

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated statement of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 30 June 2017, and the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 11 August 2017

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	115,634	159,057	62,399	92,917
Current investments	4	62,549	97,806	62,549	72,806
Trade and other receivables	2, 5	200,175	85,126	195,056	80,523
Short-term loan to subsidiary	2	-	-	3,000	3,000
Inventories	6	349,952	403,332	345,718	397,218
Other current assets	7	52,039	88,734	49,719	86,590
Total current assets		780,349	834,055	718,441	733,054
Non-current assets					
Restricted bank deposits and other investments	8	13,384	13,374	13,384	13,374
Investments in subsidiaries	9	-	-	70,295	70,295
Investments in associate	10	25,912	25,950	100	100
Property, plant and equipment	11	1,521,993	1,491,005	1,263,649	1,295,530
Leasehold rights on land	2, 12	2,743	5,696	-	-
Leasehold rights on buildings	13	56,346	62,084	56,346	62,084
Intangible assets	14	4,655	5,516	4,996	5,869
Prepaid book copyright and translation fee		15,817	17,179	15,817	17,179
Rental guarantee and deposit		99,804	100,755	99,804	100,755
Deferred tax assets		29,042	22,755	30,085	23,831
Other non-current assets		10,385	10,507	9,904	10,402
Total non-current assets		1,780,081	1,754,821	1,564,380	1,599,419
Total assets		2,560,430	2,588,876	2,282,821	2,332,473

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

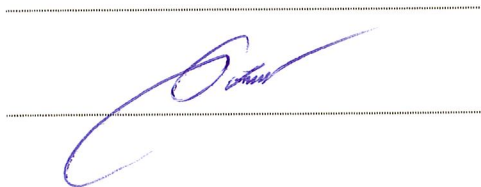
Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	2, 15	1,033,439	1,023,590	1,027,559	1,014,577
Income received in advance recognisable within one year	16	46,076	46,367	-	-
Current portion of long-term loans	18	122,678	93,090	60,408	71,520
Income tax payable		5,674	317	5,356	-
Current portion of provision for long-term employee benefits		8,966	8,832	8,966	8,443
Other current liabilities	17	26,126	71,868	24,682	69,826
Total current liabilities		1,242,959	1,244,064	1,126,971	1,164,366
Non-current liabilities					
Income received in advance, net of current portion	16	19,080	772	-	-
Long-term loans, net of current portion	18	249,354	318,250	238,804	261,600
Provision for long-term employee benefits, net of current portion		58,082	57,390	52,431	51,399
Other non-current liabilities		8,698	7,438	8,698	7,438
Total non-current liabilities		335,214	383,850	299,933	320,437
Total liabilities		1,578,173	1,627,914	1,426,904	1,484,803
Shareholders' equity					
Share capital					
Registered					
391,944,529 ordinary shares of Baht 1 each		391,945	391,945	391,945	391,945
Issued and paid-up					
391,944,418 ordinary shares of Baht 1 each		391,944	391,944	391,944	391,944
Share premium		149,421	149,421	149,421	149,421
Retained earnings					
Appropriated - statutory reserve		39,194	39,194	39,194	39,194
Unappropriated		189,965	175,115	152,344	143,938
Other components of shareholders' equity		127,246	127,532	123,014	123,173
Equity attributable to owners of the Company		897,770	883,206	855,917	847,670
Non-controlling interests of the subsidiaries		84,487	77,756	-	-
Total shareholders' equity		982,257	960,962	855,917	847,670
Total liabilities and shareholders' equity		2,560,430	2,588,876	2,282,821	2,332,473

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



Directors



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues				
Revenues from sales	992,426	1,104,487	989,987	1,103,530
Tuition fees income	16 51,994	49,259	-	-
Interest and dividend income	401	330	1,376	1,817
Other income	10,631	13,259	8,246	11,996
Total revenues	1,055,452	1,167,335	999,609	1,117,343
Expenses				
Cost of sales	636,158	713,915	632,737	712,689
Cost of tuition fees	31,547	30,596	-	-
Selling expenses	214,855	249,276	214,847	249,276
Administrative expenses	138,143	107,906	130,614	100,567
Total expenses	1,020,703	1,101,693	978,198	1,062,532
Profit before share of profit from investment in associate, finance cost and income tax expenses				
	34,749	65,642	21,411	54,811
Share of profit from investment in associate	962	1,799	-	-
Profit before finance cost and income tax expenses				
	35,711	67,441	21,411	54,811
Finance cost	(5,367)	(5,901)	(4,049)	(4,525)
Profit before income tax expenses	30,344	61,540	17,362	50,286
Income tax expenses	19 (3,525)	(11,414)	(3,540)	(11,379)
Profit for the period	26,819	50,126	13,822	38,907
Profit attributable to				
Equity holders of the Company	20,111	44,569	13,822	38,907
Non-controlling interests of the subsidiaries	6,708	5,557		
	26,819	50,126		
(Unit: Baht)				
Earnings per share				
20				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.05	0.11	0.04	0.10

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the period	26,819	50,126	13,822	38,907
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Gain (loss) on changes in value of available-for-sale investments	28	(3,167)	28	(2,708)
Less: Income tax effect	(5)	633	(5)	542
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	23	(2,534)	23	(2,166)
Other comprehensive income for the period	23	(2,534)	23	(2,166)
Total comprehensive income for the period	26,842	47,592	13,845	36,741
Total comprehensive income attributable to				
Equity holders of the Company	20,134	42,222	13,845	36,741
Non-controlling interests of subsidiaries	6,708	5,370		
Total comprehensive income for the period	26,842	47,592		

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues				
Revenues from sales	1,919,261	2,102,322	1,916,263	2,101,058
Tuition fees income	16 91,072	85,736	-	-
Interest and dividend income	665	493	1,490	1,885
Other income	29,650	31,629	25,283	27,670
Total revenues	2,040,648	2,220,180	1,943,036	2,130,613
Expenses				
Cost of sales	1,244,338	1,388,008	1,240,056	1,386,417
Cost of tuition fees	62,063	61,711	-	-
Selling expenses	428,703	473,619	428,690	473,619
Administrative expenses	270,029	237,736	253,314	224,107
Total expenses	2,005,133	2,161,074	1,922,060	2,084,143
Profit before share of profit from investment				
in associate, finance cost and				
income tax expenses	35,515	59,106	20,976	46,470
Share of profit from investment in associate	962	1,799	-	-
Profit before finance cost and				
income tax expenses	36,477	60,905	20,976	46,470
Finance cost	(10,519)	(12,220)	(8,033)	(9,437)
Profit before income tax expenses	25,958	48,685	12,943	37,033
Income tax expenses	19 (717)	(10,040)	(750)	(9,959)
Profit for the period	25,241	38,645	12,193	27,074
Profit attributable to				
Equity holders of the Company	18,510	32,965	12,193	27,074
Non-controlling interests of the subsidiaries	6,731	5,680		
	25,241	38,645		
(Unit: Baht)				
Earnings per share				
20				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.05	0.08	0.03	0.07

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the period	25,241	38,645	12,193	27,074
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Loss on changes in value of				
available-for-sale investments	(34)	(3,231)	(34)	(2,594)
Less: Income tax effect	7	646	7	519
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
- net of income tax	(27)	(2,585)	(27)	(2,075)
Other comprehensive income for the period	(27)	(2,585)	(27)	(2,075)
Total comprehensive income for the period	25,214	36,060	12,166	24,999
Total comprehensive income attributable to				
Equity holders of the Company	18,483	30,640	12,166	24,999
Non-controlling interests of subsidiaries	6,731	5,420		
Total comprehensive income for the period	25,214	36,060		

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders									
	Other components of equity									
	Other comprehensive income									
	Surplus									
	Issued and paid-up share capital	Share premium	Retained earnings	on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	shareholders' equity
Balance as at 1 January 2016	391,944	149,421	39,194	211,568	2,329	128,001	130,330	922,457	71,178	993,635
<u>Change during the period</u>										
Profit for the period	-	-	-	32,965	-	-	-	32,965	5,680	38,645
Other comprehensive income for the period	-	-	-	-	(2,325)	-	(2,325)	(2,325)	(260)	(2,585)
Total comprehensive income for the period	-	-	-	32,965	(2,325)	-	(2,325)	30,640	5,420	36,060
Dividend paid (Note 21)	-	-	-	(47,033)	-	-	-	(47,033)	-	(47,033)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	261	-	(261)	(261)	-	-	-
Balance as at 30 June 2016	391,944	149,421	39,194	197,761	4	127,740	127,744	906,064	76,598	982,662
Balance as at 1 January 2017	391,944	149,421	39,194	175,115	55	127,477	127,532	883,206	77,756	960,962
<u>Change during the period</u>										
Profit for the period	-	-	-	18,510	-	-	-	18,510	6,731	25,241
Other comprehensive income for the period	-	-	-	-	(27)	-	(27)	(27)	-	(27)
Total comprehensive income for the period	-	-	-	18,510	(27)	-	(27)	18,483	6,731	25,214
Dividend paid (Note 21)	-	-	-	(3,919)	-	-	-	(3,919)	-	(3,919)
Transferred surplus on revaluation of assets to retained earnings	-	-	-	259	-	(259)	(259)	-	-	-
Balance as at 30 June 2017	391,944	149,421	39,194	189,965	28	127,218	127,246	897,770	84,487	982,257

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2017

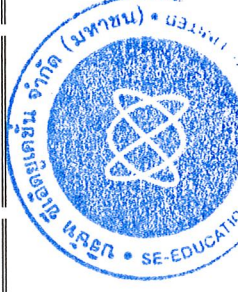
(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

	Other components of equity									
	Other comprehensive income					Total other components of shareholders' equity				
	Surplus					Total other components of shareholders' equity				
	on changes in value of available-for-sale investments					Total other components of shareholders' equity				
Issued and paid-up share capital	Share premium	Retained earnings	Unappropriated	Unappropriated	Surplus on revaluation of assets	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity
391,944	149,421	39,194	187,766	187,766	2,150	123,385	125,535	893,860	893,860	893,860
-	-	-	27,074	27,074	-	-	-	27,074	27,074	27,074
-	-	-	-	-	(2,075)	-	(2,075)	(2,075)	(2,075)	(2,075)
-	-	-	27,074	27,074	(2,075)	-	(2,075)	24,999	24,999	24,999
-	-	-	(47,033)	(47,033)	-	-	-	(47,033)	(47,033)	(47,033)
-	-	-	133	133	(133)	-	(133)	-	-	-
391,944	149,421	39,194	167,940	167,940	75	123,252	123,327	871,826	871,826	871,826
391,944	149,421	39,194	143,938	143,938	55	123,118	123,173	847,670	847,670	847,670
-	-	-	12,193	12,193	-	-	-	12,193	12,193	12,193
-	-	-	-	-	(27)	-	(27)	(27)	(27)	(27)
-	-	-	12,193	12,193	(27)	-	(27)	12,166	12,166	12,166
-	-	-	(3,919)	(3,919)	-	-	-	(3,919)	(3,919)	(3,919)
-	-	-	132	132	(132)	-	(132)	-	-	-
391,944	149,421	39,194	152,344	152,344	28	122,986	123,014	855,917	855,917	855,917

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	25,958	48,685	12,943	37,033
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	56,897	61,003	48,183	52,156
Allowance for doubtful accounts and estimated goods return (reversal)	11,671	(825)	11,477	(705)
Adjustment from reconciliation accounts receivable	(47)	(105)	(47)	(105)
Allowance for impairment of assets	679	300	679	300
Expense from loss of inventories	5,975	5,006	5,975	5,006
Allowance for loss of inventories, dilapidated and slow moving	16,042	6,512	16,042	6,512
Expense for donation of goods and equipment	3,590	4,273	3,590	4,273
Provision for long-term employee benefits	9,068	3,307	9,184	2,251
Share of profit from investment in associate	(962)	(1,799)	-	-
Gain on disposal of current investments	(639)	(4,072)	(639)	(3,485)
Loss from stock destruction	9,120	-	9,120	-
Loss on sales and written-off equipment	883	1,845	716	1,623
Amortisation of leasehold rights on land and buildings	5,873	5,687	5,738	5,520
Loss on written-off leasehold right on land	2,818	-	-	-
Adjustment from clearing coupon payable	(5,512)	-	(5,512)	-
Adjustment from clearing long outstanding payable	(1,838)	(3,574)	(1,838)	(3,574)
Interest expenses	10,519	12,220	8,033	9,437
Interest income	(665)	(493)	(490)	(385)
Dividend income	-	-	(1,000)	(1,500)
Profit from operating activities before changes in operating assets and liabilities	149,430	137,970	122,154	114,357
Operating assets (increase) decrease				
Trade and other receivables	(126,673)	(143,364)	(125,963)	(143,475)
Inventories	18,653	49,609	16,773	51,688
Other current assets	36,764	(11,942)	36,879	(11,052)
Prepaid book copyright and translation fee	1,362	(645)	1,362	(645)
Rental guarantee and deposit	951	(621)	951	(621)
Other non-current assets	122	230	498	252
Operating liabilities increase (decrease)				
Trade and other payables	13,514	(240)	16,698	1,684
Income received in advance	18,017	(3,768)	-	-
Cash paid for long-term employee benefits	(8,242)	(3,472)	(7,629)	(3,472)
Other current liabilities	(38,392)	6,499	(37,794)	5,924
Other non-current liabilities	1,260	(280)	1,260	(280)
Cash flows from operating activities	66,766	29,976	25,189	14,360
Cash paid for interest expenses	(10,567)	(12,254)	(8,081)	(9,497)
Cash paid for income tax	(1,838)	(1,642)	(1,641)	(1,642)
Net cash flows from operating activities	54,361	16,080	15,467	3,221

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in restricted bank deposits and other investments	(10)	(9)	(10)	(9)
Decrease in current investments	35,862	49,967	10,862	95,967
Increase in short-term loan to subsidiary	-	-	-	(1,700)
Dividend received from associated company	1,000	1,500	-	-
Interest income	794	580	482	385
Dividend income	-	-	1,000	1,500
Acquisition of property and equipment	(92,228)	(30,402)	(20,507)	(28,079)
Proceeds from sales of equipment	30	1,260	20	1,248
Acquisition of intangible assets	(5)	(14)	(5)	(14)
Net cash flows from (used in) investing activities	(54,557)	22,882	(8,158)	69,298
Cash flows from financing activities				
Cash received from long-term loans	10,550	-	-	-
Repayment of long-term loans	(49,858)	(42,160)	(33,908)	(35,760)
Dividend paid	(3,919)	(47,033)	(3,919)	(47,033)
Net cash flows used in financing activities	(43,227)	(89,193)	(37,827)	(82,793)
Net decrease in cash and cash equivalents	(43,423)	(50,231)	(30,518)	(10,274)
Cash and cash equivalents at beginning of period	159,057	131,672	92,917	86,443
Cash and cash equivalents at end of period (Note 3)	115,634	81,441	62,399	76,169

Supplemental cash flows information

Non-cash transactions

Decrease in revaluation surplus on changes in value of

available-for-sale investments (34) (3,231) (34) (2,594)

Purchase of assets for which cash has not been paid (3,617) 5,315 (3,668) 5,358

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



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2017

1. General information

1.1 Corporate information

SE-EDUCATION PUBLIC COMPANY LIMITED ("the Company") is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on 29 April 1993. The Company's registered office is located at No. 1858/87-90, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok. Its distribution center is situated at 118 Moo 1, Tambon Sisa Chorakhe Yai, Bang Sao Tong District, Samutprakarn.

The Company and its subsidiaries operate their businesses in Thailand and are authorised to engage in the following:

1. Operate bookstores which consist of SE-ED Book Center and network stores and various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms.
2. Distribute books for both published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
3. Publish books as well as academic and educational journals and provide services for display advertisements to be published in the Company's monthly magazine.
4. SE-ED Learning Center, is an education center that provides services and activities aiming to develop potentials and aptitudes of Thai children such as supplementary math and English course.
5. Plearnpattana School, which operates a private school offering courses for students from pre-kindergarten to Matayom 6.
6. BaesLab Co., Ltd. (subsidiary), which operates in consulting, provision and distribution of software and hardware business.

1.2 Basis for preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.



The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2016, with there being no changes in the structure of shareholding in subsidiaries during the current period, except for the decreasing of share capital of the subsidiary as described in Note 9.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

2. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. 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.



(Unit: Thousand Baht)

For the three-month periods

ended 30 June

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	431	399	Market price
Service expenses	-	-	850	850	Mutually agreed agreement
Interest income	-	-	54	-	MOR per annum
Service revenue	-	-	42	-	Mutually agreed agreement
<u>Transactions with associated company</u>					
Dividend income	-	-	1,000	1,500	As declared
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land	182	301	-	-	Mutually agreed agreement
Amortised leasehold rights on land	60	83	-	-	Mutually agreed agreement
Interest expenses	7	7	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Sales of goods	-	20,145	-	20,145	Market price
Purchases of goods	329	-	329	-	Market price

(Unit: Thousand Baht)

For the six-month periods

ended 30 June

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	509	689	Market price
Service expenses	-	-	1,700	1,700	Mutually agreed agreement
Interest income	-	-	108	-	MOR per annum
Service revenue	-	-	84	-	Mutually agreed agreement
<u>Transactions with associated company</u>					
Dividend income	-	-	1,000	1,500	As declared
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land	448	600	-	-	Mutually agreed agreement
Amortised leasehold rights on land	135	166	-	-	Mutually agreed agreement
Interest expenses	16	14	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Sales of goods	56	21,979	56	21,979	Market price
Purchases of goods	1,603	199	1,603	199	Market price



As at 30 June 2017 and 31 December 2016, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Short-term loan to subsidiary</u>				
Subsidiary	-	-	3,000	3,000
<u>Interest receivable</u>				
Subsidiary	-	-	54	46
<u>Leasehold rights on land</u>				
Shareholder/directors of subsidiary	2,743	5,696	-	-
<u>Trade accounts receivable (Note 5)</u>				
Subsidiary	-	-	56	-
Related companies (related by co-director)	10,918	13,432	10,918	13,432
Total	10,918	13,432	10,974	13,432
<u>Trade accounts payable (Note 15)</u>				
Related companies of shareholders	955	2,234	955	2,234

Short-term loan 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 of a commercial bank per annum.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	7.41	7.25	6.49	6.06
Post-employment benefits	0.19	0.16	0.14	0.10
Total	7.60	7.41	6.63	6.16



(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	14.63	13.41	13.16	11.53
Post-employment benefits	0.36	0.30	0.28	0.20
Total	14.99	13.71	13.44	11.73

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Cash	14,180	24,171	13,991	23,974
Bank deposits with maturity not over 3 months	101,454	134,886	48,408	68,943
Total	115,634	159,057	62,399	92,917

4. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2017		31 December 2016	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	62,514	62,549	72,738	72,806
Add: Unrealised gain from revaluation of investments	35	-	68	-
Total available-for-sale securities	62,549	62,549	72,806	72,806
Fixed deposit 3 months	-	-	25,000	25,000
Current investments - net	62,549	62,549	97,806	97,806



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2017		31 December 2016	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	62,514	62,549	72,738	72,806
Add: Unrealised gain from revaluation of investments	35	-	68	-
Total available-for-sale securities	62,549	62,549	72,806	72,806
Current investments - net	62,549	62,549	72,806	72,806

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	10,915	13,432	10,971	13,432
Past due				
Up to 6 months	3	-	3	-
Total trade accounts receivable - related parties	10,918	13,432	10,974	13,432
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	76,148	43,333	75,750	43,261
Past due				
Up to 6 months	127,281	26,857	123,316	23,048
6 - 12 months	2,242	5,385	1,700	4,729
Over 12 months	3,957	3,985	2,915	3,193
Total trade accounts receivable - unrelated parties	209,628	79,560	203,681	74,231
Less: Allowance for doubtful debts	(8,737)	(8,017)	(7,436)	(6,910)
Allowance for goods return	(15,277)	(4,326)	(15,277)	(4,326)
Total trade accounts receivable - unrelated parties, net	185,614	67,217	180,968	62,995
<u>Other receivables</u>				
Advances	1,187	839	1,144	803
Others	2,456	3,638	1,970	3,293
Total other receivables	3,643	4,477	3,114	4,096
Trade and other receivables - net	200,175	85,126	195,056	80,523



The movements in transactions of allowance for doubtful accounts and allowance for goods return during the six-month period ended 30 June 2017, are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	Allowance for doubtful debts	Allowance for goods return	Allowance for doubtful debts	Allowance for goods return
Balance as at 31 December 2016	8,017	4,326	6,910	4,326
Add: Allowance made during the period	742	10,951	548	10,951
Less: Allowance reversed during the period	(22)	-	(22)	-
Balance as at 30 June 2017	<u>8,737</u>	<u>15,277</u>	<u>7,436</u>	<u>15,277</u>

6. Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Raw material	3,436	4,628	3,436	4,628
Work in process	9,135	10,979	7,109	7,063
Finished goods	561,792	596,094	559,484	593,796
Total	574,363	611,701	570,029	605,487
Less: Allowance for loss of inventories	(4,359)	(4,389)	(4,359)	(4,389)
Allowance for dilapidated and slow moving	(220,052)	(203,980)	(219,952)	(203,880)
Inventories - net	<u>349,952</u>	<u>403,332</u>	<u>345,718</u>	<u>397,218</u>

Movements in transactions of allowance for loss of inventories and allowance for dilapidated and slow moving during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2016	208,369	208,269
Add: Allowance made during the period	28,903	28,903
Less: Allowance reversed during the period	(12,861)	(12,861)
Balance as at 30 June 2017	<u>224,411</u>	<u>224,311</u>



7. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Supplies	15,718	17,647	14,982	17,025
Prepaid expenses	16,979	15,941	15,559	14,699
Advance payment for purchasing books	7,480	37,400	7,480	37,400
Other current assets	11,862	17,746	11,698	17,466
Total	52,039	88,734	49,719	86,590

8. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		
	30 June 2017	31 December 2016	Interest rate (% p.a.)
Fixed deposits with 12 months maturity	8,000	8,000	0.80
Government bonds with 7 years maturity	5,384	5,374	3.625
Total	13,384	13,374	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 23.2.

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
			(%)	(%)						
SE-ED Book Center Co.,Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	(187)	(187)	813	813
BaesLab Co., Ltd.	250	250	60.00	60.00	150	150	-	-	150	150
Plearn Patt Co.,Ltd.	151,850	169,476	48.97	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



Changes in investments in subsidiary during the period are as follows: -

On 28 March 2017, the Annual General Meeting of Shareholder of the Plearn Patt Company Limited, a subsidiary in which the Company hold 48.97% of shares, passed a resolution to decrease its registered capital, from the registered capital of Baht 169,475,500 (16,947,550 ordinary shares at Baht 10 each) to Baht 151,850,048 (16,947,550 ordinary shares at Baht 8.96 each) in order to reduce the subsidiary's accumulated loss. The subsidiary registered its decrease in share capital to the Ministry of Commerce on 18 May 2017. However, the Company's proportionate holding in the equity of such subsidiary does not change.

10. Investments in an associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding		Consolidated		Separate		Dividend recognised	
				financial statements		financial statements			
		percentage		Carrying amounts based		Carrying amounts based		during the period	
		on equity method		on cost method					
30	31	30	31	30	31	30	31	30	31
June	December	June	December	June	December	June	December	June	December
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(%)	(%)								
M AND E	Printing office, production of technical	25	25	25,912	25,950	100	100	1,000	1,500
Co., Ltd.	magazines and engineering manuals								
				25,912	25,950	100	100	1,000	1,500

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2016	1,491,005	1,295,530
Acquisitions during period - at cost	88,611	16,839
Disposal during period - net book value at disposal date	(181)	(4)
Written - off during period - net book value at written - off date	(721)	(721)
Depreciation for the period	(56,042)	(47,316)
Impairment for the period	(679)	(679)
Net book value as at 30 June 2017	<u>1,521,993</u>	<u>1,263,649</u>



12. Leasehold rights on land

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.

On 5 January 2017, the subsidiary entered into the agreement to sell and to purchase land with the subsidiary's shareholder and cancelled one land lease agreement. The subsidiary is responsible for the remaining leasehold right. The subsidiary paid Baht 69 million for the purchase of land and received the transfer of land ownership on 7 March 2017.

During the six-month period ended 30 June 2017, the subsidiary amortised the leasehold rights as expense totalling Baht 0.13 million (2016: Baht 0.16 million). The subsidiary recognised loss on written-off leasehold right on land amounting to Baht 2.82 million.

13. Leasehold rights on buildings

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. During the six-month period ended 30 June 2017, the Company amortised leasehold rights as expenses totalling Baht 5.74 million (2016: Baht 5.52 million).

14. Intangible assets

Movements of the intangible assets which are software license fee during the six-month period ended 30 June 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2016	5,516	5,869
Acquisitions during period - at cost	5	5
Written - off during period - net book value at written - off date	(11)	(11)
Amortisation for the period	(855)	(867)
Net book value as at 30 June 2017	4,655	4,996



15. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade accounts payable - related parties	955	2,234	955	2,234
Trade accounts payable - unrelated parties	928,922	903,320	928,103	902,704
Accrued expenses	61,836	69,320	57,079	61,158
Other payables for purchase of assets	1,513	5,130	1,250	4,918
Notes payable	4,379	6,583	4,359	6,566
Other payables	35,834	37,003	35,813	36,997
Total	1,033,439	1,023,590	1,027,559	1,014,577

16. Income received in advance / income from tuition fees

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2017	31 December 2016
Income received in advance - not yet recognised	65,156	47,139
Less: Income received in advance recognisable within one year	(46,076)	(46,367)
Net	19,080	772

During the six-month period ended 30 June 2017, movements of income received in advance are as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Initial entrance fee	Education supporting fee	Total
Balance as at 31 December 2016	6,048	41,091	47,139
Add: Increase during the period	4,110	106,556	110,666
Less: Income recognition during the period	(10,158)	(80,914)	(91,072)
Less: Returned due to resignation of students	-	(1,577)	(1,577)
Balance as at 30 June 2017	-	65,156	65,156



17. Other current liabilities

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Coupon payable	13,245	17,239	13,245	17,239
Accrued withholding tax	1,896	2,359	1,584	2,061
Unearned income	2,909	3,355	2,838	2,373
Advance received for purchasing books	4,619	44,291	4,619	44,291
Others	3,457	4,624	2,396	3,862
Total	26,126	71,868	24,682	69,826

18. Long-term loans

Loan	Interest rate (%)	Repayment schedule	Consolidated		(Unit: Thousand Baht)	
			financial statements		Separate	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016
1	THBFD 3M+3.85*	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	142,720	160,600	142,720	160,600
2	MLR-1.5	Monthly installment as from 30 November 2014 with the last installment in 31 December 2023	156,492	172,520	156,492	172,520
3	6.00 - 7.50	Settlement at maturity date of the contracts	72,820	78,220	-	-
Total			372,032	411,340	299,212	333,120
Less: Current portion			(122,678)	(93,090)	(60,408)	(71,520)
Long-term loans, net of current portion			249,354	318,250	238,804	261,600

* Interest expense rate in swap transaction agreement

Movement in the long-term loans account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2016	411,340	333,120
Add: Loans	10,550	-
Less: Repayment	(49,858)	(33,908)
Balance as at 30 June 2017	372,032	299,212



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 11 April 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 28 April 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 the 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 23.4.

19. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	5,933	7,688	5,933	7,637
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,408)	3,726	(2,393)	3,742
Income tax expenses reported in the statement of income	3,525	11,414	3,540	11,379



(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	6,998	9,219	6,998	9,102
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,281)	821	(6,248)	857
Income tax expenses reported in the statement of income	717	10,040	750	9,959

20. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

The following table sets forth the computation of basic earnings per share:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit attributable to equity holders of the Company (Thousand Baht)	20,111	44,569	13,822	38,907
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Earnings per share (Baht/share)	0.05	0.11	0.04	0.10

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit attributable to equity holders of the Company (Thousand Baht)	18,510	32,965	12,193	27,074
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Earnings per share (Baht/share)	0.05	0.08	0.03	0.07



21. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend from the operating results of the year 2015	Annual General Meeting of the shareholders on 21 April 2016	47.03	0.12
Total dividend paid for the six-month period ended 30 June 2016		47.03	0.12
Dividend from the operating results of the year 2016	Annual General Meeting of the shareholders on 20 April 2017	3.92	0.01
Total dividend paid for the six-month period ended 30 June 2017		3.92	0.01

22. Segment information

The Company and its subsidiaries are organised into business units based on the sales channels of products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2017 and 2016, respectively.

(Unit: Thousand Baht)

For the three-month period ended 30 June 2017						
	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	721,181	270,073	53,166	1,044,420	-	1,044,420
Inter-segment revenue	-	1,281	-	1,281	(1,281)	-
Depreciation and amortisation	(17,214)	(6,523)	(4,468)	(28,205)	-	(28,205)
Loss on written-off assets	(456)	-	-	(456)	-	(456)
Segment profit (loss) from operations	(4,935)	23,256	16,027	34,348	-	34,348
Share of profit from investment in associate						962
Interest and dividend revenues						401
Interest expenses						(5,367)
Profit before income tax expenses						30,344
Income tax expenses						(3,525)
Profit for the period						26,819



(Unit: Thousand Baht)

For the three-month period ended 30 June 2016

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	808,124	295,040	50,582	1,153,746	-	1,153,746
Inter-segment revenue	-	1,249	-	1,249	(1,249)	-
Depreciation and amortisation	(20,307)	(5,606)	(4,457)	(30,370)	-	(30,370)
Loss on written-off assets	(1,073)	-	-	(1,073)	-	(1,073)
Segment profit (loss) from operations	(11,189)	64,246	12,255	65,312	-	65,312
Share of profit from investment in associate						1,799
Interest and dividend revenues						330
Interest expenses						(5,901)
Profit before income tax expenses						61,540
Income tax expenses						(11,414)
Profit for the period						50,126

(Unit: Thousand Baht)

For the six-month period ended 30 June 2017

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,425,029	492,580	92,724	2,010,333	-	2,010,333
Inter-segment revenue	-	2,209	-	2,209	(2,209)	-
Depreciation and amortisation	(34,927)	(13,182)	(8,788)	(56,897)	-	(56,897)
Loss on written-off assets	(732)	-	-	(732)	-	(732)
Segment profit (loss) from operations	(21,738)	40,640	15,948	34,850	-	34,850
Share of profit from investment in associate						962
Interest and dividend revenues						665
Interest expenses						(10,519)
Profit before income tax expenses						25,958
Income tax expenses						(717)
Profit for the period						25,241

(Unit: Thousand Baht)

For the six-month period ended 30 June 2016

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,574,624	525,816	87,618	2,188,058	-	2,188,058
Inter-segment revenue	-	2,350	-	2,350	(2,350)	-
Depreciation and amortisation	(38,282)	(13,839)	(8,882)	(61,003)	-	(61,003)
Loss on written-off assets	(1,946)	-	-	(1,946)	-	(1,946)
Segment profit (loss) from operations	(28,030)	73,087	13,556	58,613	-	58,613
Share of profit from investment in associate						1,799
Interest and dividend revenues						493
Interest expenses						(12,220)
Profit before income tax expenses						48,685
Income tax expenses						(10,040)
Profit for the period						38,645



The basis of pricing between the Company and its subsidiaries is consistent with that for third party transactions.

23. Commitments and contingent liabilities

23.1 Operating lease commitments

- a) As 30 June 2017, the Company has entered into space rental agreements for use as branch offices, totalling 409 branches (31 December 2016: 414 branches). The lease periods ranged from 1 to 20 years. During the six-month period ended 30 June 2017, the total rental and utility fees were approximately Baht 378 million per annum (31 December 2016: Baht 405 million per annum). Some of rental fees were calculated from the percentage of sales amounts of that branch, while others were fixed rate.
- b) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, land, warehouses, vehicles and costs service related with the operations. The terms of the agreements are generally between 1 and 30 years.

As at 30 June 2017, future minimum lease payments required under operating leases contracts were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Payable:				
In up to 1 year	24.0	22.9	23.6	21.7
In over 1 and up to 5 years	40.6	54.6	37.4	49.3
In over 5 years	20.4	29.1	8.5	8.7

During the six-month period ended 30 June 2017, the Company and its subsidiaries recognised rental expenses of Baht 6.6 million (2016: Baht 6.5 million).

23.2 Guarantees

As at 30 June 2017, the Company has pledged the bank deposit of Baht 4.0 million (31 December 2016: Baht 4.6 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 1.1 million (31 December 2016: Baht 0.9 million) were pledged to guarantee the electricity usage and rental of head office.



23.3 Long-term service commitments

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of three years commencing from 1 June 2016 to 31 May 2019. Upon expiration of the term, the Agreement shall be automatically renewed for successive one year unless either party notifies the other of its intention in writing to terminate the Agreement.
- b) The Company entered into three-year contracts allowing the use of copyrights with various authors which can be automatically renewed for successive three years, and agreed to pay remuneration at the percentage of the number of books published or sold.

23.4 Interest Rate Swap Transaction Agreements

The Company has the detail of the interest rate swap agreements outstanding as at 30 June 2017 as follow:

Principal amount	Interest Revenue Rate	Interest Expenses	Termination date
	Swap Agreement	Rate Swap Agreement	
Baht 142.7 million	THBFIX 1 M + 1.74%	THBFD 3 M + 3.85%	June 2021

24. Foreign currency assets and liabilities

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated / Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	-	-	77	18	34.1483	36.0025
SGD	-	-	30	4	24.9409	25.0755
GBP	-	-	2,182	685	44.7060	44.4775



Foreign exchange contracts outstanding are summarised below.

Consolidated / Separate financial statements					
As at 30 June 2017					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
GBP	1,442	-	43.02 - 44.06	-	July - September 2017
USD	70	-	34.29	-	August 2017

Consolidated / Separate financial statements					
As at 31 December 2016					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
GBP	129	-	44.25 - 45.29	-	April - June 2017

25. Fair value of financial instruments

The Company and its subsidiary use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiary endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows



As of 30 June 2017 and 31 December 2016, the Company and its subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated / Separate financial statements

As of 30 June 2017

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	62.5	-	62.5

(Unit: Million Baht)

Consolidated Financial Statements

As at 31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	72.8	-	72.8
Property, plant and equipment	-	-	660.4	660.4

Liabilities for which fair value are disclosed

Derivatives

Interest rate swap agreement	-	6.7	-	6.7
Foreign exchange forward contracts	-	0.1	-	0.1

(Unit: Million Baht)

Separate Financial Statements

As at 31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	72.8	-	72.8
Property, plant and equipment	-	-	478.7	478.7

Liabilities for which fair value are disclosed

Derivatives

Interest rate swap agreement	-	6.7	-	6.7
Foreign exchange forward contracts	-	0.1	-	0.1



Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units has been determined by using the net asset values of the last working day of the reporting period as announced by the asset management company.

26. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2017.

