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No. ED-MD18-014

14th August 2018

Subject : Clarification of changes in excess of 20% in the operating results for year Q2/2018

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 2nd quarter ended 30th June 2018, compared to those for the same period ended 30th June 2017.

The consolidated financial statements reported a net profit of Baht 11.00 million and net loss of Baht 23.48 million for the quarter ended 30th June 2018 and 2017. The increase of Baht 34.48 million in the profit is mainly due to the following.

1. A increment in the Group’s revenue 127.88% or Baht 53.15 million to Baht 94.71 million for the quarter ended 30th June 2018 compared to Baht 41.56 million for the quarter ended 30th June 2017. The increment of revenue is the result of higher backlog and higher delivery to customer and we can commissioning and complete project within due date. However the remaining backlog will be recognized within the 3rd quarter and 4th quarter in 2018. For the growth of sale order, due to the expansion to non-automotive business in the past few years, bring us more sale order.
2. The cost of sales and services to sales ratio for the Group were 62.91% in 2nd quarter 2018 compared to 86.92% in 2nd quarter 2017. 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 quarter ended 30th June 2018 and 30th June 2017 were Baht 25.26 million and Baht 28.07 million respectively. The decrease of Baht 2.82 million was mainly a result of the disposal of agricultural products that did not meet quality standard in 2nd quarter 2017.

Please be informed accordingly,

Yours faithfully,

(Mr. Narakorn Ratchapolsitte)
Chief Executive Officer