



No. FTE 003/2020

18 May 2020

Subject Management Discussion and Analysis for the first quarter ended March 31, 2020

Attention The President  
The Stock Exchange of Thailand

Attachment Report and interim financial statement for the first quarter ended March 31, 2020

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 first quarter ended 31 March 2020 which the details are as follows:

Unit: million Baht	For 3-month period (Jan-Mar)			
	2020	2019	Change	% Increase (Decrease)
Revenue from sale of goods	156.58	167.64	(11.06)	(6.60)
Revenue from project works and services	68.44	80.96	(12.52)	(15.46)
<b>Total Revenue from Sale and Services</b>	<b>225.02</b>	<b>248.60</b>	<b>(23.58)</b>	<b>(9.49)</b>
Cost of sales of goods	108.49	118.22	(9.73)	(8.23)
Cost of project works and services	59.31	64.61	(5.30)	(8.20)
<b>Total Costs of Sales and Services</b>	<b>167.80</b>	<b>182.83</b>	<b>(15.03)</b>	<b>(8.22)</b>
<b>Gross Profit</b>	<b>57.22</b>	<b>65.77</b>	<b>(8.55)</b>	<b>(13.00)</b>
Other incomes	1.16	5.31	(4.15)	(78.15)
Distribution costs	18.00	17.80	0.20	1.12
Administrative expenses	25.54	16.00	9.54	59.63
Tax expense	2.91	7.51	(4.60)	(61.25)
<b>Profit for the period</b>	<b>11.93</b>	<b>29.77</b>	<b>(17.84)</b>	<b>(59.93)</b>
<b>Net Profit - attributable to equity holders of the parent</b>	<b>11.93</b>	<b>29.77</b>	<b>(17.84)</b>	<b>(59.93)</b>
Gross Profit Margin (%)	<b>25.43</b>	<b>26.46</b>		
Net Profit Margin (%)	<b>5.27</b>	<b>11.72</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

**Revenue from Sales and Services**

For 3-month period ended March 31, 2020, the Company’s revenue from sales and services was THB 225.02 million, decreased by THB 23.58 million or equivalent to 9.49 percent increase compared to the same period of last year.

Revenue from sale of goods was decreased compared to the same period of last year, the impact of the Coronavirus disease 2019 pandemic.

Revenue from project works and services were decreased from those on-going projects in 2019 compared to the same period of last year.

**Gross Profit and Gross Profit Margin**

For 3-month period ended March 31, 2020, the Company’s gross profit was THB 57.22 million or equivalent to the gross profit margin of 25.43 percent, whilst in the same period of last year, the Company’s gross profit was THB 65.77 million or equivalent to gross profit margin of 26.46 percent.

The decreased in gross profit and gross profit margin were a consequence of the fact that the Company revenue from project works and services as mentioned earlier, while the other costs were increased.





### **Other incomes**

For 3-month period ended March 31, 2020, the Company's Other incomes was THB 1.16 million, decreased by THB 4.15 million or equivalent 78.15 percent compared to the same period of last year. Because in 2019, the Company using the cash received from the Initial Public Offering (IPO) buy land for the construction a warehouse with an area of approximately 9 rai, resulting in a decreased in interest income.so on.

### **Distribution costs and Administrative Expenses**

For 3-month period ended March 31, 2020, the Company's distribution costs and administrative expenses were THB 43.54 million, increased by THB 9.74 million or up 28.82 percent compared to the same period of last year. Increases in such expenses resulted the Company has set aside allowance for doubtful accounts. For debtors who have tracked debt and overdue debt. During the period 2020, the Company has adopted revised TFRS and new TFRS which are effective for the accounting, and the Company has set aside loss on devaluation of obsolete inventories so on.

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

For 3-month period ended March 31, 2020, the Company's net profit attributable to equity holders of the parent was THB 11.93 million which was equal to the net profit margin of 5.27 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 29.77 million which was equal to the net profit margin of 11.72 percent.

The decrease in net profit for 3-month period ended March 31, 2020, was as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

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(Mr. Taksin Tantipijit)  
Managing Director

Firetrade Engineering Public Company Limited