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No. ED-MD18-004

26<sup>th</sup> February 2018

Subject : Clarification of changes in excess of 20% in the operating results for year ended 2017

To : Director and General Manager  
The Stock Exchange of Thailand

Eureka Design Public Company Limited and its subsidiaries (“the Group”) would like to clarify the changes in excess of 20% in the Group’s operating results for the year ended 31<sup>th</sup> December 2017, compared to those for the same period ended 31<sup>th</sup> December 2016.

The consolidated financial statements reported a net loss of Baht 46.53 million and Baht 78.37 million for the year ended 31<sup>th</sup> December 2017 and 2016 respectively. The decrease of Baht 31.84 million in the loss is mainly due to the following.

1. A increment in the Group’s revenue 5.45% or Baht 12.78 million to Baht 247.22 million for the quarter ended 31<sup>th</sup> December 2017 compared to Baht 234.44 million for 2016. The increment of revenue is the result of higher backlog and higher delivery from the domestic customer and overseas customer. And the revenue in the Subsidiaries company in India. However the remaining backlog will be recognized within the 1<sup>st</sup> quarter and 2<sup>nd</sup> quarter in 2018.
2. The cost of sales and services to sales ratio for the Group were 71.96% in 2017 compared to 79.17% in 2016. The decrease in the cost of sales ratio is due to the effectiveness of controlling and managing the budget as well as choosing the suitable material to the products.
3. The Group’s selling and administrative expenses for the year ended 2017 and 2016 were Baht 110.63 million and Baht 122.71 million respectively. The decrease of Baht 12.08 million was mainly a result of the reduction of employees.

Please be informed accordingly,

Yours faithfully,

(Mr. Narakorn Ratchapolsitte)  
Chief Executive Officer/Managing Director