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No. ED-MD19-002

28th February 2019

Subject : Clarification of changes in excess of 20% in the operating results for year ended 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 year ended 31th December 2018, compared to those for the same period ended 31th December 2017.

The consolidated financial statements reported a net profit of Baht 18.46 million and net loss Baht 46.53 million for the year ended 31th December 2018 and 2017 respectively. The increase of Baht 64.99 million in the profit is mainly due to the following.

1. A increment in the Group’s revenue 50.63% or Baht 125.17 million to Baht 372.39 million for the quarter ended 31th December 2018 compared to Baht 247.22 million for 2017. The increment of revenue is the result of higher backlog and higher delivery from the domestic customer and overseas customer. And the company can delivered the project machine within timeline. However the remaining backlog will be recognized within the 1st quarter and 2nd quarter in 2019. Then the increment of the total revenue according to the sale policy for expand the business to the automation machine system in several industrial.
2. The cost of sales and services to sales ratio for the Group were 68.31% in 2018 compared to 71.96% in 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 year ended 2018 and 2017 were Baht 120.81 million and Baht 110.63 million respectively. The increase of Baht 7.67 million was mainly a result of loss from foreign exchange rate. However the company has manage the risk from foreign exchange rate by submit the request to the bank for increase the limit the fix forward contract.
4. The Tax Income (Expense) for the year ended 2018 and 2017 were Baht 20.83 million and Baht (1.18) million respectively. The increase of 22.01 million was mainly a result from the deferred tax asset.

Please be informed accordingly,

Yours faithfully,

(Mr. Narakorn Ratchapolsitte)



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