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No. ED-MD19-015

9th August 2019

Subject : Clarification of changes in excess of 20% in the operating results for year Q2/2019

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 2019, compared to those for the same period ended 30th June 2018.

The consolidated financial statements reported a net profit of Baht 1.45 million and net profit of Baht 11 million for the quarter ended 30th June 2019 and 2018. The decrease of Baht 9.55 million in the profit is mainly due to the following.

1. The decrease in the Group’s revenue 3.29% or Baht 3.12 million to Baht 91.60 million for the quarter ended 30th June 2019 compared to Baht 94.72 million for 2018. The decrease of revenue is the result of backlog at the end of 31st March 2019. Although we can commissioning and complete the job project within 2nd quarter 2019. But the growth of sales in the automotive industry has slowed down. The company group have another plan to expand the new income according with the policy to expand the customer base to other industries. And we have still waiting the auction results from the new customer that is in the government sector which is expected the result within Y2019.
2. The cost of sales and services to sales ratio for the Group were 67.34% in 2nd quarter 2019 compared to 59.59% in 2nd quarter 2018. The increase in the cost of sales ratio is due to the increase from the higher of material cost for assemble the automation project, although the company have the good cost control system.
3. The Group’s selling and administrative expenses for the 2nd quarter 2019 and 2018 were Baht 31.09 million and Baht 25.26 million respectively. The increase of Baht 5.83 million was mainly a result of the sale expense (Freight and shipping cost, commission fee) and the expense about valuation for new investment and sell the investment.

Please be informed accordingly,

Yours faithfully,

(Mr.Lissapat Kraikruan)
Director