

-Translation-

No. ED-MD18-019

12th November 2018

Subject : Clarification of changes in excess of 20% in the operating results for year Q3/2018

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 3rd quarter ended 30th September 2018, compared to those for the same period ended 30th September 2017.

The consolidated financial statements reported a net loss of Baht 0.16 million and net loss of Baht 9.22 million for the quarter ended 30th September 2018 and 2017. The decrease of Baht 9.06 million in the loss is mainly due to the following.

1. A increment in the Group’s revenue 31.94% or Baht 22.77 million to Baht 94.07 million for the quarter ended 30th September 2018 compared to Baht 71.30 million for the quarter ended 30th September 2017. The increment of revenue is the result of backlog and delivery to customer and we can commissioning and complete project within due date. However the remaining backlog will be recognized within the 4th quarter in 2018 and the 1st quarter in 2019. 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 71.76% in 3rd quarter 2018 compared to 71.97% in 3rd quarter 2017. The cost of sales ratio is a little changed.
3. The Group’s selling and administrative expenses for the quarter ended 30th September 2018 and 30th September 2017 were Baht 26.40 million and Baht 28.10 million respectively. The decrease of Baht 1.70 million was mainly a result of the disposal of agricultural products that did not meet quality standard in 3rd quarter 2017.
4. The effect from impairment of investment in subsidiaries Bath 4.04 million. This transaction was loss recognize in 3rd quarter 2018 when the liquidation completed.

Please be informed accordingly,

Yours faithfully,

(Mr. Narakorn Ratchapolsitte)
Chief Executive Officer