

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
Se-Education Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Se-Education Public Company Limited and its subsidiaries as at March 31, 2019, and the related consolidated statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the three-month period then ended, and the condensed notes to the financial statements and I have also reviewed the statement of financial position of Se-Education Public Company Limited as at March 31, 2019, and the related statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the three-month period then ended, and the condensed notes to the financial statements. 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 No. 34 "Interim Financial Reporting".

OTHER MATTER

The consolidated statement of financial position of Se-Education Public Company Limited and its subsidiaries and the statement of financial position of Se-Education Public Company Limited as at December 31, 2018, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in her report dated February 22, 2019, the consolidated statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the three-month period ended March 31, 2018 of Se-Education Public Company Limited and its subsidiaries, and the statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows of Se-Education Public Company Limited for the three-month period ended March 31, 2018, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in her report dated May 11, 2018.



(Miss Nannaphat Wannasomboon)

Certified Public Accountant

Registration No. 7793

Dharmniti Auditing Company Limited
Bangkok, Thailand
May 10, 2019

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

| | | Baht | | | |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | As at March | As at December | As at March | As at December |
| | | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| | | | (Restated) | | |
| | | Notes | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 120,412,278 | 139,466,326 | 84,307,356 | 85,531,195 |
| Trade and other receivables | 5, 7 | 122,477,413 | 62,950,818 | 120,020,492 | 57,944,984 |
| Short-term loan to subsidiary | 5 | - | - | 1,800,000 | 1,800,000 |
| Inventories | 8 | 359,304,835 | 335,088,836 | 356,368,164 | 330,431,836 |
| Other current assets | 9 | 56,351,378 | 54,337,972 | 52,630,785 | 51,548,192 |
| Total current assets | | 658,545,904 | 591,843,952 | 615,126,797 | 527,256,207 |
| Non-current assets | | | | | |
| Restricted bank deposits and other investments | 10 | 13,418,002 | 13,413,204 | 13,418,002 | 13,413,204 |
| Investment in associated company | 11 | 25,338,779 | 25,338,779 | 100,000 | 100,000 |
| Investment in subsidiary companies | 12 | - | - | 70,294,511 | 70,294,511 |
| Property, plant and equipment | 13 | 1,758,506,988 | 1,776,901,991 | 1,492,491,466 | 1,510,771,934 |
| Leasehold rights on land | 14 | 5,739,185 | 5,809,523 | - | - |
| Leasehold rights on buildings | 15 | 37,392,261 | 40,042,081 | 37,392,261 | 40,042,081 |
| Intangible assets | 16 | 3,438,909 | 3,616,984 | 3,316,055 | 3,495,072 |
| Prepaid book copyright and translation fee | | 17,579,937 | 17,599,460 | 17,579,937 | 17,599,460 |
| Rental guarantee and deposit | | 87,263,768 | 89,950,768 | 87,263,768 | 89,950,768 |
| Deferred tax assets | 23 | 131,341 | 131,341 | - | - |
| Other non-current assets | | 9,798,376 | 9,501,708 | 9,247,331 | 9,102,305 |
| Total non-current assets | | 1,958,607,546 | 1,982,305,839 | 1,731,103,331 | 1,754,769,335 |
| Total assets | | 2,617,153,450 | 2,574,149,791 | 2,346,230,128 | 2,282,025,542 |

Notes to interim financial statements form an integral part of these interim statements.



SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY

| | | Baht | | | |
|--|----|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | As at March | As at December | As at March | As at December |
| | | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| | | | (Restated) | | |
| | | Notes | | | |
| Current liabilities | | | | | |
| Short-term loan from financial institution | 17 | 50,000,000 | - | 50,000,000 | - |
| Trade and other payables | 18 | 865,188,802 | 826,276,136 | 856,587,169 | 810,979,636 |
| Income received in advance recognisable | | | | | |
| within one year | 19 | 47,850,716 | 64,003,222 | - | - |
| Current portion of long-term loans | 20 | 69,558,000 | 60,408,000 | 60,408,000 | 60,408,000 |
| Current portion of long-term | | | | | |
| employee benefits obligations | | 4,249,248 | 5,793,411 | 4,249,248 | 5,793,411 |
| Income tax payable | | 386,479 | 390,635 | - | - |
| Other current liabilities | 21 | 30,481,667 | 29,242,839 | 26,017,914 | 24,095,474 |
| Total current liabilities | | 1,067,714,912 | 986,114,243 | 997,262,331 | 901,276,521 |
| Non-current liabilities | | | | | |
| Income received in advance | 19 | 34,060,501 | 35,670,524 | - | - |
| Long-term loans | 20 | 180,590,000 | 204,842,000 | 133,090,000 | 148,192,000 |
| Long-term employee benefits obligations | 22 | 52,884,374 | 55,326,216 | 45,859,527 | 48,486,491 |
| Deferred tax liabilities | 23 | 48,595,401 | 50,622,606 | 44,195,689 | 46,152,480 |
| Other non-current liabilities | | 11,818,836 | 9,057,239 | 9,462,680 | 8,001,240 |
| Total non-current liabilities | | 327,949,112 | 355,518,585 | 232,607,896 | 250,832,211 |
| Total liabilities | | 1,395,664,024 | 1,341,632,828 | 1,229,870,227 | 1,152,108,732 |



Notes to interim financial statements form an integral part of these interim statements.

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT MARCH 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

| | Baht | | | |
|---|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March | As at December | As at March | As at December |
| | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| Notes | | (Restated) | | |
| Shareholders' equity | | | | |
| Share capital | | | | |
| Authorized share capital | | | | |
| 391,944,529 ordinary shares of Baht 1 each | 391,994,529 | 391,944,529 | 391,994,529 | 391,944,529 |
| Issued and paid-up | | | | |
| 391,944,418 ordinary shares of Baht 1 each | 391,944,418 | 391,944,418 | 391,944,418 | 391,944,418 |
| Share premium | 149,420,558 | 149,420,558 | 149,420,558 | 149,420,558 |
| Retained earnings | | | | |
| Appropriated to legal reserve | | | | |
| Company | 39,194,453 | 39,194,453 | 39,194,453 | 39,194,453 |
| Subsidiaries | 631,994 | 631,994 | - | - |
| Unappropriated | 184,860,171 | 196,830,800 | 164,771,666 | 178,188,073 |
| Other components of shareholders' equity | 381,603,487 | 382,025,642 | 371,028,806 | 371,169,308 |
| Total shareholders' equity of parent | 1,147,655,081 | 1,160,047,865 | 1,116,359,901 | 1,129,916,810 |
| Total non-controlling interests of the subsidiaries | 73,834,345 | 72,469,098 | - | - |
| Total shareholders' equity | 1,221,489,426 | 1,232,516,963 | 1,116,359,901 | 1,129,916,810 |
| Total liabilities and shareholders' equity | 2,617,153,450 | 2,574,149,791 | 2,346,230,128 | 2,282,025,542 |



Notes to interim financial statements form an integral part of these interim statements.

SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

| | Notes | Baht | | | |
|---|-------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | |
| Revenues from sales | | 728,762,834 | 802,432,189 | 726,357,149 | 801,630,214 |
| Tuition fees income | | 44,911,939 | 41,000,597 | - | - |
| Dividend income | | 125,971 | 169,029 | 46,222 | 96,491 |
| Other income | | 11,013,280 | 19,182,626 | 9,086,006 | 16,607,743 |
| Total revenues | | 784,814,024 | 862,784,441 | 735,489,377 | 818,334,448 |
| Expenses | | | | | |
| Cost of sales | | 479,134,850 | 526,983,475 | 476,480,724 | 526,769,010 |
| Cost of tuition fees | | 34,652,494 | 33,912,184 | - | - |
| Selling expenses | | 174,030,925 | 190,138,052 | 174,021,986 | 190,087,930 |
| Administrative expenses | | 106,785,818 | 111,394,930 | 97,959,879 | 103,578,675 |
| Finance costs | | 3,264,679 | 4,127,912 | 2,540,487 | 3,346,928 |
| Total expenses | | 797,868,766 | 866,556,553 | 751,003,076 | 823,782,543 |
| Loss before (income) tax expenses | | (13,054,742) | (3,772,112) | (15,513,699) | (5,448,095) |
| Income tax expense | 24 | (2,027,205) | (984,309) | (1,956,790) | (1,044,844) |
| Loss for the period | | (11,027,537) | (2,787,803) | (13,556,909) | (4,403,251) |
| Profit (loss) attributable to | | | | | |
| Equity holders of the parent | | (12,392,784) | (3,588,163) | (13,556,909) | (4,403,251) |
| Non-controlling interests of the subsidiaries | | 1,365,247 | 800,360 | - | - |
| | | (11,027,537) | (2,787,803) | (13,556,909) | (4,403,251) |
| Basic earnings per share | 25 | | | | |
| Loss attributable to equity holders of the parent | | (0.032) | (0.009) | (0.035) | (0.011) |

Notes to interim financial statements form an integral part of these interim statements.



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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

| Notes | Baht | | | |
|--|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Loss for the period | (11,027,537) | (2,787,803) | (13,556,909) | (4,403,251) |
| Other comprehensive income: | | | | |
| Other comprehensive income to be reclassified | | | | |
| to profit or loss in subsequent periods | | | | |
| Gain on changes in value of | | | | |
| available-for-sale investments, net from tax expense | - | 4,422 | - | 4,422 |
| Other comprehensive income for the period | - | 4,422 | - | 4,422 |
| Total comprehensive loss for the period | (11,027,537) | (2,783,381) | (13,556,909) | (4,398,829) |
| Total comprehensive income (loss) attributable to | | | | |
| Equity holders of the parent | (12,392,784) | (3,583,741) | (13,556,909) | (4,398,829) |
| Non-controlling interests of subsidiaries | 1,365,247 | 800,360 | - | - |
| | (11,027,537) | (2,783,381) | (13,556,909) | (4,398,829) |



Notes to interim financial statements form an integral part of these interim statements.

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"REVIEWED"

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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019



Baht

| | Separate financial statements | | | | | | Total other components of shareholders' equity | Total shareholders' equity |
|---|----------------------------------|---------------|-------------------------------|-------------------|----------------|---|--|----------------------------|
| | Issued and paid-up share capital | Share premium | Appropriated to legal reserve | Retained earnings | Unappropriated | Surplus on changes in value of available-for-sale investments | Surplus on revaluation of assets | |
| Balance as at January 1, 2018 | 391,944,418 | 149,420,558 | 39,194,453 | 111,524,454 | (4,403,251) | 5,357 | 417,458,614 | 1,109,547,854 |
| Loss for the period | - | - | - | - | (4,403,251) | - | - | (4,403,253) |
| Other comprehensive income (loss) for the period | - | - | - | - | - | 4,422 | - | 4,422 |
| Total comprehensive income (loss) for the period | - | - | - | - | (4,403,251) | 4,422 | - | (4,398,831) |
| Transferred surplus on revaluation of assets to retained earnings | - | - | - | - | 142,069 | - | (142,069) | - |
| Balance as at March 31, 2018 | 391,944,418 | 149,420,558 | 39,194,453 | 107,263,272 | 142,069 | 9,779 | 417,316,545 | 1,105,149,023 |
| Balance as at January 1, 2019 | 391,944,418 | 149,420,558 | 39,194,453 | 178,188,073 | (13,556,909) | - | 371,169,308 | 1,129,916,810 |
| Loss for the period | - | - | - | - | (13,556,909) | - | - | (13,556,909) |
| Other comprehensive income (loss) for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income (loss) for the period | - | - | - | - | (13,556,909) | - | - | (13,556,909) |
| Transferred surplus on revaluation of assets to retained earnings | - | - | - | - | 140,502 | - | (140,502) | - |
| Balance as at March 31, 2019 | 391,944,418 | 149,420,558 | 39,194,453 | 164,771,666 | 140,502 | - | 371,028,806 | 1,116,359,901 |

Notes to interim financial statements form an integral part of these interim statements.



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SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

| | Baht | | | |
|---|-----------------------------------|--------------|-------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from operating activities | | | | |
| Loss before (income) tax expenses | (13,054,742) | (3,772,112) | (15,513,699) | (5,448,095) |
| Adjustments to reconcile loss before (income) tax expenses to net cash provided by (use in) operating activities: | | | | |
| Gain on disposal of temporary investments | (150,406) | (203,050) | (150,406) | (203,050) |
| Allowance for doubtful accounts and estimated goods return | 5,802,827 | 4,838,587 | 6,080,632 | 5,114,712 |
| Adjustments from reconcile account receivable | (32,161) | - | (32,161) | - |
| Expense from loss of inventories | 2,054,676 | 3,098,723 | 2,054,676 | 3,098,722 |
| Allowance for loss of inventories, dilapidated and slow moving | 6,198,993 | 1,396,184 | 6,001,418 | 1,396,184 |
| Expense for donation of goods and equipment | 1,169,692 | 1,408,000 | 1,169,692 | 1,408,000 |
| Loss on destroy inventories | 537,470 | - | 537,470 | - |
| Depreciation and amortization | 22,915,994 | 25,963,570 | 18,864,462 | 21,994,548 |
| Allowance for impairment of assets (reversal) | 551,363 | (1,364,001) | 551,363 | (1,364,001) |
| (Gain) loss on sales and written-off equipment | (203,932) | 2,144,597 | (203,743) | 2,152,978 |
| Amortized leasehold rights on land and buildings | 2,720,158 | 2,720,158 | 2,649,820 | 2,649,821 |
| Adjustment from clearing long outstanding payable | 48,917 | (16,475) | 48,917 | (16,475) |
| Long-term employee benefits expenses | 1,612,765 | 4,690,634 | 1,427,643 | 4,048,935 |
| Interest income | (125,971) | (168,980) | (46,222) | (96,443) |
| Interest expenses | 3,264,679 | 4,127,912 | 2,540,487 | 3,346,928 |
| Profit from operating activities before changes in operating assets and liabilities | 33,310,322 | 44,863,747 | 25,980,349 | 38,082,764 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (65,297,261) | (59,122,897) | (68,123,979) | (58,621,884) |
| Inventories | (33,639,360) | (37,423,704) | (35,162,114) | (36,023,640) |
| Prepaid expense | (2,229,443) | (4,961,603) | (1,284,652) | (1,995,144) |
| Other current assets | 848,125 | (374,295) | 804,298 | (670,310) |
| Prepaid book copyright and translation fee | 19,523 | 945,578 | 19,523 | 945,578 |
| Rental guarantee and deposit | 2,687,000 | 2,691,652 | 2,687,000 | 2,691,652 |
| Other non-current assets | (309,812) | (5,000) | (145,026) | 2,216 |

Notes to interim financial statements form an integral part of these interim statements.



SE-EDUCATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

| | Baht | | | |
|---|-----------------------------------|---------------------|-------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 40,552,096 | 47,600,999 | 47,448,687 | 50,617,432 |
| Deffered unearned income | (17,762,529) | (12,178,032) | - | - |
| Other current liabilities | 1,254,792 | 3,634,154 | 1,873,523 | 2,673,235 |
| Other non-current liabilities | 2,757,438 | 2,676,000 | 1,461,440 | 1,740,000 |
| Cash used in operating activities | (37,809,109) | (11,653,401) | (24,440,951) | (558,101) |
| Cash paid for long-term employee benefit | (5,598,770) | (3,788,000) | (5,598,770) | (3,788,000) |
| Cash paid for interest expenses | (3,280,643) | (4,179,483) | (2,556,452) | (3,398,500) |
| Cash paid for income tax | (618,943) | (912,113) | (602,949) | (656,350) |
| Net cash used in operating activities | (47,307,465) | (20,532,997) | (33,199,122) | (8,400,951) |
| Cash flows from investing activities: | | | | |
| (Increase) decrease in temporary investments | 150,406 | (16,315,383) | 150,406 | (16,315,383) |
| Increase in bank and other investment with guarantee obligation | (4,798) | (4,798) | (4,798) | (4,798) |
| Cash paid for purchase of fixed assets | (7,165,732) | (11,355,048) | (3,363,201) | (9,764,072) |
| Cash received from sale of equipment | 249,570 | 61,122 | 247,944 | 52,588 |
| Cash received from interest income | 125,971 | 168,981 | 46,932 | 97,153 |
| Cash received from unearned deposit | - | 20,000,000 | - | 20,000,000 |
| Net cash flows used in investing activities | (6,644,583) | (7,445,126) | (2,922,717) | (5,934,512) |
| Cash flows from financing activities | | | | |
| Cash received from short-term loans from financial institution | 50,000,000 | 30,000,000 | 50,000,000 | 30,000,000 |
| Repayment of long-term loans from financial institution | (15,102,000) | (25,102,000) | (15,102,000) | (15,102,000) |
| Net cash flows provided by financing activities | 34,898,000 | 4,898,000 | 34,898,000 | 14,898,000 |
| Net increase (decrease) in cash and cash equivalents | (19,054,048) | (23,080,123) | (1,223,839) | 562,537 |
| Cash and cash equivalents at beginning of period | 139,466,326 | 145,864,621 | 85,531,195 | 94,319,896 |
| Cash and cash equivalents at end of period | 120,412,278 | 122,784,498 | 84,307,356 | 94,882,433 |

Supplemental cash flows information

Non-cash transactions

Gain (loss) in revaluation surplus on changes in value of

available-for-sale investments

- 5,527 - 5,527

Increase (decrease) in purchase fixed assets payables

(1,688,347) (2,474,473) (1,825,189) (2,402,228)

Notes to interim financial statements form an integral part of these interim statements.



2.3 Thai Financial Reporting Standards that become effective in the current year

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. Excepted TFRS 15 Revenue from Contracts with Customers TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.


From January 1, 2019, the subsidiary has been affected from the transaction of revenues recognition on the school entrance fee in order to recognize the obligation to comply with the period as deferred income in accordance with the rules prescribed. The subsidiary have adjusted such transaction in this current year and restated the prior year's financial statements, presented for comparative purposes, as though the subsidiary had initially recognized such effects. The cumulative effect of the change is described in Note 4 to the interim financial statements.

2.4 Thai Financial Reporting Standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard and accounting guidance for financial instruments, which is effective for fiscal years beginning on or after January 1, 2020. Key principles of these standards are summarized follows:

The accounting guidance for financial instruments and Presentation for Insurance business

Accounting practice was adjusted to have close content with TFRS 9 by dividing into 4 parts as follows:

1. The recognition of transaction and valuation of financial instrument which is developed closely to Thai Accounting Standard No.105 (revised 2016) accounting for investment in debt securities and equity securities and Thai Financial Reporting Standard No.9 financial instrument.
2. Impairment of financial asset which has content close to Thai Financial Reporting Standard No.9 financial instrument.
3. Accounting to prevent risk with content close to Thai Financial Reporting Standard No.9 financial instrument.
4. Information disclosure of financial instrument with content similar to Thai Financial Reporting Standard No.7 disclosure of financial instrument information. 



TFRS 16 Leases

As the lease is significant transaction in many business in many industries. It's significant that user of financial statement should receive information on activity of the lease completely and able to compare which the former accounting method for lease agreement under Thai Accounting Standard No.17 regarding lease agreement require the lessee and lessor to classify lease agreement as financial lease or operating lease and record the account for both lease agreement differently. Such accounting method can't respond to the needs of the financial statement users as the accounting method does not objectively represent for the lease transaction in every case. For the lessee to recognize assets and liabilities that arise from operating lease which affects the lease agreement to be recognized as asset and liabilities in the statement of financial position. The use of asset and commitment that arises from the lease agreement under the definition of asset and liabilities affect the significant financial ratio to be distorted. New accounting method under Thai Financial Reporting Standards No.16 lease agreement requires the lessee to recognize the right to use asset as asset in the financial statements and recognize commitment that arises from lease agreement in the financial statements.

Such accounting method affects the asset presentation and liabilities of the lessee as objective representation as well as increase the disclosure of information that reflects the financial risk and capital money of the lessee.

At present, the management of the Company and its subsidiaries are evaluating the impact of this standard to the financial statements in the year when it is adopted.


3. SIGNIFICANT ACCOUNTING POLICIES

The Company and its subsidiaries prepared the interim financial statement with the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2018, except for the change in the accounting policies due to adoption of TFRS 15 Revenue from Contracts with Customers, as follows:

Revenues recognition

School entrance fee of Pleanpattana School is recognized as income according to the eligibility learning period, status of student.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 2.3 to the interim financial statements, during the current period, the subsidiary has adopted TFRS 15 using the modified retrospective method of adoption. The subsidiary has used this accounting policy in this current year and restated the prior year's financial statements, presented for comparative purposes, as though the subsidiary had initially recognized such effects. The change in accounting policies has been affected as follows: 



| | Thousand Baht | |
|------------------------------------|-----------------------------------|---------------------------|
| | Consolidated financial statements | |
| | As at December 31, 2018 | As at January 31, 2018 |
| Impact on retained earnings | | |
| Entrance fees income | (33,127) | (40,304) |

The amounts of adjustments affecting the transactions in the statements of financial position as at March 31, 2019 and December 31, 2018 are stated as follows:

| | Thousand Baht | | | | | |
|---|-----------------------------------|------------------------|---------|----------------------------------|------------------------|---------|
| | Consolidated financial statements | | | | | |
| | As at March 31, 2019 | | | As at December 31, 2018 | | |
| | Previous accounting policy | Increase (decrease) | TFRS 15 | Previous accounting policy | Increase (decrease) | TFRS 15 |
| Statements of financial position | | | | | | |
| Liabilities | | | | | | |
| Income received in advance recognizable | | | | | | |
| within one year | 41,096 | 6,755 | 47,851 | 57,248 | 6,755 | 64,003 |
| Income received in advance | 7,689 | 26,372 | 34,061 | 9,298 | 26,373 | 35,671 |
| Shareholders' equity | | | | | | |
| Retained earnings | | | | | | |
| - Company | 201,082 | (16,222) | 184,860 | 213,053 | (16,222) | 196,831 |
| - Non-controlling interests of subsidiaries | 89,374 | (16,905) | 72,469 | 88,492 | (20,567) | 67,925 |

5. TRANSACTIONS WITH RELATED PARTIES

The Company had significant business transactions with related parties. These parties are directly or indirectly related through common shareholding and/or directorship. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

The related companies include the following:

| Company | Relationship |
|----------------------------|---|
| SE-ED Book Center Co.,Ltd. | Subsidiary company by direct shareholders |
| Plearn Patt Co.,Ltd. | Subsidiary company by direct shareholders |
| BaesLab Co., Ltd. | Subsidiary company by direct shareholders |
| M AND E Co., Ltd. | Associated company by direct shareholders |



For the three-month periods ended March 31, 2019 and 2018, the significant transactions with related parties can be summarized as follows:

| | | Thousand Baht | | | |
|--|---------------------------|--------------------------------------|------|----------------------------------|------|
| | | Consolidated financial statements | | Separate financial statements | |
| Transfer Pricing Policy | | 2019 | 2018 | 2019 | 2018 |
| Transactions in the statements of income | | | | | |
| Subsidiary companies | | | | | |
| Sales of goods | Market price | - | - | 66 | 86 |
| Service expenses | Mutually agreed agreement | - | - | 117 | 313 |
| Interest income | MOR per annum | - | - | 32 | 32 |
| Service revenue | Mutually agreed agreement | - | - | 56 | 56 |
| Related companies | | | | | |
| Sales of goods | Market price | 34 | 56 | 34 | 56 |
| Purchases of goods | Market price | 370 | 178 | 370 | 178 |
| Shareholder and directors of subsidiary companies | | | | | |
| Lease land | Mutually agreed agreement | 275 | 250 | - | - |
| Amortised leasehold rights on land | Mutually agreed agreement | 70 | 70 | - | - |
| Interest expenses | 5% - 6% per annum | 15 | 15 | - | - |

As at March 31, 2019 and December 31, 2018 Significant outstanding balances with related companies are as follow:

| | | Thousand Baht | | | |
|---|--|--------------------------------------|----------------------------|----------------------------------|----------------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Outstanding balances at the statements of financial position | | | | | |
| Subsidiary companies | | | | | |
| Trade and other receivables | | - | - | 141 | 26 |
| Short-term loans | | - | - | 1,800 | 1,800 |
| Interest receivable | | - | - | 32 | 32 |
| Related companies | | | | | |
| Trade and other receivables | | 3,165 | 3,353 | - | - |
| Trade payable | | 1,144 | 1,508 | 1,144 | 1,508 |
| Shareholder and directors of subsidiary companies | | | | | |
| Leasehold rights on land | | 5,739 | 5,810 | - | - |

Short-term loans to subsidiary which is due within 1 year. The subsidiary obtained such loan for the purpose of funding product development. Interest is charged at MOR% per annum of a commercial bank. *an*



an

Directors and management's benefits

For the three-month periods ended March 31, 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

| | Thousand Baht | | | |
|------------------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Short-term employee benefits | 5.75 | 5.13 | 4.95 | 4.55 |
| Post-employment benefits | 0.11 | 0.12 | 0.08 | 0.08 |
| Total | 5.86 | 5.25 | 5.03 | 4.63 |

6. CASH AND CASH EQUIVALENTS

This account consisted of:

| | Thousand Baht | | | |
|----------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March | As at December | As at March | As at December |
| | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| Cash | 15,491 | 18,180 | 15,297 | 18,007 |
| Bank deposits - current accounts | 7,438 | 13,059 | 6,557 | 12,132 |
| Bank deposits - saving accounts | 97,483 | 108,227 | 62,453 | 55,392 |
| Total | 120,412 | 139,466 | 84,307 | 85,531 |

7. TRADE AND OTHER RECEIVABLES

This account consisted of:

| | Thousand Baht | | | |
|------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March | As at December | As at March | As at December |
| | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| <u>Related parties</u> | | | | |
| Classified by aging | | | | |
| Not yet due | 3,165 | 3,353 | 3,306 | 3,379 |
| Total | 3,165 | 3,353 | 3,306 | 3,379 |
| <u>Other companies</u> | | | | |
| Classified by aging | | | | |
| Not yet due | 118,905 | 34,868 | 118,905 | 34,868 |
| Up to 6 months | 5,786 | 24,526 | 4,340 | 20,440 |
| 6 - 12 months | 2,070 | 2,705 | 1,383 | 1,738 |
| Over 12 months | 3,877 | 4,785 | 2,691 | 3,510 |
| Total | 130,638 | 66,884 | 127,319 | 60,556 |



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| | Thousand Baht | | | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March | As at December | As at March | As at December |
| | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| Less: Allowance for doubtful debts | (5,963) | (8,025) | (4,496) | (6,280) |
| Allowance for goods return | (11,754) | (3,890) | (11,754) | (3,890) |
| Total | 112,921 | 54,969 | 111,069 | 50,386 |
| Total trade receivable | 116,086 | 58,322 | 114,375 | 53,765 |
| Other receivables | | | | |
| Advances | 3,765 | 753 | 3,504 | 710 |
| Others | 2,626 | 3,876 | 2,141 | 3,470 |
| Total other receivables | 6,391 | 4,629 | 5,645 | 4,180 |
| Total trade and other receivables - net | 122,477 | 62,951 | 120,020 | 57,945 |

The movements in transactions of allowance for doubtful accounts and allowance for goods return for the three-month period ended March 31, 2019, as follows:

| | Thousand Baht | | | |
|--|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | Allowance for doubtful debts | Allowance for goods return | Allowance for doubtful debts | Allowance for goods return |
| | | | | |
| Beginning balance | 8,025 | 3,890 | 6,280 | 3,890 |
| Add: Allowance doubtful debts and goods return during the period | - | 7,864 | - | 7,864 |
| Less: Allowance doubtful debts and goods return reversed during the period | (2,062) | - | (1,784) | - |
| Ending balance | 5,963 | 11,754 | 4,496 | 11,754 |

8. INVENTORIES

This account consisted of:

| | Thousand Baht | | | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March | As at December | As at March | As at December |
| | 31, 2019 | 31, 2018 | 31, 2019 | 31, 2018 |
| Raw material | 1,196 | 1,217 | 1,196 | 1,217 |
| Work in process | 8,518 | 10,167 | 8,513 | 8,470 |
| Finished goods | 546,806 | 514,722 | 543,572 | 511,656 |
| Total | 556,520 | 526,106 | 553,281 | 521,343 |
| Less: Allowance for loss of inventories | (3,807) | (4,953) | (3,807) | (4,952) |
| Allowance for dilapidated and slow moving | (193,409) | (186,064) | (193,106) | (185,959) |
| Inventories - net | 359,304 | 335,089 | 356,368 | 330,432 |



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Movements in transactions of allowance for loss of inventories and dilapidated and slow moving are summarized as follows:

| | Thousand Baht | | | |
|-------------------|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Beginning balance | 191,017 | 216,344 | 190,911 | 216,238 |
| Increase | 11,016 | 1,072 | 10,818 | 1,072 |
| Decrease | (4,817) | (26,399) | (4,816) | (26,399) |
| Ending balance | 197,216 | 191,017 | 196,913 | 190,911 |

9. OTHER CURRENT ASSETS

This account consisted of:

| | Thousand Baht | | | |
|----------------------|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Supplies | 19,955 | 20,392 | 19,241 | 19,640 |
| Prepaid expenses | 15,930 | 13,701 | 13,142 | 11,857 |
| Other current assets | 20,466 | 20,245 | 20,248 | 20,051 |
| Total | 56,351 | 54,338 | 52,631 | 51,548 |

10. RESTRICTED BANK DEPOSITS AND OTHER INVESTMENTS

This account consisted of:

| | Thousand Baht | |
|--|---|----------------------------|
| | Consolidated/Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 |
| Fixed deposits with 12 months maturity | 8,000 | 8,000 |
| Saving bonds with 7 years maturity | 5,418 | 5,413 |
| Total | 13,418 | 13,413 |

As at March 31, 2019 and December 31, 2018, the fixed deposits with 12 months maturity, with the bearing of 0.80 % and 0.80 - 1.85 %, respectively and savings bonds with 7 years maturity, with the bearing of 3.625 % and 3.625 %, respectively, has been used to guarantee electricity use, rental of space and dealers (Note 27.2 to interim financial statements).



11. INVESTMENTS IN AN ASSOCIATE

This account consisted of:

| Company's name | Nature of business | Shareholding percentage (%) | Thousand Baht | | | |
|-------------------|---|-----------------------------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | | | Consolidated financial statements | | Separate financial statements | |
| | | | At equity method | | At cost method | |
| | | | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| M AND E Co., Ltd. | Painting office production of technical magazines and engineering manuals | 25 | 25,339 | 25,339 | 100 | 100 |
| | | | 25,339 | 25,339 | 100 | 100 |

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as presented in the separate financial statements are as follows:

| Company's name | Paid-up capita (Thousand Baht) | Shareholding percentage (%) | Thousand Baht | | | | | |
|----------------------------|--------------------------------|-----------------------------|----------------------|-------------------------|---|-------------------------|---|-------------------------|
| | | | Cost | | Allowance for impairment of investments | | Carrying amounts based on cost method - net | |
| | | | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| | | | | | | | | |
| SE-ED Book Center Co.,Ltd. | 1,000 | 99.99 | 1,000 | 1,000 | (187) | (187) | 813 | 813 |
| BaesLab Co., Ltd. | 250 | 60.00 | 150 | 150 | - | - | 150 | 150 |
| Plearn Patt Co.,Ltd. | 151,850 | 48.97 | 83,000 | 83,000 | (13,668) | (13,668) | 69,332 | 69,332 |
| | | | 84,150 | 84,150 | (13,855) | (13,855) | 70,295 | 70,295 |

SE-ED Book Center Co.,Ltd.

According to the minutes of the extraordinary meeting of the shareholders No.1/2018 held on December 7, 2018, the shareholders of SE-ED Book Center Co.,Ltd. has approved to dissolve the company and the Company has already registered the dissolve with the Ministry of Commerce on December 21, 2018, and now have not registered the completion of liquidation.

13. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the three-month period ended March 31, 2019 are summarized follows:

| | Thousand Baht | |
|---------------------------------|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| At cost | | |
| Balance as at December 31, 2018 | 2,927,020 | 2,458,930 |
| Acquisitions during the period | 5,479 | 1,539 |
| Disposals during the period | (1,077) | (784) |
| written-off during the period | (14,723) | (14,723) |
| Balance as at March 31, 2019 | 2,916,699 | 2,444,962 |



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| | Thousand Baht | |
|---|----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Accumulated depreciation | | |
| Balance as at December 31, 2018 | 1,147,951 | 945,991 |
| Depreciation for the period | 22,738 | 18,686 |
| Accumulated depreciation on disposals | (1,031) | (740) |
| Accumulated depreciation on written-off | (14,186) | (14,186) |
| Balance as at March 31, 2019 | 1,155,472 | 949,751 |
| Impairment | | |
| Balance as at December 31, 2018 | 2,167 | 2,167 |
| Impairment during the period | 553 | 553 |
| Balance as at March 31, 2019 | 2,720 | 2,720 |
| Net book value | | |
| Balance as at December 31, 2018 | 1,776,902 | 1,510,772 |
| Balance as at March 31, 2019 | 1,758,507 | 1,492,491 |

The Company mortgaged the land and constructions thereon where the distribution centre is situated to secure against credit facilities granted by a commercial bank (Notes 17 and 20 to interim financial statements).

14. LEASEHOLD RIGHTS ON LAND

Movement of the leasehold rights on land for the three-month period March 31, 2019 is summarized follows:

| | Thousand Baht |
|--|----------------------|
| | Consolidated |
| | financial statements |
| Net book value as at December 31, 2018 | 5,810 |
| Amortization for the period | (71) |
| Net book value as at March 31, 2019 | 5,739 |

The whole amount of the leasehold rights consisted of two land lease agreements which the subsidiary entered into with its shareholders totalling Baht 10 million. It is related to the lease of land area of approximately 20 rais for the period of 30 years for the purpose of operating an education institute. 



15. LEASEHOLD RIGHTS ON BUILDINGS

Movement of the leasehold rights on building for the three-month period ended March 31, 2019 is summarized follows:

| | Thousand Baht |
|-------------------------------------|---|
| | Consolidated/ Separate financial statements |
| Net book value at December 31, 2018 | 40,042 |
| Amortization for the period | (2,650) |
| Net book value as at March 31, 2019 | 37,392 |

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers in order to open SE-ED Book Center. The terms of these leaseholds range between 10 to 30 years.

16. INTANGIBLE ASSETS

Movements of the intangible assets which are software license fee for the three-month period ended March 31, 2019 are summarized follows:

| | Thousand Baht | |
|--|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Net book value as at December 31, 2018 | 3,617 | 3,495 |
| Amortization for the period | (178) | (178) |
| Net book value as at March 31, 2019 | 3,439 | 3,317 |

17. SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

This account consisted of:

| | Thousand Baht | |
|-----------------|--|----------------------------|
| | Consolidated / Separated financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 |
| Promissory note | 50,000 | - |
| Total | 50,000 | - |

As at March 31, 2019, the Company has a credit lines of short-term loans in promissory notes with a local commercial bank Maturity not over 3 months with credit line of Baht 100 million, with the bearing interest of 3.30% per annum, guaranteed by mortgage land and buildings



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18. TRADE AND OTHER PAYABLES

This account consisted of:

| | Thousand Baht | | | |
|---------------------------------------|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Trade payable - related parties | 1,144 | 1,508 | 1,144 | 1,508 |
| Trade payable - other companies | 759,158 | 703,434 | 758,049 | 702,429 |
| Accrued expenses | 73,945 | 86,100 | 66,799 | 72,005 |
| Other payables for purchase of assets | 1,311 | 2,999 | 994 | 2,820 |
| Notes payable | 3,609 | 6,030 | 3,589 | 6,013 |
| Other payables | 26,022 | 26,205 | 26,012 | 26,205 |
| Total | 865,189 | 826,276 | 856,587 | 810,980 |

19. INCOME RECEIVED IN ADVANCE

This account consisted of:

| | Thousand Baht | |
|---|--|--|
| | Consolidated / Separated financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 (Restated) |
| Income received in advance - not yet recognised | 81,911 | 99,674 |
| Less: Income received in advance recognizable within one year | (47,851) | (64,003) |
| Net | 34,060 | 35,671 |

Movements of income received in advance for the three-month period ended March 31, 2019, as follows:

| | Thousand Baht | | |
|---|-----------------------------------|-----------------------------|----------|
| | Consolidated financial statements | | |
| | Initial entrance fee | Education supporting fee | Total |
| Balance as at January 1, 2019 - as restated | 39,179 | 60,495 | 99,674 |
| Add: Increase during the period | 2,700 | 25,256 | 27,956 |
| Less: Income recognition during the period | - | (44,912) | (44,912) |
| Less: Returned due to resignation of students | (7) | (800) | (807) |
| Balance as at March 31, 2019 | 41,872 | 40,039 | 81,911 |



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20. LONG-TERM LOANS

This account consisted of:

| Loans | Interest rate (%) | Repayment schedule | Thousand Baht | | | |
|---|----------------------|---|--------------------------------------|----------------------------|----------------------------------|----------------------------|
| | | | Consolidated financial statements | | Separate financial statements | |
| | | | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| 1 | THBFD 3M+3.85* | Monthly instalment as from July 31, 2014 with the last instalment in June 30, 2021 | 80,140 | 89,080 | 80,140 | 89,080 |
| 2 | MLR-1.5 | Monthly instalment as from November 30, 2014 with the last instalment in December 31, 2023 | 113,358 | 119,520 | 113,358 | 119,520 |
| 3 | 6.00 - 7.50 ** | Settlement at maturity date of the contracts | 56,650 | 56,650 | - | - |
| Total | | | 250,148 | 265,250 | 193,498 | 208,600 |
| Less: Current portion due within one year | | | (69,558) | (60,408) | (60,408) | (60,408) |
| Long-term loans - net | | | 180,590 | 204,842 | 133,090 | 148,192 |

* Interest expense rate in swap transaction agreements

** Long-term loan of shareholder/directors of subsidiary

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain gearing and debt service coverage ratios specified in the agreements.

On April 11, 2017, the Company entered into loan agreements and combined credit line agreement with a commercial bank to obtain long-term loan facilities and credit lines totalling Baht 525 million. The loans are secured by the mortgage of land and constructions thereon.

On April 28, 2017, the Company mortgaged the land and constructions thereon where the distribution center is situated to secure any debts or burdens that already exist or to arise under such agreements.

The Company had entered into an Interest Rate Swap Transaction Agreement with a bank covering these loan amounts, whereby a rate stipulated in the agreement is to be swapped at a floating rate plus stipulated rate as discussed in (Note 27.4 to interim financial statements).

21. OTHER CURRENT LIABILITIES

This account consisted of:

| | Thousand Baht | | | |
|---------------------------------------|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Coupon and prepaid care payable | 17,847 | 15,316 | 17,847 | 15,316 |
| Accrued withholding tax | 1,898 | 3,349 | 1,542 | 1,603 |
| Unearned income | 4,814 | 4,134 | 1,573 | 1,541 |
| Advance received for purchasing books | 2,299 | 2,784 | 2,299 | 2,784 |
| Others | 3,624 | 3,660 | 2,757 | 2,851 |
| Total | 30,482 | 29,243 | 26,018 | 24,095 |



22. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

This account consisted of:

| | Thousand Baht | | | |
|--|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Provision for compensation on employees' | 36,777 | 37,424 | 29,868 | 30,699 |
| Provision for long service awards | 20,356 | 23,696 | 20,241 | 23,581 |
| Total | 57,133 | 61,120 | 50,109 | 54,280 |

Movements of the long-term employee benefit obligations account are as follows:-

| | Thousand Baht | | | |
|---|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Long-term employee benefit obligations at beginning of the period | 61,120 | 72,394 | 54,280 | 66,567 |
| Included in profit or loss : | | | | |
| Current service cost recognition | 1,216 | 5,168 | 1,075 | 4,564 |
| Cost of interest | 396 | 1,566 | 353 | 1,414 |
| Actuarial gain of other long-term benefits recognized - other long - term benefits | - | (3,317) | - | (3,317) |
| Included in other comprehensive income: | | | | |
| Actuarial gain arising from post-employment benefits | - | (7,853) | - | (8,110) |
| Benefit paid during period | (5,599) | (6,838) | (5,599) | (6,838) |
| Net long-term employee benefit obligations at the end of the period | 57,133 | 61,120 | 50,109 | 54,280 |

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefit obligations Baht 10.90 million. (the separate 9.67 million), resulting in the decrease in profit Baht 8.72 million.(the separate 7.74 million).



23. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are as follows:-

| | Thousand Baht | | | |
|--------------------------|-----------------------------------|----------------------------|-------------------------------|----------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | As at March 31, 2019 | As at December 31, 2018 | As at March 31, 2019 | As at December 31, 2018 |
| Deferred tax assets | 50,979 | 49,056 | 50,848 | 48,925 |
| Deferred tax liabilities | (99,443) | (99,548) | (95,043) | (95,077) |
| Deferred tax - net | (48,464) | (50,492) | (44,195) | (46,152) |

Changing for the three-month period ended March 31, 2019 are summarized as follows:

| | Thousand Baht | | | |
|----------------------------------|-----------------------------------|--------------------------------------|---------------|---------------|
| | Consolidated financial statements | | | |
| | Balance as at | Revenue (expenses) during the period | | Balance as at |
| | As at December | In profit or loss | In other | As at March |
| | 31, 2018 | | comprehensive | 31, 2019 |
| | | | income | |
| Deferred tax assets: | | | | |
| Allowance for doubtful accounts | 2,033 | 1,217 | - | 3,250 |
| Allowance for diminution in | | | | |
| value of inventories | 35,602 | 1,430 | - | 37,032 |
| Allowance for assets impairment | 433 | 111 | - | 544 |
| Provision for impairment of | | | | |
| investment in associate | 116 | - | - | 116 |
| Employee benefits obligations | 10,872 | (835) | - | 10,037 |
| Total | 49,056 | 1,923 | - | 50,979 |
| Deferred tax liabilities: | | | | |
| Unrealized gain from revaluation | | | | |
| of land and buildings | (99,548) | 105 | - | (99,443) |

| | Thousand Baht | | | |
|--|-------------------------------|--------------------------------------|---------------|---------------|
| | Separate financial statements | | | |
| | Balance as at | Revenue (expenses) during the period | | Balance as at |
| | As at December | In profit or loss | In other | As at March |
| | 31, 2018 | | comprehensive | 31, 2019 |
| | | | income | |
| Deferred tax assets: | | | | |
| Allowance for doubtful accounts | 2,033 | 1,217 | - | 3,250 |
| Allowance for diminution in value of inventories | 35,602 | 1,430 | - | 37,032 |
| Allowance for assets impairment | 433 | 111 | - | 544 |
| Employee benefits obligations | 10,857 | (835) | - | 10,022 |
| Total | 48,925 | 1,923 | - | 50,848 |
| Deferred tax liabilities: | | | | |
| Unrealized gain from revaluation of land and buildings | (95,077) | 34 | - | (95,043) |



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24. (INCOME) TAX EXPENSES

The major components of (income) tax expenses for the three-month periods ended March 31, 2019 and 2018 are as follows:

| | Thousand Baht | | | |
|---|----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Current income tax: | | | | |
| Current income tax charge | (4) | 77 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (2,023) | (1,061) | (1,957) | (1,045) |
| Total | (2,027) | (984) | (1,957) | (1,045) |

25. BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

For the three-month periods ended March 31, 2019 and 2018

| | Consolidated | | Separate | |
|--|----------------------|---------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Loss for the period | | | | |
| Equity holders of the parent (Thousand Baht) | (12,393) | (3,588) | (13,557) | (4,403) |
| Weighted average number of ordinary shares (Thousand shares) | 391,944 | 391,944 | 391,944 | 391,944 |
| Basic loss per share (Baht/share) | (0.032) | (0.009) | (0.035) | (0.011) |

26. OPERATION SEGMENT

Operating segment information is reported in a manner consistent with the internal reports of the Company and its subsidiaries that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The businesses of the Company and its subsidiaries are ship builder and ship repairer, manufacturing and trading marine equipment with the main operation in the single geographic area in Thailand. Segment performance is considered by revenue and gross profit and is also measured based on the group operating profit or loss, on a basis consistent with that used to measure the operating profit or loss in the financial statement.



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| | Million Baht | | | |
|--------------------------------------|-------------------------------|---------|----------|----------|
| | Separate financial statements | | | |
| | As at March 31, 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Property, plant and equipment | - | - | 1,314.45 | 1,314.45 |

30. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on May 10, 2019. 