



No.FTE 003/2022

15 August 2022

Subject Management Discussion and Analysis for the six – month period ended 30 June 2022

Attention The President of  
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the six-month period ended 30 June 2022

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating result according to the Company’s consolidated financial statement of the Company and its subsidiary for the six – month period ended 30 June 2022 which the details are as follows:

Unit: Million Baht	For the three-month period ended 30 June (Apr – Jun)			
	2022	2021	Change	% Increase (Decrease)
Revenues from sales of goods	162.98	136.66	26.32	19.26
Revenues from project works and services	73.81	113.42	(39.61)	(34.92)
<b>Total Revenues from Sales and Services</b>	<b>236.79</b>	<b>250.08</b>	<b>(13.29)</b>	<b>(5.31)</b>
Cost of sales of goods	113.28	100.54	12.74	12.67
Cost of project works and services	60.00	95.92	(35.92)	(37.45)
<b>Total Costs of Sales and Services</b>	<b>173.28</b>	<b>196.46</b>	<b>(23.18)</b>	<b>(11.80)</b>
<b>Gross Profit</b>	<b>63.51</b>	<b>53.62</b>	<b>9.89</b>	<b>18.44</b>
Other incomes	-	2.67	(2.67)	(100.00)
Distribution costs	17.68	18.30	(0.62)	(3.39)
Administrative expenses	25.81	19.06	6.75	35.41
Finance costs	1.36	1.05	0.31	29.52
(Reversal expected credit losses)	(6.58)	0.07	(6.65)	(9,500.00)
Expected credit losses				
Tax expense	5.93	3.41	2.52	73.90
<b>Profit for the period</b>	<b>19.31</b>	<b>14.40</b>	<b>4.91</b>	<b>34.10</b>
<b>Gross Profit Margin (%)</b>	<b>26.82</b>	<b>21.44</b>		
<b>Net Profit Margin (%)</b>	<b>8.15</b>	<b>5.70</b>		



Unit: Million Baht	For the six-month period ended 30 June (Jan – Jun)			
	2022	2021	Change	% Increase (Decrease)
Revenues from sales of goods	318.86	285.32	33.54	11.76
Revenues from project works and services	154.16	225.94	(71.78)	(31.77)
<b>Total Revenues from Sales and Services</b>	<b>473.02</b>	<b>511.26</b>	<b>(38.24)</b>	<b>(7.48)</b>
Cost of sales of goods	224.28	210.14	14.14	6.73
Cost of project works and services	126.49	188.92	(62.43)	(33.05)
<b>Total Costs of Sales and Services</b>	<b>350.77</b>	<b>399.06</b>	<b>(48.29)</b>	<b>(12.10)</b>
<b>Gross Profit</b>	<b>122.25</b>	<b>112.20</b>	<b>10.05</b>	<b>8.96</b>
Other incomes	2.04	3.13	(1.09)	(34.82)
Distribution costs	35.79	37.05	(1.26)	(3.40)
Administrative expenses	45.23	40.37	4.86	12.04
Finance costs	3.30	1.84	1.46	79.35
Expected credit losses	6.82	2.52	4.30	170.63
Tax expense	7.10	6.67	0.43	6.45
<b>Profit for the period</b>	<b>26.05</b>	<b>26.88</b>	<b>(0.83)</b>	<b>(3.09)</b>
<b>Gross Profit Margin (%)</b>	<b>25.84</b>	<b>21.95</b>		
<b>Net Profit Margin (%)</b>	<b>5.48</b>	<b>5.23</b>		

**Remark:** 1) Net profit margin is calculated from the net profit attributable to equity holders of the parent on consolidated financial statement.  
 2) Decimal numbers shown in this management discussion and analysis are likely to be different from the Company's financial statement due to the rounding to 2-digit decimal and unit changed to million baht.

**Revenues from Sales and Services**

For the three-month period ended 30 June 2022, the Company's revenues from sales and services was THB 236.79 million, decreased by THB 13.29 million or 5.31% compared to the same period of the last year.

For the six-month period ended 30 June 2022, the Company's revenues from sales and services was THB 473.02 million, decreased by THB 38.24 million or 7.48% compared to the same period of the last year.

However, the company still has backlog with many projects, which is expected to work and gradually recognize income within this year.

**Gross Profit and Gross Profit Margin**

For the three-month period ended 30 June 2022, the Company's gross profit was THB 63.51 million or equivalent to the gross profit margin of 26.82%, increased by THB 9.89 million or 18.44% compared to the same period of the last year.





For the six-month period ended 30 June 2022, the Company's gross profit was THB 122.25 million or equivalent to the gross profit margin of 25.84%, increased by THB 10.05 million or 8.96% compared to the same period of the last year.

The company can make a gross profit and has an increased gross profit margin. Due to the management of product costs, labor costs, and the company has considered about work that may affect product costs in the economic situation.

### **Other income**

For the six-month period ended 30 June 2022, the Company's other income were THB 2.04 million, decreased by THB 1.09 million or 34.82% compared to the same period of last year. Most of the income is from foreign exchange losses.

### **Distribution Costs and Administrative Expenses**

For the three-month period ended 30 June 2022, the Company's distribution costs and administrative expenses were THB 43.49 million, increased by THB 6.13 million or 16.41% compared to the same period of the last year.

For the six-month period ended 30 June 2022, the Company's distribution costs and administrative expenses were THB 81.02 million, increased by THB 3.60 million or 4.65%. Most of the loss is from foreign exchange losses.

### **Finance costs**

For the three-month period ended 30 June 2022, the Company's finance costs was THB 1.36 million, increased by THB 0.31 million or 29.52% compared to the same period of the last year.

For the six-month period ended 30 June 2022, the Company's finance costs was THB 3.30 million, increased by THB 1.46 million or 79.35% compared to the same period of the last year.

Most of these financial costs arise from interest on short-term loans from financial institutions and type of promissory note, for the purpose of working capital in the business.

### **Expected credit losses**

For the three-month period ended 30 June 2022, the Company had Reversal expected credit losses (expected credit losses) of THB 6.58 million, because the company received payment from the debtor which has set up an allowance for expected credit losses in the last period.

For the six-month period ended 30 June 2022, the Company had an expected credit losses of THB 6.82 million, increased by THB 4.30 million or 170.63% compared to the same period of the last year.

It is an allowance for credit losses, cause of the debtor's late payment. However, the company has expedited the management of debtor tracking, as well as increase the process of considering more details the credit limit of customers.



**Net Profit and Net Profit Margin**

For the three-month period ended 30 June 2022, the Company's net profit was THB 19.31 million which was equal to the net profit margin of 8.15%. Net profit and net profit margin increased compared to the same period of the last year.

For the six-month period ended 30 June 2022, the Company's net profit was THB 26.05 million which was equal to the net profit margin of 5.48%. Net profit was slightly lower but the net profit margin increased, compared to the same period of the last year as reasons mentioned above.

Please be informed accordingly,

Yours sincerely,

.....  
(Mr. Taksin Tantipijit)

Chief Executive Officer

Firetrade Engineering Public Company Limited