

**EUREKA DESIGN PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**INTERIM FINANCIAL INFORMATION**  
**MARCH 31, 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 statement of financial position of Eureka Design Public Company Limited as at March 31, 2020, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three - 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".



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**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 period ended March 31, 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 statement of comprehensive income, changes in shareholders' equity and cash flows for the three - month period ended March 31, 2019 of The Company and its subsidiaries and the separate statements and of The company presented herein as comparative information, under her report dated May 14, 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 Hungsapruak)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

Bangkok

May 13, 2020

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position

in Thousand Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		March 31	December 31	March 31	December 31
		2020	2019	2020	2019
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
		"Reviewed"	"Audited"	"Reviewed"	"Audited"
<b>Assets</b>					
<i>Current assets</i>					
Cash and cash equivalents		2,416	15,944	695	1,158
Trade and other current accounts receivable	4	58,526	61,484	44,510	54,246
Short-term loans to related parties	3.3	-	-	17,000	19,000
Inventories	5	32,159	43,284	25,509	26,084
Current tax assets		279	-	197	-
<b>Total current assets</b>		<b>93,380</b>	<b>120,712</b>	<b>87,911</b>	<b>100,488</b>
<i>Non-current assets</i>					
Other non current financial asset		280	280	280	280
Investments in subsidiaries	6	-	-	44,049	44,049
Property, plant and equipment - net	7	177,694	179,851	112,553	114,927
Other intangible assets - net		12,239	13,597	6,601	7,604
Deferred tax assets		3,316	2,659	3,757	2,291
Other non-current assets		42,977	20,637	24,355	18,887
<b>Total non-current assets</b>		<b>236,506</b>	<b>217,024</b>	<b>191,595</b>	<b>188,038</b>
<b>Total assets</b>		<b>329,886</b>	<b>337,736</b>	<b>279,506</b>	<b>288,526</b>

Notes to interim financial statement form an integral part of these statement

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position (Con.)

in Thousand Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		March 31	December 31	March 31	December 31
		2020	2019	2020	2019
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
<b>Liabilities and equity</b>					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	8	67,626	69,450	63,725	61,808
Trade and other current accounts payable		19,494	18,190	14,802	12,909
Current portion of long-term loans					
from financial institutions	9	3,746	3,552	3,601	3,552
Short-term loans from personal and related parties	3.3	19,372	2,500	-	-
Income tax payable		2,330	2,330	-	-
Provision for liabilities		103	103	103	103
<b>Total current liabilities</b>		<b>112,671</b>	<b>96,125</b>	<b>82,231</b>	<b>78,372</b>
<i>Non-current liabilities</i>					
Long-term loans					
from financial institutions	9	7,160	7,437	6,518	7,437
Deferred tax liabilities		3,372	4,272	3,372	3,435
Non-current provisions for employee benefit		1,937	1,680	1,649	1,486
<b>Total non-current liabilities</b>		<b>12,469</b>	<b>13,389</b>	<b>11,539</b>	<b>12,358</b>
<b>Total liabilities</b>		<b>125,140</b>	<b>109,514</b>	<b>93,770</b>	<b>90,730</b>

Notes to interim financial statement form an integral part of these statement

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position (Con.)

in Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
	"Unaudited"	"Audited"	"Unaudited"	"Audited"
Note	"Reviewed"	"Audited"	"Reviewed"	"Audited"
<b>Liabilities and equity (Con.)</b>				
<i>Equity</i>				
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	(183,161)	(161,264)	(194,346)	(182,286)
Other components of equity	5,259	5,259	6,646	6,646
<b>Equity attributable to owners</b>				
of the parent	195,534	217,431	185,736	197,796
Non-controlling interests	9,212	10,791	-	-
<b>Total equity</b>	<b>204,746</b>	<b>228,222</b>	<b>185,736</b>	<b>197,796</b>
<b>Total liabilities and equity</b>	<b>329,886</b>	<b>337,736</b>	<b>279,506</b>	<b>288,526</b>

Notes to interim financial statement form an integral part of these statement

## Statement of comprehensive income

"Reviewed"

For the three month period ended March 31, 2020 and 2019

		in Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
<b>Revenues</b>					
	Revenue from sale of goods and services	22,186	96,716	4,850	23,984
	Investment income	327	39	327	1
	Other income	3,131	691	4,105	5,165
	<b>Total revenues</b>	<b>25,644</b>	<b>97,446</b>	<b>9,282</b>	<b>29,150</b>
<b>Expenses</b>					
	Cost of sales and services	20,398	64,884	1,794	18,246
	Distribution costs	219	4,050	191	1,992
	Administrative expenses	27,951	29,239	19,877	14,736
	Net foreign exchange loss	-	741	-	709
	Finance costs	2,109	2,243	1,009	1,089
	<b>Total expenses</b>	<b>50,677</b>	<b>101,157</b>	<b>22,871</b>	<b>36,772</b>
	Share of loss of joint venture	-	(19)	-	-
	<b>(Loss) before income tax expense</b>	<b>(25,033)</b>	<b>(3,730)</b>	<b>(13,589)</b>	<b>(7,622)</b>
	Tax income (expense)	1,557	(54)	1,529	120
	<b>(Loss) for the period</b>	<b>(23,476)</b>	<b>(3,784)</b>	<b>(12,060)</b>	<b>(7,502)</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
	Exchange differences on translating foreign operation	-	(214)	-	-

## Statement of comprehensive income (Con.)

"Reviewed"

For the three month period ended March 31, 2020 and 2019

		in Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
<b>Items that will not be reclassified to profit or loss</b>					
	Gains (losses) on remeasurements of				
	defined benefit plans	-	(88)	-	231
	Income tax relating to items that				
	will not be reclassified	-	(41)	-	(46)
	<b>Total items that will not be reclassified</b>				
	<b>to profit or loss</b>	-	(129)	-	185
	<b>Other comprehensive (expense)</b>				
	<b>for the period, net of tax</b>	-	(343)	-	185
	<b>Total comprehensive (expense)</b>				
	<b>for the period</b>	<u>(23,476)</u>	<u>(4,127)</u>	<u>(12,060)</u>	<u>(7,317)</u>
	<b>(Loss) attributable to:</b>				
	Owners of the parent	12	(21,897)	(3,847)	(12,060)
	Non-controlling interests		(1,579)	63	-
	<b>(Loss) for the period</b>		<u>(23,476)</u>	<u>(3,784)</u>	<u>(12,060)</u>
	<b>Total comprehensive income (expense)</b>				
	<b>attributable to:</b>				
	Owners of the parent		(21,897)	(4,190)	(12,060)
	Non-controlling interests		(1,579)	63	-
	<b>Total comprehensive (expense)</b>				
	<b>for the period</b>		<u>(23,476)</u>	<u>(4,127)</u>	<u>(12,060)</u>
	<b>(Loss) per share (in Baht)</b>				
	Basic (Loss) per share	12	<u>(0.034)</u>	<u>(0.006)</u>	<u>(0.019)</u>



Eureka Design Public Company Limited and its Subsidiaries  
Statement of changes in equity  
For the three month period ended March 31, 2020 and 2019

"Unaudited"  
"Reviewed"

in Thousand Baht

Consolidated financial statements													
Equity attributable to owners of the parent													
	Note	Other components of equity										Total equity attributable to owners of the parent	Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Translating foreign operations	Differences arising from common control transactions	Revaluation of asset	Total other components of equity	Non-controlling interests	Total		
<b>Balance at January 1, 2020</b>		158,885	209,891	4,660	(161,264)	-	(1,387)	6,646	5,259	217,431	10,791	228,222	
<i>Changes in equity</i>													
Profit or loss for the period		-	-	-	(21,897)	-	-	-	-	(21,897)	(1,579)	(23,476)	
Other comprehensive income for the period		-	-	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive income for the period</b>		-	-	-	(21,897)	-	-	-	-	(21,897)	(1,579)	(23,476)	
<b>Balance at March 31, 2020</b>		158,885	209,891	4,660	(183,161)	-	(1,387)	6,646	5,259	195,534	9,212	204,746	
<b>Balance at January 1, 2019</b>		158,885	209,891	4,660	(146,988)	(5,479)	(1,387)	6,646	(220)	226,228	847	227,075	
<i>Changes in equity</i>													
Profit or loss for the period		-	-	-	(3,847)	-	-	-	-	(3,847)	63	(3,784)	
Other comprehensive income for the period		-	-	-	(129)	(214)	-	-	(214)	(343)	-	(343)	
<b>Total comprehensive income for the period</b>		-	-	-	(3,976)	(214)	-	-	(214)	(4,190)	63	(4,127)	
<b>Balance at March 31, 2019</b>		158,885	209,891	4,660	(150,964)	(5,693)	(1,387)	6,646	(434)	222,038	910	222,948	

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity

For the three month period ended March 31, 2020 and 2019

"Unaudited"  
"Reviewed"

in Thousand Baht

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Other components of equity		
					Revaluation of asset	Total other components of equity	Total equity
Note							
<b>Balance at January 1, 2020</b>	158,885	209,891	4,660	(182,286)	6,646	6,646	197,796
<i>Changes in equity</i>							
Profit or loss for the period	-	-	-	(12,060)	-	-	(12,060)
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(12,060)	-	-	(12,060)
<b>Balance at March 31, 2020</b>	158,885	209,891	4,660	(194,346)	6,646	6,646	185,736
<b>Balance at January 1, 2019</b>							
<i>Changes in equity</i>							
Profit or loss for the period	158,885	209,891	4,660	(129,482)	6,646	6,646	250,600
Other comprehensive income for the period	-	-	-	(7,502)	-	-	(7,502)
	-	-	-	185	-	-	185
<b>Total comprehensive income for the period</b>	-	-	-	(7,317)	-	-	(7,317)
<b>Balance at March 31, 2019</b>	158,885	209,891	4,660	(136,799)	6,646	6,646	243,283

## Statement of cash flows

"Reviewed"

For the three month period ended March 31, 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	(23,476)	(3,784)	(12,060)	(7,502)
<i>Adjustments to reconcile (loss) to cash receipts (payments)</i>				
Tax expense (income)	(1,557)	54	(1,529)	(120)
Finance costs	2,109	2,243	1,009	1,089
Trade and other current accounts receivable (increase) decrease	(3,283)	18,645	3,809	34,466
Inventories (increase) decrease	11,125	(3,510)	575	3,894
Other non-current assets (increase)	(5,469)	(1,303)	(5,467)	(1,024)
Trade and other current accounts payable increase (decrease)	1,100	(9,887)	1,897	(24,738)
Other non-current liabilities increase (decrease)	-	(667)	-	(667)
Depreciation	3,630	3,432	2,374	2,720
Amortisation	1,234	1,479	1,062	1,355
Employee benefits	259	2,657	163	1,002
Guarantee provisions (reversal)	-	1,809	-	(52)
Unrealised (Gain) loss on exchange	(1,013)	541	(1,013)	518
Unrealised currency translation differences	-	(214)	-	-
Share of loss of investment of joint venture, (net of tax)	-	19	-	-
Bad and doubtful debts expenses (reversal)	7,254	(79)	7,254	(73)
Loss on decline in value of inventories	-	499	-	468
Loss on disposal of and written-off				
of plant and equipment	-	90	-	106
Interest income	-	(39)	(327)	(1)
Total adjustments to reconcile (loss)	(8,087)	11,985	(2,253)	11,441
<i>cash from provided by (used in) operating activities</i>				
Cash paid from guarantee	-	(1,727)	-	(6)
Tax (paid)	(279)	-	(197)	-
<b>Net cash from provided by (used in) operating activities</b>	<b>(8,366)</b>	<b>10,258</b>	<b>(2,450)</b>	<b>11,435</b>

Note to interim financial statement form an integral part of these statement

## Statement of cash flows (Con.)

"Reviewed"

For the three month period ended March 31, 2020 and 2019

	in Thousand Baht				
	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b><i>Cash flows from investing activities</i></b>					
Restricted deposits at financial institutions (increase)		(16,872)	(751)	-	(751)
Acquisition of property, plant and equipment		(488)	(987)	-	(432)
Acquisition of intangible assets		(60)	(8)	(60)	-
Loans to related parties		-	-	2,000	-
Interest received		-	39	13	1
current investments (increase)		-	(1)	-	(1)
<b>Net cash provided by (used in) investing activities</b>		<b>(17,420)</b>	<b>(1,708)</b>	<b>1,953</b>	<b>(1,183)</b>
<b><i>Cash flows from financing activities</i></b>					
Repayment of bank overdrafts and short-term loans from financial institutions		(1,824)	(8,161)	1,916	(7,922)
Proceeds from short-term borrowings from related parties		16,872	-	-	-
Repayment of long-term loans from financial institutions		(870)	(817)	(870)	(817)
Repayment of finance lease liabilities		(15)	(73)	-	(73)
Interest paid		(1,905)	(2,243)	(1,012)	(1,089)
<b>Net cash provided by (used in) financing activities</b>		<b>12,258</b>	<b>(11,294)</b>	<b>34</b>	<b>(9,901)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(13,528)	(2,744)	(463)	351
Effect of exchange rate changes on cash and cash equivalents		-	(29)	-	(29)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(13,528)</b>	<b>(2,773)</b>	<b>(463)</b>	<b>322</b>
Cash and cash equivalents at beginning of period		15,944	26,380	1,158	706
<b>Cash and cash equivalents at ending of period</b>		<b>2,416</b>	<b>23,607</b>	<b>695</b>	<b>1,028</b>

**Non-cash transactions**

- In 2019, the Company has entered in it a finance lease agreement with respect to purchase of vehicle by Baht 0.80 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 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 March 31, 2020, are given in note 2.

**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 statement 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 March	As at December	
	31, 2020	31, 2019	
BS Myco Biotech Co.,Ltd.	85.65	85.65	Manufacture of pesticides and agrochemical products
Join Venture Eureka UU Co.,Ltd.	90.00	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 three-month period ended March 31, 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 23.5 million and Baht 12.1 million, respectively and, as of that date, the Group and the Company incurred deficit of Baht 183.2 million and Baht 194.3 million, respectively (December 31, 2019: Baht 161.3 million and Baht 182.3 million, respectively). Moreover, the Group and Company could not maintain the debt service coverage ratio as prescribed in the loan agreement from a financial institution. However, the Company had already obtained the debt covenant waiver confirmation from a financial institution. 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 statement 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**

A set of TFRS related to financial instruments consists of five accounting standards and interpretations, as follows:

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:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
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.
Mr. Narakorn Ratchapolsitte	Thailand	Major shareholders, 10% or more shareholding, and directors
Manee Udomsuk Company Limited	Thailand	Common major shareholders

## 3.2 Pricing Policy:

<b>Transactions</b>	<b>Pricing policies</b>
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 period ended March 31, 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 31 March</i>	2020	2019	2020	2019
<b>Subsidiaries</b>				
Sales of goods and rendering of services	-	-	-	68
Service income	-	-	657	4,494
Purchase of goods and receiving of services	-	-	-	14,966
Service fees	-	-	-	289
Interest income	-	-	327	-
Interest expense	-	-	-	86
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	2,034	7,172	1,897	4,159
Post-employee benefits	75	131	66	82
<b>Total key management personnel compensation</b>	<b>2,109</b>	<b>7,303</b>	<b>1,963</b>	<b>4,241</b>
<b>Other related parties</b>				
Interest income	-	22	-	-
Interest expense	160	1,224	-	-

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

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
<b><i>Other receivables - related party</i></b>				
Subsidiary	-	-	1,502	485

	in Thousand Baht					
	Interest rate <i>(% per annum)</i>	Consolidated		Separate		
		financial statements		financial statements		
		March 31	December 31	March 31	December 31	
	2020	2019	2020	2019		
<b>Short-term loans</b>						
Subsidiary	7.4	7.4	-	-	17,000	19,000
Joint venture	-	-	-	-	-	-
<b>Short-term loans related party</b>						
			-	-	17,000	19,000

Movements of loans to related parties were as follows:

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31 2020	December 31 2019	March 31 2020	December 31 2019
<b>Short-term loans</b>				
<b>Subsidiary</b>				
Beginning balance	-	-	19,000	-
Increase	-	-	-	27,000
Decrease	-	-	(2,000)	(8,000)
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>19,000</b>
<b>Joint venture</b>				
Beginning balance	-	1,200	-	-
Increase	-	-	-	-
Decrease	-	(1,200)	-	-
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total short-term loans</b>				
Beginning balance	-	1,200	19,000	-
Increase	-	-	-	27,000
Decrease	-	(1,200)	(2,000)	(8,000)
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>19,000</b>
<b>Trade accounts payable - related parties</b>				
Subsidiaries	-	414	-	-

For the three-month period ended March 31, 2020

	Interest rate		in Thousand Baht			
			Consolidated financial statements		Separate financial statements	
	(% per annum)		March 31	December 31	March 31	December 31
	2020	2019	2020	2019	2020	2019
<b>Short-term loans</b>						
Subsidiary	-	-	-	-	-	-
Key management personnel	7.4	7.4	19,372	2,500	-	-
<b>Short-term loans from related parties</b>			<b>19,372</b>	<b>2,500</b>	<b>-</b>	<b>-</b>

Movements of loans from related parties were as follows:

	in Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
<b>Short-term loans</b>				
<b>Subsidiary</b>				
Beginning balance	-	-	-	4,794
Increase	-	-	-	55,000
Decrease	-	-	-	(59,794)
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Key management personnel</b>				
Beginning balance	2,500	67,000	-	-
Increase	16,872	3,500	-	-
Decrease	-	(68,000)	-	-
<b>Ending balance</b>	<b>19,372</b>	<b>2,500</b>	<b>-</b>	<b>-</b>

in Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
<b>Total short-term Loans</b>				
Beginning balance	2,500	67,000	-	4,794
Increase	16,872	3,500	-	55,000
Decrease	-	(68,000)	-	(59,794)
<b>Ending balance</b>	<b>19,372</b>	<b>2,500</b>	<b>-</b>	<b>-</b>

***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.

The Company entered into loan agreements for loans granted to a subsidiary. These loans are due within June 2020.

## 4. Trade and other current accounts receivable

		in Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31	December 31	March 31	December 31
<i>Note</i>		2020	2019	2020	2019
	<b>Trade accounts receivable</b>				
	Other parties	44,444	29,374	35,694	29,374
	Less allowance for doubtful accounts	(7,613)	(359)	(7,613)	(359)
	<b>Total</b>	<b>36,831</b>	<b>29,015</b>	<b>28,081</b>	<b>29,015</b>
	<b>Other receivable</b>				
	Related parties	-	-	1,502	485
3.3	Other parties	10,070	16,031	3,302	8,308
	<b>Total</b>	<b>10,070</b>	<b>16,031</b>	<b>4,804</b>	<b>8,793</b>
	<b>Unbilled contract work in progress</b>				
	Cost and attributable profit	41,421	41,867	41,421	41,867
	Less progress billings	(29,796)	(25,429)	(29,796)	(25,429)
	<b>Net</b>	<b>11,625</b>	<b>16,438</b>	<b>11,625</b>	<b>16,438</b>
	<b>Total trade and other current accounts receivable</b>	<b>58,526</b>	<b>61,484</b>	<b>44,510</b>	<b>54,246</b>
	(Reversal of) bad and doubtful	-	(497)	-	(106)



For the three-month period ended March 31, 2020

Aging analyses for trade accounts receivable were as follows:

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
<b>Other parties</b>				
Within credit terms	16,264	7,070	7,514	7,070
Overdue:				
Less than 90 days	6,416	5,457	6,416	5,457
90 - 180 days	4,858	7,497	4,858	7,497
181 - 360 days	16,547	8,842	16,547	8,842
Over 360 days	359	508	359	508
	44,444	29,374	35,694	29,374
Less allowance for doubtful accounts	(7,613)	(359)	(7,613)	(359)
<b>Net</b>	<b>36,831</b>	<b>29,015</b>	<b>28,081</b>	<b>29,015</b>

**5. Inventory**

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
Finished goods	8,094	1,643	1,998	1,643
Work in progress	20,951	38,151	20,951	20,951
Raw materials	4,617	4,068	4,063	4,068
Goods in transit	-	925	-	925
<b>Total</b>	<b>33,662</b>	<b>44,787</b>	<b>27,012</b>	<b>27,587</b>
Less allowance for decline in value	(1,503)	(1,503)	(1,503)	(1,503)
<b>Net</b>	<b>32,159</b>	<b>43,284</b>	<b>25,509</b>	<b>26,084</b>

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6. Investments in subsidiaries

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

in Thousand Baht

Separate financial statements

	Ownership interest				Paid-up capital				Cost				Impairment				At cost - net				
	March 31		December 31		March 31		December 31		March 31		December 31		March 31		December 31		March 31		December 31		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
<i>Direct subsidiaries</i>																					
BS Myco Biotech Co.,Ltd.	85.65	85.65	46,700	46,700	34,999	34,999	-	-	34,999	34,999	-	-	34,999	34,999	-	-	34,999	34,999	34,999	34,999	
Join Venture Eureka UU Co.,Ltd.	90.00	90.00	7,000	7,000	6,300	6,300	-	-	6,300	6,300	-	-	6,300	6,300	-	-	6,300	6,300	6,300	6,300	
Eureka Energy Co.,Ltd.	55.00	55.00	5,000	5,000	2,750	2,750	-	-	2,750	2,750	-	-	2,750	2,750	-	-	2,750	2,750	2,750	2,750	
<b>Total</b>					<b>44,049</b>	<b>44,049</b>			<b>44,049</b>	<b>44,049</b>			<b>44,049</b>	<b>44,049</b>			<b>44,049</b>	<b>44,049</b>	<b>44,049</b>	<b>44,049</b>	

**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.

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.

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)
<b>Total identifiable net assets</b>	<b>72,239</b>
Less: Non-controlling interests (14.35 %)	(10,366)
<b>Total identifiable net assets received</b>	<b>61,873</b>
Gain on bargain purchase	(26,874)
<b>Purchase consideration transferred</b>	<b>34,999</b>
Net cash acquired with the subsidiary	6,802
Cash paid	34,999
<b>Net cash outflows</b>	<b>28,197</b>

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

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.

For the three-month period ended March 31, 2019

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. Property, plant and equipment - net

The condensed movements in these items for three - month period ended March 31, 2020 are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separated financial statements
Net book value at January 1, 2020	179,851	114,927
<b>Add</b> Purchase	1,290	-
<b>Add</b> Transfer in	183	-
<b>Less</b> Disposal	-	-
<b>Less</b> Depreciation / Transfer out	(3,630)	(2,374)
Net book value at March 31, 2020	177,694	112,553

The gross carrying amount of fully depreciated property and equipments of the Company that was still in use as at March 31, 2020 amounted to Baht 41.1 million (December 31, 2019 : Baht 15.0 million for the Group and the Company).

## 8. Bank Overdrafts and Short - Term Loans from Financial Institutions

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
Bank over drafts	22,626	18,325	18,725	16,808
Short - term loans	45,000	51,125	45,000	45,000
<b>Total overdraft and short - term loans from financial institutions</b>	<b>67,626</b>	<b>69,450</b>	<b>63,725</b>	<b>61,808</b>

For the three-month period ended March 31, 2019

As at March 31, 2020, bank overdrafts and promissory notes and short-term loans from financial institutions bore interest at rates of MOR and MLR minus 1% per annum.

As at March 31, 2020, the Group had unutilised credit facilities totalling Baht 9.4 million (December 31, 2019: Baht 8.2 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 restriction relating to mortgage, pledge and claim of assets, etc.

#### Breach of loan covenant

During the period, the Company could not maintain the debt service coverage ratio as prescribed in the loans agreements from a financial institution. The carrying amount of such loan amounted to Baht 10.1 million as at March 31, 2020. However, as at March 25, 2020 the Company had already obtained the debt covenant waiver confirmation from financial institution regarding such breach of loan covenant.

#### 9. Long - Term Loans

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31 2020	December 31 2019	March 31 2020	December 31 2019
Long - term loans institution	6,518	7,437	6,518	7,437
Liabilities under finance lease agreement	642	-	-	-
<b>Total long - term loans</b>	<b>7,160</b>	<b>7,437</b>	<b>6,518</b>	<b>7,437</b>

**Current portion of long - term loans institutions**

	in Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
Long - term loans institution	3,601	3,552	3,601	3,552
Liabilities under finance lease agreement	145	-	-	-
<b>Total current portion of long - term loans</b>	<b>3,746</b>	<b>3,552</b>	<b>3,601</b>	<b>3,552</b>

**10. 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.



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## 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
<b>For the three-month period ended 31 March</b>															
External revenue		31	82,550	-	9,423	-	-	17,336	-	1,871	19,873	-	(15,130)	22,186	96,716
Segment profit (loss) before income tax		(99)	1,678	-	(5,188)	(9,398)	-	(9,431)	-	(5,964)	234	(141)	(454)	(25,033)	(3,730)

## in Thousand Baht

		Consolidated financial statements											
		Design and manufacture of automatic machine		Installation and maintenance of machine		Manufacture of pesticides and agrochemical products		Other		Total			
		March 31	December 31	March 31	December 31	March 31	December 31	March 31	December 31	March 31	December 31		
Segment Asset		1,546	513,774	-	48,724	146,412	43,898	89,008	39,095	92,920	58,289	329,886	337,736
Segment Liability		724	229,927	-	21,805	68,540	19,645	12,380	17,496	43,496	26,086	125,140	109,515

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		Separate financial statements									
		Design and manufacture of semi - automatic machine		Design and manufacture of automatic machine		Installation and maintenance of machine		Other		Total	
		March 31 2020	December 31 2019	March 31 2020	December 31 2019	March 31 2020	December 31 2019	March 31 2020	December 31 2019	March 31 2020	December 31 2019
Segment Asset		1,794	153,076	-	15,625	169,890	52,079	107,822	65,456	279,506	286,236
Segment Liability		602	47,296	-	4,828	56,996	16,091	36,172	20,224	93,770	88,439

## For the three-month period ended March 31, 2020

## 11. Revenue

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

		Consolidated financial statements in Thousand Baht											
		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	
<i>For the three-month period ended 31 March</i>		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Primary geographical markets</b>													
Thailand		31	65,160	-	8,140	-	-	17,336	-	1,871	19,694	19,238	92,994
India		-	3,543	-	-	-	-	-	-	-	179	-	3,722
Germany		-	-	-	-	2,948	-	-	-	-	-	2,948	-
<b>Total</b>		<b>31</b>	<b>68,703</b>	<b>-</b>	<b>8,140</b>	<b>-</b>	<b>-</b>	<b>17,336</b>	<b>-</b>	<b>1,871</b>	<b>19,873</b>	<b>22,186</b>	<b>96,716</b>
<b>Timing of revenue recognition</b>													
At a point in time		-	720	-	-	2,948	-	-	-	1,871	16,765	4,819	17,485
Over time		31	67,983	-	8,140	-	-	17,336	-	-	3,108	17,367	79,231
<b>Total</b>		<b>31</b>	<b>68,703</b>	<b>-</b>	<b>8,140</b>	<b>2,948</b>	<b>-</b>	<b>17,336</b>	<b>-</b>	<b>1,871</b>	<b>19,873</b>	<b>22,186</b>	<b>96,716</b>

## Notes to the interim financial statements

## For the three-month period ended March 31, 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		Other		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the three-month period ended 31 March</i>											
<b>Primary geographical markets</b>											
Thailand	31		16,662	-	1,451	-	-	1,871	5,871	1,902	23,984
Germany	-		-	-	-	2,948	-	-	-	2,948	-
	31		16,662	-	1,451	2,948	-	1,871	5,871	4,850	23,984
<b>Timing of revenue recognition</b>											
At a point in time	-		720	-	-	2,948	-	1,871	2,763	4,819	3,483
Over time	31		15,942	-	1,451	-	-	-	3,108	31	20,501
Total	31		16,662	-	1,451	2,948	-	1,871	5,871	4,850	23,984

For the three-month period ended March 31, 2020

**12. Basic earnings (loss) per share**

The calculations of basic earnings (loss) per share for the three-month period ended March 31, 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:

<i>For the three-month period ended</i>	<i>in Thousand Baht / Thousand share</i>			
	Consolidated		Separate	
	financial statements		financial statements	
<i>March 31</i>	2020	2019	2020	2019
<b>(Loss) attributable to</b>				
<b>ordinary shareholders of</b>				
<b>the Company (basic)</b>	(21,897)	(3,847)	(12,060)	(7,502)
<b>Number of ordinary shares</b>				
<b>outstanding</b>	635,540	635,540	635,540	635,540
<b>(Loss) per share (basic) (in Baht)</b>	(0.034)	(0.006)	(0.019)	(0.012)

**13. 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.

For the three-month period ended March 31, 2020

**14. 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.

**15. Commitments with non-related parties**

in Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	March 31	December 31	March 31	December 31
	2020	2019	2020	2019
Within one year	1,114	1,732	543	672
After one year but within five years	296	478	296	478
<b>Total</b>	<b>1,410</b>	<b>2,210</b>	<b>839</b>	<b>1,150</b>

**Letters of guarantee**

As at March 31, 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).

**16. 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 is not materially liable to pay compensation. Therefore, no provision for the litigation has been set aside in the financial statements as at March 31, 2020.

**17. Reclassifications**

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

**18. 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 March 31, 2020, debt to equity ratio in the consolidated financial statements is 0.50 : 1

**19. Events after the reporting period**

1. The Annual General Meeting of Shareholders on April 30, 2020, was unanimously resolved as of the following:
  - 1.1 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 canceling 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 article 4 in accordance with the reduction of registered capital.
  - 1.2 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 article 4 in accordance with the increase of registered capital.
  - 1.3 Approval for the allotment of newly issued ordinary shares in the amount of 550,801,197 shares at par value of 0.25 baht per share.
    - 1.3.1 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.
    - 1.3.2 Allotment of newly issued shares as well issue warrants to allocate 296,585,260 ordinary shares to existing shareholders at the ratio of 3 shares to 1 warrant.
  - 1.4 Approval of investment in the water supply project to the Provincial Waterworks Authority The investment value of Baht 237 Million.

2. 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 2.3million. The rest is paid on the day of the transfer of rights.

#### **20. Financial Information Approval**

These interim financial information have been approved for issue by the Company's board of directors on May 13, 2020.