

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2018

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 31 March 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period 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 period. 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*.



Pimjai Manthajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 11 May 2018

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

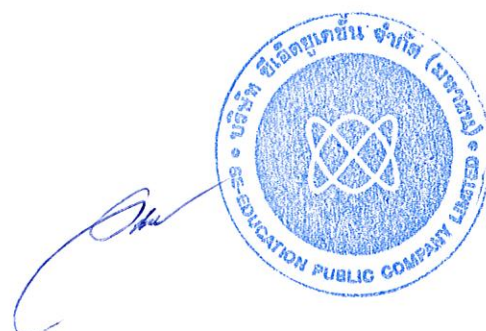
Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	122,784	145,865	94,882	94,320
Current investments	4	35,407	18,883	35,407	18,883
Trade and other receivables	2, 5	133,311	79,027	127,188	73,681
Short-term loan to subsidiary	2	-	-	1,800	1,800
Inventories	6	356,351	324,830	348,616	318,495
Other current assets	7	58,200	51,953	51,816	48,495
		706,053	620,558	659,709	555,674
Non-current assets held for sale	8	50,432	50,432	50,432	50,432
Total current assets		756,485	670,990	710,141	606,106
Non-current assets					
Restricted bank deposits and other investments	9	13,399	13,394	13,399	13,394
Investments in subsidiaries	10	-	-	70,295	70,295
Investment in associate	11	25,912	25,912	100	100
Property, plant and equipment	12	1,826,814	1,844,562	1,555,452	1,570,739
Leasehold rights on land	2, 13	6,024	6,095	-	-
Leasehold rights on buildings	14	48,139	50,789	48,139	50,789
Intangible assets	15	3,733	3,910	4,045	4,232
Prepaid book copyright and translation fee		14,746	15,691	14,746	15,691
Rental guarantee and deposit		95,916	98,607	95,916	98,608
Deferred tax assets		15	15	-	-
Other non-current assets		9,671	9,666	9,442	9,444
Total non-current assets		2,044,369	2,068,641	1,811,534	1,833,292
Total assets		2,800,854	2,739,631	2,521,675	2,439,398

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 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from a financial institution	16	30,000	-	30,000	-
Trade and other payables	2, 17	959,650	914,575	952,818	904,655
Income received in advance recognisable within one year	18	43,077	53,644	-	-
Current portion of long-term loans	20	60,408	279,008	60,408	269,008
Income tax payable		403	327	-	-
Current portion of provision for long-term employee benefits		9,242	8,598	9,242	8,598
Other current liabilities	19	67,739	44,121	57,869	35,211
Total current liabilities		1,170,519	1,300,273	1,110,337	1,217,472
Non-current liabilities					
Income received in advance, net of current portion	18	14,246	15,857	-	-
Long-term loans, net of current portion	20	250,248	56,750	193,498	-
Provision for long-term employee benefits, net of current portion		64,054	63,796	57,586	57,970
Deferred tax liabilities		49,758	50,818	45,019	46,062
Other non-current liabilities		11,022	8,346	10,086	8,346
Total non-current liabilities		389,328	195,567	306,189	112,378
Total liabilities		1,559,847	1,495,840	1,416,526	1,329,850

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 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
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 - The Company	39,194	39,194	39,194	39,194
Statutory reserve - Subsidiary	632	632	-	-
Unappropriated	141,926	145,234	107,264	111,525
Other components of shareholders' equity	428,597	428,873	417,326	417,464
Equity attributable to owners of the Company	1,151,714	1,155,298	1,105,149	1,109,548
Non-controlling interests of the subsidiaries	89,293	88,493	-	-
Total shareholders' equity	1,241,007	1,243,791	1,105,149	1,109,548
Total liabilities and shareholders' equity	2,800,854	2,739,631	2,521,675	2,439,398

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



Director



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Revenues from sales		802,432	926,835	801,630	926,276
Tuition fees income	18	41,001	39,078	-	-
Interest income		169	264	97	114
Other income		19,183	19,019	16,608	17,037
Total revenues		862,785	985,196	818,335	943,427
Expenses					
Cost of sales		526,984	608,180	526,769	607,319
Cost of tuition fees		33,912	30,516	-	-
Selling expenses		190,138	213,848	190,088	213,843
Administrative expenses		111,395	131,886	103,579	122,700
Total expenses		862,429	984,430	820,436	943,862
Profit (loss) before finance cost and income tax expenses					
Finance cost		(4,128)	(5,152)	(3,347)	(3,984)
Loss before income tax expenses		(3,772)	(4,386)	(5,448)	(4,419)
Income tax revenues	21	984	2,808	1,045	2,790
Loss for the period		(2,788)	(1,578)	(4,403)	(1,629)
Profit (loss) attributable to					
Equity holders of the Company		(3,588)	(1,601)	(4,403)	(1,629)
Non-controlling interests of the subsidiaries		800	23		
		(2,788)	(1,578)		
(Unit: Baht)					
Loss per share	22				
Basic loss per share					
Loss attributable to equity holders of the Company		(0.009)	(0.004)	(0.011)	(0.004)

(Unit: Baht)

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 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Loss for the period	<u>(2,788)</u>	<u>(1,578)</u>	<u>(4,403)</u>	<u>(1,629)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Gain (loss) on changes in value of available-for-sale investments	5	(62)	5	(62)
Less: Income tax effect	<u>(1)</u>	<u>12</u>	<u>(1)</u>	<u>12</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>4</u>	<u>(50)</u>	<u>4</u>	<u>(50)</u>
Other comprehensive income for the period	<u>4</u>	<u>(50)</u>	<u>4</u>	<u>(50)</u>
Total comprehensive income for the period	<u><u>(2,784)</u></u>	<u><u>(1,628)</u></u>	<u><u>(4,399)</u></u>	<u><u>(1,679)</u></u>
Total comprehensive income attributable to				
Equity holders of the Company	(3,584)	(1,651)	<u>(4,399)</u>	<u>(1,679)</u>
Non-controlling interests of subsidiaries	<u>800</u>	<u>23</u>		
Total comprehensive income for the period	<u><u>(2,784)</u></u>	<u><u>(1,628)</u></u>		

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



(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2018

(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	Appropriated	Subsidiary	Unappropriated	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
391,944	149,421	39,194	-	175,115	-	55	127,477	127,532	883,206	77,756	960,962
Balance as at 1 January 2017											
Change during the period											
Profit (loss) for the period	-	-	-	(1,601)	-	-	-	-	(1,601)	23	(1,578)
Other comprehensive income for the period	-	-	-	-	(50)	(50)	-	(50)	(50)	-	(50)
Total comprehensive income for the period	-	-	-	(1,601)	(50)	(50)	-	(50)	(1,651)	23	(1,628)
Transferred surplus on revaluation of assets to retained earnings											
-	-	-	-	129	-	-	(129)	(129)	-	-	-
391,944	149,421	39,194	-	173,643	-	5	127,348	127,353	881,555	77,779	959,334
Balance as at 31 March 2017											
Balance as at 1 January 2018											
Change during the period											
Profit (loss) for the period	-	-	-	(3,588)	-	-	-	-	(3,588)	800	(2,788)
Other comprehensive income for the period	-	-	-	-	-	4	-	4	4	-	4
Total comprehensive income for the period	-	-	-	(3,588)	-	4	-	4	(3,584)	800	(2,784)
Transferred surplus on revaluation of assets to retained earnings											
-	-	-	-	280	-	-	(280)	(280)	-	-	-
391,944	149,421	39,194	632	141,926	632	9	428,588	428,597	1,151,714	89,293	1,241,007
Balance as at 31 March 2018											

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



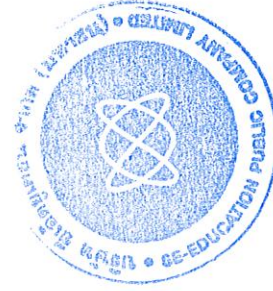
SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2018

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements									
	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 shareholders' equity		
			Appropriated	Unappropriated						
Balance as at 1 January 2017	391,944	149,421	39,194	143,938	55	123,118	123,173	847,670		
<u>Change during the period</u>										
Loss for the period	-	-	-	(1,629)	-	-	-	(1,629)		
Other comprehensive income for the period	-	-	-	-	(50)	-	(50)	(50)		
Total comprehensive income for the period	-	-	-	(1,629)	(50)	-	(50)	(1,679)		
Transferred surplus on revaluation of assets to retained earnings	-	-	-	66	-	(66)	(66)	-		
Balance as at 31 March 2017	391,944	149,421	39,194	142,375	5	123,052	123,057	845,991		
Balance as at 1 January 2018	391,944	149,421	39,194	111,525	5	417,459	417,464	1,109,548		
<u>Change during the period</u>										
Loss for the period	-	-	-	(4,403)	-	-	-	(4,403)		
Other comprehensive income for the period	-	-	-	-	4	-	4	4		
Total comprehensive income for the period	-	-	-	(4,403)	4	-	4	(4,399)		
Transferred surplus on revaluation of assets to retained earnings	-	-	-	142	-	(142)	(142)	-		
Balance as at 31 March 2018	391,944	149,421	39,194	107,264	9	417,317	417,326	1,105,149		

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



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SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Loss before tax	(3,772)	(4,386)	(5,448)	(4,419)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	25,964	28,692	21,994	24,344
Allowance for doubtful accounts and estimated goods return	4,839	9,913	5,116	9,993
Adjustment from clearing accounts receivable	-	(17)	-	(17)
Allowance for impairment of assets (reversal)	(1,364)	390	(1,364)	390
Expense from loss of inventories	3,099	3,732	3,099	3,732
Allowance for loss of inventories, dilapidated and slow moving	1,396	8,776	1,396	8,776
Expense for donation of goods and equipment	1,408	1,758	1,408	1,758
Provision for long-term employee benefits	4,690	5,626	4,048	5,690
Gain on disposal of current investments	(203)	(311)	(203)	(311)
Loss from stock destruction	-	5,577	-	5,577
Loss on sales and written-off equipment	2,145	443	2,154	276
Amortised leasehold rights on land and buildings	2,721	2,928	2,650	2,853
Loss on written-off leasehold right on land	-	2,818	-	-
Adjustment from clearing coupon payable	-	(5,778)	-	(5,778)
Adjustment from clearing long outstanding payable	(16)	-	(16)	-
Interest expenses	4,128	5,152	3,347	3,984
Interest income	(169)	(264)	(97)	(114)
Profit from operating activities before changes in operating assets and liabilities	44,866	65,049	38,084	56,734
Operating assets (increase) decrease				
Trade and other receivables	(59,123)	(77,224)	(58,622)	(76,402)
Inventories	(37,424)	(26,074)	(36,024)	(26,044)
Other current assets	(5,338)	6,228	(2,666)	6,034
Prepaid book copyright and translation fee	946	876	946	876
Rental guarantee and deposit	2,692	1,655	2,692	1,655
Other non-current assets	(5)	18	2	201
Operating liabilities increase (decrease)				
Trade and other payables	47,601	(29,111)	50,617	(25,687)
Income received in advance	(12,178)	(8,262)	-	-
Cash paid for long-term employee benefits	(3,788)	(7,421)	(3,788)	(7,197)
Other current liabilities	3,634	(10,426)	2,673	(11,899)
Other non-current liabilities	2,675	1,710	1,740	1,710
Cash flows used in operating activities	(15,442)	(82,982)	(4,346)	(80,019)
Cash paid for interest expenses	(4,180)	(5,235)	(3,399)	(4,021)
Cash paid for income tax	(912)	(798)	(656)	(798)
Net cash flows used in operating activities	(20,534)	(89,015)	(8,401)	(84,838)

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 three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in restricted bank deposits and other investments	(5)	(5)	(5)	(5)
(Increase) decrease in current investments	(16,315)	59,406	(16,315)	46,746
Interest income	169	262	97	107
Cash receipt from advanced deposit	20,000	-	20,000	-
Proceeds from sales of equipment	61	10	52	-
Cash paid for purchase of property and equipment	(11,355)	(82,080)	(9,764)	(12,540)
Cash paid for acquisition of intangible assets	-	(5)	-	(5)
Net cash flows from (used in) investing activities	(7,445)	(22,412)	(5,935)	34,303
Cash flows from financing activities				
Cash received from short-term loan from financial institution	30,000	50,000	30,000	50,000
Cash received from long-term loans	-	9,250	-	-
Repayment of long-term loans	(25,102)	(17,880)	(15,102)	(17,880)
Net cash flows from financing activities	4,898	41,370	14,898	32,120
Net increase (decrease) in cash and cash equivalents	(23,081)	(70,057)	562	(18,415)
Cash and cash equivalents at beginning of period	145,865	159,057	94,320	92,917
Cash and cash equivalents at end of period (Note 3)	122,784	89,000	94,882	74,502
Supplemental cash flows information				
Non-cash transactions				
Gain (loss) in revaluation surplus on changes in value of available-for-sale investments	5	(62)	5	(62)
Increase (decrease) in asset payables	(2,474)	3,602	(2,402)	3,703

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 period ended 31 March 2018

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 2017) 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 2017, with there being no changes in the structure of shareholding in subsidiaries during the current period.

1.4 New financial reporting standards

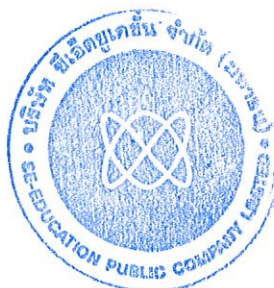
During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed 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 2017.

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 31 March					
Consolidated		Separate		Transfer Pricing Policy	
financial statements		financial statements			
2018	2017	2018	2017		
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Sales of goods	-	-	86	78	Market price
Service expenses	-	-	313	850	Mutually agreed agreement
Interest income	-	-	32	54	MOR per annum
Service revenue	-	-	56	42	Mutually agreed agreement
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land	250	266	-	-	Mutually agreed agreement
Amortised leasehold rights on land	70	75	-	-	Mutually agreed agreement
Interest expenses	15	9	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Sales of goods	56	56	56	56	Market price
Purchases of goods	178	1,274	178	1,274	Market price

As at 31 March 2018 and 31 December 2017, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Short-term loan to subsidiary</u>				
Subsidiary	-	-	1,800	1,800
<u>Interest receivable</u>				
Subsidiary	-	-	32	33
<u>Leasehold rights on land</u>				
Shareholder/directors of subsidiary	6,024	6,095	-	-
<u>Trade and other receivables (Note 5)</u>				
Subsidiary	-	-	42	6
Related companies (related by co-director)	7,576	8,396	7,576	8,396
Total	7,576	8,396	7,618	8,402
<u>Prepaid expense</u>				
Subsidiary	-	-	109	436
<u>Trade accounts payable (Note 17)</u>				
Related companies of shareholders	1,242	1,141	1,242	1,141



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Long-term loan (Note 20)				
Shareholder/director of subsidiary	1,000	1,000	-	-

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 periods ended 31 March 2018 and 2017, 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	5.13	7.22	4.55	6.67
Post-employment benefits	0.12	0.17	0.08	0.14
Total	5.25	7.39	4.63	6.81

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Cash	15,951	19,050	15,749	18,852
Bank deposits with maturity not over 3 months	106,833	126,815	79,133	75,468
Total	122,784	145,865	94,882	94,320



4. Current investments

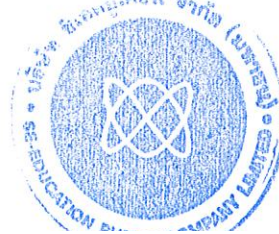
(Unit: Thousand Baht)

	Consolidated/ Separate financial statements			
	31 March 2018		31 December 2017	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	35,395	35,407	18,876	18,883
Add: Unrealised gain from revaluation of investments	12	-	7	-
Total available-for-sale securities	35,407	35,407	18,883	18,883
Current investments - net	35,407	35,407	18,883	18,883

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	7,576	8,396	7,598	8,402
Total trade accounts receivable - related parties, net	7,576	8,396	7,598	8,402
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	119,620	48,050	119,174	47,158
Past due				
Up to 6 months	11,536	16,152	6,594	12,643
6 - 12 months	609	2,863	122	1,969
Over 12 months	3,584	4,226	2,802	3,372
Total trade accounts receivable - unrelated parties	135,349	71,291	128,692	65,142
Less: Allowance for doubtful debts	(6,627)	(8,834)	(5,602)	(7,532)
Allowance for goods return	(10,246)	(3,200)	(10,246)	(3,200)
Total trade accounts receivable - unrelated parties, net	118,476	59,257	112,844	54,410
<u>Other receivables</u>				
Advances	3,006	877	2,841	709
Other receivables-related parties	-	-	20	-
Others	4,253	10,497	3,885	10,160
Total other receivables	7,259	11,374	6,746	10,869
Trade and other receivables - net	133,311	79,027	127,188	73,681



The movements in transactions of allowance for doubtful accounts and allowance for goods return during the three-month period ended 31 March 2018, are as follows:

	(Unit: Thousand Baht)			
	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 2017	8,834	3,200	7,532	3,200
Add: Allowance made during the period	76	7,046	76	7,046
Less: Allowance reversed during the period	(2,283)	-	(2,006)	-
Balance as at 31 March 2018	6,627	10,246	5,602	10,246

6. Inventories

	(Unit: Thousand Baht)			
	Consolidated	Separate		
	financial statements	financial statements		
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Raw material	2,322	2,677	2,322	2,677
Work in process	14,980	13,175	8,861	8,378
Finished goods	556,790	525,323	555,067	523,678
Total	574,092	541,175	566,250	534,733
Less: Allowance for loss of inventories	(3,966)	(3,881)	(3,966)	(3,881)
Allowance for dilapidated and slow moving	(213,775)	(212,464)	(213,668)	(212,357)
Inventories - net	356,351	324,830	348,616	318,495

Movements in transactions of allowance for loss of inventories and allowance for dilapidated and slow moving during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2017	216,345	216,238
Add: Allowance for diminution in value of inventories made during the period	5,048	5,048
Less: Reversal of allowance for diminution in value of inventories during the period	(3,652)	(3,652)
Balance as at 31 March 2018	217,741	217,634



7. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
Supplies	17,707	17,134	16,954	16,317
Prepaid expenses	19,706	14,744	14,369	12,373
Other current assets	20,787	20,075	20,493	19,805
Total	58,200	51,953	51,816	48,495

8. Non-current assets held for sale

As at 31 March 2018, details of non-current assets held for sale are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Land	Buildings	Total
Revalued amount	42,000	12,354	54,354
Less: Accumulated depreciation	-	(3,922)	(3,922)
Net book value	42,000	8,432	50,432

A reconciliation of the net book value of non-current assets held for sale for the three-month period ended 31 March 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Net book value as at 31 December 2017	50,432
Net book value as at 31 March 2018	50,432

On 15 September 2017 the Company entered into an agreement to sell land and building with an unrelated party ("the buyer") at a price of Baht 60 million and the Company received deposits for the sale of the land and building amounting to Baht 36 million from the buyer.



9. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	31 March	31 December	
	2018	2017	
Fixed deposits with 12 months maturity	8,000	8,000	0.80
Government bonds with 7 years maturity	5,399	5,394	3.625
Total	13,399	13,394	

The Company pledged such fixed deposits and investments in government bonds to guarantee electricity use, area rental and distributor as discussed in Note 24.3.

10. 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	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)						
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	151,850	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

11. Investments in an associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividend recognised during the period	
		31 March	31 December	Carrying amounts based on equity method		Carrying amounts based on cost method		during the period	
		2018	2017	31 March	31 December	31 March	31 December	31 March	31 December
				2018	2017	2018	2017	2018	2017
		(%)	(%)						
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	25,912	25,912	100	100	-	1,000
				25,912	25,912	100	100	-	1,000



12. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	1,844,562	1,570,739
Acquisitions during period - at cost	8,881	7,362
Disposal during period - net book value at disposal date	(76)	(76)
Written - off during period - net book value at written - off date	(2,130)	(2,130)
Depreciation for the period	(25,787)	(21,807)
Reversal of impairment for the period	1,364	1,364
Net book value as at 31 March 2018	1,826,814	1,555,452

The Company mortgaged the land and constructions thereon where the distribution center is situated to secure against credit facilities granted by the bank as discussed in Note 20.

13. 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.

Movement of the leasehold rights on land during the three-month period ended 31 March 2018 is summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2017	6,095
Amortisation for the period	(71)
Net book value as at 31 March 2018	6,024



14. 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 three-month period ended 31 March 2018, the Company amortised leasehold rights as expenses totalling Baht 2.65 million (2017: Baht 2.85 million).

15. Intangible assets

Movements of the intangible assets which are software license fee during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	3,910	4,232
Amortisation for the period	(177)	(187)
Net book value as at 31 March 2018	3,733	4,045

16. Short-term loan from financial institution

	Interest rate (% per annum)	(Unit: Thousand Baht)	
		Consolidated / Separated financial statements	
		31 March 2018	31 December 2017
Promissory note	3.30	30,000	-

Short-term loan from financial institution is unsecured loan and are due for repayment within 3 months from the loan agreement date.



17. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	31	31	31	31
	March	December	March	December
	2018	2017	2018	2017
Trade accounts payable - related parties	1,242	1,141	1,242	1,141
Trade accounts payable - unrelated parties	854,910	801,881	854,313	801,317
Accrued expenses	63,309	71,832	57,390	62,946
Other payables for purchase of assets	2,901	5,375	2,598	5,001
Notes payable	4,431	4,231	4,418	4,214
Other payables	32,857	30,115	32,857	30,036
Total	959,650	914,575	952,818	904,655

18. Income received in advance / income from tuition fees

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 March	31 December
	2018	2017
Income received in advance - not yet recognised	57,323	69,501
Less: Income received in advance recognisable within one year	(43,077)	(53,644)
Net	14,246	15,857

During the three-month period ended 31 March 2018, movements of income received in advance are as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Initial	Education	Total
	entrance fee	supporting fee	
Balance as at 31 December 2017	6,923	62,578	69,501
Add: Increase during the period	1,976	27,498	29,474
Less: Income recognition during the period	-	(41,001)	(41,001)
Less: Returned due to resignation of students	-	(651)	(651)
Balance as at 31 March 2018	8,899	48,424	57,323



19. Other current liabilities

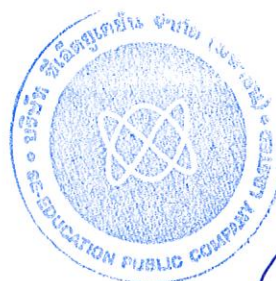
	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Coupon payable	11,576	11,351	11,576	11,351
Accrued withholding tax	1,777	2,182	1,480	1,801
Unearned income	11,513	9,717	2,916	2,178
Advance received for purchasing books	3,231	996	3,231	996
Advanced deposit	36,000	16,000	36,000	16,000
Others	3,642	3,875	2,666	2,885
Total	67,739	44,121	57,869	35,211

20. Long-term loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
	Interest rate		31	31	31	31
Loan	(%)	Repayment schedule	March	December	March	December
			2018	2017	2018	2017
1	THBFD 3M+3.85*	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	115,900	124,840	115,900	124,840
2	MLR-1.5	Monthly installment as from 30 November 2014 with the last installment in 31 December 2023	138,006	144,168	138,006	144,168
3	5.00 - 7.50	Settlement at maturity date of the contracts	55,750	65,750	-	-
4**	6.00	Settlement at maturity date of the contracts	1,000	1,000	-	-
Total			310,656	335,758	253,906	269,008
Less: Current portion			(60,408)	(279,008)	(60,408)	(269,008)
Long-term loans, net of current portion			250,248	56,750	193,498	-

* Interest expense rate in swap transaction agreement

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



Movement in the long-term loans account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2017	335,758	269,008
Less: Repayment	(25,102)	(15,102)
Balance as at 31 March 2018	310,656	253,906

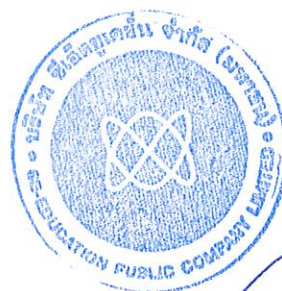
The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain gearing and debt service coverage ratios specified in the agreements.

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 24.5.

As at 31 December 2017, the Company was unable to maintain certain financial ratios covenanted under the loan agreement (unrelated to principal and interest payment). The Company therefore presented the balance of this loan as at 31 December 2017 as current liability to comply with the generally accepted accounting standards. Subsequently, on 19 February 2018, the Company received an approval of waiver on non-compliance for the 2017 operations. The Company therefore classified the loan balances as at 31 March 2018 as non-current liabilities in the statement of financial position.



21. 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 revenues for the three-month periods ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	77	1,065	-	1,065
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,061)	(3,873)	(1,045)	(3,855)
Income tax revenues reported in the statement of income	(984)	(2,808)	(1,045)	(2,790)

22. 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.

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

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Loss for the period (Thousand Baht)	(3,588)	(1,601)	(4,403)	(1,629)
Weighted average number of ordinary shares (Thousand shares)	391,944	391,944	391,944	391,944
Loss per share (Baht/share)	(0.009)	(0.004)	(0.011)	(0.004)



23. 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 periods ended 31 March 2018 and 2017, respectively.

(Unit: Thousand Baht)

For the three-month period ended 31 March 2018

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	601,155	200,707	41,571	843,433	-	843,433
Inter-segment revenue	-	399	-	399	(399)	-
Gain (loss) from write-off	(23)	-	9	(14)	-	(14)
Depreciation and amortisation	(16,068)	(5,963)	(3,933)	(25,964)	-	(25,964)
Loss on written-off assets	(2,130)	-	-	(2,130)	-	(2,130)
Segment loss from operations	(9,387)	7,335	2,239	187	-	187
Interest and dividend revenues						169
Interest expenses						(4,128)
Loss before income tax revenues						(3,772)
Income tax revenues						984
Loss for the period						(2,788)

(Unit: Thousand Baht)

For the three-month period ended 31 March 2017

	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	703,848	222,507	39,558	965,913	-	965,913
Inter-segment revenue	-	928	-	928	(928)	-
Depreciation and amortisation	(17,713)	(6,659)	(4,320)	(28,692)	-	(28,692)
Loss on written-off assets	(276)	-	-	(276)	-	(276)
Segment profit (loss) from operations	(16,803)	17,384	(79)	502	-	502
Interest and dividend revenues						264
Interest expenses						(5,152)
Loss before income tax revenues						(4,386)
Income tax revenues						2,808
Loss for the period						(1,578)

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



24. Commitments and contingent liabilities

24.1 Capital commitments

As at 31 March 2018, the subsidiaries had capital commitments of approximately Baht 2.3 million (31 December 2017: Nil), relating to the construction of kindergarten school's building.

24.2 Operating lease commitments

- a) As 31 March 2018, the Company has entered into space rental agreements for use as branch offices, totalling 379 branches (31 December 2017: 392 branches). The lease periods ranged from 1 to 20 years. During the three-month period ended 31 March 2018, the total rental and utility fees were approximately Baht 328 million per annum (31 December 2017: Baht 365 million). 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 31 March 2018, future minimum lease payments required under operating leases contracts were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Payable:				
In up to 1 year	22.9	21.4	21.7	20.1
In over 1 and up to 5 years	26.8	30.3	21.2	25.7
In over 5 years	32.5	31.7	8.0	8.2

During the three-month period ended 31 March 2018, the Company and its subsidiaries recognised rental expenses of Baht 3.5 million (2017: Baht 3.3 million).



24.3 Guarantees

As at 31 March 2018, the Company has pledged the bank deposit of Baht 4 million (31 December 2017: Baht 4.2 million) to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 1.1 million (31 December 2017: Baht 1.1 million) were pledged to guarantee the electricity usage and rental of head office.

24.4 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 September 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.

24.5 Interest Rate Swap Transaction Agreement

The Company has the detail of the interest rate swap agreement outstanding as at 31 March 2018 as follow:

	Interest Revenue Rate	Interest Expenses	
Principal amount	Swap Agreement	Rate Swap Agreement	Termination date
Baht 231.8 million	THBFIX 1M + 1.74%	THBFD 3M + 3.85%	June 2021

25. 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	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	-	-	130	66	31.4063	32.8472
SGD	-	-	152	8	24.1021	24.7294
GBP	-	-	2,089	743	44.2991	44.4531



Foreign exchange contracts outstanding are summarised below.

Consolidated / Separate financial statements					
As at 31 March 2018					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
GBP	81	-	43.60 - 44.37	-	January - July 2018

Consolidated / Separate financial statements					
As at 31 December 2017					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
GBP	216	-	43.29 - 43.75	-	January - May 2018

26. 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 31 March 2018 and 31 December 2017, 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 Financial Statements				
As at 31 March 2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	35.4	-	35.4
Property, plant and equipment	-	-	1,590.2	1,590.2
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap agreement	-	4.0	-	4.0
Foreign exchange forward contracts	-	0.1	-	0.1

(Unit: Million Baht)

Separate Financial Statements				
As at 31 March 2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	35.4	-	35.4
Property, plant and equipment	-	-	1,329.3	1,329.3
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap agreement	-	4.0	-	4.0
Foreign exchange forward contracts	-	0.1	-	0.1



(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated Financial Statements

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	18.9	-	18.9
Property, plant and equipment	-	-	1,592.1	1,592.1
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap agreement	-	4.6	-	4.6
Foreign exchange forward contracts	-	0.1	-	0.1

(Unit: Million Baht)

Separate Financial Statements

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Investment units	-	18.9	-	18.9
Property, plant and equipment	-	-	1,332.9	1,332.9
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap agreement	-	4.6	-	4.6
Foreign exchange forward contracts	-	0.1	-	0.1

27. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2018.

