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No. ED-MD19-023

13th November 2019

Subject : Clarification of changes in excess of 20% in the operating results for year Q3/2019

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 3rd quarter ended 30th September 2019, compared to those for the same period ended 30th September 2018.

The consolidated financial statements reported a net profit of 2.02 million Baht and net loss of 0.19 million Baht for the quarter ended 30th September 2019 and 2018. The increase of 2.21 million Baht in the profit is mainly due to the following.

1. The decrease in the Group’s revenue 78% or 73.37 million Baht to 20.70 million Baht for the quarter ended 30th September 2019 compared to 94.07 million Baht for 2018. The decrease of revenue is the result of backlog at the end of 30th June 2019. Although the company has disposal the investment of 2 subsidiaries that make the gain on disposal investment 15.90 million Baht. 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 4th quarter 2019 and 2nd quarter 2020.
2. The cost of sales and services to sales ratio for the Group were 40.64% in 3rd quarter 2019 compared to 71.76% in 3rd quarter 2018. The decrease in the cost of sales ratio is due to the high cost of project work is in the group product of 2 subsidiaries that the company disposed.
3. The Group’s selling and administrative expenses for the 3rd quarter 2019 and 2018 were 26.25 million Baht and 26.33 million Baht respectively. The decrease of 0.08 million Baht.

Please be informed accordingly,

Yours faithfully,

(Mr.Lissapat Kraikruan)
Director