directors and Board Committee of 2022.

Name	Year 2022		
	Board of Directors	Audit Committee	Nomination and Compensation Committee
1. Mr. Pornsak Limboonyaprasert	5/5	5/5	1/1
2. Mr. Taksin Tantipijit	5/5	-	1/1
3. Mr. Sirichai Towiriyawate	5/5	5/5	1/1
4. Mr. Worapon Lopansri	5/5	5/5	-
5. Mrs. Pattamaporn Tantipijit	5/5	-	-
6. Miss Pen Yodkliang	5/5	-	-
7. Miss Nathira Cheewasutho	5/5	-	-

## **8.1.1 Recruiting, developing and evaluating the performance of the Board of Directors**

### **(1) Criteria for selecting independent directors**

The Company had criteria for selecting independent directors based on qualifications, knowledge, abilities and independence complying with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. At least one independent director must have knowledge, understanding or experience in accounting or finance and was appointed by the Board of Directors. The independent director must have the following qualifications:

1. To be appointed by the company's board of directors
2. To have qualifications as stipulated in the Public Law, Laws on Securities and Exchange, and Regulations of the Stock Exchange of Thailand compared with the qualifications of independent directors as follows:

(A) Holding not more than 1 % of total shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or the person who has the authority to control the Company. This includes the shares held by related persons of that independent director.

(B) Not being or used to be a director who participated in management, employee, staff, advisor who received a regular salary, or person with controlling power of the Company, parent company, subsidiary company, associated company, subsidiary of the same level, major shareholder, or of the Company's controlling person unless the aforementioned characteristics have been terminated for not less than 2 years prior to the date of filing an application with the Office of the Securities and Exchange Commission. However, such prohibited characteristics do not include the case that the independent director used to be a government official or an advisor of a government agency which is a major shareholder or the person who has the authority to control the Company.

(C) Not being a person who is related by blood or legally registered as the father, mother, spouse, siblings and children, including the spouse of the executive's children, of major shareholder controller, or of the person who will be nominated as an executive or controlling person of the Company or its subsidiary.

(D) Do not have or have had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the Company in a manner that may obstruct the exercise of one's independent judgment, including not being or having been a significant shareholder or a person with control authority of a person having a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or the person who has the authority to control the Company unless the aforementioned characteristics have been terminated for not less than 2 years prior to the date of filing an application with the Office of the Securities and Exchange Commission.

Business relationship under the first paragraph including making trade transactions that are normally done for business, leasing or renting real estate, lists related to assets or services, giving or receiving financial help by accepting or giving loans, guarantees, and the provision of assets as collateral for liabilities including other behaviors likewise which cause the Company or related person to have obligations to pay to the other party from 3% of the Company's net tangible assets or from Baht 20 Million or more, whichever is lower. However, the calculation of such liabilities shall be according to the method for calculating the value of connected transactions under the Notification of the Capital Market Supervisory Board on criteria in making a connected transaction with mutatis mutandis. But in considering such liabilities shall include the liabilities incurred during one year prior to the date of having the business relationship.



(E) Not or used to be an auditor of the company, parent company, subsidiary company, associated company, major shareholder or the person who has the authority to control the Company and is not a significant shareholder controller or a partner of the audit firm which has auditors of the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the Company. Such person must not be a significant shareholder, controller, or a partner of such professional service provider, unless the aforementioned characteristics shall be terminated for not less than 2 years prior to the date of filing an application with the Office of the Securities and Exchange Commission.

(F) Not or have been a professional service provider including legal or financial advisor which receives service fees of more than Baht 2 Million per annum from the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the Company. Such person must not be a significant shareholder, controller, or a partner of such professional service provider unless the aforementioned characteristics shall be terminated for not less than 2 years before the date of applying with the Office of the Securities and Exchange Commission.

(G) Not being a director who was appointed to represent the Board of Directors of the Company, major shareholder, or shareholders who are related to major shareholders.

(H) Do not operate businesses with the same characteristics and being in significant competition with the Company's business or subsidiary or not be a significant partner in a partnership or being the director taking part in the management, employee, staff, consultant who receives a regular salary or holds more than 1% of the total shares with voting rights of other companies that operate businesses with the same characteristics and being in significant competition with the Company's business or subsidiary.

(I) Without other characteristics that will obstruct us from expressing an independent opinion on the operations of the Company.

(J) The independent director with the above qualifications may be assigned by the Board of Directors to decide on the performance of the business of the Company, Parent Company, Subsidiary, Associated Company, subsidiary of the same level, major shareholder, or the person who has the authority to control the Company as the collective decision.

## **(2) Nomination of the Committee and the Executive Committee**

The Company has nomination committee peculiarly by the committee would consider to select person to be nominated as committee or Executive Committee of the Company and will be person with complete qualification following Section 68 of Public Limited Companies Act B.E.2535 and announcement of the Capital Market Supervisory Board announcement no. ThorJor.39/2559 in case of asking permission and allow to sell new release stock dated on September 30st, 2016.

## **Composition and Nomination of the Board of Directors**

- (1) The Board of Directors must comprise not less than 5 committee and committee not less than a half of all committee must live in Kingdom of Thailand.
- (2) The Board of Directors comprises Executive Committee, committee who isn't executive and independent director at least one-third and not less than 3 directors. The qualification of independent director must be following standard of SET.
- (3) The Board of Directors selects one director from the board to be the Chairman of the Board of Directors. In case that the Board of Directors views as proper, the board could select one or several directors to be Vice- Chairman. Vice- Chairman has duty as specified in regulations of the business that is assigned by Chairman.

- (4) The Board of Directors selects one person to be the secretary of the Board of Directors and he/she could be/not to be director as well.

#### **Composition and Nomination of the Audit Committee**

- (1) The Audit Committee must comprise independent directors not more than 3 directors.
- (2) The Audit Committee has suitable skills following mission assigns. At least 1 Director must have knowledge, understanding or experience about accounting and finance.
- (3) The Board of Directors must select and nominate one Audit Committee to be Chairman of the Audit Committee.
- (4) The manager of internal examination department must be secretary of the Audit Committee by position. If there is no manager of internal examination department, the Audit Committee must select one person to work as secretary of the Audit Committee.

#### **Composition and Nomination of the Risk Management Committee**

- (1) The Risk Management Committee must be nominated by the Board of Directors and the Risk Management Committee comprises the Board of Directors and/or the Executive Committee not less than 3 persons and the Board of Directors will nominate one of the Risk Management Committee to be the Chairman of the Risk Management Committee.
- (2) The Risk Management Committee must understand business and has direct experience in business to set policy of risk management to cover organization including control to have system or procedure to manage risk management to reduce effect to Company's business properly.
- (3) The Risk Management Committee must appoint secretary, the Risk Management Committee to be the chief of business support line or person that the Risk Management Committee considers he/she deems to be. This person must support and help the performance of the Risk Management Committee including preparation for meeting's agenda, noting the meeting report of the Risk Management Committee.

#### **Composition and Nomination of the Nomination and Remuneration Committee**

- (1) The Nomination and Remuneration Committee comprises Company's committee at least 3 persons and at least 1 person is the independent director and Chairman of the Nomination and Remuneration Committee should be independent director.
- (2) The Nomination and Remuneration Committee will hold the positions for 3 years. The committee who vacates by rotation could be re-nominated by the Board of Directors as well.
- (3) In case that the Nomination and Remuneration Committee position vacates because other reasons except retire by rotation as clause (2) such as deprivation from being the Board of Directors, resignation or being withdrawn, the Company's Board of Directors must appoint person with complete qualification to be new Nomination and Remuneration Committee to fulfill the amount of the Nomination and Remuneration Committee completely as specified in charter and replaced person must be in position only in the left period of the old Nomination and Remuneration Committee has.

### Composition and Nomination of the Executive Committee

- (1) Be nominated from the Board of Directors
- (2) Comprise Company's committee that is executives or staffs in administrative level not less than 3 persons to be the Executive Committee.

### Nomination of the Chief Executive Officer

The Chief Executive Officer is appointed from the nomination of the Board of Directors. by selecting from people whose names are The Executive Committee is at the time of selection. and propose to the Board of Directors for approval to appoint

### Rights of retail investors to appoint the Board of Directors of the Company

The company encourages shareholders to propose matters to be included as meeting agendas and nominate a person to be considered as the director, including allowing shareholders to express their opinions and ask questions to the Board of Directors on matters related to the Company at least 3 months before the Annual General Meeting of Shareholders each year according to regulations set by the Company which was published through the Company's website.

### 8.1.2 Board of Directors and Board Committees have received the meeting allowance and bonus, as follow:

Meeting attendance and number of times each directors attended the meeting in the past year, disclosed in section 8.1

#### -Remuneration of each directors in the past year (Only remuneration as a directors)

(Unit : Baht)

No.	Name	Year 2022				Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Bonus	
1.	Mr.Pornsak Limboonyaprasert	75,000	60,000	5,000	240,000	380,000
2.	Mr. Taksin Tantipijit	50,000	-	-	120,000	170,000
3.	Mr. Sirichai Towiriyawate	50,000	40,000	5,000	240,000	335,000
4.	Mr. Worapon Lopansri	50,000	40,000	-	240,000	330,000
5.	Mrs. Pattamaporn Tantipijit	50,000	-	-	120,000	170,000
6.	Miss Nathira Cheewasutho**	50,000	-	-	120,000	170,000
7.	Miss Pen Yodkliang	50,000	-	-	120,000	170,000
Total		375,000	140,000	10,000	1,200,000	1,725,000

### - Characteristics of the Directors' Remuneration

#### ➤ Meeting Allowance

The ordinary meeting of shareholders of the year 2022 that was held on April 20<sup>th</sup>, 2022, had approved remuneration for the Board of Directors in amount not over than Baht 2.50 million per year by setting meeting allowance by position as follows:

Position	Meeting Allowance (Baht/Meeting)	
Chairman of the Board of Directors	15,000.00	Baht
Vice Chairman of the Board of Directors / Director	10,000.00	Baht
Chairman of the Audit Committee	15,000.00	Baht
Audit Committee	10,000.00	Baht
Nomination and Remuneration Committee	5,000.00	Baht (Independent Director only)

#### ➤ Bonus

Board of Directors and Audit Committee will receive as appropriate and depends on the performance. The Nomination and Remuneration Committee propose to the Board of Directors for approval. The Chairman of the allocation of bonus to directors of the Company and member of the Audit Committee.

### - Other Remuneration

-None-

### 8.1.3 Supervision of Subsidiary

The Board of Directors sets mechanism to control subsidiary to maintain benefits from Company's capital by sending person as Company's representative to be committee, Executive Committee and controlling person in subsidiary including setting scope of duties and responsibilities to be way in management and setting control mechanism via disclosing financial report and connected transactions with those subsidiary by using regulations related to information disclosure and doing transaction following criteria and regulations of related organizations. Moreover, there is follow up to evaluate and examine concisely via adequate and suitable internal control system to run business of subsidiary for Company's highest benefits.

### 8.1.4 The follow-up to ensure compliance with corporate governance policies and guidelines.

#### (1) Prevention of conflicts of interest

The Board of Directors has measures to prevent conflicts of interest by setting a prohibition policy for prohibiting the Board of Directors, executives, and employees of all levels from seeking personal benefits that may conflict with the Company's interests or carrying out important transactions, including connected transactions by setting the policy, procedure, the process of considering and approving lists or transactions that must follow the internal control system regarding connected transactions and requirements of agencies governing listed companies and related laws.

#### (2) Supervision of the use of Internal Information

At the meeting of the Board of Directors No.1/2016 (First meeting after Registering for Transformation) on August 11, 2016, the meeting had resolution of using Company's internal information following good corporate governance as follows:

- (1) Committee, executive, staff and employee of the Company must perform as follows;
  - a) Must keep secret and / or Company's internal information.
  - b) Must not disclose secret and / or Company's internal information or seek benefits of oneself or benefits of other person directly and indirectly and whether or not to get compensation as well.
  - c) Must don't do any transactions, transferring or receiving transfer Company's assets by using secret and / or Company's internal information and/or doing any juristic act by using secret and / or Company's internal information that could cause damage to the Company directly and indirectly.

In order that committee, executive, staff and employee of the Company that know about Company's internal information should be avoid or don't do any transactions about Company's assets for 1 month before disclosing financial statement to public and 24 hours after disclosing financial statement or key information to public and these regulations including spouse and immature children of the committee, executive, staff and employee of the Company. Person who violates these regulations will be considered as committing the offence seriously.

(2) The committee and the executives including Company's auditor must report of change in holding assets of company of themselves and related person to the Securities and Exchange Commission according to Section 59.

(3) The Company has announced for "Regulations of Using Company's Internal Information" to let the executives and the staffs to know thoroughly.

### **(3) Anti-corruption**

Firetrade Engineering Public Company Limited was certified as a member of Thailand's Private Sector for Collective Action Coalition Against Corruption (CAC) on August 5th, 2019, and will file an application for renewal of the certification for the second time in 2022. The Company has an anti-corruption policy as a principle of practice for directors, executives, and employees to create confidence to stakeholders in all sectors that the Company will operate the business with honesty, integrity, and transparency. Such policy has details as follows:

1) The Board of Directors is responsible for formulating the anti-corruption policy and communicating to employees and all related parties as well as requiring an audit of the anti-corruption policy compliance, including reviewing the Company's operations following the related policies, rules, regulations, announcements, and laws regularly.

2) The Company has provided training to employees within the organization to counter the depravity and corruption for the Board of Directors, executives, and employees to promote honesty, integrity, and accountability in performing duties and responsibilities along with the anti-corruption policy and good corporate governance policy as a strict operating practice to show the company's intention.

3) The Board of Directors, executives, and employees of the Company will not act or support all forms of corruption directly and indirectly and will strictly comply with anti-corruption measures including not committing or supporting bribery in any form and do not support money or any other benefits directly or indirectly to political parties, political group, or persons involved in politics for getting benefits in the company's business operations or for benefits of himself and his comrades.

4) The Board of Directors, executives, and employees of the Company will cooperate with government agencies, institutes, and private organizations in anti-corruption as necessary and appropriate.

5) The Board of Directors, executives, and employees of the Company will not ignore or neglect when they see actions that are considered the depravity or corruption by



informing the supervisor or related agencies to follow-up duties and propose to the Board of Directors for further consideration for significant cases including cooperation in the investigation of facts or answering questions.

6) The Audit Committee has duties and is responsible for reviewing financial reports, internal control, and audit systems to ensure that they are appropriate and sufficient to mitigate potential corruption risks.

#### **(4) Whistleblowing**

The company provides opportunities and encourages employees to report corruption complaints, identify clues about improper or unethical behavior and business ethics that are against the law. The Company will listen to all complaints with fairness, transparency, care, and fairness to all parties. The period has been set appropriately. The confidentiality is maintained and will be handled carefully as well as providing the protection to the whistleblower and related persons to be treated fairly or not being bullied in any form by employees who wish to report corruption complaints, identify clues of improper or unethical or illegal behavior can submit complaints through the following channels:

1) Company website : <http://www.firetrade.co.th>: the matter will be sent directly to the email address of the Chairman of the Audit Committee.

2) Email: [somkamol\\_p@firetrade.co.th](mailto:somkamol_p@firetrade.co.th): the company secretary will take complaints and notify the Chairman of the Audit Committee immediately.

3) Sent by post:

**Miss Somkamol Pholwarin (The Company Secretary)**

**Firetrade Engineering Public Company Limited**

**No.1198/5, Rama 9 Road, Phatthanakan Sub-district,**

**SuanLuang District, Bangkok 10250**

Actions after receiving complaints

1. Finding the Truth: The Company Secretary collects information and facts by asking from all concerned parties within 7 days after receiving the complaint. If the complaint is the prima facie case, it must be reported to the Managing Director and the Chairman of the Audit Committee for acknowledgment. If the complaint is unfounded, the matter will be terminated.

2. Results of the decision: If the complaint is the prima facie case, it must be forwarded to the Human Resources and Administration Department for determining penalties according to the Company's procedures.

3. Reporting results: The Company Secretary will collect complaints and other information including judgments to report to the Audit Committee every quarter.

In the past year 2022, there was no whistleblowing or complaint related to corruption to the company.

## **9. Internal Control and Related Transactions**

### **9.1 Internal control**

The Board of Directors has continually emphasized the internal control system to prevent and mitigate risks that may arise. The Audit Committee, comprising 3 independent directors, is assigned to review the assessment of the internal control system. The Internal Audit Department reports directly to the Audit Committee for reviewing the Company's internal control system to ensure that operations are efficient and effective. The Company's various resources are utilized cost-effectively, including having control of the operations, financial reports that are accurate reliable, and timely, including compliance with the policy and following the requirements of laws and regulations of the government and related agencies. The effectiveness of the internal control system is regularly reviewed for being able to operate the business for the maximum benefit of the shareholders based on the fairness of the interests of all stakeholders.

In addition, the Audit Committee is responsible for considering, selecting, and proposing the appointment of auditors, including the auditor's remuneration, considering to disclose the Company's information to be accurate and complete in the event of a connected transaction or a transaction that may cause conflicts of interest. In 2022, the Audit Committee held 5 meetings to inquire about the audit plan and issues detected during the independent audit.

In the Board of Directors Meeting No. 1/2023 held on February 27th, 2023, the Board of Directors assessed the sufficiency and appropriateness of the internal control system from the assessment report of the Audit Committee in various fields according to the assessment form of the internal control system sufficiency which consisted of 5 components:

Organization and environment, risk management, operational control of the Administrative Department, information and communication system, and tracking system. It was concluded that the Company's internal control system was sufficient and suitable for business operations, without any significant flaws in the internal control system that can protect the Company's assets from the misuse or non-authority of the executives, the Company's financial reports that were prepared according to generally accepted accounting principles, the disclosure of information in financial reports accurately and reliably. The Company's business operations complied with the Securities and Exchange Act and other relevant laws completely.

#### **9.1.1 The adequacy and appropriateness of the internal control system**

The Company appointed IVL Auditing Company Limited to perform duties as the internal auditor. Miss Waldee Siboonrueng was primarily responsible for performing the duties of the Company's internal auditor. The Audit Committee considered the qualifications of IVL Auditing Company Limited and Miss Waldee Siboonrueng and deemed they were appropriate to perform such duties as they were independent, knowledgeable in examining various departments with a good understanding of the business. The Company has employed IVL Auditing Company Limited to act as the Company's internal auditor (details of the Internal Control Auditor's profile were shown in Appendix 3).

### **9.2 Related transactions**

#### **9.2.1 Information related to transactions with persons who may have conflicts of interest**

The Company and its subsidiaries have connected transactions with persons who may have conflicts of interest and related companies and they have the same group of shareholders, directors, or connected persons of executives, directors and shareholders of the Company become a director controller and shareholders of such connected persons. The Audit Committee examined and reviewed the suitability of the list, the reasonableness, as well as the determination of remuneration and other normal business conditions which persons who may have conflicts of interest with related transactions with the Company and its subsidiaries for the fiscal year ended December 31st, 2022 and 2021. Details were as follows:

Persons with related transactions	Characteristics of the Business	Characteristics of the Relationship
1) Mr. Taksin Tantipijit	-	<ul style="list-style-type: none"> <li>- Spouse of Mrs. Pattamaporn Tantipijit and father of Miss Paphanan Tantipijit and Mr. Piyawach Tantipijit</li> <li>- Vice Chairman, Authorized Director, Chief Executive Officer, and major shareholders by holding 38.49% of the paid-up capital</li> </ul>
2) Mrs. Pattamaporn Tantipijit	-	<ul style="list-style-type: none"> <li>- Spouse of Mr. Taksin Tantipijit and mother of Miss Paphanan Tantipijit and Mr. Piyawach Tantipijit</li> <li>- Director, Authorized Director, and major shareholders holding 7.82% of the paid-up capital</li> </ul>
3) Miss Paphanan Tantipijit	-	<ul style="list-style-type: none"> <li>- Daughter of Mr. Taksin Tantipijit and Mrs. Pattamaporn Tantipijit</li> <li>- Major shareholder holding 11.02% of the paid-up capital</li> </ul>
4) Mr. Piyawach Tantipijit	-	<ul style="list-style-type: none"> <li>- Son of Mr. Taksin Tantipijit and Mrs. Pattamaporn Tantipijit</li> <li>- Major shareholder holding 7.50 % of the paid-up capital</li> <li>- As of March 14<sup>th</sup>, 2017 , there was a change in shareholding structure.</li> </ul>
5) Miss Somjit Tantipijit	-	<ul style="list-style-type: none"> <li>- Younger sister of Mr. Taksin Tantipijit</li> <li>- Holding 0.03 % of the paid-up capital</li> </ul>
6) S.I. Firetrade Company Limited	Distribute and rent packaging printers, distribute packaging inks printers, component parts of printers, uninterruptible power supplies, and freezers	It is a related company with the same director, authorized director, and shareholder as Mr. Taksin Tantipijit. The family of Mr. Taksin Tantipijit holds shares in S.I. Firetrade Company Limited accounted for 100%.
7) Safety Factory Company Limited	Land and Buildings Allocation for rent	It is a related company with the same director, authorized director, and shareholder as Mr. Taksin Tantipijit. The family of Mr. Taksin Tantipijit holds shares in Safety Factory

Persons with related transactions	Characteristics of the Business	Characteristics of the Relationship
		Company Limited accounted for 80%.
8) Econlife Manufacturing (Thailand) Company Limited	Produce and distribute emergency signal equipment and backup power system	- There is the same director, authorized director, and shareholder as Mr. Taksin Tantipijit. The family of Mr. Taksin Tantipijit holds shares in Econlife Manufacturing (Thailand) Company Limited accounted for 47.50%.
9) Safety Online Company Limited	Import and distribute tools and personal safety equipment	- It is a related company with the same director, authorized director, and shareholder as Mr. Taksin Tantipijit. The family of Mr. Taksin Tantipijit holds shares in Safety Online Company Limited accounted for 80%.

## 9.2.2 Necessity and reasonableness of related connected transactions

Connected transactions occurring in the fiscal year ended December 31<sup>st</sup>, 2022 and 2021 were as follows:

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
1. Mr. Taksin Tantipijit	<u>Credit limit guarantee for "FTE"</u> - Mr. Taksin Tantipijit guaranteed the credit limit of "FTE" with local financial institutions.	186.39	273.00	- Mr. Taksin Tantipijit guaranteed the credit limit of "FTE". The said limit was used as working capital in the business without any remuneration for guarantees or remuneration for giving of assets to be pledged as collateral.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate, reasonable and done for the benefits of the business of "FTE" due to the need to comply with the conditions for obtaining support the credit limit from financial institutions for business operations.
	<u>Credit limit guarantee for the subsidiary company: "FIS"</u> - Mr. Taksin Tantipijit guaranteed the credit limit of the subsidiary company: "FIS" with local financial institutions.	3.00	3.00	- Mr. Taksin Tantipijit guaranteed the credit limit of the subsidiary company: "FIS". The said limit was used as working capital in the business without any remuneration for guarantees or remuneration for giving of assets to be pledged as collateral.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate, reasonable and done for the benefits of the business due to the need to comply with the conditions for obtaining support



Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
				the credit limit from financial institutions for business operations.
	<u>Short-term loans for "FTE"</u> - Mr. Taksin Tantipijit short – term loans the credit limit of "FTE" - Accrued interest on promissory notes - Accrued interest	0.00  0.00 0.00	15.00  0.19 0.01	- Mr. Taksin Tantipijit short –term loans for "FTE" Which the loan amount has given as working capital in the business. There would be also loan transaction for interest rate at 3.50% per year. On collateral  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate, reasonable and done for the benefits of the business However, the interest rate is lower than from financial institutions.
2. Mrs. Pattamaporn Tantipijit	<u>Short-term loans for "FTE"</u> - Mrs. Pattamaporn Tantipijit short – term loans the credit limit of "FTE" - Accrued interest on promissory notes - Accrued interest	0.00  0.00 0.00	15.00  0.19 0.01	- Mrs. Pattamaporn Tantipijit short –term loans for "FTE" Which the loan amount has given as working capital in the business. There would be also loan transaction for interest rate at 3.50% per year. On collateral  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate, reasonable and done for the benefits of the business However, the interest rate is lower than from financial institutions.

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion						
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022							
3.S.I.Firetrade Company Limited	<u>"FTE" provided the storage service to S.I. Firetrade Company Limited</u> - Provide the product storage service	0.50	0.60	<p>- S.I. Firetrade Company Limited used the storage area at the warehouse of "FTE" with a total area of 312 square meters. Details of the contract were as follows: (freight forwarding fee excluded).</p> <table><tr><th>List</th><th>Contract period (March 1<sup>st</sup>, 2022 to February 28th, 2023)</th></tr><tr><td>Product storage service fee</td><td>49,920 Baht per month</td></tr><tr><td><b>Total</b></td><td><b>49,920 Baht per month</b></td></tr></table> <p>To be used as the product storage place, charge for an area service fee of 160 Baht per square meter per month by referring to rental rates of nearby areas with similar characteristics.</p> <p><u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27<sup>th</sup>, 2023 and agreed that the said transaction was appropriate and according to the agreed term.</p>	List	Contract period (March 1 <sup>st</sup> , 2022 to February 28th, 2023)	Product storage service fee	49,920 Baht per month	<b>Total</b>	<b>49,920 Baht per month</b>
List	Contract period (March 1 <sup>st</sup> , 2022 to February 28th, 2023)									
Product storage service fee	49,920 Baht per month									
<b>Total</b>	<b>49,920 Baht per month</b>									
	<u>"FTE" provided cargo lifting services to S.I. Firetrade Company Limited</u> - Provide lifting services	0.05	0.05	<p>- Forklift service fee charged by "FTE" was the same rate that "FTE" had to pay to the freight forwarding service provider.</p> <p><u>Audit Committee's opinion</u></p>						

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
				The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate and done for benefits of the business of "FTE" and determined the service fee with reasonability and followed normal trading conditions.
	<u>"FTE" provided other services to S.I. Firetrade Company Limited</u> - Provide other services - Accounts receivable forwarding services	0.53  0.00	0.51  0.06	- Another service fee charged by "FTE" was the same rate that "FTE" had to pay to the service provider. <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate and done for benefits of the business of "FTE" and determined the service fee with reasonability and followed normal trading conditions.
4. Safety Factory Company Limited	<u>"FTE" distributed products to Safety Factory Company Limited</u> - Distribute products	0.11	0.00	- "FTE" distributed firefighting equipment to Safety Factory Company Limited together with tools and equipment for personal safety (Personal Protection Equipment: PPE). The e selling price was following normal trading conditions. <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was the appropriate selling price and followed normal trading conditions.

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion						
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022							
	<u>“FTE” rented the office area of Safety Factory Company Limited</u> - Security deposit for Office Lease Contract - Liabilities of the Lease Contract - Deferred interest - Interest paid under the Lease Contract	0.45  82.22 (24.74) 2.37	0.45  77.80 (22.43) 2.29	<p>- “FTE” rented the area of Safety Factory Company Limited. Details of the contract were as follows:</p> <table><tr><th>List</th><th>Contract period ( April 27<sup>th</sup>, 2020 to April 26<sup>th</sup>,2023)</th></tr><tr><td>Rental fee</td><td>368,725 Baht per month</td></tr><tr><td>Total</td><td>368,725 Baht per month</td></tr></table> <p>The lease term was 3 years and the contract can be extended to 20 years.</p> <p>- TFRS 16 on Lease Agreement was effective on January 1<sup>st</sup>, 2020. "FTE" had to record accounting entries to comply with TFRS 16. It was expected that “FTE” would lease the office building for a period of 20 years (April 27<sup>th</sup>, 2020 to April 26<sup>th</sup>, 2040). It caused the account for the right-of-use assets of Baht 60.21 Million (Liabilities of the Lease Contract of Baht 88.18 Million. Deducted the deferred interest of Baht 27.97 million).</p> <p><u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27<sup>th</sup>, 2023 considered and agreed that the said transaction was appropriate and with a reasonable price.</p>	List	Contract period ( April 27 <sup>th</sup> , 2020 to April 26 <sup>th</sup> ,2023)	Rental fee	368,725 Baht per month	Total	368,725 Baht per month
List	Contract period ( April 27 <sup>th</sup> , 2020 to April 26 <sup>th</sup> ,2023)									
Rental fee	368,725 Baht per month									
Total	368,725 Baht per month									
	<u>"FTE" used the service of common area of Safety Factory Company Limited's</u>			<p>- " FTE" used the service of the common area of Safety Factory Company Limited’s office. Details of the contract were as follows:</p>						

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion								
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022									
	<u>office</u> - Office area service fee - Office service contract security deposit - other creditors	4.43  1.02  1.58	4.43  1.02  2.33	<table><tr><th>List</th><th>contract period ( April 27<sup>th</sup>, 2020 to April 26<sup>th</sup>, 2023)</th></tr><tr><td>Service charge</td><td>284,445 Baht per month</td></tr><tr><td>Other service charges</td><td>84,280 Baht per month</td></tr><tr><td><b>Total</b></td><td><b>368,725 Baht per month</b></td></tr></table>	List	contract period ( April 27 <sup>th</sup> , 2020 to April 26 <sup>th</sup> , 2023)	Service charge	284,445 Baht per month	Other service charges	84,280 Baht per month	<b>Total</b>	<b>368,725 Baht per month</b>
List	contract period ( April 27 <sup>th</sup> , 2020 to April 26 <sup>th</sup> , 2023)											
Service charge	284,445 Baht per month											
Other service charges	84,280 Baht per month											
<b>Total</b>	<b>368,725 Baht per month</b>											
				<u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate and with a reasonable price.								
5.Econlite Manufacturing (Thailand) Company Limited	<u>"FTE" provided storage services to Econlite Manufacturing Limited (Thailand) Company Limited</u> - Provide product storage services	0.08	0.08	- Econlite Manufacturing (Thailand) Company Limited used storage areas at the "FTE"'s warehouse with a total area of 78 square meters. Details of the contract were as follows (freight forwarding fees excluded): <table><tr><th>List</th><th>Contract period (March 1<sup>st</sup>, 2021 to February 28<sup>th</sup>,2022)</th></tr><tr><td>Product storage service fee</td><td>7,252.80 Baht per month</td></tr><tr><td><b>Total</b></td><td><b>7,252.80 Baht per month</b></td></tr></table> To be used as a place to store products. The area fee is 160 Baht per square meter per month.	List	Contract period (March 1 <sup>st</sup> , 2021 to February 28 <sup>th</sup> ,2022)	Product storage service fee	7,252.80 Baht per month	<b>Total</b>	<b>7,252.80 Baht per month</b>		
List	Contract period (March 1 <sup>st</sup> , 2021 to February 28 <sup>th</sup> ,2022)											
Product storage service fee	7,252.80 Baht per month											
<b>Total</b>	<b>7,252.80 Baht per month</b>											



Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
				referring to the rental rate for nearby areas with similar building <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 and agreed that the said transaction was appropriate and according to the agreed terms.
	<u>"FTE" provides cargo lifting services to Econlite Manufacturing (Thailand) Company Limited</u> - Accounts receivable from freight forwarding services	0.00	0.01	- Forklift service fee charged by "FTE" was the same rate that "FTE" had to pay to the freight forwarding service provider. <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate and done for benefits of the business of "FTE" and determined the service fee with reasonability and followed normal trading conditions.
	<u>"FTE" employed services from Econlite Manufacturing (Thailand) Company Limited</u> - Outsourcing service - Accounts Payable	0.36 0.03	0.00 0.00	- "FTE" employed employees, served, repaired, and maintained equipment and fire extinguishing systems. The fee was charged at a fixed rate per time based on employee wages plus the marginal profit. The said service rates change every year depending on employee wages. <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
				February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was an appropriate selling list and followed normal trading conditions.
	<u>Subsidiary company:</u> "FIS" employed services from Econlite Manufacturing (Thailand) Company Limited - outsourcing service	0.05	0.00	- "FIS" employed employees, served, repaired, and maintained equipment and fire extinguishing systems. The fee was charged at a fixed rate per time based on employee wages plus the marginal profit. The said service rates change every year depending on employee wages.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate purchased list and followed normal trading conditions.
6.Safety Online Company Limited	<u>"FTE" sold products to Safety Online Company Limited</u> - Sell products	0.32	0.43	- "FTE" sold firefighting equipment to Safety Online Company Limited together with tools and equipment for personal safety (Personal Protection Equipment: PPE). The selling price followed normal trading conditions.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was an appropriate sale list and

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion						
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022							
				followed normal trading conditions.						
	<u>“FTE” provided storage services to Safety Online Company Limited</u> - Provide product storage services	0.25	0.30	<div>- Safety Online Company Limited used storage areas at the “FTE”'s warehouse with a total area of 160 square meters. Details of the contract were as follows (freight forwarding fees excluded):<table><tr><th>List</th><th>Contract period ( March 1<sup>st</sup>, 2022 to February 28<sup>th</sup>, 2023)</th></tr><tr><td>Product storage service fee</td><td>24,960 Baht per month</td></tr><tr><td><b>Total</b></td><td><b>24,960 Baht per month</b></td></tr></table><div>To be used as the product storage place, charge for an area service fee of 160 Baht per square meter per month by referring to rental rates of nearby areas with similar characteristics.</div><div><u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27<sup>th</sup>, 2023 and agreed that the said transaction was appropriate and according to the agreed terms.</div><div>- Forklift service fee charged by “FTE” was the same rate that “FTE” had to pay to the freight forwarding service provider.</div><div><u>Audit Committee's opinion</u></div></div>	List	Contract period ( March 1 <sup>st</sup> , 2022 to February 28 <sup>th</sup> , 2023)	Product storage service fee	24,960 Baht per month	<b>Total</b>	<b>24,960 Baht per month</b>
List	Contract period ( March 1 <sup>st</sup> , 2022 to February 28 <sup>th</sup> , 2023)									
Product storage service fee	24,960 Baht per month									
<b>Total</b>	<b>24,960 Baht per month</b>									
	<u>“FTE” provided cargo lifting services to Safety Online Company Limited</u> - Cargo lifting services	0.04	0.04							

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
	- Accounts receivable from lifting product services	< 0.01	0.03	The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate and done for benefits of the business of "FTE" and determined the service fee with reasonability and followed normal trading conditions.
	<u>"FTE" provided other services to Safety Online Company Limited</u> - Provide other services	0.20	0.20	- Another service fee charged by "FTE" was the same rate that "FTE" had to pay to the service provider.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was appropriate and done for benefits of the business of "FTE" and determined the service fee with reasonability and followed normal trading conditions.
	<u>"FTE" purchased products from Safety Online Company Limited</u> - Purchase products - Accounts Payable	0.46 0.08	2.43 1.34	- "FTE" purchased the personal protection equipment (PPE) together with firefighting equipment of "FTE" because the customer assigned "FTE" to be a supplier. The setting of trading prices followed normal trading conditions.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was an appropriate purchased list

Persons who may have conflicts	Characteristics of the List	Value of Connected Transactions (Million Baht)		Necessity and reasonableness/ Audit Committee's opinion
		As of December 31 <sup>st</sup> , 2021	As of December 31 <sup>st</sup> , 2022	
				and followed normal trading conditions.
	<u>"FTE" employed services from Safety Online Company Limited</u> - Outsourcing services	0.21	0.05	- "FTE" employed employees, served, repaired, and maintained equipment and fire extinguishing systems. The fee was charged at a fixed rate per time based on employee wages plus the marginal profit. The said service rates change every year depending on employee wages.  <u>Audit Committee's opinion</u> The Audit Committee Meeting No. 1/2023 dated February 27 <sup>th</sup> , 2023 considered and agreed that the said transaction was an appropriate purchased list and followed normal trading conditions.

### 9.2.3 Related-Party Transactions

#### 1. Related-Party Transaction Approval and Procedure

For transactions between the Company and its subsidiary or related parties or parties with potential conflicts of interest at present or in the future, if such transactions have the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances through a commercial negotiation that is not influenced by the status as a director, an executive or a related party, are based on an arm's length principle or the market price, are governed by reasonable conditions, are verifiable, and do not give rise to expropriation; the Company's management shall have the authority and power to execute such transactions as normal in accordance with the principles approved by the Board. A summary report on such transactions shall be prepared and submitted to the Audit Committee on a quarterly basis.

For related-party transactions that are not ordinary transactions, the Company will solicit the Audit Committee's opinions on the necessity and reasonableness of such transactions. If the related party transactions are outside the Audit Committee's areas of expertise, the Company will engage independent appraisers, independent experts or auditors in reviewing such transactions and share their opinions with the Audit Committee in order that the Audit Committee can make decisions or issue recommendations to the Board or the shareholders, as applicable, to support their decision-making on the transactions. The Company discloses information about related party transactions in the notes to the audited financial statements and discloses the related party transactions in the annual registration statement (Form 56-1 One Report) of the Company in accordance with the rules and the securities and exchange laws. Procedures applicable to the approval of related-party transactions must be in compliance with the securities and exchange laws, including regulations, notifications, orders or requirements of the Stock Exchange of Thailand and persons with potential conflicts of interest in such transactions are not entitled to vote on such transactions.

The Company will adopt the policy of entering into the connected transaction of the Company with the person or company concerned. As well the Company has Acquisition and Disposition of Assets in writing and in accordance with the Notification of the Capital Market Supervisory Board and the rules set by the Securities and Exchange Commission and the Stock Exchange of Thailand. Let the staff know in general.

#### 2. Approved Principle governing Transactions with Arm's Length Commercial Terms between the Company and Director, Executive or Related Party

If it becomes necessary for the Company to enter into related party transactions with persons with potential conflicts of interest in the future, the Company will apply arm's length conditions and comparable market rates by referring to conditions and prices of transactions that the Company has made with third parties operating the same business. The Company will request the Audit Committee to render opinions on the prices, fees, necessity and reasonableness of the related party transactions. If the related party transactions are outside the Audit Committee's areas of expertise, the Company will engage independent appraisers, independent experts or auditors in reviewing such transactions and share their opinions with the Audit Committee in order that the Audit Committee can make decisions or issue recommendations to the Board or the shareholders, as applicable, to support their decision-making on the transactions. The Company discloses information about related-party transactions in the notes to the audited financial statements and discloses related party transactions in the annual registration statement (Form 56-1 One Report) of the Company in accordance with the rules and the securities and exchange laws, including regulations, notifications, orders or requirements of the Stock Exchange of Thailand.

Directors must handle related-party transactions that may arise in the future in accordance with established regulations. Directors shall not be involved in any transactions that they or their related parties may have conflict of interest and shall report their conflicts of interest to the Board. The Company must strictly comply with the securities and exchange laws, the regulations,



notifications, orders or requirements of the Stock Exchange of Thailand, the requirements governing the disclosure of related party transactions and the acquisition or disposal of the assets of the Company and its subsidiary, including the accounting standards stipulated by the Federation of Accounting Professions. The Company shall refrain from related-party transactions that are not in the Company's ordinary course of business.

**9.2.4 Reasons that person who may have conflicts of interest holding shares in the subsidiary company and associated company more than 10% instead of directly holding the Company's shares**

To protect investors in the future, if the Company's related transactions occur with persons who may have conflicts of interest, interest, or there may be a conflict of interest in the future, the Company will arrange for the presentation of such lists through the Board of Directors Meeting attended by the Audit Committee to ensure that the related transactions are fair and have an appropriate pricing policy. The Board of Directors must perform their duties according to the Securities and Exchange Act and regulations, notifications, rules, and regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions and the acquisition or disposal of related assets. In addition, the Company also discloses related transactions in the notes to the financial statements that have been audited or reviewed by the Company's auditor.

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022

**PVA** PV Audit Co., Ltd.46/8, 10<sup>th</sup> Floor, Rungrojthanakul Building, Ratchadapisek Road, Huai Khwang, Bangkok 10310, Thailand

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**INDEPENDENT AUDITOR'S REPORT****To the Shareholders of Firetrade Engineering Public Company Limited****Opinion**

I have audited the consolidated and separate financial statements of Firetrade Engineering Public Company Limited and its subsidiary ("the Group") and of Firetrade Engineering Public Company Limited ("the Company"), which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respect, the consolidated and separate financial position of Firetrade Engineering Public Company Limited and its subsidiary and of Firetrade Engineering Public Company Limited as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **Recognition of Revenue from Project Works**

As discussed in Note 3 to the financial statements regarding accounting policies. The Group and Company recognized revenue from project works based on the percentage of completion by reference to the project work cost incurred for work performed up to date and estimate of total project work cost. Revenue from project works are highly dependent on the key factors, the estimated final project work cost and revision for certain events or conditions those occur or expected to occur to complete the contract with supplier of the Group including variations result in adjustments of these estimates that could give rise to variances in the amounts recognized. Therefore, this matter is considered as a key audit matter because revenue from project works recognized is significant and requiring management to exercise significant judgement to project work cost.

I gain understanding and performing test of design the internal controls related to the approach used by the management to monitor the estimation of project work cost. I also tested the effectiveness of internal controls related to revenue recognition and recording of project cost. I determined the reasonableness of the evaluation of stage of completion and the estimation of budget project cost by testing the details of actual project cost by tracing to sufficient supporting documents and site visits the existence and the reasonableness of stage of completion of individual projects at the year end.

### **Other Information**

Management is responsible for the other information. The other information comprises information including in annual report but does not include the consolidated and separate financial statements and my auditor's report thereon, which is expected to be made available to me after that date.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance to make correction the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the



audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Prawit Viwanthananut  
Certified Public Accountant  
Registration Number 4917

PV Audit Co., Ltd.  
Bangkok, 27 February 2023



## FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>ASSETS</b>	3				
Current Assets					
Cash and cash equivalents	5	33,179,311.05	17,405,438.13	28,537,711.19	15,494,398.92
Trade and other receivables	4, 6	269,862,458.40	234,635,419.30	273,000,036.32	228,558,808.84
Contract assets	4, 7	85,738,941.62	86,577,098.83	64,880,078.62	76,102,203.15
Short-term loans to related party	4	-	-	11,500,000.00	5,000,000.00
Inventories	8	439,943,083.93	389,540,621.65	401,363,483.68	362,359,470.70
Other current assets		534,051.00	582,326.60	534,051.00	582,326.60
Total Current Assets		829,257,846.00	728,740,904.51	779,815,360.81	688,097,208.21
Non-Current Assets					
Deposits at financial institutions under pledge		-	4,300,000.00	-	4,300,000.00
Investments in subsidiary	4, 9	-	-	12,848,835.17	12,848,835.17
Investment property	28	3,907,032.35	3,907,032.35	3,907,032.35	3,907,032.35
Property, plant and equipment	4, 10	239,071,723.23	243,334,707.49	239,051,861.99	243,296,511.42
Right-of-use assets	11	52,171,674.11	55,182,371.45	52,171,674.11	55,182,371.45
Intangible assets	12	10,421,459.58	5,237,345.22	10,358,594.34	5,167,098.84
Deferred tax assets	13	26,171,636.59	19,925,193.88	25,010,025.75	18,892,261.81
Other non-current assets	4	22,590,167.58	25,765,278.59	21,788,166.27	23,345,826.10
Total Non-Current Assets		354,333,693.44	357,651,928.98	365,136,189.98	366,939,937.14
<b>Total Assets</b>		<b>1,183,591,539.44</b>	<b>1,086,392,833.49</b>	<b>1,144,951,550.79</b>	<b>1,055,037,145.35</b>

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**
**STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 DECEMBER 2022**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3</b>				
Current Liabilities					
Short-term borrowings from financial institutions	14	58,136,613.18	51,708,303.94	58,136,613.18	51,708,303.94
Trade and other payables	4, 15	142,965,036.67	157,356,005.38	133,240,408.06	155,439,164.94
Contract liabilities		43,449,782.91	36,899,790.17	38,972,313.31	32,842,446.29
Current portion of lease liabilities	4, 16	2,947,335.64	2,829,136.29	2,947,335.64	2,829,136.29
Short-term borrowings from related parties	4	30,000,000.00	-	30,000,000.00	-
Corporate income tax payable		11,121,981.97	2,868,998.26	10,015,370.12	2,248,216.83
<b>Total Current Liabilities</b>		<b>288,620,750.37</b>	<b>251,662,234.04</b>	<b>273,312,040.31</b>	<b>245,067,268.29</b>
Non-Current Liabilities					
Lease liabilities	4, 16	52,425,713.26	54,651,225.06	52,425,713.26	54,651,225.06
Provisions for employee benefits	17	29,996,058.00	25,661,229.00	28,378,435.00	24,300,033.00
Other non-current liabilities	4	4,122,613.80	3,639,969.41	3,824,328.17	3,346,297.36
<b>Total Non-Current Liabilities</b>		<b>86,544,385.06</b>	<b>83,952,423.47</b>	<b>84,628,476.43</b>	<b>82,297,555.42</b>
<b>Total Liabilities</b>		<b>375,165,135.43</b>	<b>335,614,657.51</b>	<b>357,940,516.74</b>	<b>327,364,823.71</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	18, 21				
Authorized share capital					
660,000,000 ordinary shares in 2022 and					
600,000,000 ordinary shares in 2021, Baht 0.50 par value		330,000,000.00	300,000,000.00	330,000,000.00	300,000,000.00
Issued and paid-up share capital					
659,999,924 ordinary shares in 2022 and					
600,000,000 ordinary shares in 2021, fully paid-up		329,999,962.00	300,000,000.00	329,999,962.00	300,000,000.00
Share premium	19	346,480,124.86	346,480,124.86	346,480,124.86	346,480,124.86
Surplus from business combination under common control		98,835.17	98,835.17	98,835.17	98,835.17
Surplus from share-based payments	23	4,147,006.69	1,836,244.87	4,147,006.69	1,836,244.87
Retained earnings					
Appropriated to legal reserve	20	33,000,000.00	30,000,000.00	33,000,000.00	30,000,000.00
Unappropriated	21	97,436,213.45	72,903,079.90	76,020,843.49	49,797,225.56
Treasury shares	23	(2,735,738.16)	(540,108.82)	(2,735,738.16)	(540,108.82)
<b>Total Shareholders' Equity</b>		<b>808,426,404.01</b>	<b>750,778,175.98</b>	<b>787,011,034.05</b>	<b>727,672,321.64</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,183,591,539.44</b>	<b>1,086,392,833.49</b>	<b>1,144,951,550.79</b>	<b>1,055,037,145.35</b>

The accompanying notes are an integral part of these financial statements.

## FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
	3				
<b>Revenues from sales and services</b>	4	<b>1,089,091,154.14</b>	<b>1,005,464,742.47</b>	<b>1,036,282,868.88</b>	<b>972,958,595.60</b>
Cost of sales and services	4, 24	(800,596,068.01)	(776,644,210.13)	(772,441,761.26)	(763,132,282.33)
<b>Gross profit</b>		<b>288,495,086.13</b>	<b>228,820,532.34</b>	<b>263,841,107.62</b>	<b>209,826,313.27</b>
Dividend income	4, 9	-	-	14,999,700.00	-
Other income	4	5,242,045.94	5,451,859.46	5,562,584.96	6,283,806.99
Distribution costs	24	(76,427,202.07)	(66,072,445.43)	(69,710,557.97)	(60,550,083.22)
Administrative expenses	4, 24	(94,836,180.56)	(89,299,232.82)	(93,838,030.71)	(87,487,574.49)
<b>Profit from operating activities</b>		<b>122,473,749.44</b>	<b>78,900,713.55</b>	<b>120,854,803.90</b>	<b>68,072,462.55</b>
Finance costs	4	(5,890,974.67)	(4,239,883.97)	(5,890,974.67)	(4,239,883.97)
Expected credit losses	24	(14,900,420.33)	(18,860,245.33)	(14,675,778.46)	(19,030,949.01)
<b>Profit before income tax</b>		<b>101,682,354.44</b>	<b>55,800,584.25</b>	<b>100,288,050.77</b>	<b>44,801,629.57</b>
Tax expense	25	(21,013,223.17)	(11,775,791.83)	(17,928,435.12)	(9,266,030.18)
<b>Profit for the year</b>		<b>80,669,131.27</b>	<b>44,024,792.42</b>	<b>82,359,615.65</b>	<b>35,535,599.39</b>
<b>Other comprehensive income (loss)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>80,669,131.27</b>	<b>44,024,792.42</b>	<b>82,359,615.65</b>	<b>35,535,599.39</b>
<b>Earnings per share</b>					
Basic earnings per share	3	0.12	0.07	0.12	0.05
Weighted average number of ordinary shares (shares)	3	659,999,924	659,999,924	659,999,924	659,999,924

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

		Baht						
		Consolidated financial statements						
Note	Issued and paid-up share capital	Share premium	Surplus from business		Surplus from share-based payments	Retained earnings		Total shareholders' equity
			combination under common control			Appropriated	Unappropriated	
Beginning balance as at 1 January 2021	300,000,000.00	346,480,124.86	98,835.17	-	-	30,000,000.00	52,878,287.48	729,457,247.51
Changes in shareholders' equity								
Dividend payment	21	-	-	-	-	-	(24,000,000.00)	(24,000,000.00)
Surplus from share-based payments	23	-	-	1,836,244.87	-	-	-	1,836,244.87
Profit for the year		-	-	-	-	-	44,024,792.42	44,024,792.42
Treasury shares	23	-	-	-	-	-	(540,108.82)	(540,108.82)
Ending balance as at 31 December 2021	300,000,000.00	346,480,124.86	98,835.17	1,836,244.87	-	30,000,000.00	72,903,079.90	750,778,175.98
Changes in shareholders' equity								
Increase in ordinary shares	18, 21	29,999,962.00	-	-	-	-	-	29,999,962.00
Appropriated for legal reserve	20	-	-	-	-	3,000,000.00	(3,000,000.00)	-
Dividend payment	21	-	-	-	-	-	(53,135,997.72)	(53,135,997.72)
Surplus from share-based payments	23	-	-	2,310,761.82	-	-	-	2,310,761.82
Profit for the year		-	-	-	-	-	80,669,131.27	80,669,131.27
Treasury shares	23	-	-	-	-	-	(2,195,629.34)	(2,195,629.34)
Ending balance as at 31 December 2022	329,999,962.00	346,480,124.86	98,835.17	4,147,006.69	-	33,000,000.00	97,436,213.45	808,426,404.01

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Baht									
Separate financial statements									
		Surplus from business			Retained earnings			Total	
	Note	Issued and paid-up share capital	Share premium	combination under common control	Surplus from share-based payments	Appropriated	Unappropriated	Treasury shares	shareholders' equity
Beginning balance as at 1 January 2021		300,000,000.00	346,480,124.86	98,835.17	-	30,000,000.00	38,261,626.17	-	714,840,586.20
Changes in shareholders' equity									
Dividend payment	21	-	-	-	-	-	(24,000,000.00)	-	(24,000,000.00)
Surplus from share-based payments	23	-	-	-	1,836,244.87	-	-	-	1,836,244.87
Profit for the year		-	-	-	-	-	35,535,599.39	-	35,535,599.39
Treasury shares	23	-	-	-	-	-	-	(540,108.82)	(540,108.82)
Ending balance as at 31 December 2021		300,000,000.00	346,480,124.86	98,835.17	1,836,244.87	30,000,000.00	49,797,225.56	(540,108.82)	727,672,321.64
Changes in shareholders' equity									
Increase in ordinary shares	18, 21	29,999,962.00	-	-	-	-	-	-	29,999,962.00
Appropriated for legal reserve	20	-	-	-	-	3,000,000.00	(3,000,000.00)	-	-
Dividend payment	21	-	-	-	-	-	(53,135,997.72)	-	(53,135,997.72)
Surplus from share-based payments	23	-	-	-	2,310,761.82	-	-	-	2,310,761.82
Profit for the year		-	-	-	-	-	82,359,615.65	-	82,359,615.65
Treasury shares	23	-	-	-	-	-	-	(2,195,629.34)	(2,195,629.34)
Ending balance as at 31 December 2022		329,999,962.00	346,480,124.86	98,835.17	4,147,006.69	33,000,000.00	76,020,843.49	(2,735,738.16)	787,011,034.05

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities:</b>				
Profit before income tax	101,682,354.44	55,800,584.25	100,288,050.77	44,801,629.57
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities				
Expected credit losses	14,900,420.33	18,860,245.33	14,675,778.46	19,030,949.01
Loss on devaluation of inventories	11,789,970.18	4,915,321.19	11,463,078.52	4,306,507.78
Depreciation and amortisation	15,253,480.08	15,523,989.60	15,220,726.11	15,485,997.19
Gain on disposal of assets	(161,021.01)	(83,557.02)	(161,033.01)	(83,557.02)
Impairment loss of assets	515,000.00	-	515,000.00	-
Unrealized (gain) loss on exchange rate	(1,964,052.30)	250,401.01	(1,360,018.27)	248,206.07
Unrealized loss on fair value adjustment	131,129.68	53,458.12	131,129.68	53,458.12
Provisions for employee benefits	5,309,259.00	4,659,333.00	5,052,832.00	4,408,473.00
Share based payment expenses	2,310,761.82	1,836,244.87	2,310,761.82	1,836,244.87
Dividend income	-	-	(14,999,700.00)	-
Interest income	(112,417.88)	(118,756.07)	(220,913.85)	(234,723.21)
Interest expenses	5,890,974.67	4,239,883.97	5,890,974.67	4,239,883.97
Profit from operating activities before changes in operating assets and liabilities	155,545,859.01	105,937,148.25	138,806,666.90	94,093,069.35
Changes in operating assets (increase) decrease				
Trade and other receivables	(43,463,185.77)	(7,088,927.10)	(52,476,088.44)	(10,911,881.20)
Contract assets	(3,996,898.07)	(26,347,433.64)	6,387,069.25	(23,585,922.47)
Inventories	(62,093,131.29)	(48,381,164.05)	(50,367,790.33)	(33,191,487.82)
Other current assets	48,275.60	737,859.00	48,275.60	737,859.00
Deposits at financial institutions under pledge	4,300,000.00	-	4,300,000.00	-
Other non-current assets	28,707.26	(5,804,093.84)	(1,588,743.92)	(5,158,612.34)
Changes in operating liabilities increase (decrease)				
Trade and other payables	(19,112,472.93)	(16,010,932.84)	(27,524,295.13)	(15,954,171.06)
Contract liabilities	6,549,992.74	11,295,987.98	6,129,867.02	10,166,714.98
Payments for provisions for employee benefits	(974,430.00)	-	(974,430.00)	-
Other non-current liabilities	482,644.39	224,235.38	478,030.81	217,623.57
Cash generated from operations	37,315,360.94	14,562,679.14	23,218,561.76	16,413,192.01
Income tax paid	(19,006,682.17)	(18,485,896.40)	(16,279,045.77)	(16,544,992.17)
<b>Net cash provided by (used in) operating activities</b>	<b>18,308,678.77</b>	<b>(3,923,217.26)</b>	<b>6,939,515.99</b>	<b>(131,800.16)</b>

The accompanying notes are an integral part of these financial statements.



## FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities:</b>				
Increase in short-term loans to related party	-	-	(6,500,000.00)	(2,000,000.00)
Purchases of assets	(2,456,876.12)	(29,042,699.58)	(2,456,876.12)	(29,042,699.58)
Proceeds from disposal of assets	345,794.39	262,183.17	345,794.39	262,183.17
Purchases of intangible assets	(3,686,542.06)	(3,452,091.96)	(3,679,492.06)	(3,452,091.96)
Interest received	115,302.08	122,332.53	247,154.21	225,135.29
Dividend received	-	-	14,999,700.00	-
<b>Net cash provided by (used in) investing activities</b>	<b>(5,682,321.71)</b>	<b>(32,110,275.84)</b>	<b>2,956,280.42</b>	<b>(34,007,473.08)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from short-term borrowings from financial institutions	218,626,773.23	130,317,286.99	218,626,773.23	130,317,286.99
Repayments of short-term borrowings from financial institutions	(212,198,463.99)	(84,760,176.23)	(212,198,463.99)	(84,760,176.23)
Increase in short-term borrowings from related parties	30,000,000.00	-	30,000,000.00	-
Repayments of lease liabilities	(2,107,312.45)	(1,357,712.24)	(2,107,312.45)	(1,357,712.24)
Interest paid	(5,899,170.64)	(3,427,314.01)	(5,899,170.64)	(3,427,314.01)
Dividend paid	(23,078,680.95)	(24,089,078.36)	(23,078,680.95)	(24,089,078.36)
Payments for treasury shares	(2,195,629.34)	(540,108.82)	(2,195,629.34)	(540,108.82)
<b>Net cash provided by financing activities</b>	<b>3,147,515.86</b>	<b>16,142,897.33</b>	<b>3,147,515.86</b>	<b>16,142,897.33</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>15,773,872.92</b>	<b>(19,890,595.77)</b>	<b>13,043,312.27</b>	<b>(17,996,375.91)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17,405,438.13</b>	<b>37,296,033.90</b>	<b>15,494,398.92</b>	<b>33,490,774.83</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>33,179,311.05</b>	<b>17,405,438.13</b>	<b>28,537,711.19</b>	<b>15,494,398.92</b>

## Supplementary information for cash flows:

## Non-cash items

- Purchases of assets that have not yet been paid	8,073,028.04	1,567,760.00	8,073,028.04	1,567,760.00
- Assets acquired by entering into lease agreements	1,215,000.00	-	1,215,000.00	-
- Dividend payable	116,028.87	58,674.10	116,028.87	58,674.10

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. GENERAL INFORMATION**

Firetrade Engineering Public Company Limited (“the Company”) was incorporated in Thailand under the Civil and Commercial Code on 2 November 1999 and became a public company limited on 8 August 2016. The Company’s principal activities are to sales of fire protection equipment and systems, design, installation, repair and maintenance the fire protection systems.

On 27 July 2017, the Company was listed on the Stock Exchange of Thailand.

The registered office of the Company is at 1198/5 Rama 9 Road, Phattanakan Sub-district, Suanluang District, Bangkok.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions in accordance with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 26 December 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in accordance with Thai Financial Reporting Standards requires management to make judgments and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgements and estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The judgements and estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

**BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements consisted of the financial statements of Firetrade Engineering Public Company Limited, and its subsidiary (together referred to as “the Group”) as follows:

Subsidiary	Located in	Business type	Percentage of holding (%)	
			2022	2021
Fire Inspector Co., Ltd.	Thailand	Sales, installation and provide service of fire protection equipment and systems.	99.99	99.99

All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiary is an entity controlled by the Company. The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that significantly affect the amount of its returns. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**Changes in application of revised TFRS****Revised TFRS that became effective in the current year**

During the year 2022, the Group has adopted revised TFRS which are effective for the accounting period beginning on or after 1 January 2022. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

**Revised TFRS not yet effective**

The Federation of Accounting Professions has issued Notification, mandating the use of revised TFRS which are effective for the financial statements for the period beginning on or after 1 January 2023. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **The measurement bases used in preparing the financial statements**

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

#### **Revenues**

Revenue excluding value added tax and is arrived at after deduction of trade discounts.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

#### **Revenue from sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. Sale is measured at the amount of the consideration received or receivable, of goods supplied after deducting returns and discounts, excluding value added tax.

#### **Revenue from project works**

Revenue from project works includes the initial amount agreed in the contract plus any variations in project works, claims and incentive payments if revenue is probable incurred and reliable measure. When project works are reliable estimated, revenue and cost of project works are recognised in profit or loss in proportion of the stage of completion of project works.

The stage of completion of project work is estimated by reference to the proportion of project work cost is incurred for work performed up to date and estimate of total project work cost.

If the estimate of project work is unreliable, revenue from project work will be recognised not excess the project work cost is incurred and probably recoverable.

When it is probable that total project work costs will be exceed total revenue from project work, the expected loss of project work will be recognised in profit or loss.

#### **Revenue from service**

Service income is recognised when services are rendered.

The part of completed project work, which has not yet been delivered for acceptance and billing, is recorded as contract assets.

The obligation to provide to a customer for which the Group has received from the customer is presented under the caption of contract liability. Contract liabilities are recognised as revenue when the Group perform under the contract.

**Rental income**

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**Dividend income**

Dividend income is recognised when the right to receive the dividend is established.

**Interest income and other income**

Interest income is recognised in profit or loss using the effective interest rate method.

Other income is recognised on an accrual basis.

**Expenses****Finance costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Other expenses are recognised on an accrual basis.

**Employee benefits****Short-term benefits**

The Group recognises salaries, wages, bonus and social security contribution as expenses when incurred.

**Post-employment benefits – defined contribution plan**

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

**Post-employment benefits – defined benefit plan**

The employee benefit liabilities in relation to the severance payment under the labor law are recognised as a charge to results of operations over the employee's service year. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service year up to the retirement age in the future years based on the actuarial technique. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the actuarial assumptions are changed, the Group recognises actuarial gains (losses) immediately in other comprehensive income.

#### **Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an



active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **Financial instruments**

The Group initially measures financial assets at their fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

The classification and measurement of financial assets and financial liabilities

Financial assets as subsequently measured at amortised cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

Financial assets measured at amortised cost only if both following conditions are met: the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).

Financial assets measured at fair value through profit or loss when the financial assets are held within a business model without an objective to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains or losses from changes in fair value, and gains or losses on disposals of instruments are recognised in profit or loss.

Financial liabilities are classified and measured at amortised cost.

#### Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets which measured at amortised cost, without requiring a credit - impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for expected credit losses.

The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

In determining an allowance for expected credit losses of receivables, the management needs to make judgment for estimated losses for each outstanding debtor. The allowance for expected credit losses are determined through a combination of analysis of collection experience, probability of collection, debt aging, taking into account change in the current economic and assumption including the choice of inputs the forecasted macroeconomic variables in the model. However, the use of different estimates and assumptions could affect the amounts of allowance for expected credit losses and adjustments to the allowance may therefore be required in the future.

**Inventories**

Inventories are valued at the lower of weighted average cost method or net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the costs to make the sale.

An allowance is made for obsolete and slow-moving inventories.

**Investments in subsidiary**

Investments in subsidiary in the separate financial statements are accounted for using the cost method less allowance for impairment (if any).

**Investment property**

Investment property are land held for capital appreciation but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Land is stated at cost less allowance for impairment (if any).

**Property, plant and equipment**

Land is stated at cost less allowance for impairment (if any).

Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

**Subsequent costs**

The cost of replacing a part of an item of buildings and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of buildings and equipment are recognised in profit or loss as incurred.

Gains or losses on disposals are determined by comparing the net consideration with the carrying amount and are included in the profit or loss.

**Depreciation**

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of assets as follows:

	Years
Buildings and building improvements	20 and 40
Furniture, fixtures and office equipment	5 and 10
Tools	5
Vehicles	5 and 7

No depreciation is provided on land.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Leases

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

	Years
Buildings	20

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

### Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## Intangible assets

Intangible assets are computer software, which are amortised and computed by the straight-line method based on the estimated useful lives of the assets for 3 years, 5 years and 10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

#### Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### Estimate installation project costs

The Group estimates costs of each installation projects based on details of the installation design, and calculate quantity and costs of materials, labour and others which used to complete the projects and accompany with determine the trend of changes in those costs. Estimate costs are reviewed regularly and whenever actual costs are significant difference from the estimate costs.

#### Provision for loss on installation project

Management exercises judgment to estimate the probable loss of each installation project, based on estimates the probable costs by determine progress of installation, actual costs together with changes in costs of materials and labour and current situation.

#### Provision for penalty from delay delivery

The Group has provision incurred from delay delivery. The management applied judgement in estimating the penalty based on contract rate and the period of delay installation project. The Group has recorded provision for penalty from delay delivery in the financial statements. However, actual results could differ from the estimates.

### **Provision for warranty**

A provision for warranty is recognised when the goods are sold or services are rendered to the customers. Provision is determined based on historical warranty payment experience couple with a review of the possibility factors on incurrence of such damage.

### **Foreign currency**

#### **Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency using the exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are converted to functional currency at the foreign exchange rates ruling at that date.

Foreign exchange differences are recognised in profit or loss for the period.

### **Share-based payments**

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in shareholders' equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service conditions are expected to be met.

### **Treasury shares**

When share capital recognised as shareholders' equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from shareholders' equity.

### **Dividends**

Dividends and interim dividend payments are recorded in the consolidated and separate financial statements in the period in which they are approved by the Shareholders' Meeting and the Board of Directors' Meeting.

### **Basic earnings per share**

Basic earnings per share was calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year, after adjusting the number of ordinary shares to reflect the impact of the stock dividend as discussed in Note 18. The prior year's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest years reported.



For the years ended 31 December 2022 and 2021

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit for the years (Baht)	80,669,131.27	44,024,792.42	82,359,615.65	35,535,599.39
<b>Weighted average number of ordinary shares (Shares)</b>				
Issued ordinary shares at 1 January	600,000,000	600,000,000	600,000,000	600,000,000
Effect of the stock dividend	59,999,924	59,999,924	59,999,924	59,999,924
Weighted average number of ordinary shares (Shares)	659,999,924	659,999,924	659,999,924	659,999,924
Basic earnings per share (Baht)	0.12	0.07	0.12	0.05

#### 4. RELATED PARTY TRANSACTIONS

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Group and those related parties.

The significant transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Revenues from sales				
Subsidiary	-	-	29,400,306.22	25,941,661.58
Related companies	426,151.00	430,257.00	426,151.00	430,257.00
Revenues from services				
Subsidiary	-	-	4,856,290.52	3,576,444.68
Dividend income				
Subsidiary	-	-	14,999,700.00	-
Interest income				
Subsidiary	-	-	115,801.36	121,109.57

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other income				
Subsidiary	-	-	818,231.54	799,700.00
Related companies	1,764,573.64	1,656,061.62	1,764,573.64	1,656,061.62
Purchases of goods				
Subsidiary	-	-	1,393,316.68	8,989,996.57
Related companies	2,434,752.88	459,823.00	2,434,752.88	459,823.00
Cost of services				
Related companies	51,460.00	620,563.35	50,230.00	571,439.76
Service expenses				
Related companies	4,425,293.00	4,425,900.00	4,425,293.00	4,425,900.00
Interest expenses				
Related companies	2,288,439.67	2,374,111.80	2,288,439.67	2,374,111.80
Related persons	376,849.32	-	376,849.32	-
Purchases of equipment				
Related company	15,275.00	-	15,275.00	-

### Key management personnel compensation

Key management personnel compensation for the years ended 31 December 2022 and 2021 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term benefits	16,441,987.15	19,183,072.15	14,526,007.64	17,402,501.28
Post-employment benefits	2,096,052.78	2,065,489.70	1,798,776.58	1,794,883.50
Total	18,538,039.93	21,248,561.85	16,324,784.22	19,197,384.78

The balances with related parties as at 31 December 2022 and 2021 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade and other receivables				
Fire Inspector Co., Ltd.	-	-	18,954,032.00	5,954,703.95
Safety Factory Co., Ltd.	-	449.40	-	449.40
S.I. Firetrade Co., Ltd.	58,924.90	3,199.30	58,924.90	3,199.30
Safety Online Co.,Ltd.	29,628.30	85,578.60	29,628.30	85,578.60
Econlite Manufacturing (Thailand) Co., Ltd.	7,760.50	-	7,760.50	-
Contract assets				
Fire Inspector Co., Ltd.	-	-	214,237.41	-
Investments in subsidiary (see Note 9)	-	-	12,848,835.17	12,848,835.17
Other non-current assets				
Safety Factory Co., Ltd.	1,474,900.00	1,474,900.00	1,474,900.00	1,474,900.00
Trade and other payables				
Fire Inspector Co., Ltd.	-	-	335,551.96	2,038,936.07
Safety Factory Co., Ltd.	2,331,219.16	2,360,167.04	2,331,219.16	2,360,167.04
Econlite Manufacturing (Thailand) Co., Ltd.	-	43,248.21	-	32,213.90
Safety Online Co., Ltd.	1,335,335.18	79,217.45	1,335,335.18	79,217.45
Directors	17,260.28	-	17,260.28	-
Lease liabilities				
Safety Factory Co., Ltd.	55,373,048.90	57,480,361.35	55,373,048.90	57,480,361.35
Other non-current liabilities				
Fire Inspector Co., Ltd.	-	-	27,720.00	22,000.00

#### Short-term loans to related party

	Baht	
	Separate financial statements	
	2022	2021
Fire Inspector Co., Ltd.	11,500,000.00	5,000,000.00

Movements of short-term loans to related party for the years ended 31 December 2022 and 2021 were as follows:

	Baht	
	Separate financial statements	
	2022	2021
Beginning balance	5,000,000.00	3,000,000.00
Increase	11,500,000.00	5,000,000.00
Decrease	(5,000,000.00)	(3,000,000.00)
Ending balance	11,500,000.00	5,000,000.00

The Company has short-term loans to related party by issuing promissory notes, due at call, with the interest rate of 5.50% per annum and without collateral.

#### Short-term borrowings from related parties

	Baht
	Consolidated and Separate financial statements
	2022
Directors	30,000,000.00

Movements of short-term borrowings from related parties for the year ended 31 December 2022 were as follows:

	Baht
	Consolidated and Separate financial statements
	2022
Beginning balance	-
Increase	30,000,000.00
Ending balance	30,000,000.00

The Company has short-term borrowings from related parties by issuing promissory notes for 1 year with the interest rate of 3.5% per annum and without collateral.

#### Significant contracts

The Company entered into the building lease and service agreements with a related party from 27 April 2020 to 26 April 2023, with rental and service charge at the rate of Baht 0.74 million per month.

**Relationship**

Name	Country/Nationality	Type of relation
Fire Inspector Co., Ltd.	Thailand	Subsidiary
Safety Factory Co., Ltd.	Thailand	Common shareholders and directors
S.I. Firetrade Co., Ltd.	Thailand	Common shareholders and directors
Econlite Manufacturing (Thailand) Co., Ltd.	Thailand	Common shareholders and directors
Safety Online Co.,Ltd.	Thailand	Common shareholders and directors
Related parties	Thai	Directors

**Bases of measurement for intercompany revenues and expenses**

	Pricing Policy
Purchases - sales of goods	Cost plus mutually agreed margin
Purchases of equipment	Cost plus mutually agreed margin
Revenues from services - cost of services	Cost plus mutually agreed margin
Dividend income	As declared
Interest income - interest expenses	Interest rate of commercial bank
Other income	Negotiated agreement
Service expenses	Negotiated agreement
Lease and service agreements	Negotiated agreement
Guarantees for the Company's credit facilities by directors and directors' assets	No guarantee charge

**5. CASH AND CASH EQUIVALENTS**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	60,000.00	60,000.00	50,000.00	50,000.00
Cash at banks	33,119,311.05	17,345,438.13	28,487,711.19	15,444,398.92
Total	33,179,311.05	17,405,438.13	28,537,711.19	15,494,398.92

## 6. TRADE AND OTHER RECEIVABLES

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables	290,400,376.36	254,203,372.66	295,544,976.32	248,438,838.82
<b>Less</b> Allowance for expected credit losses	(33,394,675.00)	(28,269,720.62)	(32,966,564.91)	(28,066,252.40)
Trade receivables - net	257,005,701.36	225,933,652.04	262,578,411.41	220,372,586.42
Other receivables				
Prepaid expenses	9,821,321.57	5,987,444.04	8,761,272.54	5,765,307.26
Others	6,425,606.77	6,104,494.52	5,050,523.67	5,811,086.46
Total	16,246,928.34	12,091,938.56	13,811,796.21	11,576,393.72
<b>Less</b> Allowance for expected credit losses	(3,390,171.30)	(3,390,171.30)	(3,390,171.30)	(3,390,171.30)
Other receivables - net	12,856,757.04	8,701,767.26	10,421,624.91	8,186,222.42
Trade and other receivables - net	269,862,458.40	234,635,419.30	273,000,036.32	228,558,808.84

Movements in the allowance for expected credit losses of trade and other receivables were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
As at 1 January	28,269,720.62	17,120,488.75	28,066,252.40	16,746,316.85
Expected credit losses	6,918,961.30	16,448,994.03	6,694,319.43	16,619,697.71
Write-off	(1,794,006.92)	(5,299,762.16)	(1,794,006.92)	(5,299,762.16)
As at 31 December	33,394,675.00	28,269,720.62	32,966,564.91	28,066,252.40

As at 31 December 2022 and 2021, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Trade receivables</b>				
Current	165,928,115.59	121,627,869.00	158,881,008.42	119,191,527.14
Overdue				
Less than or equal to 3 months	64,417,478.00	76,393,791.81	77,629,352.49	73,971,338.15
Over 3 months up to 6 months	12,335,435.00	16,638,941.07	11,659,238.42	15,960,106.07
Over 6 months up to 12 months	24,071,162.81	18,144,248.81	23,762,961.25	18,144,248.81
Over 12 months	23,648,184.96	21,398,521.97	23,612,415.74	21,171,618.65
Total	290,400,376.36	254,203,372.66	295,544,976.32	248,438,838.82



The expected loss rates are based on the payment profiles of sales over a period of the last 3 years.

The information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2022 and 2021 as follows:

Thousand Baht						
Consolidated financial statements						
2022						
Trade receivables - days past due						
		> 3 months up		> 6 months up		
	Current	≤ 3 months	to 6 months	to 12 months	> 12months	Total
Estimated total gross carrying amount						
at default amounts not past due	165,928	64,418	12,335	24,071	23,648	290,400
Lifetime expected credit losses	(691)	(1,468)	(1,366)	(10,580)	(19,290)	(33,395)
Net						257,005

Thousand Baht						
Consolidated financial statements						
2021						
Trade receivables - days past due						
		> 3 months up		> 6 months up		
	Current	≤ 3 months	to 6 months	to 12 months	> 12months	Total
Estimated total gross carrying amount						
at default amounts not past due	121,628	76,394	16,639	18,144	21,399	254,204
Lifetime expected credit losses	(23)	(214)	(892)	(5,934)	(21,207)	(28,270)
Net						225,934

Thousand Baht						
Separate financial statements						
2022						
Trade receivables - days past due						
		> 3 months up		> 6 months up		
	Current	≤ 3 months	to 6 months	to 12 months	> 12months	Total
Estimated total gross carrying amount						
at default amounts not past due	158,881	77,629	11,659	23,763	23,613	295,545
Lifetime expected credit losses	(646)	(1,379)	(1,195)	(10,493)	(19,254)	(32,967)
Net						262,578

Thousand Baht						
Separate financial statements						
2021						
Trade receivables - days past due						
> 3 months up > 6 months up						
Current	≤ 3 months	to 6 months	to 12 months	> 12months	Total	
Estimated total gross carrying amount						
at default amounts not past due	119,192	73,971	15,960	18,144	21,172	248,439
Lifetime expected credit losses	-	(214)	(746)	(5,934)	(21,172)	(28,066)
Net						220,373

## 7. CONTRACT ASSETS

Baht				
Consolidated financial statements		Separate financial statements		
2022	2021	2022	2021	
Unbilled receivables	90,008,542.91	86,703,603.34	69,149,679.91	76,228,707.66
<b>Less</b> Allowance for expected credit losses	(4,269,601.29)	(126,504.51)	(4,269,601.29)	(126,504.51)
Contract assets - net	85,738,941.62	86,577,098.83	64,880,078.62	76,102,203.15
For the years ended 31 December				
Expected credit losses	4,211,821.29	57,780.00	4,211,821.29	57,780.00
Write-off	623,233.99	-	623,233.99	-

As at 31 December 2022, the Group has the balances of unbilled receivables amounted to Baht 85.74 million (2021: Baht 86.58 million) in the consolidated financial statements and Baht 64.88 million (2021: Baht 76.10 million) in the separate financial statements which is expected to bill to customers within 2 years.

**8. INVENTORIES**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Finished goods	437,310,551.50	373,308,884.53	405,822,888.52	345,452,123.61
Goods in transit	29,137,009.72	30,663,504.56	20,599,124.97	30,211,136.92
Work in process	216,452.36	499,192.03	182,555.57	474,217.03
Total	466,664,013.58	404,471,581.12	426,604,569.06	376,137,477.56
<b>Less</b> Allowance for devaluation of inventories	(26,720,929.65)	(14,930,959.47)	(25,241,085.38)	(13,778,006.86)
Inventories - net	439,943,083.93	389,540,621.65	401,363,483.68	362,359,470.70
For the years ended 31 December				
Loss on devaluation of inventories	11,789,970.18	4,915,321.19	11,463,078.52	4,306,507.78

**9. INVESTMENTS IN SUBSIDIARY**

Investments in subsidiary in the separate financial statements as follows:

	Baht		Percentage of		Baht	
	Paid-up share capital		holding (%)		Cost	
	2022	2021	2022	2021	2022	2021
Fire Inspector Co., Ltd.	10,000,000.00	10,000,000.00	99.99	99.99	12,848,835.17	12,848,835.17

	Baht
	2022
For the year ended 31 December	
Dividend income (see Note 21)	14,999,700.00

## 10. PROPERTY, PLANT AND EQUIPMENT

	Baht					
	Consolidated financial statements					
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Tools	Vehicles	Total
<b>Cost</b>						
As at 1 January 2021	122,703,780.00	106,048,819.34	17,726,956.00	4,410,811.22	15,663,065.42	266,553,431.98
Purchases/transfer in	-	3,494,943.51	1,003,407.33	2,408,424.77	1,097,383.18	8,004,158.79
Disposals/transfer out	-	-	(169,713.75)	(14,156.17)	(1,139,953.27)	(1,323,823.19)
As at 31 December 2021	122,703,780.00	109,543,762.85	18,560,649.58	6,805,079.82	15,620,495.33	273,233,767.58
Purchases/transfer in	-	1,100,000.00	284,306.79	209,522.60	1,786,074.77	3,379,904.16
Disposals/transfer out	-	-	(834,163.94)	(1,108,849.13)	(1,522,925.24)	(3,465,938.31)
As at 31 December 2022	122,703,780.00	110,643,762.85	18,010,792.43	5,905,753.29	15,883,644.86	273,147,733.43
<b>Accumulated depreciation</b>						
As at 1 January 2021	-	576,757.47	10,167,716.21	3,292,146.51	9,622,704.44	23,659,324.63
Depreciation	-	3,606,919.77	2,180,166.21	734,181.30	863,669.22	7,384,936.50
Disposals/transfer out	-	-	(92,622.89)	(12,626.88)	(1,039,951.27)	(1,145,201.04)
As at 31 December 2021	-	4,183,677.24	12,255,259.53	4,013,700.93	9,446,422.39	29,899,060.09
Depreciation	-	3,650,581.83	1,978,780.76	788,615.65	1,040,289.80	7,458,268.04
Disposals/transfer out	-	-	(790,544.64)	(1,067,850.05)	(1,422,923.24)	(3,281,317.93)
As at 31 December 2022	-	7,834,259.07	13,443,495.65	3,734,466.53	9,063,788.95	34,076,010.20
<b>Net book value</b>						
As at 31 December 2021	122,703,780.00	105,360,085.61	6,305,390.05	2,791,378.89	6,174,072.94	243,334,707.49
As at 31 December 2022	122,703,780.00	102,809,503.78	4,567,296.78	2,171,286.76	6,819,855.91	239,071,723.23

	Baht					
	Separate financial statements					
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Tools	Vehicles	Total
<b>Cost</b>						
As at 1 January 2021	122,703,780.00	106,048,819.34	17,525,841.10	4,307,548.98	15,663,065.42	266,249,054.84
Purchases/transfer in	-	3,494,943.51	1,003,407.33	2,408,424.77	1,097,383.18	8,004,158.79
Disposals/transfer out	-	-	(169,713.75)	(14,156.17)	(1,139,953.27)	(1,323,823.19)
As at 31 December 2021	122,703,780.00	109,543,762.85	18,359,534.68	6,701,817.58	15,620,495.33	272,929,390.44
Purchases/transfer in	-	1,100,000.00	284,306.79	209,522.60	1,786,074.77	3,379,904.16
Disposals/transfer out	-	-	(805,244.97)	(1,106,049.13)	(1,522,925.24)	(3,434,219.34)
As at 31 December 2022	122,703,780.00	110,643,762.85	17,838,596.50	5,805,291.05	15,883,644.86	272,875,075.26
<b>Accumulated depreciation</b>						
As at 1 January 2021	-	576,757.47	9,983,254.11	3,234,111.03	9,622,704.44	23,416,827.05
Depreciation	-	3,606,919.77	2,170,768.72	719,895.30	863,669.22	7,361,253.01
Disposals/transfer out	-	-	(92,622.89)	(12,626.88)	(1,039,951.27)	(1,145,201.04)
As at 31 December 2021	-	4,183,677.24	12,061,399.94	3,941,379.45	9,446,422.39	29,632,879.02
Depreciation	-	3,650,581.83	1,974,089.27	774,984.31	1,040,289.80	7,439,945.21
Disposals/transfer out	-	-	(761,636.67)	(1,065,051.05)	(1,422,923.24)	(3,249,610.96)
As at 31 December 2022	-	7,834,259.07	13,273,852.54	3,651,312.71	9,063,788.95	33,823,213.27
<b>Net book value</b>						
As at 31 December 2021	122,703,780.00	105,360,085.61	6,298,134.74	2,760,438.13	6,174,072.94	243,296,511.42
As at 31 December 2022	122,703,780.00	102,809,503.78	4,564,743.96	2,153,978.34	6,819,855.91	239,051,861.99

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation for the years ended 31 December				
was included in administrative expenses	7,458,268.04	7,384,936.50	7,439,945.21	7,361,253.01
As at 31 December				
the carrying amounts before accumulated depreciation				
which have been fully depreciated and still in use	15,705,308.97	17,928,939.85	15,514,105.60	17,717,917.51

## 11. RIGHT-OF-USE ASSETS

	Baht	
	Consolidated and	Separate
	financial statements	financial statements
	Buildings	
<b>Cost</b>		
As at 31 December 2021		60,208,235.10
As at 31 December 2022		60,208,235.10
<b>Accumulated depreciation</b>		
As at 1 January 2021		2,015,166.31
Depreciation		3,010,697.34
As at 31 December 2021		5,025,863.65
Depreciation		3,010,697.34
As at 31 December 2022		8,036,560.99
<b>Net book value</b>		
As at 31 December 2021		55,182,371.45
As at 31 December 2022		52,171,674.11

	Baht	
	Consolidated and	Separate
	financial statements	financial statements
	2022	2021
Depreciation for the years ended 31 December		
was included in administrative expenses	3,010,697.34	3,010,697.34



**12. INTANGIBLE ASSETS**

	Baht	
	Computer software	
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
As at 1 January 2021	18,348,320.64	18,205,241.24
Purchases	330,351.96	330,351.96
Disposals	(181,784.53)	(181,784.53)
As at 31 December 2021	18,496,888.07	18,353,808.67
Purchases	9,968,782.06	9,961,732.06
Disposals	(12,387,200.65)	(12,387,200.65)
As at 31 December 2022	16,078,469.48	15,928,340.08
<b>Accumulated amortisation</b>		
As at 1 January 2021	8,312,967.62	8,254,443.52
Amortisation	5,128,355.76	5,114,046.84
Disposals	(181,780.53)	(181,780.53)
As at 31 December 2021	13,259,542.85	13,186,709.83
Amortisation	4,784,514.70	4,770,083.56
Disposals	(12,387,047.65)	(12,387,047.65)
As at 31 December 2022	5,657,009.90	5,569,745.74
<b>Net book value</b>		
As at 31 December 2021	5,237,345.22	5,167,098.84
As at 31 December 2022	10,421,459.58	10,358,594.34

**13. DEFERRED TAX**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	26,587,057.95	20,381,120.32	25,425,447.11	19,348,188.25
Deferred tax liabilities	(415,421.36)	(455,926.44)	(415,421.36)	(455,926.44)
Deferred tax assets - net	26,171,636.59	19,925,193.88	25,010,025.75	18,892,261.81

Movements of deferred tax assets and liabilities during the year were as follows:

	Baht				
	Consolidated financial statements				
	1 January 2021	Profit (loss)	31 December 2021	Profit (loss)	31 December 2022
<b>Deferred tax assets</b>					
Trade and other receivables	3,631,437.72	2,700,540.66	6,331,978.38	1,024,990.89	7,356,969.27
Contract assets	42,870.70	(17,569.80)	25,300.90	828,619.36	853,920.26
Inventories	2,003,127.66	983,064.23	2,986,191.89	2,357,994.03	5,344,185.92
Investment property	66,909.20	-	66,909.20	103,000.00	169,909.20
Right-of-use assets	129,000.96	192,021.82	321,022.78	174,887.41	495,910.19
Intangible assets	235,703.82	217,558.68	453,262.50	(453,262.50)	-
Other non-current assets	-	-	-	629,280.80	629,280.80
Contract liabilities	4,627,823.18	425,694.07	5,053,517.25	375,673.80	5,429,191.05
Provisions for employee benefits	4,200,379.20	931,866.60	5,132,245.80	866,965.80	5,999,211.60
Others	140,499.03	(129,807.41)	10,691.62	297,788.04	308,479.66
<b>Total</b>	<b>15,077,751.47</b>	<b>5,303,368.85</b>	<b>20,381,120.32</b>	<b>6,205,937.63</b>	<b>26,587,057.95</b>
<b>Deferred tax liabilities</b>					
Equipment	(362,900.61)	(93,025.83)	(455,926.44)	40,505.08	(415,421.36)
<b>Total</b>	<b>(362,900.61)</b>	<b>(93,025.83)</b>	<b>(455,926.44)</b>	<b>40,505.08</b>	<b>(415,421.36)</b>
	Baht				
	Separate financial statements				
	1 January 2021	Profit (loss)	31 December 2021	Profit (loss)	31 December 2022
<b>Deferred tax assets</b>					
Trade and other receivables	3,556,603.35	2,734,681.39	6,291,284.74	980,062.51	7,271,347.25
Contract assets	42,870.70	(17,569.80)	25,300.90	828,619.36	853,920.26
Inventories	1,894,299.82	861,301.55	2,755,601.37	2,292,615.70	5,048,217.07
Investment property	66,909.20	-	66,909.20	103,000.00	169,909.20
Right-of-use assets	129,000.96	192,021.82	321,022.78	174,887.41	495,910.19
Intangible assets	235,703.82	217,558.68	453,262.50	(453,262.50)	-
Other non-current assets	-	-	-	629,280.80	629,280.80
Contract liabilities	4,036,167.32	527,941.22	4,564,108.54	408,587.14	4,972,695.68
Provisions for employee benefits	3,978,312.00	881,694.60	4,860,006.60	815,680.40	5,675,687.00
Others	140,499.03	(129,807.41)	10,691.62	297,788.04	308,479.66
<b>Total</b>	<b>14,080,366.20</b>	<b>5,267,822.05</b>	<b>19,348,188.25</b>	<b>6,077,258.86</b>	<b>25,425,447.11</b>
<b>Deferred tax liabilities</b>					
Equipment	(362,900.61)	(93,025.83)	(455,926.44)	40,505.08	(415,421.36)
<b>Total</b>	<b>(362,900.61)</b>	<b>(93,025.83)</b>	<b>(455,926.44)</b>	<b>40,505.08</b>	<b>(415,421.36)</b>

**14. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

	Baht	
	Consolidated and Separate	
	financial statements	
	2022	2021
Promissory notes	58,136,613.18	51,708,303.94

Movements of short-term borrowings from financial institutions for the years ended 31 December 2022 and 2021 were as follows:

	Baht	
	Consolidated and Separate	
	financial statements	
	2022	2021
Beginning balance	51,708,303.94	6,151,193.18
Increase	218,626,773.23	130,317,286.99
Decrease	(212,198,463.99)	(84,760,176.23)
Ending balance	58,136,613.18	51,708,303.94

The Group has credit facilities with financial institutions consisted of:

Type	Facilities (Million Baht)		Referred interest rate (% per annum)	
	2022	2021	2022	2021
Bank overdrafts	1.00	1.00	Fixed deposit	Fixed deposit
Letter of credit/trust receipt/promissory notes	165.00	68.00	MMR, MLR	MMR, MLR
Letter of guarantee	80.00	73.00	1% - 1.75%	1% - 1.75%
Forward exchange contracts	81.00	55.51	-	-
Forward exchange contracts (Million United States Dollar)	1.60	-	-	-

Bank deposits of the Company and director were used as collateral for the credit facilities with financial institutions and personal guarantee by the directors in the full amount. During the year 2022, the Company has redeemed its collateralised bank accounts of the Company for the credit facilities with financial institutions.

**15. TRADE AND OTHER PAYABLES**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables	102,657,132.97	127,366,929.37	94,007,273.44	126,404,591.58
Other payables				
Accrued expenses	18,557,376.92	15,258,427.06	17,574,707.43	14,384,482.37
Payables from purchases of assets	8,638,140.00	1,677,503.20	8,638,140.00	1,677,503.20
Retention payables	6,103,525.81	8,948,306.15	6,098,171.56	8,948,306.15
Others	7,008,860.97	4,104,839.60	6,922,115.63	4,024,281.64
Trade and other payables	142,965,036.67	157,356,005.38	133,240,408.06	155,439,164.94

**16. LEASE LIABILITIES**

Movements of lease liabilities for the years ended 31 December 2022 and 2021 were presented belows:

	Baht	
	Consolidated and Separate financial statements	
	2022	2021
As at 1 January	57,480,361.35	58,838,073.59
Payments	(2,107,312.45)	(1,357,712.24)
As at 31 December	55,373,048.90	57,480,361.35
<b>Less</b> Current portion	(2,947,335.64)	(2,829,136.29)
Lease liabilities	52,425,713.26	54,651,225.06

The lease agreement expenses recognised in profit or loss for the years ended 31 December 2022 and 2021 consisted of:

	Baht	
	Consolidated and Separate financial statements	
	2022	2021
Depreciation of right-of-use assets	3,010,697.34	3,010,697.34
Interest expenses on lease liabilities	2,288,439.67	2,374,111.80
Expenses relating to short-term leases	-	295,000.00
Total	5,299,137.01	5,679,809.14

The Group entered into the office lease agreements for use in its operations. Lease terms together with periods covered by an option to extend the lease is reasonably certain to exercise that option, with the terms of the contracts approximately 20 years.

As at 31 December 2022 and 2021, the Group has the future minimum lease payments required under the lease agreements as follows:

Year	Baht		
	2022		
	Consolidated and Separate financial statements		
	Present value	Deferred interest	Minimum lease payments
1	2,947,335.64	2,952,264.36	5,899,600.00
2 - 5	9,871,515.28	7,827,284.72	17,698,800.00
Over 5 years	42,554,197.98	11,648,377.02	54,202,575.00
Total	55,373,048.90	22,427,926.10	77,800,975.00

Year	Baht		
	2021		
	Consolidated and Separate financial statements		
	Present value	Deferred interest	Minimum lease payments
1	2,829,136.29	3,070,463.71	5,899,600.00
2 - 5	9,475,630.08	8,223,169.92	17,698,800.00
Over 5 years	45,175,594.98	13,451,680.02	58,627,275.00
Total	57,480,361.35	24,745,313.65	82,225,675.00

The Company had total cash outflows for leases for the years ended 31 December 2022 and 2021 of Baht 4.42 million and Baht 2.95 million, in the consolidated financial statements and separate financial statements.

#### 17. PROVISIONS FOR EMPLOYEE BENEFITS

Movements of the present value of provisions employee benefits for the years ended 31 December 2022 and 2021 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Post-employment benefit plan</b>				
Beginning balance as at 1 January	25,661,229.00	21,001,896.00	24,300,033.00	19,891,560.00
Included in profit or loss :				
Current service cost	4,939,349.67	4,348,965.00	4,704,974.67	4,116,093.00
Interest cost	369,909.33	310,368.00	347,857.33	292,380.00
Payments of employee benefit obligations				
in current year	(974,430.00)	-	(974,430.00)	-
Ending balance as at 31 December	29,996,058.00	25,661,229.00	28,378,435.00	24,300,033.00

As at 31 December 2022, the Group expected to pay of post-employment benefits during the next year in the consolidated financial statements and separate financial statements in the amount of Baht 3.34 million.

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for post-employment benefits in the consolidated financial statements is approximately 14.53 - 15.77 years and separate financial statements is approximately 14.53 years.

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2022 and 2021 are summarised belows:

	Baht			
	2022			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1 percent movement)	(3,812,961.00)	4,573,454.00	(3,606,959.00)	4,332,482.00
Salary increase rate (1 percent movement)	4,654,192.00	(3,941,955.00)	4,405,183.00	(3,726,448.00)
Turnover rate (1 percent movement)	(4,051,339.00)	2,113,024.00	(3,833,628.00)	2,019,413.00

	Baht			
	2021			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1 percent movement)	(3,261,628.00)	3,924,923.00	(3,078,325.00)	3,708,795.00
Salary increase rate (1 percent movement)	3,705,477.00	(3,150,572.00)	3,497,954.00	(2,970,749.00)
Turnover rate (1 percent movement)	(3,470,364.00)	1,872,140.00	(3,276,274.00)	1,782,698.00

The principal assumptions used in determining provisions for retirement benefits on an actuarial basis as at 31 December 2022 and 2021 (expressed as weighted averages) are shown belows:

	Consolidated financial statements	Separate financial statements
Discount rate	1.47%, 1.62%	1.47%
Salary increase rate	6%	6%
Turnover rate	0% - 28%	0% - 28%

The Group made define benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service year in various rates, such as employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days of the last month salary.



**18. SHARE CAPITAL**

The Ordinary General Meeting of Shareholders held on 20 April 2022, the resolutions was passed to increase share capital from Baht 300 million to Baht 330 million by issuing new 60 million ordinary shares at par value of Baht 0.50 each for stock dividend payment. The Company registered the increase of its authorized share capital with the Ministry of Commerce on 25 April 2022.

**19. SHARE PREMIUM**

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**20. LEGAL RESERVE**

According to the Public Limited Companies Act, the Company is required to set aside as a statutory reserve of at least 5% of its net profit for the year less the deficit brought forward (if any) until the reserve reaches 10% of the registered share capital.

**21. DIVIDEND PAYMENT****The Company**

The Ordinary General Meeting of Shareholders held on 20 April 2022, a resolutions was passed to pay the stock dividend by issuing 60 million ordinary shares with a par value of Baht 0.50 each to the Company’s shareholders at the ratio of 10 existing shares to one dividend share, or a dividend payout ratio of Baht 0.05 per share, and pay cash dividend at the rate of Baht 0.00556 per share, or a total of dividend payment of Baht 33.34 million.

The Company had paid dividend by issuing ordinary shares at 59,999,924 shares on 10 May 2022 and registered the change in paid-up share capital from stock dividend with the Ministry of Commerce on 10 May 2022.

The Board of Directors’ Meeting held on 12 November 2022, a resolution was passed authorizing the payment of interim dividend at the rate of Baht 0.03 per share, in the total amount of Baht 19.80 million.

The Ordinary General Meeting of Shareholders held on 5 April 2021, a resolution was passed authorizing the payment of dividend at the rate of Baht 0.04 per share, in the total amount of Baht 24 million.

**The Subsidiary**

The Board of Directors’ Meeting of the Subsidiary held on 14 November 2022, a resolution was passed authorizing the payment of interim dividend at the rate of Baht 150 per share, in the total amount of Baht 15 million.

**22. PROVIDENT FUND**

The Group and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Group. The Fund is managed by BBL Asset Management Co., Ltd. This Fund is registered under the conditions of Ministry of Finance and the fund is managed by the approved fund manager. In 2022, the Group paid contribution to the Fund in the amount of Baht 2.45 million (2021: Baht 2.28 million) in the consolidated financial statements and Baht 2.29 million (2021: Baht 2.13 million) in the separate financial statements.

**23. EMPLOYEE JOINT INVESTMENT PROGRAM (EJIP)**

On 13 September 2018, The Company received the approval of Employee Joint Investment Program (“EJIP”) from Securities and Exchange Commission. EJIP is an investment program for accumulative buying of the Company’s shares on a periodic basis by the employees of the Company and its subsidiary. The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate not over 5% of the salary of each month. The Company will contribute 100% of the amount contributed by EJIP participants. The first program, effective for the period from October 2018 to September 2021. And the second program effective for the period from October 2021 to September 2024. Total expense recognised for the program for the year ended 31 December 2022 amounted to Baht 2.28 million (2021: Baht 1.68 million) in the consolidated financial statements and amounted to Baht 2.20 million (2021: Baht 1.58 million) in the separate financial statements

**24. EXPENSES BY NATURE**

Significant expenses by nature for the years ended 31 December 2022 and 2021 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Purchases of merchandise	716,619,282.46	617,926,385.64	696,874,856.60	604,943,133.57
Changes in merchandise	(64,001,666.97)	(41,661,944.46)	(60,370,764.91)	(26,949,610.87)
Employee expenses	140,114,610.80	136,883,790.58	134,553,252.82	131,710,013.34
Contractor charges	93,969,070.40	138,001,831.15	83,342,997.93	123,233,275.92
Office service charges	6,427,373.27	6,756,106.04	6,419,849.85	6,752,272.62
Transportation - out expenses	6,463,664.18	5,429,095.73	6,288,894.18	5,334,884.73
Depreciation and amortisation expenses	15,253,480.08	15,523,989.60	15,220,726.11	15,485,997.19
Expected credit losses	14,900,420.33	18,860,245.33	14,675,778.46	19,030,949.01
Loss on devaluation of inventories	11,789,970.18	4,915,321.19	11,463,078.52	4,306,507.78

**25. INCOME TAX**

Tax expense recognised in profit or loss for the years ended 31 December 2022 and 2021 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Current tax</b>				
Current year	27,259,665.88	16,986,134.85	24,046,199.06	14,440,826.40
<b>Deferred tax</b>				
Movements in temporary differences	(6,246,442.71)	(5,210,343.02)	(6,117,763.94)	(5,174,796.22)
Tax expense	<u>21,013,223.17</u>	<u>11,775,791.83</u>	<u>17,928,435.12</u>	<u>9,266,030.18</u>

## Reconciliation of effective tax rate

	Consolidated financial statements			
	2022		2021	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit before income tax		<u>101,682,354.44</u>		<u>55,800,584.25</u>
Income tax using the corporate tax rate	20	20,336,470.89	20	11,160,116.85
Revenues treated as revenues for tax purposes		1,943,034.13		1,674,233.30
Expenses not deductible for tax purposes		6,805,269.42		5,509,838.28
Revenues granted income tax exemption		(4,553,444.83)		(1,493,843.84)
Addition expenses deductible for tax purposes		(75,076.59)		(187,954.89)
Effects of elimination entries on consolidation		<u>2,803,412.86</u>		<u>323,745.15</u>
Current tax	27	27,259,665.88	31	16,986,134.85
Movements in temporary differences		<u>(6,246,442.71)</u>		<u>(5,210,343.02)</u>
Tax expense	21	<u>21,013,223.17</u>	21	<u>11,775,791.83</u>

	Separate financial statements			
	2022		2021	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Profit before income tax		100,288,050.77		44,801,629.57
Income tax using the corporate tax rate	20	20,057,610.15	20	8,960,325.92
Revenues treated as revenues for tax purposes		1,745,518.36		1,583,474.45
Expenses not deductible for tax purposes		6,636,892.44		5,370,753.33
Revenues granted income tax exemption		(4,319,580.83)		(1,286,437.84)
Addition expenses deductible for tax purposes		(74,241.06)		(187,289.46)
Current tax	24	24,046,199.06	32	14,440,826.40
Movements in temporary differences		(6,117,763.94)		(5,174,796.22)
Tax expense	18	17,928,435.12	21	9,266,030.18

## 26. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Group operated in two main business segments, namely sales of fire protection equipment and systems and project works and services (design, installation, repair and maintenance of fire protection systems). Its operations are in a single geographic area primarily in Thailand which consider, basing on the types of activities, the operating income and expenses for the years ended 31 December 2022 and 2021 were as follows:

	Baht					
	From sales		From project works and services		Total	
	2022	2021	2022	2021	2022	2021
Revenues	703,212,162.41	560,295,879.57	385,878,991.73	445,168,862.90	1,089,091,154.14	1,005,464,742.47
Cost	(497,259,522.90)	(411,502,095.11)	(303,336,545.11)	(365,142,115.02)	(800,596,068.01)	(776,644,210.13)
Gross profit	205,952,639.51	148,793,784.46	82,542,446.62	80,026,747.88	288,495,086.13	228,820,532.34

## 27. FINANCIAL INSTRUMENTS

### Financial risk management

The Group's financial instruments, as defined under Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosure", principally comprise cash and cash equivalents, trade and other receivables, contract assets, short-term loans, other financial assets, trade and other payables, short-term borrowings, lease liabilities and other financial liabilities. The financial risks associated with these financial instruments and how they are managed is described belows:

**Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, also monitors the level of dividends to ordinary shareholders.

**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group does not have significant concentration of credit risk. The Group's management manages the risk by adopting credit control policies and procedures. Therefore, the Group does not expect to incur material financial loss. The maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for expected credit losses as stated in the statement of financial position.

**Liquidity risk**

Liquidity risk is the risk that the Group will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Group incurring a financial loss.

The Group manages liquidity risk through monitoring and planning of its cash flows, including the arrangement of credit facilities with financial institutions, in order to ensure that it will have sufficient funds for its operations.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows, are as follows:

	Thousand Baht				
	Consolidated financial statements as at 31 December 2022				
	On demand	Within 1 year	1 - 5 years	Over 5 years	No maturity
<b>Non-derivative financial liabilities</b>					
Short-term borrowings					
from financial institutions	-	58,137	-	-	-
Trade and other payables	-	142,834	-	-	-
Short-term borrowings from					
related parties	-	30,000	-	-	-
Lease liabilities	-	5,900	17,699	54,202	-
					Total

## Thousand Baht

## Consolidated financial statements as at 31 December 2021

	On demand	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Non-derivative financial liabilities</b>						
Short-term borrowings						
from financial institutions	-	51,708	-	-	-	51,708
Trade and other payables	-	156,827	-	-	-	156,827
Lease liabilities	-	5,900	17,699	58,627	-	82,226

## Thousand Baht

## Separate financial statements as at 31 December 2022

	On demand	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Non-derivative financial liabilities</b>						
Short-term borrowings						
from financial institutions	-	58,137	-	-	-	58,137
Trade and other payables	-	133,109	-	-	-	133,109
Short-term borrowings from related parties	-	30,000	-	-	-	30,000
Lease liabilities	-	5,900	17,699	54,202	-	77,801

## Thousand Baht

## Separate financial statements as at 31 December 2021

	On demand	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Non-derivative financial liabilities</b>						
Short-term borrowings						
from financial institutions	-	51,708	-	-	-	51,708
Trade and other payables	-	154,910	-	-	-	154,910
Lease liabilities	-	5,900	17,699	58,627	-	82,226



**Market risk****Interest rate risk**

Interest rate risk is the uncertainty in value of financial assets and financial liabilities or net interest income as a result of the fluctuation of the market interest rate.

Most of the interest rates of financial assets and financial liabilities of the Group are floating rates, which are based on market rates such as the interest rate for the outstanding clients of commercial banks, savings/fixed deposit interest rate or other benchmark floating rates.

Significant financial assets and financial liabilities as at 31 December 2022 and 2021 classified by type of interest rates are summarised in the table belows, with those financial assets and financial liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Thousand Baht							
Consolidated financial statements as at 31 December 2022							
	Fixed Interest Rate				Non-interest	Total	Interest Rate (%)
	Remaining Period before Contract						
	Maturity or Repricing Date						
	Floating	Under	Over				
	Interest Rate	1 year	1 - 5 years	5 years	Bearing		
<b>Financial assets</b>							
Cash and cash equivalents	30,339	-	-	-	2,840	33,179	0.1% - 0.35%
Trade and other receivables	-	-	-	-	259,926	259,926	-
Contract assets	-	-	-	-	85,739	85,739	-
<b>Financial liabilities</b>							
Short-term borrowings							
from financial institutions	58,137	-	-	-	-	58,137	3.875% - 5.85%
Trade and other payables	-	-	-	-	142,965	142,965	-
Short-term borrowings							
from related parties	-	30,000	-	-	-	30,000	3.5%
Lease liabilities	-	2,947	9,872	42,554	-	55,373	4.1%

Thousand Baht							
Consolidated financial statements as at 31 December 2021							
	Fixed Interest Rate				Non-interest Bearing	Total	Interest Rate (%)
	Floating Interest Rate	Remaining Period before Contract					
		Maturity or Repricing Date					
		Under 1 year	1 - 5 years	Over 5 years			
Financial assets							
Cash and cash equivalents	17,153	-	-	-	252	17,405	0.1% - 0.125%
Trade and other receivables	-	-	-	-	228,595	228,595	-
Contract assets	-	-	-	-	86,577	86,577	-
Deposits at financial institutions							
under pledge	4,300	-	-	-	-	4,300	0.45%
Financial liabilities							
Short-term borrowings							
from financial institutions	51,708	-	-	-	-	51,708	4.1% - 5.25%
Trade and other payables	-	-	-	-	156,881	156,881	-
Lease liabilities	-	2,829	9,476	45,175	-	57,480	4.1%

Thousand Baht							
Separate financial statements as at 31 December 2022							
	Fixed Interest Rate				Non-interest Bearing	Total	Interest Rate (%)
	Floating Interest Rate	Remaining Period before Contract					
		Maturity or Repricing Date					
		Under 1 year	1 - 5 years	Over 5 years			
Financial assets							
Cash and cash equivalents	26,491	-	-	-	2,047	28,538	0.1% - 0.35%
Trade and other receivables	-	-	-	-	264,124	264,124	-
Contract assets	-	-	-	-	64,880	64,880	-
Short-term loans to related party	-	-	11,500	-	-	11,500	5.5%
Financial liabilities							
Short-term borrowings							
from financial institutions	58,137	-	-	-	-	58,137	3.875% - 5.85%
Trade and other payables	-	-	-	-	133,240	133,240	-
Short-term borrowings from							
related parties	-	30,000	-	-	-	30,000	3.5%
Lease liabilities	-	2,947	9,872	42,554	-	55,373	4.1%

Thousand Baht							
Separate financial statements as at 31 December 2021							
Fixed Interest Rate							
Remaining Period before Contract							
Maturity or Repricing Date							
Floating	Under	Over		Non-interest			
Interest Rate	1 year	1 - 5 years	5 years	Bearing	Total	Interest Rate (%)	
<b>Financial assets</b>							
Cash and cash equivalents	15,253	-	-	-	242	15,495	0.1% - 0.125%
Trade and other receivables	-	-	-	-	222,741	222,741	-
Contract assets	-	-	-	-	76,102	76,102	-
Short-term loans to related party	-	-	5,000	-	-	5,000	4% - 5.5%
Deposits at financial institutions							
under pledge	4,300	-	-	-	-	4,300	0.45%
<b>Financial liabilities</b>							
Short-term borrowings							
from financial institutions	51,708	-	-	-	-	51,708	4.1% - 5.25%
Trade and other payables	-	-	-	-	154,964	154,964	-
Lease liabilities	-	2,829	9,476	45,175	-	57,480	4.1%

**Foreign currency risk**

The Group's exposure to foreign currency risk arised mainly from trade payables that are denominated in foreign currencies.

The significant balances of financial liabilities denominated in foreign currencies as at 31 December 2022 and 2021 are summarised belows:

Foreign currencies	Financial liabilities		Average exchange rates	
	2022	2021	2022	2021
(Baht per 1 foreign currency unit)				
United States Dollar	1,226,764.17	1,958,791.06	34.7335	33.5959
Singapore Dollar	8,690.90	197,792.90	26.0167	25.0254
Euro	99,309.60	1,079.36	37.2053	38.2813
Pound Sterling	169,569.79	58,374.32	42.1004	45.5492
Chinese Yuan	461,340.00	-	5.0375	-

The Group has outstanding forward exchange contracts as follows:

As at 31 December 2022			
Bought amount	Sold amount	Contractual exchange rate	Value date
(Baht per 1 foreign currency unit)			

The Company

USD 0.03 million	Baht 10.41 million	34.51 – 34.98	January - February 2023
------------------	--------------------	---------------	-------------------------

As at 31 December 2021

Bought amount	Sold amount	Contractual exchange rate	Value date
(Baht per 1 foreign currency unit)			
<u>The Company</u>			
USD 0.85 million	Baht 28.21 million	32.752 – 33.532	January - February 2022

**FAIR VALUE OF FINANCIAL INSTRUMENT**

As at 31 December 2022 and 2021, the carrying value and fair value of financial liabilities were as follows:

	Baht	
	2022	
	Consolidated and Separate financial statements	
	Fair value through profit or loss	Fair value
<b>Financial liabilities</b>		
Forward bought contracts	131,129.68	131,129.68

	Baht	
	2021	
	Consolidated and Separate financial statements	
	Fair value through profit or loss	Fair value
<b>Financial liabilities</b>		
Forward bought contracts	53,458.12	53,458.12

Most of financial assets are cash and cash equivalents, trade and other receivables, contract assets and most of the financial liabilities are trade and other payables which are short-term. For short-term loans to related party, deposits at financial institutions under pledge, lease liabilities and borrowings carrying interest approximate to the market rate. Their fair values are not expected to be materially different from the carrying amounts presented in the statement of financial position.

**28. FAIR VALUE HIERARCHY**

As at 31 December 2022 and 2021, the Company had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

	Baht			
	2022			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value</b>				
Forward bought contracts	-	(131,129.68)	-	(131,129.68)
<b>Assets for which fair value are disclosed</b>				
Investment property	-	9,979,000.00	-	9,979,000.00

	Baht			
	2021			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value</b>				
Forward bought contracts	-	(53,458.12)	-	(53,458.12)
<b>Assets for which fair value are disclosed</b>				
Investment property	-	9,979,000.00	-	9,979,000.00

**Valuation techniques and inputs to Level 2 valuation**

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

The fair value of investment property was determined by independent professional valuer, at market values. Input used in the fair value measurement consisted of the quoted prices of comparable assets in similar locations.

During the year, there were no transfers within the fair value hierarchy.

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2022 the Group had commitments as follows:

### The Company

- 29.1 Letters of guarantee issued by banks for goods and installation of system service agreement in the amount of Baht 62.74 million.
- 29.2 Payments under office service agreements with other companies and related company and payments under warehouse rental agreements with other companies as follows:

Period	Rental and service (Thousand Baht)
1 year	1,426

- 29.3 Payments under service agreements in the amount of Baht 23.02 million.

### The Subsidiary

- 29.4 Letters of guarantee issued by banks for goods and installation of system service agreement in the amount of Baht 0.33 million.
- 29.5 Payments under service agreements in the amount of Baht 1.80 million.

### Contingent liabilities

#### The Company

The Company was sued for the return of assets, which foreclosed from breaking the contract and pay for loss of use of such assets at the rate of Baht 2,500 per day from the date that the Company was sued until the date when return such assets. Currently, this case is under consideration by the Civil Court. However, the management believes that the Company will not incur losses as a result of this case.

## 30. RECLASSIFICATION

The Group has reclassified certain accounts in the statements of comprehensive income for the year ended 31 December 2022 to conform with the presentation of the financial statements of this year.

## 31. EVENT AFTER THE REPORTING PERIOD

### The Company

The Board of Directors' Meeting held on 27 February 2023, passed a resolution to propose for approval at the Ordinary General Meeting of Shareholders, to pay dividend at the rate of Baht 0.06 per share, in the total amount of Baht 39.60 million.

## 32. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on 27 February 2023.



## Appendix 1

Details of Directors, Executives, Controlling person who has the highest  
Responsibility in Accounting and Finance, Chief Accountant and  
Company Secretary Details of Subsidiary Directors

**Details of Directors, Executives, Controlling person who has the highest responsibility in Accounting and Finance , Chief Accountant and Company Secretary**

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
1.	Mr. Pomsak Limboonyaprasert - Chairman of the Board of Directors - Chairman of the Audit Committee - Independent Director - Nomination and Remuneration Committee  (Given name- surname) - None –	65	- Bachelor's degree, Faculty of Commerce and Accountancy, Chulalongkorn University - Director Accreditation Program (DAP) Class 76/2008	None	None	11 August 2016 – Present	- Chairman of the Board of Directors - Chairman of the Audit Committee - Independent Director - Nomination and Remuneration Committee	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing equipment and systems related to firefighting  -Government Agency
						2017 – Present	- Associate Judge	Central Intellectual Property and International Trade Court	
						2013 – Present	- Company's Director	PSL & SONS Limited Partnership	-Broker, trading agent in direct sales business including various consumer products

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
						2005 – Present	- Company's Director	Organic Agro Management Company Limited	- Import, export and distribution of living things
2.	Mr. Taksin Tantipijit - Vice Chairman - Executive Chairman - Chairman of the Risk Management Committee - Nomination and Remuneration Committee - Managing Director - Chief Executive Officer  (Given name- surname) - None –	59	-MBA, Thammasat University -Bachelor's degree, Faculty of Engineering, Chulalongkorn University -Director Accreditation Program (DAP) Class 127/2016	Spouse of Mrs. Pattamaporn Tantipijit	38.49%	11 August 2016 – Present          15 November 2021 -Present	- Vice Chairman - Authorized Director - Company's Director - Chairman of the Risk Management Committee - Nomination and Remuneration Committee  - Chief Executive Officer	Firetrade Engineering Public Company Limited	- Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing equipment and systems related to firefighting
						11 May 2007 – Present	- Company's Director - Managing Director - Authorized Director	Fire Inspector Company Limited	- Importer and distributor of automatic fire suppression systems Including providing design, distribution, procurement, installation,

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
							- Chief Executive Officer		inspection, repair and maintenance of systems related to fire extinguishing systems for specific brands that the company has been appointed as a distributor for 2 brands at present
						11 May 2007 – Present	- Company's Director - Managing Director - Authorized Director	S.I. Firetrade Company Limited	-Distribution and renting of printers and packaging, distribution of printing ink, packaging, spare parts, printer components, distribution of uninterruptible power supplies and refrigeration -Land and Buildings Allocation for rent
						9 April 2014 – Present	- Company's Director - Managing Director - Authorized Director	Safety Factory Company Limited	
						13 March 2009 – Present	- Company's Director - Managing Director - Authorized Director	Econlite Manufacturing (Thailand) Company Limited	-Production and distribution of emergency signal equipment and backup power systems

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
						9 August 2019 – Present	- Company's Director - Managing Director - Authorized Director	Safety Online Company Limited	-Import and distribution of tools and personal safety equipment
3.	Mr.Sirichai Towriyawate - Company's Director - Audit Committee - Independent Director - Chairman of Nomination and Remuneration Committee  (Given name- surname) - None –	59	- MBA, University of Florida, USA. - Bachelor's degree, Faculty of Engineering (Mechanical Engineering), Chulalongkorn University - Director Accreditation Program (DAP) Class 79/2009	None	None	11 August 2016 – Present	- Company's Director - Audit Committee - Independent Director - Chairman of Nomination and Remuneration Committee	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing equipment and systems related to firefighting
						2015 – Present	- Board of Director - Chairman of the Audit Committee	Sahakol Equipment Public Company Limited	-Construction contractor and contractor for excavation work for soil and coal

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
4.	Mr. Worapon Lopansri - Company's Director - Audit Committee - Independent Director (Given name- surname) - None --	58	- MBA, Faculty of Commerce and Accountancy, Thammasat University - Bachelor's degree, Faculty of Commerce and Accountancy, Thammasat University - Director Accreditation Program (DAP) Class 77/2009	None	None	11 August 2016 – Present	- Company's Director - Audit Committee - Independent Director	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing equipment and systems related to firefighting
			- Director Certification Program (DCP) Class 167/2012			2005 – Present	- Head of Internal Audit	MSIG Insurance (Thailand) Public Company Limited	-Non-life insurance
						2014 – Present	- Independent Director - Audit Committee	S. Khon Kaen Foods Public Company Limited	-Animal products and poultry in the form of meatballs, sausages, and more, restaurants



No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
5.	Mrs. Pattamaporn Tantipijit - Company's Director  (Given name- surname) - Miss Pattamaporn Wuthimetha	59	- Bachelor's degree, Faculty of Law, Chulalongkorn University - Director Accreditation Program (DAP) Class 127/2016	Spouse of Mr. Taksin Tantipijit	7.82%	11 August 2016 – Present	- Company's Director - Authorized Director	Firetrade Engineering Public Company Limited	- Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing equipment and systems related to firefighting
						17 May 2017 – Present	- Company's Director - Authorized Director	Fire Inspector Company Limited	- Importer and distributor of automatic fire suppression systems Including providing design, distribution, procurement, installation, inspection, repair and maintenance of systems related to fire extinguishing systems for specific brands that the company has been appointed as a distributor for 2 brands at present

[illegible]

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
									related to fire extinguishing systems for specific brands that the company has been appointed as a distributor for 2 brands at present
7.	Miss Nathira Cheewasutho - Company's Director - Executive Director - Risk Management Committee - Purchasing Manager  (Given name- surname) - None –	48	- Bachelor's degree, Faculty of Humanities (English), Srinakharinwirot University	None	0.04%	6 April 2021 – Present	- Company's Director - Executive Director - Risk Management Committee - Authorized Director	Firetrade Engineering Public Company Limited	- Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing
						1 January 2015 - Present	- Purchasing Manager		
8.	Mr. Prapan Chittrachoenchai - Executive Director - Risk Management Committee - Sales Manager of Fire Protection Equipment Department	46	- Bachelor's degree, Faculty of Engineering (Mechanical Engineering), Kasetsart University	None	0.02%	11 August 2016 – Present	- Executive Director - Risk Management Committee	Firetrade Engineering Public Company Limited	- Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation,
						1 January 2015 - Present	- Sales Manager of Fire Protection		

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
	(Given name- surname) - None -						Equipments Department		repair, inspection and maintenance services for fire extinguishing
9.	Miss Khanita Khetarun - Executive Director - Human Resource and Administrative Manager Department  (Given name- surname) - None -	40	- Bachelor's degree, Faculty of Political Science (Public Administration), Ramkhamhaeng University	None	None	11 August 2016 - Present  1 April 2015 - Present	- Executive Director  - Human Resource and Administrative Manager Department	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing
10.	Mrs.Srisurat Siwanart -Warehouse and Transport Manager Department  (Given name- surname)	44	- High Vocational Certificate in Business Computer, Bangkok Business College	None	0.02%	1 January 2015 - Present	- Warehouse and Transport Manager Department	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution,

No.	Name/Position	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
	- Miss Srisurat Jomkeeree								procurement, installation, repair, inspection and maintenance services for fire extinguishing
11.	Mr. Prin Burikam -Sales Manager of fire suppression system Department  (Given name- surname) - None	34	-Bachelor's degree, Faculty of Engineering (Environmental Engineering), Chulalongkorn University	None	0.02%	1 January 2020 – Present  2012 - 2019	- Sales Manager of Fire Suppression System Department - Sales Manager of Fire Suppression System Division	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing
12.	Mr. Akkachai Noppasene - Sales Manager of Fire Protection Equipment Department  (Given name-	39	- Bachelor's degree, Faculty of Engineering (Mechanical Engineering), Kasetsart University	None	0.01%	1 January 2021 – Present  2018 – 2021	- Sales Manager of Fire Protection Equipment Department - Sales Manager of Fire Protection	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution,

No.	Name/Position (surname)	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
	Mr. Chaisakon Noppasene					2016 – 2018	Equipments Division - Sales Team Leader		procurement, installation, repair, inspection and maintenance services for fire extinguishing
13.	Miss Somkamol Pholwarin -Company Secretary  (Given name- surname) Miss Somjit Sae-Ang	44	-Bachelor's degree, Faculty of Arts (Office Information), Sukhothai Thammathirat Open University -Company Secretary Program Class 63/2015 -Company Reporting Program Class 19/2017	None	0.01%	11 August 2016 – Present  2015 – 2016  2011 – 2014	- Company Secretary  - Administrative Manager  - Head of Administrative Task	Firetrade Engineering Public Company Limited	-Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing



**Information on holding the Company's Administrative and Supervisor positions**

Name of Directors / Executives / Supervisors	Company	Subsidiary	Related Company			
	Firetrade Engineering Public Company Limited	1	2	3	4	5
1. Mr. Pomsak Limboonyaprasert	x, xx, xxx, xxxx					
2. Mr. Taksin Tantipijit	xx, @, /, //, /// (38.49%)	xx, @, //, /// (<0.01%)	xx, @, /// (50.00%)	xx, @, /// (20.00%)	xx, @, /// (42.50%)	xx, @, /// (40.00%)
3. Mr. Sirichai Towiriyawate	xx, xxx, xxxx					
4. Mr. Worapon Lopansri	xx, xxx, xxxx					
5. Mrs. Pattamaporn Tantipijit	xx, @, /// (7.82%)	xx, @	/// (30.00%)	/// (20.00%)	/// (5.00%)	/// (40.00%)
6. Miss Pen Yodklang	xx, @, /, //, /// (0.05%)	xx, @				
7. Miss Nathira Cheewasutho	xx, @, /, //, /// (0.04%)					
8. Mr. Prapan Chitcharoenchai	/, //, /// (0.02%)					
9. Miss Khanita Khetarun	/, //					
10. Mrs. Srisurat Siwanart	//, /// (0.02%)					
11. Mr. Prin Burikam	//, /// (0.02%)					
12. Mr. Akkachai Noppasene	//, /// (0.01%)					

Note: 1) x = Chairman, xx = Director, xxx = Audit Committee, xxxx = Independent Director, @ = Authorized Director, / = Executive Director, // = Executive, /// = Shareholder  
 2) Subsidiaries under the same supervision criteria in the consolidated financial statements of the audited Company and subsidiaries / reviewed by auditors  
 3) The numbers in parentheses show the percentage of shareholding in that company.

Name of Directors / Executives / Supervisors	Company	Subsidiary	Related Company			
	Firetrade Engineering Public Company Limited		6	7	8	9
1. Mr. Pornsak Limboonyaprasert	x, xx, xxx, xxxx		xx, /// (45.00%)	xx, /// (50.00%)		
2. Mr. Taksin Tantipijit	xx, @, /, /, / (38.49%)	xx, @, /, / (<0.01%)				
3. Mr. Sirichai Towiriyawate	xx, xxx, xxxx				xx, xxx, xxxx	
4. Mr. Worapon Lopansri	xx, xxx, xxxx					xxx, xxxx
5. Mrs. Pattanaporn Tantipijit	xx, @, / (7.82%)	xx, @				
6. Miss Pen Yodklang	xx, @, /, /, / (0.05%)	xx, @				
7. Miss Nathira Cheewasutho	//, / (0.04%)					
8. Mr. Prapan Chitcharoenchai	/, /, / (0.02%)					
9. Miss Khanita Khetarun	/, /					
10. Mrs. Srisurat Siwanart	//, / (0.02%)					
11. Mr. Prin Burikam	//, / (0.02%)					
12. Mr. Akkachai Noppasenee	//, / (0.01%)					

Note: 1) x = Chairman, xx = Director, xxx = Audit Committee, xxxx = Independent Director, @ = Authorized Director, / = Executive Director, // = Executive, /// = Shareholder  
2) Subsidiaries under the same supervision criteria in the consolidated financial statements of the audited Company and subsidiaries / reviewed by auditors  
3) The numbers in parentheses show the percentage of shareholding in that company.

**List of related companies**

Company's Name	Nature of Business
1. Fire Inspector Company Limited	- Import and distribution of comprehensive fire extinguishing equipment, automatic fire suppression system, and fire alarm system including design, distribution, procurement, installation, repair, inspection and maintenance services for fire extinguishing equipment and systems related to firefighting
2. S.I. Firetrade Company Limited	- Distribution and renting of printers and packaging, distribution of printing ink, packaging, spare parts, printer components, distribution of uninterruptible power supplies and refrigeration
3. Safety Factory Company Limited	- Import and distribution of tools and personal safety equipment
4. Eonlight Manufacturing (Thailand) Company Limited	- Production and distribution of emergency signal equipment and backup power systems
5. Safety Online Company Limited	- Import and distribution of tools and personal safety equipment
6. Organic Agro Management Company Limited	- Import, export and distribution of living things
7. PSL & SONS Limited Partnership	- Broker, trading agent in direct sales business including various consumer products
8. Sahakol Equipment Public Company Limited	- Construction contractor and contractor for excavation work for soil and coal
9. S. Khon Kaen Foods Public Company Limited	- Animal products and poultry in the form of meatballs, sausages, and more, restaurants

## Appendix 2

### Details of Subsidiary Directors

**Details of Subsidiary Directors**

Name	Fire Inspector Company Limited
1. Mr. Taksin Tantipijit	X, @, //, /// (1 share)
2. Mrs. Pattamaporn Tantipijit	X, @
3. Mr. Krisada Lehawanich	X, @, //, /// (1 share)
4. Miss Pen Yodkliang	X, @

**Note:** 1) X = Committee, @ = Authorized Director, // = Executive, /// = Shareholder

## Appendix 3

### Details of the Chief of Internal Audit



**Details of the Chief of Internal Audit**

The Company has used an external agency (Outsource) from IVL Audit Company Limited as the auditor of the Company's internal control system. The Chief of Internal Audit has qualifications, educational backgrounds and work experiences as follows:

No.	Name/Position (Given name-surname) - None -	Age (Years old)	Education	Family relationship between executives	Portion of shareholding in the Company (%)	Work experience in the past 5 years			
						Duration	Position	Company's name	Business type
1.	Miss Waldee Siboonrueng (Given name-surname) - None -	59	- Bachelor's degree, Chulalongkorn University, Faculty of Commerce and Accountancy - Certified Public Accountant (CPA), Registration No. 3829 - Director Accreditation Program (DAP), IOD - Audit Committee Program (ACP), IOD	-	-	1994 - Present	- Senior Partner	IVL Audit Company Limited	- Provide professional auditing and internal audit services

## **Appendix 4**

### **Details of the Property Appraisal List**

### **Details of the Property Appraisal List**

The Company did not have a property appraisal list in 2022.

## **Appendix 5**

### **Corporate Governance Policy and Business Ethics**

## Corporate Governance Policy

The Board of Directors has determined the Company to have a corporate governance policy under the principles of good governance, good corporate governance, rules and regulations of the Stock Exchange of Thailand, and the Securities and Exchange Commission to be used as a framework for the Company's business operations. The committee will review and update the policy every year to suit the changing circumstances, including focusing on treating all stakeholders with fairness, equality, transparency, and presenting information accurately.

In addition, the Board of Directors has appointed sub-committees to do auditing, internal control risk managing, and controlling the corporate governance of the Company along with encouraging executive directors and employees to work with transparency and fairness to ensure all stakeholders that the Company has complied with the principles of good corporate governance and believe that the Company will grow sustainably.

The Company has published the corporate governance policy and business ethics through the Company's website for better understanding and to encourage compliance by directors, executive directors, and employees of all levels and stakeholders, including communication and dissemination for orientation for company directors, executive directors, and new employees. To comply with the above guidelines, the Company has made a report on the Company's corporate governance policy with the following categories:

### **Section 1: Rights of Shareholders and Equitable Treatment of Shareholders**

#### **Rights of Shareholders and Shareholders' Meeting**

1. The right to buy, sell or transfer shares and know accurate, complete, and transparent information for the Company's operating results, important information by period, and important information according to events by disclosing information through the Company's website and information system of the Stock Exchange of Thailand in Thai and English versions for shareholders to be informed of the news thoroughly.

2. The right to attend the shareholders' meeting, voting at the Shareholders' Meeting, and receive an equal share of profits/dividends, including the right to receive equal treatment in the repurchase of shares by the Company.

3. The right to appoint a proxy: the Company allows shareholders who are unable to attend the meeting to appoint a proxy in the form prescribed by the Department of Business Development, Ministry of Commerce and facilitate the grantor to appoint an independent director to perform the duties according to the intention of the grantor. The Company will attach the details of such independent directors with the notice of the meeting and disseminate them through the Company's website.

4. The right to attend the shareholders' meeting throughout the meeting period and vote at the shareholders' meeting except for any agenda in which the shareholders have special interests. In addition, the chairman of the meeting shall allow the shareholders to express their opinions or questions at the meeting. Answers shall be recorded in the minutes of the meeting for the shareholders who do not attend the meeting to acknowledge.

5. The right to participate in important decisions at the shareholders' meeting in addition to the authorization of the Board of Directors, for example, the approval of the minutes of the

previous shareholders' meeting, approval of annual financial statements, consideration of profit allocation and payment/cancellation of dividend payment, the election of directors to replace those who have retired, remuneration in the form of meeting allowance, bonus/pension, and other benefits of the Board of Directors, appointing the Company's auditors and setting the audit fees, including considering related transactions, acquisition, and disposition of significant assets.

6. In every shareholder meeting, the Company provides independent auditors who have no conflict of interest with the Company, and/or institutional representatives to check shareholder's documents, count the quorum, count the votes, check the results of the resolution, and the outcome of the vote to make the meeting transparent, legitimate and suitable for the regulations of the Company.

7. The Company will not add any agenda or change important information without notifying the shareholders in advance of the shareholders' meeting.

8. The Company will facilitate and encourage shareholders, including institutional investors to attend the shareholders' meeting. The Company will determine a place where shareholders can join the meeting easily.

#### **The right to get information from the general meeting of shareholders**

1. The Company has prepared a meeting invitation letter with details for each agenda. Each agenda was proposed in the notice of the shareholders' meeting that the Board of Directors has clearly expressed its opinions, including the regulations and procedures for attending the meeting. The meeting invitation letter was arranged for shareholders at least 7 days in advance of the meeting date and published on the Company's website.

2. The invitation letter for the shareholders' meeting specified the names along with the resumes of each director to be elected, types of directors, proposed Information of attendance in the previous year, date-month-year of being appointed as the Company's director in which the Company presents the names of the directors to each shareholder to vote to allow shareholders to be entitled to choose the directors they truly need.

3. The right to know information, details in the agenda for the election of auditors, and determination of the auditor's remuneration in the notice of the meeting that has set details about the auditors, affiliated companies, experiences, and competence of auditors, including the independence of the auditors and clearly defined auditor fees.

4. The right to be informed of voting procedures in resolutions, the use of the ballot, and counting the votes for each agenda before the shareholders' meeting.

5. For transparency and verification, the Company will use ballots for every agenda in the shareholders' meeting and to increase the speed and accuracy, the Company may use a computer system for registration and voting of shareholders.

6. The right to be informed of the resolutions of the Board of Directors regarding the details of the meeting, the date for determining the names of shareholders who are entitled to attend the meeting and are entitled to receive dividends, and the agenda of the shareholders' meeting in advance of the date of the shareholders' meeting by disclosing information through the Company's website and the information system of the Stock Exchange of Thailand.

7. After the shareholders' meeting, the Company has prepared the minutes of the shareholders' meeting according to the agenda together with the resolutions of the meeting and the number of votes of approval, disapproval, and abstention. The Company will submit a full copy



of the minutes of the meeting within 14 days from the date of the shareholders' meeting to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, including disseminating information through the Company's website as well as allowing shareholders to express their opinions and ask questions at the meeting. The details will be recorded in the minutes of the shareholders' meeting.

**The right to propose the agenda of the Annual General Meeting of Shareholders and nominate a person to be elected as a company director**

The Company encourages shareholders to propose matters to be included as meeting agendas and nominate a person to be elected as a director of the Company as well as allowing shareholders to express their opinions and ask questions to the Board of Directors on matters related to the Company not less than 1 month in advance of the Annual General Meeting of Shareholders each year according to the regulations set by the Company which have been published through the Company's website

**The right to attend the Board of Directors' general meeting and sub-committees**

1. The Company promotes and supports the Chairman of the Board of Directors, the Company directors, Chief Executive Officer, and the Company's executive directors to attend every shareholder meeting to meet and answer questions of shareholders.

2. The Company promotes and supports the Chairman of all sub-committees to attend every shareholder meeting to answer shareholder's questions on issues related to sub-committees.

**Section 2: Roles of Stakeholders**

The Company is aware of the rights of all stakeholders equally whether external stakeholders which consist of shareholders, customers, competitors, creditors, society, community, environment, and related government sectors, including internal stakeholders which consist of the Company's employees. Because such stakeholders are the important mechanism playing a part in the development and success of the Company considered to promote the Company's performance for continuous and sustainable growth.

Therefore, the Company has established a corporate governance policy and practices of each stakeholder group in the Code of Conduct to create a better understanding for all stakeholders and create good practices for the Company's directors, executive directors, and employees of all levels. The Company has published it through the Company's website with details as follows:

**Shareholders:** In addition to being aware of the basic benefits that are equal to the shareholders, the Company also formulates operating guidelines following the principles of good corporate governance. There is an accurate and transparent disclosure of information, internal control and risk management, anti-corruption policy, and adequate communication channels with the Company. This is to ensure shareholders to be confident that the Company will conduct business with transparency, committed to creating growth, and stable returns for shareholders continuously in the long term.

**Customers:** The Company is committed to creating maximum customer satisfaction by improving the quality and service of products consistently and environmentally friendly, including the selection of raw materials and standardized production processes to ensure that you will get good quality products and services at reasonable prices. The Company also conducts regular

customer satisfaction surveys and adds channels for complaints to customers through the Company's website. The Company will keep the information of customers who complain confidentially. If such complaints are significant, they will be presented to the Board of Directors for further action.

**Business partners:** The Company takes into account the equality of business operations based on fairness and mutual benefit. The selection process of partners has set clear procedures and guidelines for the selection of partners with fairness and transparency. The Company takes into account reputation, standards, and good corporate governance, including doing contracts with fair trade terms and without contrary to the law. In addition, the Company has a policy not to accept money, assets, or any other unlawful benefits from business partners and does not support business partners who have misbehaved, been involved in corruption, or violated human rights as well.

**Competitors:** The Company operates its business following the rules of fair competition by taking into account the principles of competition law and business ethics, without committing fraud to damage the reputation of competitors or seeking competitors' trade secrets by illegal means directly and indirectly and without disclosing information of competitors in any case, including not infringing on the intellectual property of others.

**Creditors:** The Company treats all creditors equally and fairly by strictly complying with the terms of the agreements and contracts. We manage to ensure creditors to be confident in the Company's financial position and the ability to repay debt in full and within the specified period. If there is a change in terms, agreements, and events that significantly affect the financial position of the Company which may affect the ability to pay the debt, the Company will inform the creditors to find a solution together.

**Community, Society and Environment:** The Company is determined to operate its business with due regard for its impact on the community, society, and environment. The Company pays attention to social and community activities in which the Company operates to focus on health, safety, and environmental policies. In addition, executive directors and employees at all levels are encouraged to use resources with quality, worthiness and to work with a safe conscience, including considering the environment and stakeholders in parallel with the Company's sustainable growth.

**Employees:** The Company considers employees as important resources of the Company because they are a part of the Company's success. The Company also focuses on respecting human rights and treats all levels of employees and stakeholders with equality, without distinction based on racial, religious, gender and cultural diversity and without violating fundamental human rights. In addition, the Company has complied with labor laws with fair employment and done an employment contract with fair conditions. There is a compensation structure consistent with the knowledge, abilities, and responsibilities of the position and there is an appropriate system of payment of wages, compensation, and employee's benefits. The Company also provides good welfare and appropriate to the status of the Company to executive directors and employees, maintains a working environment that is safe for life, health, and property, allows the employees to leave, transfer as appropriate, and provides communication channels between employees and senior executive directors, including supporting the development process and enhancing knowledge skills by providing training according to the position inside and outside the Company as necessary and appropriate to continuously and regularly develop and enhance the knowledge

and competence of employees. Moreover, the Company also focuses on respecting human rights. Employees at all levels are treated equally and we do not discriminate against any employee by personal relationships.

**Government Sectors:** The Company is committed to supporting government operations and compliance with regulations and policies of regulatory agencies along with promoting and supporting cooperation in various activities of government agencies to join in strengthening stability and growth for the nation, including focusing on intellectual property rights or copyrighted work. The Company operates under the law or provisions related to property rights and will not operate or support any infringement of intellectual property, whether it be copyright, patent, trade secret, trademarks, information, trade names, geographical indications, and all types of intellectual property by setting a policy for directors, executive directors, officers and employees of the Company to comply with the aforementioned laws for providing transparent business operations fair and verifiable. In addition, the Company will not do business or operate with legal entities or a person committing any kind of infringement of intellectual property.

### **Section 3: Disclosure and Transparency**

The Company focuses on the practice of disclosing information following the guidelines of the Stock Exchange of Thailand in disclosing information that is accurate, complete, and transparent so that all stakeholders, investors, analysts involved as well as those who are interested to know the details equally, whether the disclosure of information of the Thai and English version according to the accounting period and the events as follows:

1. Company documents, corporate governance policy, business ethics, company's certificate, company's regulations, memorandum of association, a notice of the shareholders' meeting, and minutes of the shareholders' meeting.
2. Financial information and there is a report on the Board of Directors' responsibility for the financial report shown in conjunction with the auditor's report, management analysis, general information, and key information in the annual report and the annual registration statement that is accurate, complete, timely and following the requirements of the Securities and Exchange Commission.
3. Structure of the Board of Directors, roles and duties of the Board of Directors and sub-committees, number of meetings, and the number of times each director attended the meeting.
4. Remuneration of directors, chief executive officer, and executive directors, by comparison with the level of performance in the same industry, experience, obligations, scope of roles and responsibilities for the remuneration of the chief executive officer and executive directors following the principles and policies set by the Board of Directors within the framework approved by the shareholders' meeting and for the best interest of the Company. In this regard, the remuneration of the Nomination and Remuneration Committee will be the duty to consider and screen before proposing to the Board of Directors and the next shareholder meeting by considering the performance along with the self-assessment of the Board of Directors, individual committees, sub-committees, and the chief executive officer.
5. Report on the interests of the Company's directors, executive directors, and related persons in the case of holding a position as a director of the Company or executive for

the first time or when there is a change in stakeholder's information, the Company Secretary will prepare a stakeholder report form for directors and send a copy of the stakeholder report to the Chairman of the Board and the chairman of the audit committee within 7 working days from the date of receipt of the said report.

However, the Company has updated information all the time to match the current situation of the Company and disseminated important information through communication channels, the Company's website, and the information system of the Stock Exchange of Thailand.

#### **Section 4: Board Responsibilities**

The Board of Directors, as a representative of shareholders, has a key role in formulating the vision, mission, policies and making decisions about key policies and strategies of the Company, monitoring and auditing the executive directors' performance following the policies and strategies for the best benefits of shareholders, as well as evaluating the performance of the business related to the planned work plan. Therefore, the Board of Directors consists of experts with diverse knowledge, abilities, and experiences who can use their experiences to develop and formulate policies that will bring benefits to the Company's business operations.

In addition, the Board of Directors focuses on the disclosure of sufficient information to shareholders, investors, and all related parties. The disclosed information must be accurate, complete, transparent, thorough, and timely, including financial reports, performance, and other related information as well as information that affects the Company's stock price following the principles of good corporate governance by disseminating information and news for shareholders, investors and related parties to use for making investment decisions through various channels such as the delivery of documents by post, disclosure through the Company's website and information systems of the Stock Exchange of Thailand as well.

#### **Board structure**

The Board of Directors has determined the board structure to have various qualifications in terms of gender, skills, experience, and abilities that are useful and sufficient to perform their duties effectively. The Board consists of 7 directors: 3 directors are independent directors. It represents a ratio of three-sevenths of all directors, which is more than one-third of all directors. To counterbalance the Board, the qualifications of an independent director are following the criteria prescribed by the Office of the Securities and Exchange Commission under Clause 16 of the Notification of the Capital Market Supervisory Board No.TJ28/2551. The Company's directors appoint sub-committees such as the Nomination and Remuneration Committee, Risk Management Committee, and executive directors. However, the Company has prepared charters for all 4 sub-committees and disseminated them through the Company's website separately.

#### **Code of Conduct**

The Board of Directors has promoted the preparation of business ethics. For the Company's directors, executive directors, and employees have upheld and practiced This is considered a common duty and responsibility for the maximum benefit of the Company's stakeholders as well as to build credibility in the operation of the business that will allow the Company to grow sustainably.

**Risk Management Policy**

The Board of Directors has established a risk policy covering the entire organization by starting from the process of identifying risks, risk assessment, as well as establishing risk standards to prevent effective and consistent risk management.

**Guidelines for determining the remuneration of directors and senior executive directors**

The Company has a clear and transparent compensation process by the Nomination and Remuneration Committee will be responsible for determining the remuneration rates of the Board of Directors and executive directors to present for approval from the Board of Directors' meeting. The committee will request approval to the shareholders' meeting with the guidelines for determining the remuneration of directors and senior executive directors and consider the appropriateness in determining the directors' remuneration based on the Company's financial status, the scope of duties and responsibilities of the Board of Directors or each executive directors to be at a level that can motivate and retain knowledgeable directors to perform their duties with the Company and can be comparable with directors' remuneration in the same or similar industries. All directors understand their duties and responsibilities as directors of the Company and are ready to express their opinions independently, including keeping themselves up-to-date all the time. They also perform their duties with honesty and prudence, taking into account the best benefits of the Company and being fair to all shareholders. Moreover, all directors devote their time to perform their duties fully and sufficiently following their responsibilities in attending the Board of Directors' meeting unless there is a necessity.

**Succession Plan**

The Company realizes the importance of operating the business with efficiency and continuity. Therefore, policies and criteria for selecting executive directors have been established, and succession policy with a transparent process. They will be considered from knowledge and ability including experiences and ethics as follows:

- 1) Determine important positions and duties in running the Company's business in each line/aspect/department.
- 2) Determine the qualifications of the successor director
- 3) Determine the list of executive directors in each department/unit with qualifications and readiness for succession.
- 4) Determine the lists and employees of various levels with exceptionally high potential who have the opportunity to become a successor.
- 5) Plan a defined and laid-out executive development plan, including employees and executive directors with high potential.
- 6) Review and prepare to propose to the Board of Directors annually.



## **Section 5: Internal Control and Risk Management**

### **Internal Control and Internal Audit**

The Company focuses on the internal control system and internal audit therefore we assign the Audit Committee to supervise the internal control system and internal audit, review the sufficiency of the internal control system, analyze and manage the internal control, including developing the internal audit systems, internal control management and internal audit work to be effective and suitable for the Company as well as to supervise for preventing conflicts of interest, corruption, or misconduct so that the Company's business can be run effectively as well as acting as a support unit for the Company to operate following the good corporate governance policy, code of business conduct, regulations and related laws. In addition, the Company has provided an audit and balance mechanism by having an internal audit unit that directly reports to the Audit Committee. This ensures that there is an independent audit function and evaluation of the efficiency and the adequacy of the internal control system.

### **Risk Management**

The Company focuses on risk management that may occur in business operations whether caused by internal or external factors because it is an important mechanism that leads the Company to achieve its goals and commitments according to the established strategies. For that reason, the Board of Directors has assigned the Risk Management Committee to supervise the Company's risk management to be following the goals, set policies and measures for risk management for executive directors and employees at all levels to uphold, assess, and manage risks arising from the Company's business operations, whether it is a strategic risk, operational risk, financial risk, Information technology system risk, political risk, and natural disasters. The risk will be reported to the Board of Directors to find a solution and risk management methods to improve the efficiency.

## **Section: 6 Avoidance in Conflicts of Interest**

The Board of Directors has measures to prevent conflicts of interest by setting a policy prohibiting Company's directors, executive directors, and employees of all levels to seek personal interests that may conflict with the interests of the Company or important transactions such as connected transactions and/or acquiring or disposing of the Company's assets by setting a policy, methodology, process of consideration, and approving transactions, it must comply with the internal control system relating to connected transactions and requirements of agencies governing listed companies and related laws.

## **Section 7: Code of Conduct**

Compliance with the highest ethical standards towards other stakeholders is important to enhance the image and reputation of the Company. The Board of Directors has set up a code of conduct for the Board of Directors, executive directors, and employees to adhere as a guideline with responsibility, honesty, fairness, confidentiality, professional morality, and compliance with rules and regulations to create the confidence and trust to all groups of stakeholders and related persons.

## **Code of Conduct**

Firetrade Engineering Public Company Limited “(the Company)” realizes the importance of management under good corporate governance principles for the Company to step up to be a quality organization with sustainable progress and to create the confidence among all stakeholders. Therefore, a handbook of ethics and code of conduct has been created. It is intended to be used as a guideline for all executive directors and employees to understand the ethics and code of conduct of the organization as well as their roles and responsibilities and campaign to raise awareness for everyone in the Company to follow in the same way.

### **1. Ethics and Code of Conduct towards customers**

- 1.1 Treat every customer with equal equality and without discrimination.
- 1.2 Treat customers with sincerity, honesty, and fairness.
- 1.3 Products and/or services offered must be of a quality that meets the needs of customers.
- 1.4 Provide accurate information about products and/or services to customers.
- 1.5 Keep the customer’s confidentiality. Do not use it for your benefit or use it in the wrong way.

### **2. Ethics and Code of Conduct of the Company towards products and/or services**

- 2.1 Products and/or services must be of good quality.
- 2.2 Products and/or services must meet the needs and create maximum customer satisfaction.
- 2.3 Products and/or services must meet generally accepted standards.
- 2.4 Products and/or services must be continuously developed.

### **3. Ethics and Code of Conduct of the Company towards the shareholders**

- 3.1 Shareholders are entitled to receive share certificates and the right to transfer shares.
- 3.2 Shareholders are entitled to receive information that is sufficient, timely, and appropriate for decision-making.
- 3.3 Shareholders are entitled to attend and vote at the shareholders' meeting to make decisions.
- 3.4 Shareholders are entitled to change important policies of the Company.
- 3.5 Shareholders are entitled to elect and remove directors.
- 3.6 Shareholders are entitled to approve the appointment of auditors.
- 3.7 Shareholders are entitled to share the profits of the Company.

### **4. Company Ethics and Code of Conduct towards partners/competitors**

- 4.1 Do not harass or slander that cause damage to partners/competitors.
- 4.2 Operate business based on right and fair competition.
- 4.3 Cooperate in disclosing information that can be disclosed by the Company.
- 4.4 Conduct business with transparency that can be checked.

### **5. Ethics and Code of Conduct of the Company towards government agencies**

- 5.1 Strictly comply with the regulations of the law in business operations.



- 5.2 Do not give bribes to government sectors to facilitate business operations.
- 5.3 Do not support government officials in acts that imply corruption.

#### **6. Ethics and Code of Conduct of the Company towards employees**

- 6.1 Provide wages and compensation appropriate to their duties, performances, and responsibilities.
- 6.2 Provide suitable welfare to employees for the morale of the work.
- 6.3 Encourage employees to develop themselves to increase their knowledge for career advancement.
- 6.4 To be fair to all employees in every aspect.
- 6.5 Respect the privacy of employees.
- 6.6 Assign duties of employees to suit the work based on ability.
- 6.7 Encourage employees to behave following the rules and regulations of the Company and society.

#### **7. Company Ethics and Code of Conduct towards society and the nation**

- 7.1 Do not conduct an illegal and unethical business.
- 7.2 Do not infringe on the intellectual rights of other people and/or other businesses.
- 7.3 Promote free trade business.
- 7.4 Comply with standards and rules for social order.

#### **8. Employee's Ethics and Code of Conduct towards the Company**

- 8.1 Responsible for assigned tasks with care and honesty.
- 8.2 Behave and perform following the rules set by the Company.
- 8.3 Be loyal in working for the Company with the best performance.
- 8.4 Maintain the reputation and benefits of the Company.
- 8.5 Maintain information and confidentiality of customers and the Company.
- 8.6 Utilize the Company's resources wisely and for the best benefits.

In addition to the above codes of conduct, the Company focuses on anti-corruption in all activities of the Company. Therefore, guidelines have been established as follows:

- 1. Directors, executive directors, and employees of the Company are prohibited to act or accept or support any form of corruption directly or indirectly. This includes affiliated companies and various subcontractors as well.
- 2. We do not support any kind of bribery. All activities under supervision including controlling, donating for charity, donating for political parties, giving business gifts, and supporting activities must be transparent and there is no intention to convince the government or private officials to take improper actions.
- 3. Provide appropriate internal controls to prevent employee misconduct, especially sales, marketing, and procurement work, etc.
- 4. Provide knowledge on anti-corruption to executive directors and employees for promoting honesty, integrity, and responsibility for the performance of duties and responsibilities, including showing the commitment of the Company.
- 5. Promote a variety of communication channels to enable stakeholders to report suspicious clues by ensuring that whistleblowers will be protected from any

punishment or harassment, including appointing a person to monitor every clue that has been notified.

The Company has imposed penalties for those who fail to comply with ethics and codes of conduct by considering the punishment according to the severity of the offense committed along with the history, behavior, and intention of the offender. The Company may penalize under one or multiple clauses at the same time.

**Attachment 6**

**Audit Committee Report**

**And**

**Report of the Nomination and Remuneration Committee**

**Report of the Audit Committee for the year 2022**

Dear Shareholders,

The Audit Committee of Firetrade Engineering Public Company Limited (“the Company”) consists of 3 independent directors, Mr. Pornsak Limboonyaprasert - Chairman of the Audit Committee, Mr. Sirichai Towiriyawate, and Mr. Worapol Lopansri - Member of the Audit Committee. All of them are experts in accounting, finance, engineering, technology, and management.

All members of the Audit Committee are fully qualified in accordance with the scope specified in the Audit Committee Charter, including complying with various requirements related to the Securities and Exchange Commission Stock Exchange of Thailand.

In 2022, the Audit Committee held five meetings, of which there was one meeting that the Audit Committee had a meeting with the auditor without the management team. All members of the Audit Committee attended every meeting and has acted independently. The essence of the duties in the year 2022 are summarized as follows:

1. Review of financial statements: the Audit Committee reviewed the quarterly and annual financial statements of the Company including consolidated financial statements of the Company and its subsidiaries by considering important issues and giving useful advice to ensure that the preparation of the Company's financial statements will be accuracy, reliability, sufficient, and timely disclosure of information to users of the financial statements complying with related laws and announcements. In addition, the Audit Committee held a meeting with the auditor without the participation of the management team to discuss independently reviewing the financial statements.

2. Review of the internal control system and risk management: the Audit Committee has reviewed the assessment results of the internal control system through reports from the internal auditor on a regular basis every quarter and found that the Company's internal control system is adequate, suitable for business operations and received regular reports on the progress of risk management from the management team. The Audit Committee has provided guidelines and recommendations to the management team in order to reduce the Company's risk management and/or to be in an acceptable level.

3. Review connected transactions or transactions that may have conflicts of interest: the Audit Committee has reviewed connected transactions or transactions that may have conflicts of interest between the Company and its subsidiaries based on accuracy, reasonableness, taking into account the interests of the Company's stakeholders including sufficient disclosure of information according to the conditions set by the regulatory authority.

4. Review good corporate governance compliance with the law Related regulations and requirements including anti-corruption: the Audit Committee has reviewed the Company's compliance with the related law, regulations, and requirements of the Stock Exchange of Thailand, the SEC Office, and other regulatory agencies. In addition, the Company has supervised to have a good corporate governance system free from corruption which the Company has strictly implemented and reported to the Board of Directors every quarter for acknowledgment.

5. Appointment of auditors: the Audit Committee has considered and resolved to propose to the Board of Directors for approval at the shareholders' meeting for appointing auditors from PV Audit Company Limited as the Company's auditor for the year 2022 by assigning Mr. Pravith Wiwanthanant, Certified Public Auditor No. 4917, or Mr. Terdthong Thepmangkorn, Certified Public Auditor No. 3787, or Ms. Chutima Wongsaraphanchai,

Certified Public Auditor No. 9622, or Mr. Boonkasem Sarnklin, Certified Public Auditor No. 11888, or other auditors within the same office to sign as the auditor and review report from PV Audit Company Limited as the auditor for the year 2022 with the audit fee of 1,425,000.00 Baht.

6. Evaluate the performance of the Audit Committee as a whole: the evaluation results are in excellent criteria. The Audit Committee performed its duties efficiently within the scope of duties and responsibilities specified in the Audit Committee Charter and as assigned by the Board of Directors.

On behalf of the Audit Committee



**Mr. Pornsak Limboonyaprasert**  
Chairman of the Audit Committee

**Report of the Nomination and Remuneration Committee for the year 2022**

Dear Shareholders,

The Nomination and Remuneration Committee of Firetrade Engineering Public Company Limited consists of 2 independent directors and 1 executive, of which more than half of the total number of directors are independent directors: Mr. Sirichai Towiriyawate- Chairman of the Nomination and Remuneration Committee, Mr. Pornsak Limboonyaprasert- Member of the Nomination and Remuneration Committee, and Mr. Taksin Tantipijit- Member of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors specified in the Nomination and Remuneration Committee Charter with honesty, prudence, and independence including considering the best interests of all stakeholders. In 2022, the Nomination and Remuneration Committee held one meeting to consider the following matters:

1. Consider recruiting qualified persons to be directors to propose to the Board of Directors before proposing to the 2022 Annual General Meeting of Shareholders for approval: The Company provides an opportunity for minority shareholders to nominate persons to be elected as directors for a period of 3 months in advance from October 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2021. It appeared that no shareholder nominated persons to be considered for appointment as directors. Therefore, the Nomination and Remuneration Committee proposed to the Board of Directors and the Annual General Meeting of Shareholders for the year 2022 to consider the appointment of directors who were retired by rotation to be reappointed as directors of the Company for another term.

2. Consider the remuneration of the Board of Directors and sub-committees for the year 2022 to propose to the Board of Directors before presenting to the 2022 Annual General Meeting of Shareholders for approval: the remuneration criteria will be determined from the duties and responsibilities of the Board of Directors together with the performance of the Company, economic conditions, and other related environmental factors.

3. Consider the remuneration of the Chief Executive Officer: The Nomination and Remuneration Committee has considered the remuneration of the Chief Executive Officer to propose to the Board of Directors by using the same criteria as determining the remuneration of the Board of Directors and sub-committees, that is, considering the duties and responsibilities of the Chief Executive Officer together with the performance of the Company, economic conditions, and other related environmental factors.

4. Review the charter of the Nomination and Remuneration Committee by revising material parts according to the performance of duties and following the principles of good corporate governance.

5. The Nomination and Remuneration Committee has a group performance appraisal and an evaluation of the performance of the Chief Executive Officer for the year 2022. All of which are in excellent criteria. The Nomination and Remuneration Committee has performed its duties efficiently within the scope of duties and responsibilities specified in the Nomination and Remuneration Committee Charter.



**Mr. Sirichai Towiriyawate**

Chairman of the Nomination and Remuneration Committee







