

**Eureka Design Public Company Limited
and its Subsidiaries**

Condensed Interim financial statements
for the three-month and six-month periods ended
30 June 2019
and
Independent auditor's review report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website kpmg.com/th

บริษัท เคพีเอ็มจี ภูมิภาคไทย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ kpmg.com/th

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 statements of financial position of Eureka Design Public Company Limited and its subsidiaries, and of Eureka Design Public Company Limited, respectively, as at 30 June 2019; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2019, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2019; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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".

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Emphasis of matter

I draw attention to Note 2 to the condensed interim financial statements which describes that the Group and the Company incurred a net loss in the consolidated and separate statements of comprehensive income for the six-month period ended 30 June 2019 of Baht 2.3 million and 20.4 million, respectively. As of that date, the Company's current liabilities exceeded current assets by Baht 16.0 million, and the Group's and the Company's deficit balances were Baht 149.5 million and 149.7 million, respectively. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

I draw attention to Note 4 to the condensed interim financial statements, the Company's independent appraiser determined the fair value of assets acquired and liabilities assumed which the determination of the fair value has not been completed, hence the recognised amount including allocation are not determined as final and may be updated, depending on the final results of valuation by the independent valuer.

My conclusion is not modified in respect of this matter.

(Bongkot, Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
9 August 2019

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2019 (Unaudited)	31 December 2018	30 June 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		20,484	26,380	7,053	706
Current investments		148	148	148	148
Trade accounts receivable	5,6	82,186	105,726	46,788	70,047
Unbilled contract work in progress		64,706	68,441	26,612	65,326
Other receivables	5	26,382	15,697	14,096	20,208
Short-term loans to related parties	5	1,200	1,200	15,000	-
Inventories		53,976	61,864	32,080	35,338
Total current assets		249,082	279,456	141,777	191,773
Non-current assets					
Investments in subsidiaries	7	-	-	93,015	64,486
Investment in joint venture	8	1,411	1,464	-	-
Other long-term investments		280	280	280	280
Property, plant and equipment	9	187,661	138,667	119,842	124,737
Other intangible assets		13,226	13,297	10,315	12,777
Deferred tax assets		19,384	18,702	17,877	18,153
Restricted deposits at financial institutions		3,161	2,410	3,161	2,410
Other non-current assets		24,209	21,687	11,692	10,668
Total non-current assets		249,332	196,507	256,182	233,511
Total assets		498,414	475,963	397,959	425,284

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2019 (Unaudited)	31 December 2018	30 June 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	10	59,628	59,085	59,628	58,601
Trade accounts payable	5,11	33,016	41,852	22,975	79,359
Other payables	5	15,427	17,898	4,741	6,508
Excess of progress billings over contract work in progress		11,611	36,696	6,784	5,623
Current portion of long-term loans					
from financial institutions	10	3,426	3,332	3,426	3,332
Short-term loans from related parties	5,10	120,000	67,000	59,599	4,794
Current portion of finance lease liabilities	10	-	97	-	97
Guarantee provisions		4,059	4,213	613	755
Total current liabilities		247,167	230,173	157,766	159,069
Non-current liabilities					
Long-term loans					
from financial institutions	10	9,254	10,993	9,254	10,993
Non-current provisions for employee benefit	12	10,511	7,055	593	3,955
Other non-current liabilities		-	667	-	667
Total non-current liabilities		19,765	18,715	9,847	15,615
Total liabilities		266,932	248,888	167,613	174,684
Equity					
Share capital					
Authorised share capital		163,625	163,625	163,625	163,625
Issued and paid-up share capital		158,885	158,885	158,885	158,885
Share premium					
Share premium on ordinary shares		209,891	209,891	209,891	209,891
Legal reserve		4,660	4,660	4,660	4,660
Deficit		(149,511)	(146,988)	(149,736)	(129,482)
Other components of equity		(1,221)	(220)	6,646	6,646
Equity attributable to owners					
of the parent		222,704	226,228	230,346	250,600
Non-controlling interests		8,778	847	-	-
Total equity		231,482	227,075	230,346	250,600
Total liabilities and equity		498,414	475,963	397,959	425,284

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended 30 June		Three-month period ended 30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenues					
Revenue from sale of goods and services	5,13,14	91,601	94,715	31,028	79,048
Investment income	5	78	142	17	71
Net foreign exchange gain		-	1,104	-	1,655
Gain on bargain purchase	4	11,963	-	-	-
Other income	5	468	1,210	4,612	4,256
Total revenues		104,110	97,171	35,657	85,030
Expenses					
Cost of sales and services	5	67,386	59,585	30,119	63,299
Distribution costs	5	3,147	1,742	299	1,479
Administrative expenses	5	27,678	23,513	16,575	17,962
Net foreign exchange loss		263	-	22	-
Finance costs	5	2,376	1,330	1,229	1,270
Total expenses		100,850	86,170	48,244	84,010
Share of loss of joint venture	8	(34)	(139)	-	-
Profit (loss) before income tax expense		3,226	10,862	(12,587)	1,020
Tax income (expense)	15	(1,773)	34	(350)	46
Profit (loss) for the period		1,453	10,896	(12,937)	1,066
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operation		(787)	88	-	-
Other comprehensive income (expense) for the period, net of tax		(787)	88	-	-
Total comprehensive income (expense) for the period		666	10,984	(12,937)	1,066

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 30 June		Three-month period ended 30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Profit (loss) attributable to:					
Owners of the parent		1,453	11,001	(12,937)	1,066
Non-controlling interests		-	(105)	-	-
Profit (loss) for the period		<u>1,453</u>	<u>10,896</u>	<u>(12,937)</u>	<u>1,066</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		666	11,089	(12,937)	1,066
Non-controlling interests		-	(105)	-	-
Total comprehensive income (expense)		<u>666</u>	<u>10,984</u>	<u>(12,937)</u>	<u>1,066</u>
Earnings (loss) per share (in Baht)					
Basic earnings (loss) per share	16	<u>0.002</u>	<u>0.02</u>	<u>(0.02)</u>	<u>0.002</u>

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenues					
Revenue from sale of goods and services	5,13,14	188,317	188,765	55,012	170,209
Investment income	5	117	273	18	661
Net foreign exchange gain		-	757	-	1,213
Gain on bargain purchase	4	11,963	-	-	-
Other income	5	1,159	1,738	9,777	9,302
Total revenues		201,556	191,533	64,807	181,385
Expenses					
Cost of sales and services	5	132,270	121,352	48,365	134,477
Distribution costs	5	7,197	2,650	2,291	2,322
Administrative expenses	5	56,917	50,099	31,311	36,796
Net foreign exchange loss		1,004	-	731	-
Finance costs	5	4,619	2,547	2,318	2,543
Total expenses		202,007	176,648	85,016	176,138
Share of loss of joint venture	8	(53)	(206)	-	-
Profit (loss) before income tax expense		(504)	14,679	(20,209)	5,247
Tax income (expense)	15	(1,827)	127	(230)	119
Profit (loss) for the period		(2,331)	14,806	(20,439)	5,366
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operation		(1,001)	(3,426)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans		(161)	3,254	231	3,004
Income tax relating to items that will not be reclassified		32	(651)	(46)	(601)
Total items that will not be reclassified to profit or loss		(129)	2,603	185	2,403
Other comprehensive income (expense) for the period, net of tax		(1,130)	(823)	185	2,403
Total comprehensive income (expense) for the period		(3,461)	13,983	(20,254)	7,769

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Profit (loss) attributable to:					
Owners of the parent		(2,394)	14,927	(20,439)	5,366
Non-controlling interests		63	(121)	-	-
Profit (loss) for the period		(2,331)	14,806	(20,439)	5,366
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		(3,524)	14,104	(20,254)	7,769
Non-controlling interests		63	(121)	-	-
Total comprehensive income (expense)		(3,461)	13,983	(20,254)	7,769
Earnings (loss) per share (in Baht)					
Basic earnings (loss) per share	16	(0.004)	0.02	(0.03)	0.008

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements										
	Other components of equity										
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Translating foreign operations	Differences arising from common control transactions (in thousand Baht)			Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests
Revaluation of asset											
Six-month period ended 30 June 2018	158,885	209,891	4,660	(168,953)	(1,330)	(1,387)	6,646	3,929	209,312	1,593	210,905
Balance at 1 January 2018	-	-	-	14,927	-	-	-	-	14,927	(121)	14,806
Comprehensive income for the period	-	-	-	2,603	(3,426)	-	-	(3,426)	(823)	-	(823)
Profit or loss	-	-	-	17,530	(3,426)	-	-	(3,426)	14,104	(121)	13,983
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2018	158,885	209,891	4,660	(150,523)	(4,756)	(1,387)	6,646	503	223,416	1,472	224,888

The accompanying notes are an integral part of these financial statements.

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

	Consolidated financial statements										
	Other components of equity										
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Translating foreign operations	Differences arising from common control transactions (in thousand Baht)	Revaluation of asset	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Six-month period ended 30 June 2019	158,885	209,891	4,660	(146,988)	(5,479)	(1,387)	6,646	(220)	236,228	847	227,075
Balance at 1 January 2019	-	-	-	-	-	-	-	-	-	7,868	7,868
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests with a change in control	-	-	-	(2,394)	(1,001)	-	-	(1,001)	(2,394)	63	(2,331)
Total change in ownership interests in subsidiary	-	-	-	(2,394)	(1,001)	-	-	(1,001)	(2,394)	63	(2,331)
Comprehensive income for the period	-	-	-	(129)	(1,001)	-	-	(1,001)	(1,130)	-	(1,130)
Profit or loss	-	-	-	(129)	(1,001)	-	-	(1,001)	(1,130)	-	(1,130)
Other comprehensive income	-	-	-	(2,523)	(1,001)	-	-	(1,001)	(3,524)	63	(3,461)
Total comprehensive income for the period	-	-	-	(2,523)	(1,001)	-	-	(1,001)	(3,524)	63	(3,461)
Balance at 30 June 2019	158,885	209,891	4,660	(149,511)	(6,480)	(1,387)	6,646	(1,221)	222,704	8,778	231,482

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements	Other components of equity						
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Revaluation Surplus	Total other components of equity	Total equity
Six-month period ended 30 June 2018	158,885	209,891	4,660	(158,134)	6,646	6,646	221,948
Balance at 1 January 2018	-	-	-	5,366	-	-	5,366
Comprehensive income for the period	-	-	-	2,403	-	-	2,403
Profit	-	-	-	7,769	-	-	7,769
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-
Balance at 30 June 2018	<u>158,885</u>	<u>209,891</u>	<u>4,660</u>	<u>(150,365)</u>	<u>6,646</u>	<u>6,646</u>	<u>229,717</u>

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Six-month period ended 30 June 2019	Separate financial statements						Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit <i>(in thousand Baht)</i>	Other components of equity		
					Revaluation Surplus	Total components of equity	
Balance at 1 January 2019	158,885	209,891	4,660	(129,482)	6,646	6,646	250,600
Comprehensive income for the period	-	-	-	(20,439)	-	-	(20,439)
Loss	-	-	-	185	-	-	185
Other comprehensive income	-	-	-	(20,254)	-	-	(20,254)
Total comprehensive income for the period	-	-	-	(19,736)	-	-	(19,736)
Balance at 30 June 2019	158,885	209,891	4,660	(149,736)	6,646	6,646	230,346

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

		Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
Note	2019	2018	2019	2018	
	(in thousand Baht)				
<i>Cash flows from operating activities</i>					
		(2,331)	14,806	(20,439)	5,366
<i>Profit (loss) for the period</i>					
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
		1,827	(127)	230	(119)
		4,619	2,547	2,318	2,543
		7,217	7,916	5,316	7,052
		2,875	3,571	2,602	3,553
		-	-	6,470	-
		3,063	569	(2,021)	296
		2,951	2,845	(136)	238
		997	(1,590)	581	(1,944)
		(1,001)	(3,426)	-	-
		53	206	-	-
		(497)	(423)	106	16
		(1,061)	(106)	466	-
		(202)	(173)	139	(171)
		(117)	(274)	(18)	(661)
		(11,963)	-	-	-
		6,430	26,341	(4,386)	16,169
<i>Changes in operating assets and liabilities</i>					
		23,806	(32,020)	22,381	(23,215)
		3,735	5,313	38,714	6,623
		(4,399)	(1,470)	6,124	1,080
		8,949	(2,532)	2,792	(2,214)
		(2,521)	883	(1,024)	-
		(24,373)	5,755	(56,384)	(19,182)
		(5,417)	(2,659)	(1,854)	(2,794)
		(25,085)	(18,663)	1,161	(21,790)
		-	-	(1,110)	-
		(3,104)	(2,775)	(6)	(464)
		(667)	(667)	(667)	(667)
		(22,646)	(22,494)	5,741	(46,454)
		(140)	(742)	-	-
		(22,786)	(23,236)	5,741	(46,454)

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month period ended		Six-month period ended	
		2019	2018	2019	2018
		30 June		30 June	
		<i>(in thousand Baht)</i>			
Cash flows from investing activities					
Acquisition of subsidiary, net cash acquired	4	(28,197)	-	-	-
Acquisition of investment in subsidiary	7	-	-	(34,999)	-
Restricted deposits at financial institutions		(751)	1,289	(751)	1,289
Proceeds from sale of property, plant and equipment		389	546	1	522
Acquisition of property, plant and equipment		(1,713)	(3,389)	(505)	(1,247)
Acquisition of intangible assets		(162)	(902)	(140)	(877)
Loans to related parties	5	-	(313)	(15,000)	-
Proceeds from repayment of loans to related parties	5	-	-	-	38,800
Interest received		116	277	6	664
Increase in current investments		-	(3)	-	(3)
Net cash from (used in) investing activities		(30,318)	(2,495)	(51,388)	39,148
Cash flows from financing activities					
Proceeds from bank overdrafts and short-term loans from financial institutions	10	543	10,401	1,027	9,433
Proceeds from short-term loans from related parties	5,10	53,000	23,300	55,000	1,656
Repayment of long-term loans from financial institutions	10	(1,645)	(1,827)	(1,645)	(1,827)
Repayment of finance lease liabilities	10	(97)	(551)	(97)	(253)
Interest paid		(4,589)	(2,547)	(2,287)	(2,543)
Net cash used in financing activities		47,212	28,776	51,998	6,466
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(5,892)	3,045	6,351	(840)
Effect of exchange rate changes on cash and cash equivalents		(4)	1	(4)	1
Net increase (decrease) in cash and cash equivalents		(5,896)	3,046	6,347	(839)
Cash and cash equivalents at beginning of period		26,380	11,382	706	1,486
Cash and cash equivalents at ending of period		20,484	14,428	7,053	647

Non-cash transactions

During the six-month period ended 30 June 2019, the Group acquired building improvement and equipment at total cost of Baht 2.0 million (2018: Baht 3.4 million) of which Baht 1.7 million (2018: Baht 3.4 million) was made by cash payment, Baht 0.3 million was outstanding as payable for purchases of assets as at 30 June 2019 (2018: -nil-million)

The accompanying notes are an integral part of these financial statements.

Eureka Design Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2019 (Unaudited)

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Eureka Design Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2019 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 9 August 2019.

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 Company’s major shareholder during the financial period were Mr. Narakorn Ratchapolsitte (11% shareholding) and Miss Churairat Phongsorn (10% shareholding).

The principal activities of the Group are engaged in the design and manufacture of machinery and bowl feeder for the automotive and other industries. Details of the Company’s subsidiaries as at 30 June 2019 are given in note 7.

2 Current operations

The Group and the Company incurred net loss in the consolidated and separate statements of comprehensive income for the six-month period ended 30 June 2019 of Baht 2.3 million and Baht 20.4 million, respectively (*for the six-month period ended 30 June 2018: net profit of Baht 14.8 million and Baht 5.4 million, respectively*). As of that date, the Company’s current liabilities exceeded current assets by Baht 16.0 million (*31 December 2018: current assets exceeded current liabilities Baht 32.7 million*), and the Group’s and the Company’s deficit balances were Baht 149.5 million and Baht 149.7 million, respectively (*31 December 2018: of Baht 147.0 million and Baht 129.5 million, respectively*). These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.

The Group and the Company are in process of developing policies and procedures for management of its liquidity risk and increasing revenue and operating results. Group management believed that the Group and the Company will be able to obtain their funding source for the foreseeable future and to increase revenue by extending sales channel and expanding business to government sector, reducing costs and selling and administrative expenses. The consolidated and separate financial statements have been prepared by the Group and Company management on the going concern basis. 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.

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3 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) 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 an update on the financial statements for the year ended 31 December 2018. 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 31 December 2018.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018, except for revenue recognition which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 Revenue from Contracts with Customers (“TFRS 15”) which the Group has initially adopted to replace TAS 18 Revenue (“TAS 18”), TAS 11 Construction Contracts (“TAS11”) and related interpretations.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change changes in accounting policies have no material impacts on the financial statements.

In addition, the Group has not early adopted a number of new TFRS which are not yet effective for current period in preparing these interim financial statements. Those new TFRS that are relevant to the Group’s operations are disclosed in note 21.

4 Acquisitions of subsidiary

On 11 June 2019, the Board of Directors’ meeting approved an acquisition of 85.65% of shares in BS Myco Biotech Co., Ltd. from a company. On 12 June 2019, the Company entered into a share purchase agreement which specified preliminary share price totaling Baht 35.0 million. The Company paid deposit of Baht 15 million in May 2019. The Company has complied with the terms in the agreement on 26 June 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.

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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.

During the period from the acquisition date to 30 June 2019, BS Myco Biotech Co., Ltd. contributed loss of Baht 1.1 million to the Group's result. If the acquisition had occurred on 1 January 2019, management estimates that consolidated net loss for the six-month period ended 30 June 2019 will not be significantly different from the current presentation.

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

Identifiable assets acquired and liabilities assumed

	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents	6,802
Other receivables	6,283
Property, plant and equipment	54,402
Intangible assets	2,641
Deferred tax assets	2,411
Trade and other payables	(17,404)
Non-current provisions for employee benefit	(305)
Total identifiable net assets	54,830
Less: Non-controlling interests (14.35 %)	(7,868)
Total identifiable net assets received	46,962
Gain on bargain purchase	(11,963)
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. As at 30 June 2019, the determination of the fair value has not been completed. However, the Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

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5 Related parties

Relationships with subsidiaries and joint ventures are described in notes 7 and 8. Other Related parties which have material changes in relationships and that the Group had significant transactions during the period with were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
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.
Mr. Narakorn Ratchapolsitte	Thailand	Major shareholders, 11% shareholding, and directors

Material changes in pricing policies during the six-month period ended 30 June 2019 are as follows:

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
Purchase of equipment	Agreed prices
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

Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

Three-month period ended 30 June	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods and rendering of services	-	-	63	555
Service income	-	-	4,420	8,960
Purchases of goods and receiving of services	-	-	26,860	88,109
Purchase of equipment	-	-	-	607
Service fees	-	-	201	394
Interest income	-	-	-	68
Interest expense	-	-	86	180

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<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	6,048	4,940	2,962	3,642
Post-employee benefits	130	87	35	67
Total key management personnel compensation	6,178	5,027	2,997	3,709
Other related parties				
Interest income	22	133	-	-
Interest expense	1,432	234	207	-
<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods and rendering of services	-	-	131	827
Service income	-	-	8,914	13,386
Purchases of goods and receiving of services	-	-	41,826	139,156
Purchase of equipment	-	-	-	607
Service fees	-	-	490	1,992
Interest income	-	-	-	658
Interest expense	-	-	172	349
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	13,220	11,504	7,120	8,705
Post-employee benefits	261	175	117	134
Total key management personnel compensation	13,481	11,679	7,237	8,839
Other related parties				
Interest income	44	264	-	-
Interest expense	2,656	343	207	-

Balances as at 30 June 2019 and 31 December 2018 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	2	45

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<i>Other receivables - related party</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	<u>1,552</u>	<u>1,165</u>

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiary	7.4	-	-	-	15,000	-
Joint venture	7.4	7.4	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>-</u>
Total			<u>1,200</u>	<u>1,200</u>	<u>15,000</u>	<u>-</u>

Movements during the six-month periods ended 30 June of loans to related parties were as follows:

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiary				
At 1 January	-	-	-	38,800
Increase	-	-	15,000	-
Decrease	-	-	-	(38,800)
At 30 June	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Joint venture				
At 1 January	1,200	7,200	-	-
Increase	-	313	-	-
Decrease	-	-	-	-
At 30 June	<u>1,200</u>	<u>7,513</u>	<u>-</u>	<u>-</u>
Total short-term loans to related parties				
At 1 January	1,200	7,200	-	38,800
Increase	-	313	15,000	-
Decrease	-	-	-	(38,800)
At 30 June	<u>1,200</u>	<u>7,513</u>	<u>15,000</u>	<u>-</u>

<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	<u>-</u>	<u>-</u>	<u>8,960</u>	<u>63,200</u>

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<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	<u>69</u>	<u>79</u>

<i>Loans from related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	7.4	7.4	-	-	4,599	4,794
Key management personnel	7.4 - 15.0	7.4	<u>120,000</u>	<u>67,000</u>	<u>55,000</u>	<u>-</u>
Short-term loans from related parties			<u>120,000</u>	<u>67,000</u>	<u>59,599</u>	<u>4,794</u>

Movements during the six-month periods ended 30 June of loans from related parties were as follows:

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	4,794	8,486
Increase	-	-	-	2,656
Decrease	-	-	-	(1,000)
The effect of foreign exchange rate	-	-	(195)	(381)
At 30 June	<u>-</u>	<u>-</u>	<u>4,599</u>	<u>9,761</u>
Key management personnel				
At 1 January	67,000	6,000	-	-
Increase	61,000	25,300	55,000	-
Decrease	(8,000)	(2,000)	-	-
At 30 June	<u>120,000</u>	<u>29,300</u>	<u>55,000</u>	<u>-</u>
Total short-term loans from related parties				
At 1 January	67,000	6,000	4,794	8,486
Increase	61,000	25,300	55,000	2,656
Decrease	(8,000)	(2,000)	-	(1,000)
The effect of foreign exchange rate	-	-	(195)	(381)
At 30 June	<u>120,000</u>	<u>29,300</u>	<u>59,599</u>	<u>9,761</u>

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Significant agreement with related parties

On 1 January 2019, 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.

On 1 January 2019, a subsidiary entered into a human resource service with the Company for a period of one year, whereby the subsidiary provides human resource service for operating warehouse. In this regard, the Company agreed to pay service fees as specified in the agreement.

The Company entered into loan agreements for loans granted to a subsidiary. These loans are due within December 2019.

The Company entered into loan agreements for loans obtained from subsidiaries. These loans are repayable within December 2019.

6 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
			<i>(in thousand Baht)</i>		
Related parties	5	-	-	2	45
Other parties		82,545	106,582	47,145	70,255
Total		82,545	106,582	47,147	70,300
Less allowance for doubtful accounts		(359)	(856)	(359)	(253)
Net		82,186	105,726	46,788	70,047
		2019	2018	2019	2018
			<i>(in thousand Baht)</i>		
Bad and doubtful debts expense (reversal of) for the:					
- Three-month period ended 30 June		(418)	(184)	180	10
- Six-month period ended 30 June		(497)	(423)	106	16

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	-	2	45
Overdue:				
Less than 90 days	-	-	-	-
90 - 180 days	-	-	-	-
180 - 360 days	-	-	-	-
Over 360 days	-	-	-	-
	-	-	2	45
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	-	-	2	45
Other parties				
Within credit terms	15,750	62,501	6,791	48,744
Overdue:				
Less than 90 days	59,272	24,677	38,574	17,999
90 - 180 days	413	17,332	413	2,187
180 - 360 days	6,736	1,011	1,008	867
Over 360 days	374	1,061	359	458
	82,545	106,582	47,145	70,255
<i>Less</i> allowance for doubtful accounts	(359)	(856)	(359)	(253)
Net	82,186	105,726	46,786	70,002
Total	82,186	105,726	46,788	70,047

The normal credit term granted by the Group ranges from 30 days to 90 days.

7 Investments in subsidiaries

<i>Six-month period ended 30 June</i>	Note	Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
At 1 January		64,486	64,486
Increase	4	34,999	-
Allowance for impairment		(6,470)	-
At 30 June		93,015	64,486

Acquisition of subsidiary

On 26 June 2019, the Company invested in 85.65% of the issued and paid-up capital of BS Myco Biotech Co., Ltd. amounting of Baht 35 million. The Company obtained control of BS Myco Biotech Co., Ltd., consequently, BS Myco Biotech Co., Ltd. became a subsidiary company of the Group. Details of the acquisition of subsidiary are given in Note 4.

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Investments in subsidiaries as at 30 June 2019 and 31 December 2018 were as follows:

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(in thousand Baht)									
Direct subsidiaries										
Fuji Iron Works (Thailand) Company Limited*	51	51	2,000	2,000	1,020	1,020	-	-	1,020	1,020
Eureka Design International PTE. LTD	100	100	46,578	46,578	46,578	46,578	(21,082)	(19,712)	25,496	26,866
Eureka Automation Company Limited	99.99	99.99	50,000	50,000	50,000	50,000	(20,500)	(15,400)	29,500	34,600
Eureka Tradings Company Limited*	99.99	99.99	2,000	2,000	2,000	2,000	-	-	2,000	2,000
BS Myco Biotech Company Limited	85.65	-	46,700	-	34,999	-	-	-	34,999	-
Total			134,597	99,598	(41,582)	93,015	64,486			

All direct subsidiaries are incorporated in Thailand, except Eureka Design International PTE. LTD which is incorporated in Singapore.

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Details of the Company's indirect subsidiaries as at 30 June 2019 and 31 December 2018 were as follows:

Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<i>Indirect subsidiaries</i>											
Eureka Design Indonesia	Indonesia	99.55	99.55	20,903	20,903	20,807	20,807	(16,021)	(16,021)	4,786	4,786
Company Limited											
Eureka Design India Private Limited	India	99.99	99.99	19,607	19,607	19,607	19,607	(3,692)	(3,692)	15,915	15,915
Total				40,414	40,414	40,414	40,414	(19,713)	(19,713)	20,701	20,701

*Fujii Iron Works (Thailand) Company Limited, Eureka Tradings Company Limited which are direct subsidiaries of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on 8 September 2017 and are in liquidation process.

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8 Investments in joint venture

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
At 1 January	1,464	1,732	-	-
Share of net losses of joint venture	(53)	(206)	-	-
At 30 June	1,411	1,526	-	-

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Investments in joint venture as at 30 June 2019 and 31 December 2018 were as follows:

		Consolidated financial statement							
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
EUREKA UMI Investigation, design, installation, maintenance and proceeding air conditioning replacement for energy conservation	Thailand	70	70 (%)	1,000	1,000	700	700	1,411	1,464

None of the Group's joint venture is publicly listed and consequently does not have published quotations.

EUREKA UMI is structured as a separated tax authority and the Group has a right to residual net assets of EUREKA UMI. Accordingly, the Group has classified its interest in EUREKA UMI as a joint venture under the EUREKA UMI Establishment Contract.

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9 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2019 and 2018 were as follows:

<i>Six-month period ended 30 June</i>	Consolidated financial statements			
	2019	Disposals and transfers out - net book value	2018	Disposals and transfers out - net book value
	Acquisitions and transfers in - at cost	Acquisitions and transfers in - at cost		
		(in thousand Baht)		
Buildings and improvement	20	58	9	2
Machinery and factory equipment	899	109	2,152	359
Office equipment	1,077	20	357	11
Vehicles	-	-	871	-
Total	1,996	187	3,389	372

<i>Six-month period ended 30 June</i>	Separate financial statements			
	2019	Disposals and transfers out - net book value	2018	Disposals and transfers out - net book value
	Acquisitions and transfers in - at cost	Acquisitions and transfers in - at cost		
		(in thousand Baht)		
Buildings and improvement	15	106	9	-
Machinery and factory equipment	87	12	255	339
Office equipment	460	24	333	11
Vehicles	-	-	650	-
Total	562	142	1,247	350

10 Changes in liabilities arising from financing activities

	Consolidated financial statements				
	Bank overdrafts used for cash management purposes	Long-term loans from financial institutions	Short-term loans from related parties	Finance lease liabilities	Total
					(in thousand Baht)
Balance at 1 January 2019	59,085	14,325	67,000	97	140,507
Changes from financing cash flows	543	(1,645)	53,000	(97)	51,801
Balance at 30 June 2019	59,628	12,680	120,000	-	192,308

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Consolidated financial statements

	Bank overdrafts used for cash management purposes	Long-term loans from financial institutions	Short-term loans from related parties	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>				
Balance at 1 January 2018	49,697	17,744	6,000	1,042	74,483
Changes from financing cash flows	10,401	(1,827)	23,300	(551)	31,323
Balance at 30 June 2018	60,098	15,917	29,300	491	105,806

Separate financial statements

	Bank overdrafts used for cash management purposes	Long-term loans from financial institutions	Short-term loans from related parties	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>				
Balance at 1 January 2019	58,601	14,325	4,794	97	77,817
Changes from financing cash flows	1,027	(1,645)	55,000	(97)	54,285
Other changes	-	-	(195)	-	(195)
Balance at 30 June 2019	59,628	12,680	59,599	-	131,907

Separate financial statements

	Bank overdrafts used for cash management purposes	Long-term loans from financial institutions	Short-term loans from related parties	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>				
Balance at 1 January 2018	49,697	17,744	8,486	504	76,431
Changes from financing cash flows	9,433	(1,827)	1,656	(253)	9,009
Other changes	-	-	(381)	-	(381)
Balance at 30 June 2018	59,130	15,917	9,761	251	85,059

As at 30 June 2019, the Group had unutilised credit facilities totalling Baht 10.4 million (31 December 2018: Baht 11.4 million).

The Company is committed to comply with certain conditions and restrictions prescribed in the loan agreements such as maintaining shareholding proportion, the debt to equity ratio, the debt service coverage ratio and the restrictions relating to mortgage, pledge and claim of assets, etc.

Breach of loan covenant

During the six-month period ended 30 June 2019, the Company had loss from operations of which the Company could not maintain the debt service coverage ratio as prescribed in the loans agreements with a financial institution. The carrying amount of such loan amounted to Baht 12.7 million as at 30 June 2019. However, the Company had obtained the debt covenant waiver letter from financial institution regarding such breach of loan covenant.

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11 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		<i>(in thousand Baht)</i>			
Related parties	5	-	-	8,960	63,200
Other parties		33,016	41,852	14,015	16,159
Total		33,016	41,852	22,975	79,359

12 Non-current provisions for employee benefits

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the first quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised during the six-month period then ended in the consolidated and separate financial statements increased by an amount of Baht 2.2 million and Baht 0.9 million, respectively.

13 Segment information

The Group has 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.

- Segment 1 Design, manufacture and installation of semi - automatic machine
- Segment 2 Design, manufacture and installation of automatic machine
- Segment 3 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.

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Information about reportable segments

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<i>Three-month period ended 30 June</i>	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Others <i>(in thousand Baht)</i>		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	102,724	144,316	7,609	7,112	8,471	1,192	(27,203)	(57,905)	91,601	94,715
Segment profit (loss) before income tax	(5,245)	11,861	(5,162)	(201)	1,001	164	12,632	(962)	3,226	10,862
<i>Six-month period ended 30 June</i>										
External revenue	185,274	271,766	17,032	10,409	28,343	21,055	(42,332)	(114,465)	188,317	188,765
Segment profit (loss) before income tax	(3,567)	15,235	(10,350)	(484)	1,235	(338)	12,178	266	(504)	14,679

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	Design and manufacture of semi - automatic machine 30		Design and manufacture of automatic machine 31		Others 30		Elimination 30		Total 30	
	June 2019	December 2018	June 2019	December 2018	June 2019	December 2018	June 2019	December 2018	June 2019	December 2018
Segment assets	435,577	546,855	43,801	87,617	220,827	33,860	(201,791)	(192,369)	498,414	475,963
Total assets									498,414	475,963
Segment liabilities	232,332	288,729	23,341	48,234	64,863	11,896	(53,604)	(99,971)	266,932	248,888
Total liabilities									266,932	248,888

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14 Revenue

Disaggregation of revenue

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

	Consolidated financial statements							
	Reportable segments							
	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Others		Total	
<i>For the three-month period ended 30 June</i>	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Primary geographical markets								
Thailand	69,021	74,743	5,547	4,421	7,806	124	82,374	79,288
India	9,070	15,105	-	-	157	322	9,227	15,427
Total	78,091	89,848	5,547	4,421	7,963	446	91,601	94,715
Timing of revenue recognition								
At a point in time	-	6,027	-	-	4,910	446	4,910	6,473
Over time	78,091	83,821	5,547	4,421	3,053	-	86,691	88,242
Total	78,091	89,848	5,547	4,421	7,963	446	91,601	94,715

	Separate financial statements							
	Reportable segments							
	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Others		Total	
<i>For the three-month period ended 30 June</i>	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Primary geographical markets								
Thailand	22,552	74,627	2,895	4,421	5,581	-	31,028	79,048
Timing of revenue recognition								
At a point in time	-	2,153	-	-	2,528	-	2,528	2,153
Over time	22,552	72,474	2,895	4,421	3,053	-	28,500	76,895
Total	22,552	74,627	2,895	4,421	5,581	-	31,028	79,048

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	Consolidated financial statements							
	Reportable segments							
	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Others		Total	
<i>For the six-month period ended 30 June</i>	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Primary geographical markets								
Thailand	134,181	151,642	13,687	6,480	27,500	12,088	175,368	170,210
India	12,613	17,536	-	-	336	1,019	12,949	18,555
Total	146,794	169,178	13,687	6,480	27,836	13,107	188,317	188,765
Timing of revenue recognition								
At a point in time	720	8,017	-	-	21,675	13,107	22,395	21,124
Over time	146,074	161,161	13,687	6,480	6,161	-	165,922	167,641
Total	146,794	169,178	13,687	6,480	27,836	13,107	188,317	188,765

	Separate financial statements							
	Reportable segments							
	Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Others		Total	
<i>For the six-month period ended 30 June</i>	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Primary geographical markets								
Thailand	39,214	151,641	4,346	6,480	11,452	12,088	55,012	170,209
Timing of revenue recognition								
At a point in time	720	4,143	-	-	5,291	12,088	6,011	16,231
Over time	38,494	147,498	4,346	6,480	6,161	-	49,001	153,978
Total	39,214	151,641	4,346	6,480	11,452	12,088	55,012	170,209

15 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The effective tax rate in respect of continuing operations for the three-month periods ended 30 June 2019 and 2018 were 54.96 % and -0.31%, respectively for the Group and -2.78% and -4.51%, respectively for the Company and for the six-month periods ended 30 June 2019 and 2018 were -362.5% and -0.87%, respectively for the Group and -1.14% and -2.27%, respectively for the Company. This change in effective tax rate was caused mainly by loss carry forward and the portion of revenue of the Company which has been granted privileges by the virtue of the provisions of the Industrial Investment Promotion Act as disclosed in note 17.

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16 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2019 and 2018 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:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / share)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>1,453</u>	<u>11,001</u>	<u>(12,937)</u>	<u>1,066</u>
Number of ordinary shares outstanding	<u>635,540</u>	<u>635,540</u>	<u>635,540</u>	<u>635,540</u>
Earnings (loss) per share (basic) (in Baht)	<u>0.002</u>	<u>0.02</u>	<u>(0.02)</u>	<u>0.002</u>

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / share)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(2,394)</u>	<u>14,927</u>	<u>(20,439)</u>	<u>5,366</u>
Number of ordinary shares outstanding	<u>635,540</u>	<u>635,540</u>	<u>635,540</u>	<u>635,540</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.004)</u>	<u>0.02</u>	<u>(0.03)</u>	<u>0.008</u>

17 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.

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18 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.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments</i>				
<i>under non-cancellable</i>				
<i>operating leases</i>				
Within one year	6,440	3,719	915	1,590
After one year but within five years	3,785	2,349	816	300
Total	<u>10,225</u>	<u>6,068</u>	<u>1,731</u>	<u>1,890</u>

Operating lease agreements

The Group entered into operating lease agreements for rental and other services for the periods of 1 year to 5 years up to February 2023 with the rental and service charges as stipulated in the rental agreement.

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Forward exchange contracts

As at 30 June 2019, the Group had no outstanding forward exchange contracts (31 December 2018: US Dollars 0.1 million equivalent to Baht 3.2 million).

Letters of guarantee

As at 30 June 2019, the Company has commitments in respect of letters of guarantee issued by financial institutions as collateral for its performance totaling Baht 2.9 million (31 December 2018: Baht 2.1 million).

20 Events after the reporting period

Company establishment

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

Disposal of investment in subsidiaries

On 22 July 2019, the Board of Directors' meeting approved to sell ordinary shares of Eureka Automation Company Limited and Eureka Design International PTE. LTD, subsidiaries of the Company.

On 24 July 2019, the Company entered into a share purchase agreement of 5.0 million ordinary shares of Eureka Automation Company Limited or equivalent to 100% of Eureka Automation Company Limited issued share and paid-up capital, with the total amount of Baht 29.5 million. After the disposal of the ordinary shares of Eureka Automation Company Limited, Eureka Automation Company Limited will be no longer a subsidiary of the Company.

Moreover, the Company entered into a share purchase agreement of 1.9 million ordinary shares of Eureka Design International PTE. LTD or equivalent to 100% of Eureka Design International PTE. LTD issued share and paid-up capital, with the total amount of Baht 25.5 million. After the disposal of the ordinary shares of Eureka Design International PTE. LTD, Eureka Design International PTE. LTD will be no longer a subsidiary of the Company. In addition, Eureka Design Indonesia Company Limited and Eureka Design India Private Limited, which are indirect subsidiaries held through Eureka Design International PTE. LTD with ownership of 99.55% and 99.99%, respectively, will be no longer indirect subsidiaries of the Company accordingly.

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21 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

** TFRS - Financial instruments standards*

a. TFRS - Financial instruments standards

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

b. TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.

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22 Reclassification of accounts

Certain accounts in the statement of comprehensive income for the three-month and six-month periods ended 30 June 2018, which are included in the interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 interim financial statements.

	2018					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass <i>(in thousand Baht)</i>	Before reclass	Reclass	After reclass
<i>Statement of comprehensive income</i>						
<i>- Three-month period ended 30 June 2019</i>						
Other income	2,314	(1,104)	1,210	5,911	(1,655)	4,256
Net foreign exchange gain	-	<u>1,104</u>	1,104	-	<u>1,655</u>	1,655
		<u>-</u>			<u>-</u>	

	2018					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass <i>(in thousand Baht)</i>	Before reclass	Reclass	After reclass
<i>Statement of comprehensive income</i>						
<i>- Six-month period ended 30 June 2019</i>						
Other income	2,495	(757)	1,738	10,515	(1,213)	9,302
Net foreign exchange gain	-	<u>757</u>	757	-	<u>1,213</u>	1,213
		<u>-</u>			<u>-</u>	

The reclassifications have been made the new classification is more appropriate to the Group's business