

EUREKA DESIGN PUBLIC COMPANY LIMITED AND SUBSIDIARY
INTERIM FINANCIAL INFORMATION
JUNE 30, 2020
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Eureka Design Public Company Limited

I have reviewed the accompanying consolidated and separate statement of financial position of Eureka Design Public Company Limited as at June 30, 2020, the related consolidated and separate statements of comprehensive income for the three - month and six - month periods then ended, changes in shareholders' equity and cash flows for the six - month period then ended, as well as the condensed notes ("interim financial information"). I have also reviewed the separate financial information of Eureka Design Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".



Emphasis of matter

I draw attention to Note 2.7 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three - month and six - month period ended June 30, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other Matter

The consolidated statement of financial position of Eureka Design Public Company Limited and its subsidiaries, and the separate statement of financial position as at December 31, 2019, presented herein as comparative information, were audited by another auditor who expressed an unqualified opinion but there material uncertainty related to going concern on those statement, under her report dated February 24, 2020. The consolidated and separate statement of comprehensive income for the three - month and six - month period ended June 30, 2019, changes in shareholders' equity and cash flows for the six - month period ended June 30, 2019, of The Company and its subsidiaries and the separate statements of The company presented herein as comparative information, under her report dated August 9, 2019, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.



(Mr. Jadesada Hungsapruet)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

Bangkok

August 6, 2020

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30,	December 31,	June 30,	December 31,
		2020	2019	2020	2019
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
Assets					
<i>Current assets</i>					
		134,328	15,944	67,118	1,158
	Cash and cash equivalents				
	Trade and other current accounts receivable - net	31,252	61,484	29,422	54,246
4					
	Short-term loans to related parties	-	-	2,000	19,000
3.3					
	Inventories - net	35,274	43,284	27,911	26,084
5					
	Current tax assets	574	-	409	-
	Total current assets	201,428	120,712	126,860	100,488
<i>Non-current assets</i>					
	Other non current financial asset	280	280	280	280
	Investments in subsidiaries	-	-	179,849	44,049
6					
	Investment property - net	42,479	43,593	42,479	43,593
7					
	Property, plant and equipment - net	189,285	136,258	68,954	71,334
8					
	Other intangible assets - net	11,038	13,597	5,572	7,604
	Deferred tax assets	3,598	2,659	4,010	2,291
	Other non-current assets	23,991	20,637	22,241	18,887
	Total non-current assets	270,671	217,024	323,385	188,038
	Total assets	472,099	337,736	450,245	288,526

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position (Con.)

		In Thousand Baht				
		Consolidated		Separate		
		financial statements		financial statements		
		June 30,	December 31,	June 30,	December 31,	
		2020	2019	2020	2019	
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"	
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"	
Liabilities and equity						
<i>Current liabilities</i>						
Bank overdrafts and short-term loans						
	from financial institutions	9	45,000	69,450	45,000	61,808
	Trade and other current accounts payable		16,469	18,190	15,651	12,909
	Current portion of long-term loans	10	267	3,552	38	3,552
	Short-term loans from personal and related parties	3.3	2,300	2,500	-	-
	Income tax payable		2,330	2,330	-	-
	Provision for liabilities		1,086	103	1,086	103
	Total current liabilities		67,452	96,125	61,775	78,372
<i>Non-current liabilities</i>						
	Long-term loans	10	16,672	7,437	12,171	7,437
	Deferred tax liabilities		3,310	4,272	3,310	3,435
	Non-current provisions for employee benefit		2,297	1,680	1,812	1,486
	Total non-current liabilities		22,279	13,389	17,293	12,358
	Total liabilities		89,731	109,514	79,068	90,730

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position (Con.)

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30,	December 31,	June 30,	December 31,
		2020	2019	2020	2019
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
Liabilities and equity (Con.)					
<i>Equity</i>					
Share capital					
	Authorised share capital	296,585	163,625	296,585	163,625
	Issued and paid-up share capital	222,439	158,885	222,439	158,885
	Share premium				
	Share premium on ordinary shares	164,834	209,891	164,834	209,891
	Legal reserve	4,660	4,660	4,660	4,660
	Deficit	(25,676)	(161,264)	(27,402)	(182,286)
	Other components of equity	4,750	5,259	6,646	6,646
	Equity attributable to owners of the parent	371,007	217,431	371,177	197,796
	Non-controlling interests	11,361	10,791	-	-
	Total equity	382,368	228,222	371,177	197,796
	Total liabilities and equity	472,099	337,736	450,245	288,526

Statement of comprehensive income

"Reviewed"

For the three - month period ended June 30, 2020 and 2019

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
Revenues					
	Revenue from sale of goods and services	1,315	91,601	1,315	31,028
	Investment income	291	78	291	17
	Gain on bargain purchase	-	11,963	-	-
	Other income	853	468	1,763	4,612
	Total revenues	2,459	104,110	3,369	35,657
Expenses					
	Cost of sales and services	828	67,386	828	30,119
	Distribution costs	337	3,147	102	299
	Administrative expenses	26,053	27,678	17,357	16,575
	Net foreign exchange loss	-	263	-	22
	Finance costs	1,245	2,376	739	1,229
	Total expenses	28,463	100,850	19,026	48,244
	Share of loss of joint venture	-	(34)	-	-
	Profit (loss) before income tax expense	(26,004)	3,226	(15,657)	(12,587)
	Tax income (expense)	343	(1,773)	315	(350)
	Profit (loss) for the period	(25,661)	1,453	(15,342)	(12,937)
Other comprehensive income					
<i>Items that will be reclassified subsequently</i>					
<i>to profit or loss</i>					
	Exchange differences on translating foreign operation	-	(787)	-	-
	Other comprehensive (expense) for the period, net of tax	-	(787)	-	-
	Total comprehensive income (expense) for the period	(25,661)	666	(15,342)	(12,937)

Statement of comprehensive income (Con.)

"Reviewed"

For the three - month period ended June 30, 2020 and 2019

In Thousand Baht					
Note	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
Profit (loss) attributable to:					
Owners of the parent	15	(24,801)	1,453	(15,342)	(12,937)
Non-controlling interests		(860)	-	-	-
Profit (loss) for the period		(25,661)	1,453	(15,342)	(12,937)
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		(24,801)	666	(15,342)	(12,937)
Non-controlling interests		(860)	-	-	-
Total comprehensive income (expense) for the period		(25,661)	666	(15,342)	(12,937)
Profit (loss) per share (in Baht)					
Basic Profit (loss) per share	15	(0.035)	0.002	(0.022)	(0.020)

Statement of comprehensive income

"Reviewed"

For the six - month period ended June 30, 2020 and 2019

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
Revenues					
	Revenue from sale of goods and services	23,501	188,317	6,165	55,012
	Investment income	618	117	618	18
	Gain on bargain purchase	-	11,963	-	-
	Other income	3,984	1,159	5,868	9,777
	Total revenues	28,103	201,556	12,651	64,807
Expenses					
	Cost of sales and services	21,225	132,270	2,622	48,365
	Distribution costs	556	7,197	293	2,291
	Administrative expenses	54,005	56,917	37,234	31,311
	Net foreign exchange loss	-	1,004	-	731
	Finance costs	3,354	4,619	1,748	2,318
	Total expenses	79,140	202,007	41,897	85,016
	Share of loss of joint venture	-	(53)	-	-
	(Loss) before income tax expense	(51,037)	(504)	(29,246)	(20,209)
	Tax income (expense)	1,900	(1,827)	1,844	(230)
	(Loss) for the period	(49,137)	(2,331)	(27,402)	(20,439)
Other comprehensive income					
<i>Items that will be reclassified subsequently</i>					
<i>to profit or loss</i>					
	Exchange differences on translating foreign operation	-	(1,001)	-	-

Statement of comprehensive income (Con.)

"Reviewed"

For the six - month period ended June 30, 2020 and 2019

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
<i>Items that will not be reclassified to profit or loss</i>					
	Gains (losses) on remeasurements of				
	defined benefit plans	-	(161)	-	231
	Income tax relating to items that				
	will not be reclassified	-	32	-	(46)
	Total items that will not be reclassified				
	to profit or loss	-	(129)	-	185
	Other comprehensive (expense)				
	for the period, net of tax	-	(1,130)	-	185
	Total comprehensive (expense)				
	for the period	(49,137)	(3,461)	(27,402)	(20,254)
	(Loss) attributable to:				
	Owners of the parent	15	(46,698)	(2,394)	(27,402)
	Non-controlling interests		(2,439)	63	-
	(Loss) for the period		(49,137)	(2,331)	(27,402)
	Total comprehensive income (expense)				
	attributable to:				
	Owners of the parent		(46,698)	(3,524)	(27,402)
	Non-controlling interests		(2,439)	63	-
	Total comprehensive (expense)				
	for the period		(49,137)	(3,461)	(27,402)
	(Loss) per share (in Baht)				
	Basic (Loss) per share	15	(0.069)	(0.004)	(0.041)
			(0.032)		

Eureka Design Public Company Limited and its Subsidiaries
Statement of changes in equity

For the six - month period ended June 30, 2020 and 2019

		In Thousand Baht											
		Consolidated financial statements											
		Equity attributable to owners of the parent											
		Other components of equity											
												Total equity attributable to owners of the parent	
Note	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Translating foreign operations	Differences arising from common control transactions	Revaluation of asset	Change in ownership interests in subsidiary	Total other components of equity	Non-controlling interests	Total equity		
	158,885	209,891	4,660	(161,264)	-	(1,387)	6,646	-	5,259	10,791	217,431	228,222	
	63,554	137,229	-	-	-	-	-	-	-	2,500	200,783	203,283	
	-	(182,286)	-	182,286	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	(509)	(509)	509	(509)	-	
	-	-	-	(46,698)	-	-	-	-	-	(2,439)	(46,698)	(49,137)	
	63,554	(45,057)	-	135,588	-	-	-	(509)	(509)	570	153,576	154,146	
	222,439	164,834	4,660	(25,676)	-	(1,387)	6,646	(509)	4,750	11,361	371,007	382,368	
	158,885	209,891	4,660	(146,988)	(5,479)	(1,387)	6,646	-	(220)	847	226,228	227,075	
<i>Transaction with owners, recorded directly in equity</i>													
<i>Change in ownership interests in subsidiary</i>													
Acquisition of non-controlling interests with a change in control													
Total change in ownership interests in subsidiary													
<i>Changes in equity</i>													
Profit or loss for the period													
Other comprehensive income for the period													
Total comprehensive income for the period													
Balance at June 30, 2019													

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity

For the six - month period ended June 30, 2020 and 2019

In Thousand Baht

	Separate financial statements							Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Revaluation of asset	Other components of equity		
						Revaluation of asset	Total other components of equity	
Balance at January 1, 2020	158,885	209,891	4,660	(182,286)	6,646	6,646	197,796	
<i>Changes in equity</i>								
Capital increase	63,554	137,229	-	-	-	-	200,783	
Reduction deficit (loss) for the period	-	(182,286)	-	182,286	-	-	-	
	-	-	-	(27,402)	-	-	(27,402)	
Total comprehensive income for the period	63,554	(45,057)	-	154,884	-	-	173,381	
Balance at June 30, 2020	222,439	164,834	4,660	(27,402)	6,646	6,646	371,177	
Balance at January 1, 2019	158,885	209,891	4,660	(129,482)	6,646	6,646	250,600	
<i>Changes in equity</i>								
(loss) for the period	-	-	-	(20,439)	-	-	(20,439)	
Other comprehensive income for the period	-	-	-	185	-	-	185	
Total comprehensive income for the period	-	-	-	(20,254)	-	-	(20,254)	
Balance at June 30, 2019	158,885	209,891	4,660	(149,736)	6,646	6,646	230,346	

"Unaudited"
"Reviewed"

Statement of cash flows

"Reviewed"

For the six - month period ended June 30, 2020 and 2019

Note	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<i>Cash flows from operating activities</i>				
(Loss) for the period	(49,137)	(2,331)	(27,402)	(20,439)
<i>Adjustments to reconcile (loss) to cash receipts (payments)</i>				
Tax expense (income)	(1,900)	1,827	(1,844)	230
Finance costs	3,354	4,619	1,748	2,318
Trade and other current accounts receivable decrease	10,265	23,142	4,783	67,219
Inventories (increase) decrease	8,010	8,949	(1,827)	2,792
Other non-current assets (increase) decrease	1,231	(2,521)	1,230	(1,024)
Trade and other current accounts payable increase (decrease)	(1,760)	(54,875)	2,749	(57,077)
Other non-current liabilities increase (decrease)	-	(667)	-	(667)
Depreciation	7,223	7,217	4,659	5,316
Amortisation	2,436	2,875	2,091	2,602
Impairment losses in investment	-	-	-	6,470
Employee benefits (reversal)	617	3,063	326	(2,021)
Guarantee provisions (reversal)	983	2,951	983	(136)
Unrealised loss on exchange	4	997	4	581
Unrealised currency translation differences	-	(1,001)	-	-
Share of loss of investment of joint venture, (net of tax)	-	53	-	-
Bad and doubtful debts expenses (reversal)	13,342	(497)	13,342	106
loss on decline in value of inventories (reversal)	-	(1,061)	-	466
(Profit) loss on disposal of and written-off				
of plant and equipment	-	(202)	-	139
Interest income	(32)	(117)	(619)	(18)
(Gain) on bargain purchase	-	(11,963)	-	-
Total adjustments to reconcile (loss)	(5,364)	(19,542)	223	6,857
<i>cash from provided by (used in) operating activities</i>				
Employee benefits paid	-	-	-	(1,110)
Cash paid from guarantee	-	(3,104)	-	(6)
Tax (paid)	(574)	(140)	(409)	-
Net cash from provided by (used in) operating activities	(5,938)	(22,786)	(186)	5,741

Statement of cash flows (Con.)

"Reviewed"

For the six - month period ended June 30, 2020 and 2019

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
Note	2020	2019	2020	2019
<i>Cash flows from investing activities</i>				
Acquisition of subsidiary, net cash acquired	-	(28,197)	-	-
Acquisition of investment in subsidiary	-	-	(135,800)	(34,999)
Restricted deposits at financial institutions (increase) decrease	2,111	(751)	2,111	(751)
Proceeds from sale of property, plant and equipment	-	389	-	1
Acquisition of property, plant and equipment	(57,953)	(1,713)	(1,164)	(505)
Acquisition of intangible assets	(60)	(162)	(60)	(140)
Repayment from loans to related parties	-	-	(8,100)	(15,000)
Proceeds from repayment of loans to related parties	-	-	25,100	-
Interest received	26	116	619	6
Net cash provided (used in) investing activities	(55,876)	(30,318)	(117,294)	(51,388)
<i>Cash flows from financing activities</i>				
Repayment of bank overdrafts and				
short-term loans from financial institutions (increase) decrease	(18,325)	543	(16,808)	1,027
Proceeds from short-term borrowings from related parties	19,172	53,000	-	55,000
Repayment from short-term borrowings from personal related parties	(19,372)	-	-	-
Proceeds from short-term borrowings from financial institutions	73,925	-	67,800	-
Repayment from short-term borrowings from financial institutions	(80,050)	-	(67,800)	-
Proceeds of long-term loans from financial institutions	16,191	-	12,208	-
Repayment of long-term loans from financial institutions	(10,989)	(1,645)	(10,989)	(1,645)
Cash received from capital increase	203,373	-	203,373	-
Cash paid for capital increase	(2,590)	-	(2,590)	-
Repayment of finance lease liabilities	(327)	(97)	-	(97)
Proceeds from investment in subsidiary	2,500	-	-	-
of non-controlling interest				
Interest paid	(3,310)	(4,589)	(1,754)	(2,287)
Net cash provided by financing activities	180,198	47,212	183,440	51,998

Statement of cash flows (Con.)

"Reviewed"

For the six - month period ended June 30, 2020 and 2019

Note	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	118,384	(5,892)	65,960	6,351
Effect of exchange rate changes on cash and cash equivalents	-	(4)	-	(4)
Net increase (decrease) in cash and cash equivalents	118,384	(5,896)	65,960	6,347
Cash and cash equivalents at beginning of period	15,944	26,380	1,158	706
Cash and cash equivalents at ending of period	134,328	20,484	67,118	7,053

Non-cash transactions

- In six - month period ended June 30, 2020, the Company has entered in it a finance lease agreement with respect to purchase of vehicle by Baht 1.00 million

1. General information

Eureka Design Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 19 Moo 11, Tambon Ladsawai, Amphoe Lamlukka, Pathumthani.

The Company was listed on the Stock Exchange of Thailand in February 2013.

The principal activities of the Company are engaged in the distributor electronic component and Closed circuit television (CCTV). The subsidiary is principally engaged in the production and sale of treated water to the Provincial Waterworks Authority (“PWA”) as follows.

- In the Amphur Bang Khla areas of Chachoengsao, Under the “Water Purchase Agreement” made with the PWA dated February 14, 2020, Which covers a period of 3 years as from the Actual Commencement Date (Pimpa Water Distribution Station).
- In the Amphur Phanat Nikhom areas of Chon Buri, Under the “Water Purchase Agreement” made with the PWA dated June 25, 2020, Which covers a period of 10 years as from the Actual Commencement Date (Phan Thong Distribution Station).
- In the Amphur Phanat Nikhom areas of Chon Buri, Under the “Water Purchase Agreement” made with the PWA dated June 25, 2020, Which covers a period of 10 years as from the Actual Commencement Date (Nong Kakha Distribution Station).

2. Basis of preparation of financial statements and principles of consolidation

2.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2.2 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended December 31, 2019.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statement to other language must conform to the Thai financial report.

2.3 Principles of consolidation

The consolidated financial statements include the financial statements of Eureka Design Public Company Limited and its subsidiary which are under its control with more than 50 percent voting rights as follows :

	Percentage of holding (%)		Nature of business
	As at June, 30, 2020	As at December, 31, 2019	
BS Myco Biotech Co.,Ltd.	87.22	85.65	Manufacture of pesticides and agrochemical products
Join Venture Eureka UU Co.,Ltd.	99.42	90.00	Manufacture and sell water, raw water
Eureka Energy Co.,Ltd.	55.00	55.00	Manufacture energy

Significant transactions with subsidiaries have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

2.4 Functional and presentation currency

The interim financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand or million in the notes unless otherwise stated.

2.5 Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.6 Use of going concern basis of accounting

For the six - month period ended June 30, 2020, the Group and the Company incurred a net loss in the consolidated statement of comprehensive income and separate statement of comprehensive income of Baht 46.7 million and Baht 27.4 million, respectively (For the six - month periods ended June 30, 2019 : Net loss Baht 2.3 million and Baht 20.4 million, respectively.) and, as of that date, the Group and the Company incurred deficit of Baht 25.7 million and Baht 27.4 million, respectively (December 31, 2019: Baht 161.3 million and Baht 182.3 million, respectively). These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. The Group has implemented policies and procedures in order to manage its liquidity risk and others.

Group management is satisfied that the Group and the Company will continue to meet their funding needs for the foreseeable future. The consolidated and separate financial statements have been prepared by Group and Company management on the going concern basis on the assumption that such further capital and facilities are secured to the extent that the group’s operations and the Company’s operations require. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company is unable to continue as a going concern.

2.7 Significant Accounting Policies

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statement for the year ended December 31, 2019.

Financial reporting standards that becomes effective in the current period.

Financial reporting standards related to financial instruments

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

These standards do not have any significant impact on the Group's

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

These standards do not have any significant impact on the Group's

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

3. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

3.1 The related parties consisted of:

Name of entities	Country of incorporation / nationality	Nature of relationships
BS Myco Biotech Company Limited	Thailand	Subsidiaries
Join Venture Eureka UU Company Limited	Thailand	Subsidiaries
Eureka Energy Company Limited	Thailand	Subsidiaries
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Miss Nitchakan Chanthanasirikun	Thailand	Major shareholders and directors
Mr. Lissapat Kraikruan	Thailand	Major shareholders and directors
Mr. Ulit Jaturasangpairoj	Thailand	Major shareholders and directors
Manee Udomsuk Company Limited	Thailand	Common major shareholders

3.2 Pricing Policy:

Transactions	Pricing policies
Sales of goods and rendering of services	Cost plus margin
Service income	Contractually agreed prices
Purchase of goods and receiving of services	Prices are determined based on the terms and conditions in normal business comparable to those of non-related parties
Service fees	Contractually agreed prices
Interest income	Short-term loan rate of a local financial institution
Interest expense	Short-term loan rate of a local financial institution
Key management personnel compensation	As defined by the Nomination and Remuneration Committee and the Company’s policy

3.3 Significant transactions for the three - month and six - month period ended June 30, 2020 and 2019 with related parties were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
<i>For the three - month period ended June 30</i>	2020	2019	2020	2019
Subsidiaries				
Sales of goods and rendering of services	-	-	-	63
Service income	-	-	654	4,420
Purchase of goods and receiving of services	-	-	-	26,860
Service fees	-	-	-	201
Interest income	-	-	274	-
Interest expense	-	-	-	86
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	1,972	6,048	1,835	2,962
Post-employee benefits	75	130	67	35
Total key management personnel compensation	2,047	6,178	1,902	2,997
Other related parties				
Interest income	-	22	-	-
Interest expense	340	1,432	-	207

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
<i>For the six - month period ended June 30</i>	2020	2019	2020	2019
Subsidiaries				
Sales of goods and rendering of services	-	-	-	131
Service income	-	-	1,311	8,914
Purchase of goods and receiving of services	-	-	-	41,826
Service fees	-	-	-	490
Interest income	-	-	601	-
Interest expense	-	-	-	172
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	4,006	13,220	3,732	7,120
Post-employee benefits	150	261	133	117
Total key management personnel compensation	4,156	13,481	3,865	7,237
Other related parties				
Interest income	-	44	-	-
Interest expense	500	2,656	-	207

Balances as at June 30, 2020 and December 31, 2019 with related parties were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<i>Other receivables - related parties</i>				
Subsidiary	-	-	234	485

	Interest		In Thousand Baht			
	rate		Consolidated		Separate	
	<i>(% per annum)</i>		financial statements		financial statements	
	2020	2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Short-term loans						
Subsidiary	7.4	7.4	-	-	2,000	19,000
Joint venture	-	-	-	-	-	-
Short-term loans related party						
			-	-	2,000	19,000

Movements of loans to related parties were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<i>Short-term loans</i>				
Subsidiary				
Beginning balance	-	-	19,000	-
Increase	-	-	8,100	27,000
Decrease	-	-	(25,100)	(8,000)
Ending balance	-	-	2,000	19,000
Joint venture				
Beginning balance	-	1,200	-	-
Increase	-	-	-	-
Decrease	-	(1,200)	-	-
Ending balance	-	-	-	-
Total short-term loans				
Beginning balance	-	1,200	19,000	-
Increase	-	-	8,100	27,000
Decrease	-	(1,200)	(25,100)	(8,000)
Ending balance	-	-	2,000	19,000
<i>Accrued interest - related parties</i>				
Subsidiaries	-	-	1	-
<i>Trade accounts payable - related parties</i>				
Other related party	-	414	-	-

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<i>Accrued interest – related persons</i>				
Director	44	-	-	-

	Interest		In Thousand Baht			
	rate		Consolidated		Separate	
	<i>(% per annum)</i>		financial statements		financial statements	
	2020	2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Short-term loans						
Subsidiary	-	-	-	-	-	-
Key management personnel	7.4	7.4	2,300	2,500	-	-
Short-term loans from personal and related parties			2,300	2,500	-	-

Movements of loans from related parties were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Short-term loans				
Subsidiary				
Beginning balance	-	-	-	4,794
Increase	-	-	-	55,000
Decrease	-	-	-	(59,794)
Ending balance	-	-	-	-
Key management personal				
Beginning balance	2,500	67,000	-	-
Increase	19,172	3,500	-	-
Decrease	(19,372)	(68,000)	-	-
Ending balance	2,300	2,500	-	-
Total short-term Loans form personal and related parties				
Beginning balance	2,500	67,000	-	4,794
Increase	19,172	3,500	-	55,000
Decrease	(19,372)	(68,000)	-	(59,794)
Ending balance	2,300	2,500	-	-

Significant agreement with related parties

On January 1, 2020, the Company entered into procurement service, accounting and operating assistance agreements with a subsidiary for a period of one year, whereby the Company agreed to provide operating assistance services to the subsidiary. In this regard, the subsidiary agreed to pay service fees as specified in the agreement.

4. Trade and other current accounts receivable - net

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		June 30,	December 31,	June 30,	December 31,
<i>Note</i>		2020	2019	2020	2019
Trade accounts receivable					
	Other parties	29,028	29,374	29,028	29,374
	Less allowance for expected credit loss	(9,218)	(359)	(9,218)	(359)
	Total trade account receivable	19,810	29,015	19,810	29,015
Other receivable					
	Related parties	-	-	234	485
	Other parties	5,974	16,031	3,910	8,308
	Total other receivable	5,974	16,031	4,144	8,793
Unbilled contract work in progress					
	Cost and attributable profit	41,421	41,867	41,421	41,867
	Less progress billings	(31,470)	(25,429)	(31,470)	(25,429)
	Less allowance for expected credit loss	(4,483)	-	(4,483)	-
	Net	5,468	16,438	5,468	16,438
Total trade and other current					
	accounts receivable - net	31,252	61,484	29,422	54,246
(Reversal of) bad and doubtful for					
	For the three - month period ended	6,088	(418)	6,088	(180)
	For the six - month period ended	13,342	(497)	13,342	(106)

For the three - month and six - month period ended June 30, 2020

Aging analyses for trade accounts receivable were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Other parties				
Within credit terms	1,344	7,070	1,344	7,070
Overdue:				
Less than 90 days	2,460	5,457	2,460	5,457
90 - 180 days	4,221	7,497	4,221	7,497
181 - 360 days	11,654	8,842	11,654	8,842
Over 360 days	9,349	508	9,349	508
	29,028	29,374	29,028	29,374
Less allowance for expected credit loss	(9,218)	(359)	(9,218)	(359)
Net	19,810	29,015	19,810	29,015

5. Inventory - net

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Finished goods	8,065	1,643	2,299	1,643
Work in progress	23,785	38,151	23,053	20,951
Raw materials	4,927	4,068	4,062	4,068
Goods in transit	-	925	-	925
Total	36,777	44,787	29,414	27,587
Less allowance for decline in value	(1,503)	(1,503)	(1,503)	(1,503)
Net	35,274	43,284	27,911	26,084

Notes to the interim financial statements

For the three - month and six - month period ended June 30, 2020

6. Investments in subsidiaries

Investments in subsidiaries as at June 30, 2020 and December 31, 2019 were as follows:

	In Thousand Baht									
	Separate financial statements									
	Ownership Interest (%)		Paid-up capital		Cost		Impairment		At cost - net	
June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	
<i>Direct subsidiaries</i>										
BS Myco Biotech Co.,Ltd.	87.22	85.65	72,000	46,700	57,799	34,999	-	-	57,799	34,999
Join Venture Eureka UU Co.,Ltd.	99.42	90.00	120,000	7,000	119,300	6,300	-	-	119,300	6,300
Eureka Energy Co.,Ltd.	55.00	55.00	5,000	5,000	2,750	2,750	-	-	2,750	2,750
Total			179,849	44,049	179,849	44,049	-	-	179,849	44,049

The Board of Director's Meeting No. 7/2020 on June 5, 2020. The resolution is resolved to approve the capital increase in the subsidiary company, Join Venture Eureka UU Co.,Ltd. from Baht 7,000,000 to Baht 120,000,000 by issuing 1,130,000 ordinary shares with 100 per value. The company registered the increase of share capital on June 9, 2020.

The Board of Director's Meeting No. 7/2020 on June 5, 2020. The resolution is resolved to approve the capital increase in the subsidiary company, BS Myco Biotech Co.,Ltd. from Baht 46,700,000 to Baht 72,000,000 by issuing 253,000 ordinary shares with 100 per value. The company registered the increase of share capital on June 11, 2020.

Acquisitions of subsidiary

On June 11, 2019, the Board of Directors’ meeting approved an acquisition of 85.65% of shares in BS Myco Biotech Co., Ltd. On June 12, 2019, the Company entered into a share purchase agreement which specified share price totaling Baht 35.0 million. The Company paid deposit of Baht 15.0 million in May 2019. The Company has complied with the terms in the agreement upto June 26, 2019, which was the date of the business acquisition and obtained control in BS Myco Biotech Co., Ltd. Management believes that acquisition of BS Myco Biotech Co., Ltd. will get the opportunity to increase revenue income as a new channel to other line business.

In addition, the Company entered into a loan agreement with BS Myco Biotech Co., Ltd. of Baht 15.0 million in order that such Company would pay off debt to BS Myco Biotech Co., Ltd.’s former related party. These loan is due within June 2020. Currently fully refunds.

During the period from the acquisition date to December 31, 2019, BS Myco Biotech Co., Ltd. contributed loss of Baht 16.8 million to the Group’s result. If the acquisition had occurred on January 1, 2019, management estimates that consolidated net loss for the year ended December 31, 2019 would not be significantly different from the current presentation.

For the three - month and six - month period ended June 30, 2020

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed:

Identifiable assets acquired and liabilities assumed

	Fair value
	(In Thousand Baht)
Cash and cash equivalents	6,802
Other receivables	6,283
Inventory	9,553
Property, plant and equipment	60,119
Intangible assets	6,000
Deferred tax assets	1,191
Trade and other payables	(17,404)
Non-current provisions for employee benefit	(305)
Total identifiable net assets	72,239
Less: Non-controlling interests (14.35 %)	(10,366)
Total identifiable net assets received	61,873
Gain on bargain purchase	(26,874)
Purchase consideration transferred	34,999
Net cash acquired with the subsidiary	6,802
Cash paid	34,999
Net cash outflows	28,197

According to the above acquisition, the Company has engaged an independent appraiser to determine the fair values of assets acquired and liabilities assumed.

For the three - month and six - month period ended June 30, 2020

On June 24, 2019, the Board of Directors' meeting approved to establish the Eureka UU Co., Ltd, (share capital of 70,000 ordinary shares with 100 par value) for manufacture and sales of water and raw water. The Company invested in 90% of shares and paid-up capital, amounting to Baht 6.3 million. Eureka UU Co., Ltd. has registered the establishment with Department of Business Development, Ministry of Commerce on July 1, 2019.

On October 8, 2019, the Board of Directors' meeting approved to establish the Eureka Energy Co., Ltd, (share capital of 50,000 ordinary shares with 100 par value) for manufacture of energy. The Company invested in 55% of shares and paid-up capital, amounting to Baht 2.7 million. Eureka Energy Co., Ltd, has registered the establishment with Department of Business Development, Ministry of Commerce on October 10, 2019.

Disposal of investments

On July 22, 2019, the Board of Directors' meeting approved to sell ordinary shares of Eureka Automation Co.,Ltd. and Eureka Design International PTE. LTD, subsidiaries of the Company. On July 24, 2019, the Group sold 100% of its interest in Eureka Automation Co.,Ltd., a subsidiary, of Baht 29.5 million. As the result, Eureka Automation Co.,Ltd was no longer a subsidiary. The carrying amount of Eureka Automation Co.,Ltd.'s net asset in the Group's financial statements on the disposal date was Baht 15.4 million and gain on disposal of investment was Baht 14.1 million, which was included in statement of comprehensive income for the year ended December 31, 2019.

Moreover, the Group sold 100% of its interest in Eureka Design International PTE. LTD., a subsidiary, of Baht 25.5 million. As the result, Eureka Design International PTE. LTD. was no longer a subsidiary. In addition, Eureka Design Indonesia Company Limited and Eureka Design India Private Limited, which were indirect subsidiaries held through Eureka Design International PTE. LTD. were no longer indirect subsidiaries of the Group accordingly. The carrying amount of Eureka Design International PTE. LTD.'s net asset in the Group's financial statements on the disposal date was Baht 23.7 million and gain on disposal of investment was Baht 1.8 million. The Group had loss from translating foreign operations was Baht 6.4 million. As the result, the Group had loss from disposal investment was Baht 4.6 million which was included in statement of comprehensive income for the year ended December 31, 2019.

Redemption of capital

Fujii Iron Works (Thailand) Co., Ltd. which was a direct subsidiary of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on September 8, 2017 and redemption of capital to the Company on October 3, 2019 at Baht 1.8 per share, totalling Baht 0.9 million.

Eureka Trading Co., Ltd. which was a direct subsidiary of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on September 8, 2017 and redemption of capital to the Company on September 20, 2019 at Baht 0.8 per share, totalling Baht 1.5 million.

7. Investment property - net

The condensed movements in these items for six - month period ended June 30, 2020 are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separated financial statements
Net book value at January 1, 2020	43,593	43,593
<u>Add</u> Purchase	-	-
<u>Add</u> Transfer in	-	-
<u>Less</u> Disposal	-	-
<u>Less</u> Depreciation / Transfer out	(1,114)	(1,114)
Net book value at June 30, 2020	42,479	42,479

The gross carrying amount of fully depreciated Investment property of the Company that was still in use as at June 30, 2020 amounted to Baht 8.51 million (December 31, 2019: Baht 8.38 million for the Group and the Company).

Investment properties are measured at cost less accumulated depreciation.

8. Property, plant and equipment - net

The condensed movements in these items for six - month period ended June 30, 2020 are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separated financial statements
Net book value at January 1, 2020	136,258	71,334
<u>Add</u> Purchase	59,022	1,164
<u>Add</u> Transfer in	114	-
<u>Less</u> Disposal	-	-
<u>Less</u> Depreciation / Transfer out	(6,109)	(3,544)
Net book value at June 30, 2020	189,285	68,954

The gross carrying amount of fully depreciated property and equipments of the Company that was still in use as at June 30, 2020 amounted to Baht 33.84 million (December 31, 2019: Baht 29.82 million).

The Annual General Meeting of Shareholders on April 30, 2020, was unanimously resolved Approval pronde subsidiary company of investment in the water supply project to the Provincial Waterworks Authority. The investment value of Baht 237 Million.

On April 11, 2020, the subsidiary entered into a sale and purchase agreement the land in the value of Baht 11 million. The first deposit is paid on the contract day of Baht 2.3 million. The rest is paid on the day of the transfer of rights (Within August).

As at June 30, 2020. Land of a subsidiary company of the used as collateral for bank guarantee of Baht 77.9 million. Issued to Customs Department.

For the three - month and six - month period ended June 30, 2020

9. Bank Overdrafts and Short - Term Loans from Financial Institutions

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Bank over drafts	-	18,325	-	16,808
Short - term loans	45,000	51,125	45,000	45,000
Total overdraft and short - term loans from financial institutions	45,000	69,450	45,000	61,808

As at June 30, 2020, bank overdrafts and short-term loans from financial institutions bore interest at rates of MOR and MLR minus 1% per annum.

As at June 30, 2020, the Group had unutilised credit facilities short - term totalling Baht 25.0 million (December 31, 2019: Baht 8.2 million).

10. Long - Term Loans

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Long - term loans institution	16,114	7,437	12,171	7,437
Liabilities under finance lease agreement	558	-	-	-
Total long - term loans	16,672	7,437	12,171	7,437

Current portion of long - term loans institutions

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Long - term loans institution	77	3,552	38	3,552
Liabilities under finance lease agreement	190	-	-	-
Total current portion of long - term loans	267	3,552	38	3,552

- 10.1 As at June 30, 2020, the Company has entered into loan agreement with the financial institution amount of Baht 12 million. At the interest rate MLR minus 0.6% per annum. And amount of Baht 0.21 million. At the interest rate MLR per annum
- 10.2 As at June 30, 2020, Subsidiaries have long-term credit facilities with financial institutions totaling to Baht 3 million, At the interest rate MLR minus 0.5% per annum, and guaranteed by the mortgage by the company and directors.
- 10.3 As at June 30, 2020, Subsidiaries entered "The Zero interest - rate loan to retain SME Staff" program credit limit Baht 4.27 Million and available loan credit Baht 3.29 million

For the three - month and six - month period ended June 30, 2020

11. Share capital and premium (discount) on common

	Amount of share	As at June 30, 2020		As at December 31, 2019	
		In Thousand shares	In Thousand Baht	In Thousand shares	In Thousand Baht
<i>Authorized share capital consist of</i>					
Ordinary shares	0.25	654,500	163,625	654,500	163,625
Capital increase	0.25	550,801	137,700	-	-
Capital decrease	0.25	(18,960)	(4,740)	-	-
		<u>1,186,341</u>	<u>296,585</u>	<u>654,500</u>	<u>163,625</u>
<i>Issued and paid - up share capital</i>					
Ordinary shares	0.25	635,540	158,885	635,540	158,885
Capital increase	0.25	254,216	63,554	-	-
		<u>889,756</u>	<u>222,439</u>	<u>635,540</u>	<u>158,885</u>
<i>Issued and paid - up share capital</i>					
<i>Consist of</i>					
Ordinary shares	0.25	889,756	222,439	635,540	158,885
		<u>889,756</u>	<u>222,439</u>	<u>635,540</u>	<u>158,885</u>
<i>Premium on shares</i>					
As at January 1, 2020	0.65	321,740	209,891	321,740	209,891
Ordinary shares	0.55	254,216	139,819	-	-
Decrease for expense of					
Issued ordinary shares		-	(2,590)	-	-
Decrease for cleared					
Accumulated loss		-	(182,286)	-	-
<i>Total Premium (Discount)</i>					
<i>on common - net</i>		<u>575,956</u>	<u>164,834</u>	<u>321,740</u>	<u>209,891</u>

The Annual General Meeting of Shareholders on April 30, 2020, was unanimously resolved as of the following:

1. Approval of the reduction in share capital from the existing registered capital of 163,625,000 million baht to 158,884,960.75 baht, by cancelling shares that have been registered but not yet sold of 18,960,157 shares at the par value of 0.25 baht per share and Approval of the amendment of the Memorandum of Association in accordance with the reduction of registered capital.
2. Approval to increase the registered capital by 137,700,299.25 baht, from 158,884,960.75 baht to 296,585,260.00 baht by issuing new ordinary shares of 550,801,197 shares at the par value of 0.25 baht per share and Approval of the amendment of the Memorandum of Association in accordance with the increase of registered capital.
3. Approval for the allotment of newly issued ordinary shares by the Right Offering (RO) of no more than 254,215,937 shares at par value of 0.25 baht per share. The offering price of 0.80 baht to the holders of shares allocated to existing shareholders, at the ratio of 5 existing shares to 2 new shares. If there are still shares remaining from the allocation to shareholders according to rights and allocation more than rights the left over shares would be canceled as a whole.
4. Approval to clear the accumulated loss by using the reserve fund from share premium, to offset the accumulated loss of the Company.

12. Warrant

On April 30, 2020, the Extraordinary General Meeting of the Company's shareholders approved the issuance of warrants to purchase of ordinary shares, issued in a named certificate and transferable (UREKA-W2) by allocating to existing shareholders in proportion to their shares before the capital increase at proportion of 3 ordinary shares to 1 warrant. Total number of warrants to be allotted not exceeding 296,585,260 warrants and the exercise price is of Baht 0.00 per share. The exercise right is 1 warrant per 1 ordinary share. The warrant has the period of three years from the date of issuance and offering.

13. Segment information

From October 1, 2019 the Group has presentation and disclosure of segment information as five reportable segments. Previously, the Group segment information just presented only three reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

Group’s reportable segments.

- Segment 1 Design manufacture and installation of semi - automatic machine
- Segment 2 Design manufacture and installation of automatic machine
- Segment 3 Installation and maintenance of machine
- Segment 4 Manufacture of pesticides and agrochemical products
- Segment 5 Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Eureka Design Public Company Limited and its Subsidiaries

“Unaudited”

Notes to the interim financial statements

“Reviewed”

For the three - month and six - month period ended June 30, 2020

Information about reportable segments

	In Thousand Baht													
	Consolidated financial statements													
	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Manufacture of pesticides and agrochemical products		Other		Eliminated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the three - month period ended June 30</i>														
External revenue	-	102,724	-	7,609	-	-	-	-	1,315	8,471	-	(27,203)	1,315	91,601
Segment profit (loss) before income tax	(89)	(5,245)	-	(5,162)	(8,378)	-	(8,859)	-	(8,537)	1,001	(141)	12,632	(26,004)	3,226
<i>For the six - month period ended June 30</i>														
External revenue	31	185,274	-	17,032	2,948	-	17,336	-	3,186	28,343	-	(42,332)	23,501	188,317
Segment profit (loss) before income tax	(188)	(3,567)	-	(10,350)	(17,776)	-	(18,290)	-	(14,501)	1,235	(282)	12,178	(51,037)	(504)

Eureka Design Public Company Limited and its Subsidiaries

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“Reviewed”

For the three - month and six - month period ended June 30, 2020

In Thousand Baht

Consolidated financial statements

	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Manufacture of pesticides and agrochemical products		Other		Eliminated		Total	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Segment Asset	2,889	513,774	-	48,724	273,670	43,898	76,936	39,095	297,871	58,289	(179,267)	(366,044)	472,099	337,736
Segment Liability	507	229,927	-	21,805	48,059	19,645	10,344	17,496	33,360	26,086	(2,539)	(205,445)	89,731	109,514

In Thousand Baht

Separate financial statements

	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Other		Total	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Segment Asset	2,273	153,076	-	15,625	215,316	52,079	232,656	67,746	450,245	288,526
Segment Liability	399	47,296	-	4,828	37,812	16,091	40,857	22,515	79,068	90,730

Notes to the interim financial statements

For the three - month and six - month period ended June 30, 2020

14. Revenue

In the following table, revenue is disaggregated by primary geographical market and service lines and timing of revenue recognition.

		In Thousand Baht														
		Consolidated financial statements														
For the three - month period ended June 30		Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Manufacture of agrochemical products		Manufacture of pesticides and agrochemical products		Other		Total		
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Primary geographical markets																
	Thailand	-	69,021	-	5,547	-	-	-	-	-	-	1,315	7,806	1,315	82,374	
	India	-	9,070	-	-	-	-	-	-	-	-	-	157	-	9,227	
	Total	-	78,091	-	5,547	-	-	-	-	-	-	1,315	7,963	1,315	91,601	
Timing of revenue recognition																
	At a point in time	-	-	-	-	-	-	-	-	-	-	1,315	4,910	1,315	4,910	
	Over time	-	78,091	-	5,547	-	-	-	-	-	-	-	3,053	-	86,691	
	Total	-	78,091	-	5,547	-	-	-	-	-	-	1,315	7,963	1,315	91,601	

Eureka Design Public Company Limited and its Subsidiaries

“Unaudited”

Notes to the interim financial statements

“Reviewed”

For the three - month and six - month period ended June 30, 2020

In Thousand Baht

Consolidated financial statements

For the six - month period ended June 30	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Manufacture of pesticides and agrochemical products		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Primary geographical markets												
Thailand	31	134,181	-	13,687	-	-	17,336	-	3,186	27,500	20,553	175,368
India	-	12,613	-	-	-	-	-	-	-	336	-	12,949
Germany	-	-	-	-	2,948	-	-	-	-	-	2,948	-
Total	31	146,794	-	13,687	2,948	-	17,336	-	3,186	27,836	23,501	188,317
Timing of revenue recognition												
At a point in time	-	720	-	-	2,948	-	-	-	3,186	21,675	6,134	22,395
Over time	31	146,074	-	13,687	-	-	17,336	-	-	6,161	17,367	165,922
Total	31	146,794	-	13,687	2,948	-	17,336	-	3,186	27,836	23,501	188,317

Notes to the interim financial statements

For the three - month and six - month period ended June 30, 2020

	In Thousand Baht									
	Separate financial statements									
	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Other		Total	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
<i>For the three - month period ended June 30</i>										
Primary geographical markets										
Thailand	-	22,552	-	2,895	-	-	1,315	5,581	1,315	31,028
Total	-	22,552	-	2,895	-	-	1,315	5,581	1,315	31,028
Timing of revenue recognition										
At a point in time	-	-	-	-	-	-	1,315	2,528	1,315	2,528
Over time	-	22,552	-	2,895	-	-	-	3,053	-	28,500
Total	-	22,552	-	2,895	-	-	1,315	5,581	1,315	31,028

Eureka Design Public Company Limited and its Subsidiaries

“Unaudited”

Notes to the interim financial statements

“Reviewed”

For the three - month and six - month period ended June 30, 2020

		In Thousand Baht									
		Separate financial statements						Total			
For the six - month period ended June 30		Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine					
		2020	2019	2020	2019	2020	2019	2020	2019		
Primary geographical markets											
	Thailand	31	39,214	-	4,346	-	-	3,186	11,452	3,217	55,012
	Germany	-	-	-	-	2,948	-	-	-	2,948	-
	Total	31	39,214	-	4,346	2,948	-	3,186	11,452	6,165	55,012
Timing of revenue recognition											
	At a point in time	-	720	-	-	2,948	-	3,186	5,291	6,134	6,011
	Over time	31	38,494	-	4,346	-	-	-	6,161	31	49,001
	Total	31	39,214	-	4,346	2,948	-	3,186	11,452	6,165	55,012

15. Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three - month and six - month period ended June 30, 2020 and 2019 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	In Thousand Baht / Thousand share			
	Consolidated		Separate	
	financial statements		financial statements	
<i>For the three - month period ended June 30</i>	2020	2019	2020	2019
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(24,801)	1,453	(15,342)	(12,937)
Number of ordinary shares at 1 January	635,540	635,540	635,540	635,540
Effect of shares issued	75,427	-	75,427	-
Number of ordinary shares outstanding	710,967	635,540	710,967	635,540
Profit (loss) per share (basic) (in Baht)	(0.035)	0.002	(0.022)	(0.020)

	In Thousand Baht / Thousand share			
	Consolidated		Separate	
	financial statements		financial statements	
<i>For the six - month period ended June 30</i>	2020	2019	2020	2019
(Loss) attributable to ordinary shareholders of the Company (basic)	(46,698)	(2,394)	(27,402)	(20,439)
Number of ordinary shares at 1 January	635,540	635,540	635,540	635,540
Effect of shares issued	37,713	-	37,713	-
Number of ordinary shares outstanding	673,253	635,540	673,253	635,540
(Loss) per share (basic) (in Baht)	(0.069)	(0.004)	(0.041)	(0.032)

16. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Group has been granted privileges by the Board of Investment relating to the manufacture of machine, equipment and parts. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by Board of Investment.
- (b) exemption from payment of income tax for net profit derived from promoted businesses for a period of eight years from the date on which the income is first derived from such operations.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificate.

17. Financial instruments

Carrying amounts and fair values

Fair values of current financial assets and liabilities approximate to the carrying values due to these financial instruments have short-term maturity.

Fair values of non-current financial liabilities approximate to the carrying values due to interest rate approximate to market rate.

Fair values of long-term loans from financial institutions approximate to the carrying values due to interest rate approximate to market rate.

Fair values of finance lease approximate to the carrying values due to interest rate approximate to market rate.

18. Commitments with non-related parties**18.1 Operating lease and other service commitments**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Within one year	1,615	1,732	451	672
After one year but within five years	207	478	207	478
Total	1,822	2,210	658	1,150

As at June 30, 2020, The Subsidiary has entered into operating lease agreements in respect of lease of land form third party. The terms of the agreements are 3 years form August 2020.

18.2 Letters of guarantee

As at June 30, 2020 the Company Group’s has commitments in respect of letters of guarantee issued by financial institutions as collateral for its performance totaling Baht 77.9 million (December 31, 2019 the Company has no commitments in respect of letters of guarantee issued by financial institutions as guarantee for its performance).

As at June 30, 2020 the Company Group’s has commitments in respect of letters of guarantee issued by financial institutions as collateral for its performance totaling Baht 5.21 million (December 31, 2019 the Company has no commitments in respect of letters of guarantee issued by financial institutions as guarantee for its performance).

18.3 Capital commitments

As at June 30, 2020, The Subsidiary has commitments form survey and design service agreements Baht 1.37 million

19. Contingent liabilities

The Company was subjected to a litigation claim by the customer. The claim for compensation relating to manufacturing of machine amounted to Baht 4.3 million. Presently, the litigation proceeding in the Court was underway. However, management believes that the Company must pay compensation amount Baht 982,800. Therefore, provision for the litigation has been set aside in the financial statements as at June 30,2020.

20. Event after the reporting period

As at July 3, 2020, The subsidiary has commitments in lease agreements water supply system construction contract from third party amount Baht 100 million.

21. Reclassifications

The Company Group’s certain amounts in the financial statements for the year ended December 31, 2019 have been reclassified to conform to the current period’s classification.

22. Capital Management

The objective of financial management of the Company and subsidiaries is to maintain the continuity of operation capability and appropriate capital structure.

As at June 30, 2020, debt to equity ratio in the separate financial statements is 0.21 : 1

23. Financial Information Approval

These interim financial information have been approved for issue by the Company's board of directors on August 6, 2020.